

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of : DOCKET NO. 000828-TP
:
PETITION OF SPRINT COMMUNICATIONS :
COMPANY LIMITED PARTNERSHIP FOR :
ARBITRATION OF CERTAIN UNRESOLVED :
TERMS AND CONDITIONS OF A PROPOSED :
RENEWAL OF CURRENT INTERCONNECTION :
AGREEMENT WITH BELLSOUTH :
TELECOMMUNICATIONS, INC. :

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* AND DO NOT INCLUDE PREFILED TESTIMONY. *

VOLUME 2

Pages 184 through 345



PROCEEDINGS: HEARING

BEFORE: CHAIRMAN E. LEON JACOBS, JR.
COMMISSIONER J. TERRY DEASON
COMMISSIONER LILA A. JABER
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER MICHAEL A. PALECKI

DATE: Wednesday, January 10, 2001

TIME: Commenced at 9:30 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
FPSC Division of Records & Reporting
Chief, Bureau of Reporting

APPEARANCES: (As heretofore noted.)

DOCUMENT NUMBER-DATE

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P R O C E E D I N G S

1
2 COMMISSIONER DEASON: Call the hearing back to
3 order. Okay. The next scheduled witness is Oliver?

4 MR. WAHLEN: Yes, Commissioner Deason. Sprint
5 calls Angela Oliver.

6 - - - - -

7 ANGELA OLIVER

8 was called as a witness on behalf of Sprint Communications
9 Company Limited Partnership and, having been duly sworn,
10 testified as follows:

DIRECT EXAMINATION

11 BY MR. WAHLEN:

12 Q Ms. Oliver, have you been sworn?

13 A Yes.

14 Q Would you please state your name and by whom you
15 are employed?
16

17 A Yes. My name is Angela Oliver, and I am
18 employed by Sprint Communications Limited Partnership.

19 Q Okay, thank you. And are you the same Angela
20 Oliver who prefiled direct testimony consisting of 22
21 pages on November 1st, 2000?

22 A Yes, I am.

23 Q And are you the same Angela Oliver who prefiled
24 rebuttal testimony consisting of 9 pages on December 1st,
25 2000?

1 A Yes, I am.

2 Q Do you have any corrections or changes to your
3 testimony?

4 A I do. I have one correction to my direct
5 testimony. Starting at Page 22, at Line 6, beginning with
6 the word "see," if you could strike starting at see, and
7 all of 7, all of Line 7 on Page 22, please.

8 Q Okay. Do you have any other changes to your
9 direct or rebuttal testimony?

10 A I do not.

11 Q Okay. With that correction, if I were to ask
12 you the questions contained in your direct and rebuttal
13 here today, would your answers be the same as those
14 printed in your testimony?

15 A Yes, they would.

16 MR. WAHLEN: Commissioner Deason, Sprint would
17 ask that Ms. Oliver's direct and rebuttal testimony as
18 corrected be inserted into the record as though read.

19 COMMISSIONER DEASON: Without objection it shall
20 be so inserted.

21 MR. WAHLEN: Thank you.

22

23

24

25

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DIRECT TESTIMONY**

3 **OF**

4 **ANGELA OLIVER**

5 **I. INTRODUCTION**

6
7 **Q. Please state your name, occupation and business address.**

8
9 A. My name is Angela Oliver. I am employed on behalf of Sprint Communications
10 Company Limited Partnership ("Sprint") as Regulatory Manager – Access
11 Planning. My business address is 7171 West 95th Street, Overland Park, Kansas,
12 66212.

13
14 **Q. Please summarize your professional background.**

15
16 A. I have been employed with Sprint's Long Distance Division since July 1999. My
17 responsibilities as Regulatory Manager in the Regulatory Access Planning
18 Department require me to represent Sprint's interests before state and federal
19 regulatory commissions regarding access and interconnection issues and to
20 negotiate access pricing and rate structures with Local Exchange Carriers (LECs).
21 Prior to joining the Sprint Long Distance Division, I was employed from 1996
22 through 1999 by McLeod USA, where I held positions of increasing responsibility
23 in both the Law and Regulatory departments. During my tenure with McLeod, I

1 was responsible for the company's regulatory compliance in Illinois, Wisconsin,
2 and Indiana. Prior to my employment with McLeod, I was employed as an
3 economic analyst with the Public Utilities Division of the Illinois Commerce
4 Commission from 1994 to 1996. I received a Bachelors Degree in Economics
5 from Sangamon State University in 1994 and a Masters Degree in Economics
6 from the University of Illinois in 1996.

7
8 **Q. Have you previously testified before any state regulatory commission?**

9
10 **A.** I have testified on behalf of the Illinois Commerce Commission on wholesale and
11 resale issues. I also testified on behalf of McLeod USA in Illinois on certificate
12 issues. In addition, I have testified on behalf of Sprint before the Public Service
13 Commission of Wisconsin in docket 6720-T1-156/6720-T1-157 (AT&T
14 Complaint against Ameritech Wisconsin's PICC), the Michigan Public Service
15 Commission in Case No. U-12287 (AT&T Complaint against Ameritech
16 Michigan's intrastate access rates) and Case No. U-12321 (AT&T Complaint
17 against GTE). In addition, I have prepared and submitted direct testimony in
18 D.T.E. 00-54 in the matter of Sprint's Petition for an Arbitration Award of
19 Interconnection Rates, Terms and Conditions Pursuant to 47 U.S.C. §252(b) with
20 Bell Atlantic-Massachusetts, Inc., which will be ruled upon without an
21 evidentiary hearing as agreed to by all parties.

22
23 **II. OVERVIEW**

1 Q. What is the purpose of your testimony?

2

3 A. The purpose of my testimony is to provide an explanation for an arbitration issue
4 that affects Sprint's interconnection with BellSouth. The issue pertains to the
5 feasibility of combining traffic of multiple jurisdictions on the same trunks.
6 Sprint has requested that BellSouth allow the routing of certain local calls over
7 existing access trunk facilities. I will point out the differences between Sprint's
8 proposal versus BellSouth's proposal and explain why Sprint's proposal is more
9 efficient and therefore, more beneficial to Florida consumers. In addition, I will
10 explain how BellSouth is currently routing jurisdictionally combined traffic over
11 existing access facilities for valid network and efficiency reasons. Sprint's
12 proposal merely extends a routing arrangement that exists today.

13

14 III. LOCAL CALLS OVER ACCESS TRUNKS

15

16 **ISSUE 9: Should the parties' Agreement contain language providing Sprint with the**
17 **ability to transport multi-jurisdictional traffic over a single trunk group,**
18 **including an access trunk group? (Attachment 3, Sections 2.8.7, 2.8.8, and**
19 **2.8.9)**

20

21 Q. What is the main finding of your testimony on this issue?

22

1 A. Alternative Local Exchange Companies (ALECs) such as Sprint, require
2 flexibility in interconnecting their networks with the incumbent local exchange
3 carrier (ILEC) networks in methods that best suit the demands and economics of
4 the traffic. BellSouth, during the negotiation process, has proposed restrictions on
5 the method of interconnection available to Sprint as well as restrictions on the
6 type of traffic that can be placed on specific trunk groups. These arbitrary
7 restrictions jeopardize the ability of both BellSouth and Sprint to design their
8 networks in the most efficient manner in order to ensure that consumers receive
9 the benefits of the lowest cost, most robust network available. Moreover, such
10 arbitrary restrictions make entry into competitive markets more difficult, and thus
11 are anti-competitive. My testimony explains BellSouth's proposals in more detail
12 and explains how BellSouth's proposed interconnection methods will hinder
13 Sprint's ability to compete effectively as a new competitor in the local market.

14

15 **Q. Please describe the issue related to combining multi-jurisdictional traffic on**
16 **the same trunk group.**

17

18 A. Sprint has requested from BellSouth, the ability to combine multi-jurisdictional
19 traffic on the same trunk group. This would include interLATA, intraLATA and
20 local traffic between the Sprint network switches and the BellSouth network
21 switches. The primary focus of this issue is between the Sprint end office and
22 BellSouth offices, but the issue also pertains to the issue on local calls over access
23 trunks.

1 The language specifically addressing this issue can be found in Section 2.8.7
2 through 2.8.9 of Attachment 3 to the Interconnection Agreement.

3
4
5 **Q. BellSouth requires segregation between interLATA and intraLATA traffic.**
6 **Is it technically feasible to combine interLATA and intraLATA traffic on**
7 **trunk groups between Sprint's ALEC end office and BellSouth's tandems?**

8
9 A. Yes, it is technically feasible and in fact, it is an industry-wide practice to
10 combine interLATA and intraLATA traffic on the same trunk groups. According
11 to SR-2275 Bellcore Notes on the Networks, Issue 3, December 1997 Network
12 Design and Configuration, Section 4.5.4 Combined Configurations,

13 In LATAs with a single access tandem, that tandem can
14 also serve as a local (intraLATA) tandem as shown in
15 Figure 4-16. *IntraLATA and interLATA traffic are*
16 *combined on the tandem connecting trunk groups*, while
17 the end office-to-end office high-usage groups carry only
18 intraLATA traffic, and the end office-IXC POP groups
19 carry only interLATA traffic. IntraLATA routing is the
20 same as with a segregated single-tandem network.
21 (emphasis added)

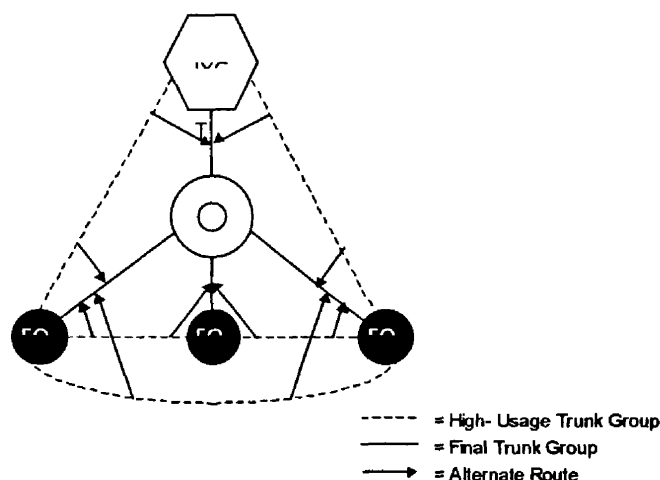


Figure 4-16. Single Tandem/Access tandem

1 Where two or more access tandems are required, the tandems can
 2 also serve as local tandems in a combined sector-tandem
 3 configuration as shown in Figure 4-17. *As with the single tandem*
 4 *case described above, the tandem connecting final groups carry*
 5 *both intraLATA and interLATA traffic.* The end office-to-end
 6 office and end office-distant tandem high-usage groups, and the
 7 intertandem final group carry only intraLATA traffic routed as
 8 with a segregated, combined sector-tandem configuration.
 9 (emphasis added)

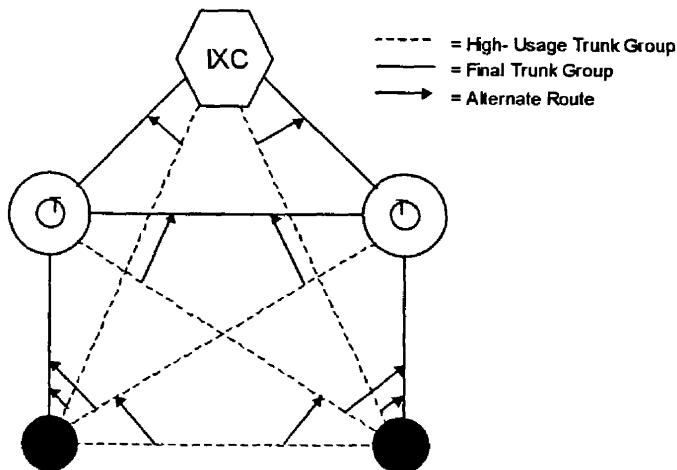


Figure 4-17. Combined Sector Tandem/Access tandem

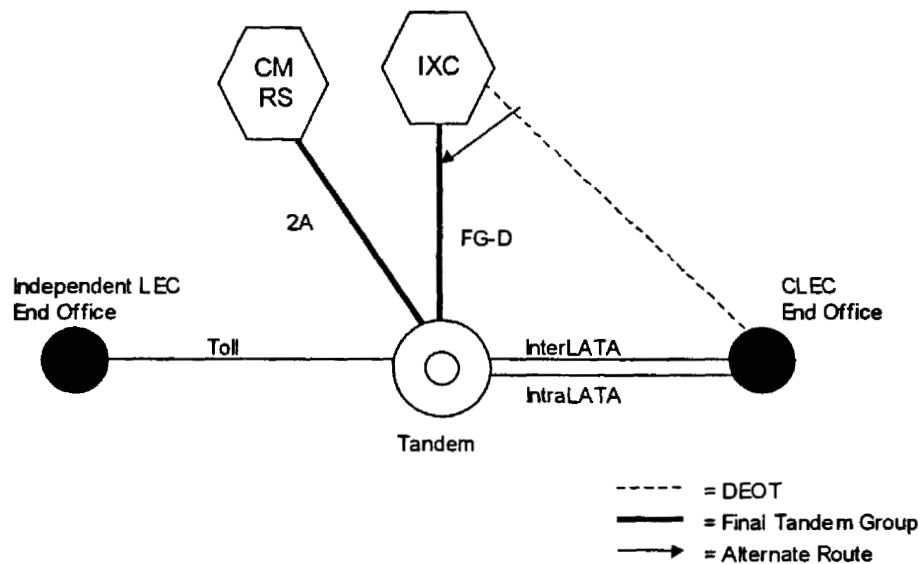
12
 13 Q. Does the 1997 Interconnection Agreement between BellSouth and Sprint in
 14 Florida allow for the combining of multi-jurisdictional traffic on the same
 15 trunk groups?

1 A. Yes. Attachment 2, page 102 of the July, 17, 1997, Agreement allows for the
2 combining of multi-jurisdictional traffic on the same trunk group:

3
4 Sprint shall be allowed to mix local, intraLATA and InterLATA
5 toll and wireless traffic over the same trunks. Sprint shall report
6 traffic to BellSouth using percentage use factors and shall grant
7 BellSouth reasonable audit rights to ensure the accuracy of the
8 factors. Sprint shall be required to share the necessary call detail
9 records with BellSouth. Sprint and BellSouth shall work together
10 to develop a mutually agreed upon solution for billing mixed
11 traffic.

12
13 **Q. Are there instances in today's network design where InterLATA and**
14 **IntraLATA traffic is routed over the same trunk groups?**

15
16 A. Yes, there are examples where ILECs, including BellSouth, have combined multi-
17 jurisdictional traffic on the same trunk groups. BellSouth may very well route
18 jurisdictionally mixed traffic over the same trunk groups for valid network
19 engineering reasons. The following diagram is an example where Inter-exchange
20 Carriers (IXCs) are not exposed to the discriminatory practice of traffic
21 segregation that is being forced on ALECs. The diagram below depicts the
22 inefficient topology of segregated jurisdictional trunk groups with ALECs where
23 the same demands are not expected from non-competing wireline networks.



1 When Sprint as an IXC deploys a 2-way Direct End Office Trunk (DEOT) group
 2 to BellSouth end offices, and the end-user dials a 1+ intraLATA equal access call,
 3 the call is routed to the same trunk group that carries a 1+ interLATA call. In the
 4 same vein, a call terminating to the end-user may be carried on the same DEOT
 5 group regardless of the distance it traveled on Sprint's any-distance network or it
 6 may overflow to a combined tandem group. When a carrier hands off a
 7 terminating call to a BellSouth tandem, I do not believe that the tandem can
 8 accurately determine which call would be routed to a jurisdictionally segregated
 9 trunk group to each end office or IXC.

10 A call from an IXC or wireless carrier may in fact be local or intraLATA, but
 11 based on the determination that it is transit traffic with a competing
 12 interconnecting network, the traffic is routed on the same interLATA trunks as
 13 access traffic and not to the local/intraLATA group. Routing multi-jurisdictional
 14 calls across the same network of trunks does not indicate that billing

1 characteristics of the calls would be obscured. In fact an intraLATA call is still an
2 intraLATA call. This demonstrates that combining multi-jurisdictional traffic is a
3 common practice between BellSouth and IXCs and that combining traffic is
4 technically feasible between BellSouth and ALECs.

5 The cost of underutilized switch trunk ports and transmission media can be
6 burdensome even to incumbent carriers. Requirements by BellSouth that a
7 developing ALEC spend capital to establish multiple trunk groups and squander
8 precious resources to maintain a less efficient network where BellSouth does not
9 hold itself to the same standard are discriminatory and will raise the cost of
10 services for all ALECs and eventually for all consumers. Therefore, BellSouth
11 should be required to provide Sprint the functionality of multi-jurisdictional
12 trunking.

13

14

15 **Q. What is BellSouth's position on routing multi-jurisdictional traffic over the**
16 **same trunk group?**

17

18 A. BellSouth has not objected to the routing of multi-jurisdictional traffic over the
19 same trunk group. BellSouth objects to Sprint's proposed language to route
20 multi-jurisdictional traffic, where technically feasible, over any trunk group that
21 Sprint chooses, including the trunks Sprint purchases from the BellSouth access
22 tariff.

23

1 **Q. Should BellSouth be required to provide Sprint the functionality of multi-**
2 **jurisdictional trunking on Sprint's existing access trunks?**

3

4 **A. As demonstrated above, BellSouth has the technical ability to combine multiple**
5 **jurisdictions of traffic on the same trunk circuits over the same transport facilities.**
6 **Sprint has in place an efficient trunking network interconnected to BellSouth's**
7 **end offices and tandems. Sprint should have the opportunity to operate a network**
8 **architecture similar to BellSouth and not be forced into deploying a dedicated**
9 **overlay network for local traffic. Sprint should be able to use its trunk capacity**
10 **where incremental traffic could be economically added to existing trunks and use**
11 **its DMS-250s or other switches as tandems.**

12 **Sprint is requesting the flexibility to use either one way or two-way trunking or a**
13 **combination, for certain traffic types as specified by Sprint. Sprint is willing to**
14 **work with the BellSouth network planners and engineers to deploy trunking that**
15 **utilizes the most efficient network for the individual market to the benefit of all**
16 **users and stakeholders.**

17

18 **Q. Since it is technically feasible and, in fact, normal engineering practice to**
19 **combine multi-jurisdictional traffic on the same trunk group, BellSouth may**
20 **have concerns other than maintaining the most robust, efficient trunking**
21 **network. What reason could explain BellSouth's resistance to allowing**
22 **multiple traffic jurisdictions on a combined trunk group or transported on**
23 **existing facilities?**

1 A. BellSouth apparently is concerned with the bypass of the access charge
2 compensation scheme through the "masking" of access traffic as local traffic
3 subject to reciprocal compensation. The FCC's rules however specifically
4 prohibit a claim of technical infeasibility based upon a claim of billing or
5 accounting concerns. It is crucial to point out that Sprint is not attempting to
6 circumvent the appropriate compensation for various traffic types and
7 jurisdictions. In fact, Sprint has explicitly represented to BellSouth that it would
8 maintain the required compensation arrangements and agrees that attempting to
9 bypass such arrangements would constitute a violation of the interconnection
10 agreement. It is important to note that BellSouth agreed to this arrangement in the
11 1997 Interconnection Agreement and Sprint has not changed its position
12 regarding the compensation of various traffic types and jurisdictions.

13 Moreover, Sprint has committed to BellSouth that Sprint will implement the
14 necessary processes to measure and accurately report the various types of
15 jurisdictional traffic on the combined trunk group. Any reporting system
16 implemented by Sprint will be made available to BellSouth to audit to their
17 satisfaction and to ensure that BellSouth is accurately compensated for the various
18 types of traffic on the combined trunk group.

19
20 **IV 00-TRAFFIC OVER ACCESS TRUNKS**

21
22
23 **Q. Please describe the issue related to routing local 00- traffic over access trunks**
24 **used for interLATA traffic.**

25

1 A. Sprint requests the flexibility to use its existing or new access trunks between the
2 Sprint network and the BellSouth network for local traffic. Sprint is also asking
3 BellSouth to recognize operator traffic as traffic that cannot be segregated by
4 predetermining jurisdiction before handing off the call to Sprint. Sprint asks that
5 BellSouth route all 00- calls destined to Sprint over existing or new operator
6 access trunks and recognize that some 00- traffic over those access trunks is
7 actually local traffic. The alternate solution would be routing all 00- traffic over
8 local interconnection trunks, some of which may be determined to be access
9 traffic and billed accordingly. Sprint has proposed the following language to be
10 added to the Interconnection Agreement:

11 In instances where Sprint combines traffic as set Forth in this
12 Section, Sprint shall not be precluded by BellSouth in any way
13 from using existing facilities procured in its capacity as an
14 interexchange carrier. In this circumstance, Sprint will preserve
15 the compensation scheme for each jurisdiction of traffic that is
16 combined. Sprint's failure to preserve this scheme and compensate
17 BellSouth accordingly would constitute a violation of this
18 Agreement.

19

20 **Q. Are there other reasons why Sprint is requesting the provision of**
21 **Local/IntraLATA and InterLATA traffic over existing access trunk**
22 **facilities?**

23

1 A. Yes. Sprint already has in place an efficient all distance network. Accordingly,
2 Sprint would like to preserve the efficiencies of this network by routing local,
3 intraLATA, and interLATA over its existing Feature Group D trunk groups.
4 Sprint is also asking BellSouth to recognize traffic as traffic which cannot be
5 segregated by predetermining jurisdiction before handing off a 00- call to Sprint.
6 Sprint asks that BellSouth route all 00- calls destined to Sprint over existing or
7 new operator access trunks, and recognize that some 00- traffic over these access
8 trunks is actually local traffic. The alternative is routing all 00- traffic over local
9 interconnection trunks, some of which may be determined to be access traffic and
10 billed accordingly. It would be inefficient for Sprint to be required to establish
11 trunk groups for local/intraLATA traffic when there is capacity available on the
12 existing access network. There are tremendous network efficiencies to be gained
13 by combining these traffic types, from a facilities, trunking, and switch port
14 perspective. It has taken BellSouth many years to build its interoffice network,
15 and basically, BellSouth wants Sprint to build a new separate network in a much
16 shorter period of time in order for Sprint's customers to make and receive local
17 calls. The restrictions BellSouth is placing on Sprint would impose precisely the
18 type of economic barrier to entry the FCC's rules were designed to prevent.

19

20 **Q. BellSouth has an integrated network for local and intraLATA, with operator**
21 **services serving both. Does Sprint also have an integrated network to**
22 **provide services?**

1 A. Yes it does. Sprint integrates the IXC and ALEC network backbone facilities,
2 and therefore, Sprint also integrates operation, administration, maintenance and
3 provisioning using the same corporate identity for lines using resale UNE's or
4 facility based switches and the same corporate identity for trunks for access or
5 interconnection. Sprint also manages a common integrated operator services
6 platform providing enhanced operator services for both IXC and ALEC
7 operations. Sprint is an integrated service provider with an integrated network.
8 BellSouth's attempt to treat Sprint as separate carrier networks is discriminatory
9 and would create a less efficient, higher cost interconnection for both network
10 owners and all consumers.

11

12 **Q: Sprint currently routes operator service traffic (00-) over existing access**
13 **trunks. Should 00- traffic, be classified only as access?**

14

15 A. No. As an efficient network owner, Sprint manages a common operator services
16 platform to provide enhanced operator services to a number of Sprint service
17 platforms, including the IXC and the ALEC operations. When Sprint was
18 interconnected to BellSouth solely as an IXC, it may have been correct to assume
19 that the digit sequence 00 (zero zero) was for interexchange traffic only. Today,
20 however, Sprint is certified as an alternative local exchange company as well as
21 an IXC and plans to offer to Sprint customers enhanced 00- operator services via
22 its own facilities based network in competition with the LEC 0- operator services.

1 In addition, Sprint intends on providing local services through 00- access, just as
2 BellSouth provides local service via 0- access.

3 The 00- service access codes exist today and do not require routing modification.

4 When an end user presubscribed to Sprint dials 00, the call will be naturally be
5 routed to Sprint's Feature Group D or operator access trunks regardless of the
6 jurisdictional nature of the call and whether the destination of the call is
7 ultimately determined to be local / intraLATA, or interLATA. The 00- call is
8 non-jurisdictional as the call is passed from the originating network to the
9 operator platform to receive additional voice or tone commands from the end
10 user. Only after the call is routed for completion by the Sprint integrated
11 enhanced services platform can the jurisdiction of the call be determined and
12 reported. Sprint's proposal to route local calls over access facilities recognizes
13 the reality of combining traffic regardless of jurisdiction. BellSouth, however,
14 has refused to acknowledge that the nature of 00- calls is non-jurisdictional until
15 after the BellSouth network hands off the call to Sprint. BellSouth's position
16 creates a barrier to parity and the provision of enhanced services to Florida's
17 consumers.

18
19 **V. TWO-WAY TRUNKS**

1 **Issue 28 (a): Should Bellsouth be required to provide Sprint with two-way trunks?**

2

3 **Q. Please describe the issue for which Sprint seeks arbitration by**
4 **this Commission.**

5

6 A. The issue at hand is whether BellSouth is obligated to provide two-way
7 interconnection trunking to Sprint upon request, or whether the provision of such
8 Trunking is predicated on the parties mutually agreeing to the use of such
9 trunking arrangements.

10

11 **Q. What is Sprint's position on this issue?**

12

13 A. BellSouth should provide two-way interconnection trunking upon Sprint's request,
14 subject only to technical feasibility. The provision of two-way trunking should
15 not be subject to whether or not BellSouth agrees to provide such trunking. Two-
16 way trunking in the context of the parties' interconnection agreement includes
17 "two-way" trunking and "SuperGroup" interconnection trunking.

18

19 **Q. What is BellSouth's position on this issue?**

20

21 A. BellSouth has agreed to provide two-way trunking to Sprint, but only when the
22 parties mutually agree that two-way trunking shall be used. The requirement for

1 mutual agreement includes both two-way trunking and SuperGroup
2 interconnection trunking as described above.

3
4 **Q. Why does Sprint believe that BellSouth is obligated to provide two-way**
5 **trunking upon Sprint's request?**

6
7 A. FCC Rule 51.305 (f) states, "If technically feasible, an incumbent LEC shall
8 provide two-way trunking upon request." There is nothing in this Rule to suggest
9 that the ILEC and the ALEC must mutually agree to the use of two-way trunking
10 as a condition of BellSouth making such trunking available to Sprint.

11
12 **Q. Are there any other FCC references which support Sprint's contention that**
13 **BellSouth should be required to provide two-way trunking to Sprint upon**
14 **request?**

15
16 A. Yes. Paragraph 219 of the Local Competition Order states:
17 where a carrier requesting interconnection pursuant to section 251 (c) (2)
18 does not carry a sufficient amount of traffic to justify separate one-way
19 trunks, an incumbent LEC must accommodate two-way trunking upon
20 request where technically feasible. Refusing to provide two-way trunking
21 would raise costs for new entrants and create a barrier to entry. Thus, we
22 conclude that if two-way trunking is technically feasible, it would not be

1 just, reasonable, and nondiscriminatory for the incumbent LEC to refuse to
2 provide it.

3

4 **Q. Why is this issue important to Sprint?**

5

6 A. Sprint views two-way trunks as the preferred trunking arrangement, in many cases,
7 because of efficiencies gained in switching ports and interconnecting facilities,
8 particularly in the early stages of market entry. There simply may not be enough
9 traffic, especially early on, to justify setting up multiple one-way trunk groups for
10 the exchange of traffic with BellSouth. BellSouth's proposed language suggests
11 that BellSouth has the right to refuse to provide two-way trunking if such trunking
12 is requested by Sprint. Sprint believes that this violates both the spirit and the
13 letter of FCC Rule 51.305 (f).

14

15 **Q. What action does Sprint request that the Commission take on this issue?**

16

17 A. Sprint requests that the Commission order BellSouth to provide two-way trunking
18 to Sprint upon request. The provision of two-way trunking should incorporate
19 both "two-way" trunking and "SuperGroup" interconnection trunking as defined
20 in the draft interconnection agreement.

21

22 **Issue 28 (b): Should BellSouth be required to use two-way trunks for BellSouth-**
23 **originated traffic?**

1 **Q. Please describe the issue for which Sprint seeks arbitration by this Commission.**

2

3 A. The issue before this Commission is this: When two-way interconnection trunks are
4 provided, should BellSouth be required to use those trunks for its originated
5 traffic?

6

7 **Q. What is Sprint's position on this issue?**

8

9 A. BellSouth should be required to use two-way trunks, when provided, for
10 BellSouth's originated traffic.

11

12 **Q. What is BellSouth's position on this issue?**

13

14 A. BellSouth's position is that it is not obligated to use the two-way trunks, but instead,
15 entirely at its option, can use one-way trunks to deliver its originated traffic to
16 Sprint.

17 **Q. Why is BellSouth's proposal problematic?**

18

19 A. If BellSouth refuses to use two-way trunks, the trunks effectively cease to be two-
20 way trunks. This effectively denies Sprint the opportunity to use two-way trunks
21 and eliminates the efficiencies that were intended and are inherent in two-way
22 trunking arrangements.

1 **Q. Is BellSouth obligated to provide two-way trunking?**

2

3 A. Yes. As stated in Issue 28 (a), BellSouth is obligated to provide two-way trunking to
4 Sprint upon request consistent with FCC Rule 51.305 (f) and paragraph 219 of the
5 Local Competition Order. If BellSouth refuses to use the two-way trunks, they
6 will no longer be functioning as two-way trunks. Practically speaking,
7 BellSouth's refusal to use these two-way trunks will require Sprint to operate one-
8 way trunks, which is precisely what the FCC was trying to avoid in the sections
9 referenced above.

10

11 Paragraph 219 of the Local Competition Order does not refer to BellSouth as the
12 carrier that may lack sufficient traffic volumes to justify one-way trunks. The
13 relevant phrase from paragraph 219 references, "...where a carrier requesting
14 interconnection pursuant to section 251 (c) (2)" (i.e., the ALEC, Sprint) does
15 not have sufficient traffic volumes to warrant separate one-way trunks. To state it
16 another way, paragraph 219 permits the ALEC, not BellSouth, to use one-way
17 trunks if so warranted by the ALEC's traffic.

18

19 **Q. What action does Sprint request that the Commission take regarding this**
20 **issue?**

21

22 A. When Sprint request two-way trunking, Sprint requests that the Commission require
23 BellSouth to use two-way trunks for BellSouth-originated traffic.

1 **SUMMARY**

2

3 **Q. Would you please summarize your testimony?**

4

5 A. My testimony provides support for the arbitration issues that affect Sprint's
6 interconnection with Bell South. In order to be successful, as a competitor in the
7 local market, Sprint requires flexibility to combine local and intraLATA and
8 interLATA traffic on the same trunk group without the restriction proposed by
9 BellSouth. BellSouth has proposed arbitrary restrictions on the type of traffic that
10 can be placed on specific trunk groups. Sprint has demonstrated that BellSouth is
11 currently routing jurisdictional combined traffic and it is technically feasible;
12 therefore, BellSouth should be required to allow Sprint the opportunity to design
13 its network using this method.

14

15 **Q. What action does Sprint request this Commission take?**

16

17

18 A. Sprint requests this Commission grant Sprint the flexibility to interconnect its
19 network with BellSouth's network in order to preserve the efficiencies Sprint
20 has built into its all distance network. Specifically, Sprint would like the
21 Commission to grant the following:

22

23

24

25

- 1) flexibility to route multi-jurisdictional traffic between Sprint's
ALEC end office and BellSouth's tandem over any type of any
interconnection trunk; 2) flexibility to route multi-jurisdictional
traffic over new and existing access and interconnection trunk

1 groups; 3) the flexibility to route local 00- traffic over new and
2 existing trunk group; and 4) the requirement that BellSouth
3 provide two-way trunks to Sprint, upon request, and to use two-
4 way trunks for BellSouth originated traffic. The language
5 specifically addressing these issues can be found in Attachment 3
6 of the interconnection Agreement; ~~see the proposed language~~
7 ~~included on page 9.~~

8
9 **Q. Does this conclude your Direct Testimony?**

10
11 **A. Yes, it does.**

12

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2 **REBUTTAL TESTIMONY**3 **OF**4 **ANGELA OLIVER**5
6 **I. INTRODUCTION**7 **Q. Please state your name, occupation and business address.**8 A. My name is Angela Oliver. I am employed by Sprint Communications
9 Company Limited Partnership ("Sprint") as Regulatory Manager – Access
10 Planning. My business address is 7171 West 95th Street, Overland Park,
11 Kansas, 66212.12
13 **Q. Are you the same Angela Oliver who previously filed Direct Testimony in**
14 **this proceeding?**

15 A. Yes, I am.

16
17 **Q. What is the purpose of your Rebuttal Testimony?**18 A. I will respond to BellSouth witness Mr. Ruscilli's testimony with respect to the
19 following topics in connection with Issue No. 9: 1) routing of local 00- calls
20 over access trunks, and 2) combining multi-jurisdictional traffic over any type
21 trunk group. I will also respond to Mr. Ruscilli's comments with regard to
22 Issue 28(a) and (b), concerning two-way trunks.23
24 **Issue 9**25 **Routing Local Calls Over Access Trunks**

1 **Q. Mr. Ruscilli outlines on page 42 of his Direct Testimony his**
2 **interpretation of what Sprint is requesting with regard to Issue 9. Please**
3 **describe again exactly what Sprint is requesting.**

4 **A. Sprint's request with respect to Multi-Jurisdictional Trunking is two-fold. First,**
5 **Sprint is requesting the flexibility to use its existing or new access trunks**
6 **between the Sprint network and the BellSouth network for the routing of local**
7 **traffic. Second, Sprint will determine the jurisdiction of operator traffic based**
8 **on the end-to-end points of the call and not the routing of the traffic. Once the**
9 **jurisdiction of the call is determined, Sprint will compensate BellSouth**
10 **accordingly by paying access for access calls and local interconnection rates**
11 **for local calls. In the alternative, Sprint requests the ability to route all (00-)**
12 **traffic over local interconnection trunks, some of which may be determined to**
13 **be access traffic and then billed according to BellSouth's access tariff.**

14

15 **Q. On pages 42-43, lines 1-3 of his testimony, Mr. Ruscilli asserts that**
16 **Sprint is not prohibited from routing local (00-) traffic over existing**
17 **access facilities at access rates. Please comment.**

18 **A. It is technically feasible for Sprint to utilize existing facilities procured in its**
19 **capacity as an interexchange carrier to route local (00-) traffic. Sprint is**
20 **requesting this arrangement from BellSouth in order to preserve the**
21 **efficiencies of its all-distance network by routing local, intraLATA, and**
22 **interLATA calls over existing Feature Group D trunk groups. Mr. Ruscilli's**
23 **suggestion that Sprint pay access for local calls imposes the type of economic**
24 **barriers to entry the FCC's rules were designed to prevent. Choice of trunk**
25 **routing should not determine the jurisdiction of a call.**

1 **Multi-Jurisdictional Traffic Over Any Type Trunk Group**

2

3 **Q. Please comment on Mr. Ruscilli's testimony at page 44 where he talks**
4 **about the technical feasibility of Sprint's request regarding routing**
5 **multijurisdictional traffic over any type trunk group. BellSouth states**
6 **that "the existing access service arrangements do not permit Sprint to**
7 **receive the service it has requested."**

8 **A. As I stated in my Direct Testimony, it is technically feasible and in fact, it is an**
9 **industry-wide practice to combine interLATA and intraLATA traffic on the**
10 **same trunk group. For a detailed explanation, please refer to my Direct**
11 **Testimony at pages 5 - 6. Sprint is merely requesting to utilize new or existing**
12 **access trunks to route multi-jurisdictional traffic in order to preserve the**
13 **efficient trunking network already in place. Sprint's request will not cause**
14 **BellSouth to modify the way in which the traffic will be routed. Sprint is asking**
15 **BellSouth to recognize that different jurisdictions of traffic can be routed over**
16 **the same trunk group. The existing access service arrangements don't**
17 **contain pricing for local traffic; therefore, Sprint has committed to BellSouth**
18 **that Sprint will implement the necessary processes to measure and accurately**
19 **report the various types of jurisdictional traffic on the combined trunk group.**
20 **Sprint will ensure that BellSouth is accurately compensated for the various**
21 **types of traffic on the combined trunk group.**

22

23 **Q. Have the technical experts of Sprint and BellSouth met to determine the**
24 **technical feasibility of Sprint's request to combine multi-jurisdictional**
25 **traffic over any type trunk group?**

1 A. Yes. Sprint and BellSouth have met in person and have conducted several
2 conference calls to discuss Sprint's request to combine multi-jurisdictional
3 traffic over any type trunk group. The technical experts from Sprint are
4 continuing to work with the BellSouth representatives to help them better
5 understand what Sprint is requesting.

6

7 **Q. What action is BellSouth recommending this Commission take on this**
8 **portion of Issue No. 9?**

9 A. BellSouth does not take a definitive position on their recommendation for
10 combining multi-jurisdictional traffic on the same trunk group, but rather
11 alludes to the fact that this request is complex for BellSouth from both a policy
12 and technical perspective. As I indicated before, Sprint and BellSouth are
13 continuing to work together to define the details of Sprint's request. BellSouth
14 implies that to implement this arrangement would require manual adjustments
15 to their processes. This argument is without merit.

16 FCC Rule 51.5, 47 CFR § 51.5 states:

17 *A determination of technical feasibility does not*
18 *include consideration of economic, accounting,*
19 *billing, space, or site concerns, except that space*
20 *and site concerns may be considered in circumstances*
21 *where there is no possibility of expanding the space*
22 *available. The fact that an incumbent LEC must*
23 *modify its facilities or equipment to respond to such*
24 *requests does not determine whether satisfying such*
25 *request is technically feasible.*

1 Since Sprint's proposal is clearly technically feasible, the Commission has the
2 authority to move forward and require BellSouth to comply with Sprint's
3 request.

4

5 **Q. What action does Sprint request this Commission take on Issue No. 9?**

6 A. Sprint requests this Commission to grant Sprint the flexibility to interconnect
7 its network with BellSouth's network based on technical feasibility, in order to
8 preserve the efficiencies Sprint has built into its all distance network.
9 Specifically, Sprint would like the Commission to grant the following: 1)
10 flexibility to route multi-jurisdictional traffic over new and existing access and
11 interconnection trunk groups, and 2) the flexibility to route local (00-) traffic
12 over new and existing access trunk groups. In addition, Sprint will continue to
13 work diligently with BellSouth on implementation issues in order to alleviate
14 BellSouth's concerns regarding the complexity of this request.

15

16

Issue 28

17

Two-Way Trunks

18

19 **Q. In connection with Issue 28, has Sprint proposed contract language that**
20 **makes two-way trunking available upon requests?**

21 A. Yes it has. Sprint has proposed the following language: "The Parties may
22 interconnect using one-way, two-way or Supergroup interconnection trunking
23 for the receipt and delivery of Local, IntraLATA and InterLATA Toll and Transit
24 Traffic between the Parties as set forth herein."

25

1 Sprint desires to combine as much traffic as economically justified on a
2 common trunk group. Trunks can be one-way or two-way. Various types of
3 traffic warrant different trunking schemes. The FCC recognized the benefits
4 of two-way trunking by ordering ILECs to make it available upon a CLEC's
5 request (*Local Competition Order* at Paragraph 219). Therefore, for network
6 efficiency benefits for both companies, Sprint is requesting the flexibility to use
7 either one-way or two-way trunking or a combination of trunking arrangements
8 for certain traffic types as specified by Sprint.

9

10 **Q. Has BellSouth agreed that it is obligated to provide two-way trunks to**
11 **Sprint?**

12 A. Yes. In Mr. Ruscilli's testimony on page 76, lines 13-14, BellSouth admits to
13 its obligation to provide two-way trunks to Sprint.

14

15 **Q. Is there any reason for Sprint to believe that BellSouth will not fulfill its**
16 **obligation to provide two-way trunks to Sprint?**

17 A. Yes. BellSouth's position on two-way trunks is inextricably linked to its
18 position on designation of the network Points of Interconnection ("POI") as
19 discussed in Melissa Cloz's testimony. Since BellSouth believes that it has
20 the right to designate the POI for its originated traffic, BellSouth also believes
21 that mutual agreement is necessary on the location of the POI for two-way
22 trunks. Under this arrangement, if BellSouth is unable to agree with Sprint on
23 the location of the POI, then two-way trunks effectively become unavailable to
24 Sprint.

25

1 **Q. Is there any other reason for Sprint to believe that BellSouth will not**
2 **fulfill its obligation to provide two-way trunks to Sprint?**

3

4 A. Yes, even assuming that the mutual agreement that BellSouth believes is
5 required on the location of the POI is reached and the Parties therefore agree
6 to use two-way trunks, BellSouth seeks to reserve the right to place any and
7 all of its originated traffic on separate one-way trunks, thereby nullifying the
8 benefits of two-way trunks. Mr. Ruscilli on page 76, lines 19-23, of his
9 testimony states "BellSouth is obligated to put its originating traffic over two-
10 way local interconnection trunks only where traffic volumes are too low to
11 justify one-way trunks. In all other instances, BellSouth is able to use one-
12 way trunks for its traffic if it so chooses." This position certainly cannot be
13 reconciled with a plain reading of the governing FCC rules.

14

15 **Q. Does Sprint agree with BellSouth's position?**

16 A. No. BellSouth's position that it can use one-way trunks in lieu of two-way
17 trunking as requested by Sprint should be rejected because the FCC requires
18 ILECs to provide and use two-way trunks if requested by a new entrant. 47
19 CFR 51.305(f) states that "If technically feasible, an incumbent LEC shall
20 provide two-way trunking upon request." It is apparent that nothing in this
21 regulation supports BellSouth's position to use one-way trunking for its traffic if
22 an ALEC such as Sprint requests two-way trunking. Also, as I stated in my
23 direct testimony, if BellSouth refuses to use the two-way trunks, the trunks will
24 no longer be functioning as two-way trunks. Accordingly, the efficiencies of

1 using two-way trunks will be completely lost to Sprint, and the intent of FCC
2 Rule 305(f) will have been frustrated.

3

4 **Q. On page 76 of his testimony, Mr. Ruscilli's claims that BellSouth is only**
5 **obligated to put its originating traffic over two-way local interconnection**
6 **trunks where traffic volumes are too low to justify one-way trunks.**
7 **Please comment.**

8 A. Mr. Ruscilli has mischaracterized BellSouth's obligation to provide two-way
9 trunking. BellSouth's obligation to provide two-way trunking is clearly outlined
10 in Paragraph 219 of the Local Competition Order. The paragraph reads as
11 follows:

12 *We identify below specific terms and conditions for*
13 *Interconnection in discussing physical or virtual*
14 *Collocation (i.e., two methods of interconnection).*
15 *We conclude here, however, that where a carrier*
16 *requesting interconnection pursuant to section 251(c)(2)*
17 *does not carry a sufficient amount of traffic to justify*
18 *separate one-way trunks, an incumbent LEC must*
19 *accommodate two-way trunking upon request where*
20 *technically feasible. Refusing to provide two-way*
21 *trunking would raise costs for new entrants and create*
22 *a barrier to entry. Thus, we conclude that if two-way*
23 *trunking is technically feasible, it would not be just,*
24 *reasonable, and nondiscriminatory for the incumbent*
25 *LEC to refuse to provide it.*

1 Paragraph 219 does not refer to BellSouth as the carrier lacking sufficient
2 traffic volumes to justify one-way trunks. The quote from paragraph 219
3 refers to the instance "where a carrier requesting interconnection pursuant to
4 section 251 (c)(2)" (i.e., the ALEC - Sprint) does not have sufficient traffic
5 volumes to warrant separate one-way trunks. To state it another way,
6 Paragraph 219 permits the ALEC, not BellSouth, to use one-way trunks if the
7 ALEC's traffic warrants one-way trunks. If the ALEC does not have the traffic
8 volumes to justify separate one-way trunks, then BellSouth is obligated to
9 provide two-way trunks upon request by the ALEC.

10

11 **Q. Does this conclude your Rebuttal Testimony?**

12 **A. Yes, it does.**

13

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1 BY MR. WAHLEN:

2 Q Could you please summarize your testimony?

3 A Yes. Good afternoon. Again, I am Angela Oliver
4 of Sprint Communications Company Limited Partnership. I
5 have prepared direct and rebuttal for this proceeding to
6 address two issues.

7 The first issue I will address is Issue Number
8 9. The issue pertains to combining traffic of multiple
9 jurisdiction on the same trunk group. This issue covers
10 the following topics: One, combining multi-jurisdictional
11 traffic over any trunk group, including access trunk
12 groups. And, two, routing all 00- calls over access
13 trunks.

14 Sprint has requested from BellSouth the ability
15 to combine multi-jurisdictional traffic on the same trunk
16 group, including access trunk groups. This would include
17 interLATA and intraLATA local and local traffic between
18 the Sprint network and the BellSouth network switches.
19 Both Sprint and BellSouth through testimony have narrowed
20 this portion of Issue 9 and have reached a consensus that
21 this type of arrangement is technically feasible.

22 Although technically feasible, BellSouth
23 believes there is some cost involved in implementing this
24 arrangement. Sprint and BellSouth have not met to discuss
25 the specific costs involved, but Sprint is willing to

1 continue to work with BellSouth to identify an accurate
2 estimate of the reasonable cost involved with implementing
3 this arrangement.

4 What Sprint is asking this Commission to do is
5 to hold that the combining of multi-jurisdictional traffic
6 over the same trunk group, including access trunk groups,
7 is technically feasible. Further, Sprint asks this
8 Commission to agree that Sprint has the right to come back
9 to this Commission at a later date in the event that the
10 parties are unable to work out the cost issue and ask this
11 Commission to determine the reasonable costs associated
12 with Sprint's request.

13 The second topic involved with Issue Number 9 is
14 a critical topic to Sprint and involves routing 00- calls
15 over access trunks. The arrangement allows an end user to
16 dial 00, the call will be routed to Sprint's Feature
17 Group D access trunks regardless of the jurisdictional
18 nature of the call and whether the destination of the call
19 is ultimately determined to be local, intraLATA, or
20 interLATA. This 00- call is nonjurisdictional as the call
21 is passed from the originating network to the operator
22 platform to receive additional voice tone -- voice and
23 tone command from the end user.

24 Only after the call is routed for completion by
25 the Sprint integrated enhanced service platform can the

1 jurisdiction be determined and reported. If the call
2 terminates back into the same local calling area, Sprint
3 is proposing to pay BellSouth reciprocal compensation. If
4 the call terminates in a distant location, access charges
5 will apply. BellSouth has agreed with Sprint that this
6 arrangement is technically feasible, but BellSouth's
7 position is that access charges apply to all calls
8 including those calls that are local.

9 00- is a new and innovative dialing arrangement
10 that gives the end user a choice in completing local
11 calls. Therefore, Sprint is asking this Commission to
12 grant the flexibility to route local 00- traffic over new
13 and existing access trunk groups and pay reciprocal
14 compensation to BellSouth for local calls while
15 maintaining the payment of access charges for access
16 calls.

17 The second issue I will address is Issue Number
18 28. This issue concerns whether BellSouth is obligated to
19 provide two-way interconnection trunking to Sprint upon
20 request or whether the provision of such trunking is
21 predicated on the parties mutually agreeing to the use of
22 such trunking arrangements.

23 Additionally, when two-way trunks are provided,
24 should BellSouth be required to use those trunks for its
25 originated traffic. BellSouth has agreed to provide

1 two-way trunking to Sprint where traffic volumes are too
2 low to justify the use of one-way trunks. In all other
3 instances, BellSouth is of the opinion that it is not
4 obligated to use the two-way trunks. But, instead,
5 entirely at its option can use one-way trunks to deliver
6 its originated traffic to Sprint.

7 Trunks can be one-way or two-way. Generally,
8 two-way trunking is more efficient than one-way trunking
9 for traffic that flows in both directions. Two-way
10 trunking is generally more efficient because fewer trunks
11 are utilized to establish the interconnection that is
12 needed when ILECs insist only on one-way trunking.
13 Two-way trunking is also efficient in that it minimizes
14 the number of trunk ports needed for interconnection.

15 The FCC has also recognized the benefits of
16 two-way trunking by ordering ILECs to make it available
17 upon a CLEC's request. Therefore, for network efficiency
18 benefits, BellSouth should provide two-way interconnection
19 trunking upon Sprint's request subject only to technical
20 feasibility.

21 Where BellSouth provides two-way trunks, if
22 BellSouth then refuses to use those same two-way trunks,
23 the trunks effectively cease to be two-way trunks. This
24 effectively denies Sprint the opportunity to use two-way
25 trunks and eliminates the efficiencies that were intended

1 and are inherent in two-way trunking arrangements.

2 Therefore Sprint is asking that this Commission
3 order BellSouth to provide two-way trunking to Sprint upon
4 request. Additionally, Sprint requests this Commission to
5 specify that BellSouth must also use those two-way trunks
6 that it provides to Sprint for BellSouth originated
7 traffic.

8 This concludes my summary. Thank you.

9 MR. WAHLEN: The witness is available for
10 cross-examination.

11 COMMISSIONER DEASON: Mr. Edenfield.

12 MR. EDENFIELD: Thank you, Commissioner Deason.

13 CROSS EXAMINATION

14 BY MR. EDENFIELD:

15 Q Good morning, Ms. Oliver. Or actually afternoon
16 now, sorry.

17 A Good afternoon.

18 Q Let me kind of cut through some of this. From a
19 background standpoint, I understand you have been with
20 Sprint for about six months?

21 A I joined Sprint in July of 1999.

22 Q Oh, so it's about a year and a half, then?
23 Okay. And you are currently in the long distance
24 division?

25 A I am in the long distance division, yes.

1 Q Have you ever been in the local division?

2 A I have not.

3 Q As far as Issue 9 is concerned, it sounds like
4 we may be fairly close to getting this resolved. But just
5 let me ask you a few questions just so I can make sure I
6 understand where we are.

7 As far as this multi-jurisdictional traffic
8 issue, as I understand it Sprint wants to be able to put
9 its interLATA, its intraLATA toll, and its local traffic
10 over any of its existing trunk groups?

11 A That's correct.

12 Q And am I safe to assume that you are going to be
13 carrying some local over interLATA lines or trunks? I'm
14 not exactly sure how you are going to manage to get the
15 local onto the long distance network. Have you all worked
16 that out yet?

17 A We are proposing to carrying local over these
18 trunks. The exact engineering arrangements I am not sure
19 of.

20 Q And being with the long distance you may know
21 the answer to this. Are you aware of any local calling
22 areas where Sprint does not have points of presence on its
23 long distance network?

24 A Subject to check, I am not.

25 Q Okay. Now we talked about the cost of

1 implementing what you guys are asking us to do. I assume
2 you will concede that BellSouth may, in fact, have costs
3 associated with doing what it is you are asking us to do?

4 A Sprint and BellSouth have met to discuss this
5 issue. And at that time Sprint revealed what it was
6 proposing to do and provided clarification. And BellSouth
7 had at that time drawn some clarification on how their
8 traffic is routed and how their network is set up. So
9 BellSouth and Sprint -- BellSouth had agreed that they
10 would go back and they identified there were some costs
11 that would be associated, and said they would go back and
12 get some type of cost estimates and we would meet again to
13 discuss those.

14 And in the interim, Sprint would also go back
15 and propose or discuss internally that there may be some
16 costs involved in implementing this arrangement and then
17 we would, upon agreeing, come back with BellSouth and
18 discuss the costs. And that has not occurred. The only
19 time we have seen costs has been in the testimony of Mr.
20 Milner.

21 Q Okay. Let me just -- without getting into that
22 kind of detail, is Sprint offering that if BellSouth will
23 look into what Sprint is asking to determine the
24 feasibility and whether it can happen and how to implement
25 it, if we will do that, Sprint is willing to pay for any

1 reasonable costs that we incur in trying to make that
2 happen?

3 A I agree with a portion of your statement. I
4 believe the parties have reached a consensus that the
5 arrangement is technically feasible. So the only
6 outstanding issue would be the cost involved. And at
7 first glance in Mr. Milner's testimony they seem to be
8 loaded costs. So we would really like to entertain the
9 thought of looking at some of your cost studies and
10 determining if these costs are reasonable.

11 Q And I have no problem with that. I think what
12 I'm just trying to get at, if we are going to implement it
13 you are willing to pay for any reasonable costs that we
14 incur in implementing what you are asking us to do is all
15 I'm trying to get to.

16 A Yes. And I think the outstanding question would
17 be what is reasonable.

18 Q Sure. And we have a dispute resolution within
19 our interconnection agreement. If we can't get it worked
20 out there, we will do something else. But I feel like we
21 can get that done. I just want to make sure that Sprint
22 is willing to pay what we can agree is reasonable for
23 implementation?

24 A I believe that is a true statement.

25 Q Okay. Is Sprint willing to submit this request

1 via the bona fide request process? You know, we have a
2 BFR process in place for these type of things.

3 A I think what Sprint is asking the Commission to
4 do today, based on the consensus between BellSouth and
5 Sprint that the arrangement is technically feasible, we
6 are seeking a ruling saying that, yes, this arrangement is
7 technically feasible, and during the implementation
8 process BellSouth and Sprint will continue to work on some
9 reasonable cost to implement it. So I don't think that I
10 am here today advocating that it go through the BFR
11 process.

12 MR. EDENFIELD: Okay. Let's turn to issues --
13 I'm done with that, if anybody has a question on that
14 issue before I move on.

15 BY MR. EDENFIELD:

16 Q Let's turn to Issue 28A and B.

17 A Okay.

18 Q Now, there are two parts to this issue, and this
19 deals with two-way trunking. And the first part of that
20 is does BellSouth have to provide two-way trunking upon
21 request. And is it your understanding that BellSouth
22 has -- conceded is not the right word, but certainly
23 BellSouth is willing to provide Sprint with two-way
24 trunking upon request at least as far as Issue A is
25 concerned, that we have agreement on that?

1 A I think we have an agreement that you will
2 provide it, but I think under what circumstances will
3 BellSouth provide it, and the wording mutually agree, I
4 think we have not really come to a consensus on that. I
5 refer to in my direct testimony the FCC Rule 51.305(f),
6 which says that if this arrangement is technically
7 feasible, then BellSouth must provide Sprint with that
8 type of arrangement.

9 Q Okay. Maybe I just need to get Mr. Wahlen to
10 ask Mr. Ruscilli that. Because I think we are in
11 agreement as to Issue A. And I think the gist of the
12 issue here is Issue B, and that is whether if you request
13 it and we put them in does BellSouth have to actually use
14 them.

15 MR. WAHLEN: If you will write up a few
16 cross-examination questions for me, I will be glad to ask
17 them.

18 MR. EDENFIELD: There you go.

19 BY MR. EDENFIELD:

20 Q Is that where we are, Ms. Oliver?

21 A I'm sorry, I kind of stopped following you when
22 you guys were discussing. Could you restate your
23 question, please.

24 Q Yes. Is the issue that is left here whether
25 BellSouth has to use two-way trunking?

1 A Yes.

2 Q Will you agree with me that under the FCC's
3 local competition order that in order for Sprint to be
4 entitled to request two-way trunking that Sprint must be
5 carrying insufficient traffic to justify one-way trunking?

6 A Yes, I do agree.

7 Q And that unless Sprint meets the prerequisites
8 of Paragraph 219 of the local competition order that it is
9 not entitled to two-way trunking from BellSouth?

10 A Can you restate your question, I'm sorry.

11 Q Yes. All I'm asking you is whether you have to
12 satisfy the prerequisites of the local competition order,
13 Paragraph 219, before you are entitled to two-way
14 trunking?

15 A Yes.

16 Q Now, turning to the second issue real quick. In
17 your direct testimony on Page 19, you talk about the
18 efficiencies inherent in two-way trunking. Do you see
19 where I am there?

20 A Yes. Could you point me to the line you are at,
21 please.

22 Q It is Line 21 and 22. I assume by that you are
23 insinuating that there are efficiencies associated with
24 two-way trunking?

25 A Yes, I am.

1 Q Okay. You weren't suggesting that two-way
2 trunking is always more efficient than one-way trunking,
3 are you?

4 A I think it is a situational --

5 Q So that would be a no?

6 A In situations where, take for instance, here in
7 central Florida on an ILEC office-to-ILEC office
8 interconnection, BellSouth provides to our Sprint local
9 two-way trunking, and does not have a one-way trunk for
10 its originated traffic back. So, I think there are
11 instances that two-way trunking can be more efficient than
12 one-way trunking.

13 Q Is the reverse of that true, as well, there are
14 instances where the parties would want to use one-way
15 trunking in lieu of two-way trunking?

16 A I believe there are instances, yes.

17 Q And I assume that when you are talking about
18 whether to use a one-way trunk group or a two-way trunk
19 group, you would agree that trunk groups are engineered
20 based upon the amount of traffic on that group at the
21 busiest point of the day?

22 A I agree.

23 Q And that you would agree that when the traffic
24 is balanced and that the peak times, or busy times as they
25 say, are the same for each carrier, that two-way trunks

1 are not necessarily more efficient than one-way trunks?

2 A I agree with your statement with one caveat,
3 that there probably are very little instances when that
4 type of scenario will occur. And I have to go back to the
5 scenario I gave you of the ILEC-to-ILEC interconnection.
6 And we are talking about two very large carriers. And I'm
7 sure when the decision was made to use a two-way trunk
8 that the engineers looked at the busy hour
9 characteristics. And based on the traffic, the peak
10 periods did not occur simultaneously, so the use of a
11 two-way trunk then was decided to be put in effect. So I
12 feel, though, that the peak-to-peak for both the traffic
13 would probably never or it would rarely occur.

14 Q So you think it is a rare occasion that you have
15 balanced traffic on a line and that the peak times are at
16 the same time? Is it the balanced traffic part that is
17 giving you heartburn or the fact that the busy times on
18 the trunk would be the same?

19 A I don't have any heartburn. What I'm saying is
20 from an efficiency standpoint, I think you have to look at
21 the peak periods and the traffic flow. And in the
22 instance of where Sprint is requesting this arrangement
23 from BellSouth, I do not agree that the peak -- that there
24 will be -- the peak period will be the same for this
25 amount of traffic which would cause the use of a one-way

1 trunk.

2 Q I'm not sure I followed that, but I will ask you
3 this. If you ate a pizza at lunch, you will have
4 heartburn.

5 A Okay.

6 Q I'm not sure I followed all of that. Are you
7 suggesting that in a city where people normally work from
8 9:00 to 5:00 that you are not going to have peak times
9 from your customers and our customers being at the same
10 times during the day?

11 A I'm not suggesting that they won't be at the
12 same time of day. What I am suggesting is that the peak
13 flow of traffic would not justify a one-way trunk for the
14 BellSouth originated traffic.

15 Q And that's not what I'm asking you. I'm just
16 asking you in those situations where peak traffic is the
17 same and the traffic is relatively balanced, is it true
18 that a two-way trunk is really no more efficient than a
19 one-way trunk in that instance?

20 A Then I would have to have a clarification as to
21 what you mean as balanced. Balanced to me means that the
22 traffic is flowing in the same direction at the same time,
23 correct?

24 Q From the opposite ends. In other words, the
25 amount of traffic you are originating on the trunk group

1 is the same as the amount of traffic I am originating on
2 the trunk group and the busy times during the day are the
3 same?

4 A Okay. And I would go back to my response to you
5 that I don't agree that there would be very many instances
6 where that type of occurrence will happen, that it will
7 happen.

8 Q Okay. Would you agree with me that where
9 traffic is flowing predominately in one direction that
10 there is little savings to a two-way trunk over a one-way
11 trunk?

12 A I would agree with the caveat that if the
13 traffic is flowing predominately in one direction and it
14 is an area that the traffic volumes are too low to justify
15 separate one-way trunks and there is a small amount of
16 traffic going back the other way, then I believe that
17 two-way trunk would be efficient.

18 Q Okay. Looking at Page 20 of your direct, you
19 indicate, at least the way I read your testimony, that the
20 ALEC has the sole right to use one-way trunking, is that
21 what you are saying?

22 A Can you point me to the line that you are
23 referring to, please.

24 Q Line 16, where you say, "To state it another
25 way, Paragraph 219 permits the ALEC, not BellSouth, to use

1 one-way trunks if so warranted by the ALEC's traffic." So
2 are you insinuating there or saying there that only Sprint
3 has the option to determine whether we are going to use
4 two-way or one-way trunks?

5 A I am implying that because this reference refers
6 to the carrier requesting interconnections pursuant to
7 251(c)(2), which would be the competitive carrier, which
8 would be Sprint.

9 Q So you are suggesting that if Sprint in this
10 instance or any other ALEC wants to use two-way trunking,
11 they come to BellSouth -- and for instance of this
12 question I'm asking you, just assume that the request is
13 just insane, that it makes no sense whatsoever to put in a
14 two-way trunk, that BellSouth has no choice but to use it,
15 even if it doesn't make sense for BellSouth at all?

16 A Well, I would have to respond to you by saying
17 that Sprint is a very sound company and we make very
18 efficient business decisions. So I don't agree that we
19 would implement any type of trunking arrangement that was
20 not necessary.

21 Q You have heard of 252(i) of the
22 Telecommunications Act?

23 A I have heard of it. I haven't --

24 Q That is the provision that allows other ALECs to
25 opt into your agreement. And you understand that if the

1 Commission puts something in your agreement that it is
2 basically available for all to opt into it. So there may
3 be carriers other than Sprint, I'm not suggesting that
4 Sprint makes irrational decisions, but there may be other
5 carriers out there who do. And what I'm asking you is in
6 that situation that a carrier comes to BellSouth and
7 demands two-way trunking when it makes absolutely no sense
8 whatsoever for BellSouth to do it, are we still obligated
9 to do it?

10 A I really can't speak to the other companies.
11 I'm talking about in this -- in my testimony Sprint
12 requesting this arrangement from BellSouth.

13 Q And all I'm asking you is assume for a moment
14 that Sprint -- you don't, I don't want to -- I'm not
15 trying to disparage Sprint or anything, I'm just saying
16 that if an ALEC comes to us under what you are asking here
17 and makes a nonsensical request to put in a two-way
18 trunking, are we still obligated to do it?

19 A And I guess I really don't have a definitive
20 answer to your question. Because this carrier still would
21 be considered a competitive carrier under 251(c)(2) and
22 has the right to request from BellSouth this type of
23 arrangement.

24 Q So it sounds like to me you are leaning towards
25 yes, that we would still have to do it?

1 A Okay, yes.

2 Q Assume for me, if you will, that BellSouth has
3 in place a one-way trunk --

4 COMMISSIONER JABER: You know what, Mr.
5 Edenfield, I'm not sure -- because you asked question
6 after question and sometimes they are loaded -- I'm not
7 sure what she responded yes to. So that I understand what
8 you are trying to get to, could you ask your question
9 again?

10 MR. EDENFIELD: Okay.

11 BY MR. EDENFIELD:

12 Q Assuming that an ALEC, Sprint or someone else
13 comes to BellSouth and says I want to put a two-way trunk
14 group between Jacksonville and Lake City. And we take a
15 look at the traffic patterns and it makes absolutely no
16 sense whatsoever. It is insane from BellSouth's
17 standpoint to use a two-way trunk in that instance.
18 Irrespective of it being insane and making no sense from
19 BellSouth's perspective, is BellSouth still required to
20 put in that two-way trunk just because the ALEC wants it?

21 A And I would say, again, that carrier has the
22 right under the FCC rules -- if that arrangement is
23 technically feasible, they have the right to request from
24 BellSouth that arrangement.

25 Q So, again, you are leaning toward yes? I mean,

1 that seems to be the --

2 A Yes.

3 Q Okay.

4 MR. EDENFIELD: Commissioner Jaber, did that --
5 okay.

6 BY MR. EDENFIELD:

7 Q All right. Assume for me that BellSouth has in
8 place a one-way trunk for our originating traffic and that
9 trunk group is working just fine. Originating traffic is
10 coming to Sprint, no problem over the one-way trunk. It
11 is your interpretation of the Act that if Sprint comes to
12 BellSouth and says I want a two-way trunk there, that
13 BellSouth would have to remove its traffic off the one-way
14 trunk and then put it onto a two-way trunk?

15 A Well, you are -- I don't think we really cover
16 that in the context of our testimony. But I would go
17 back, again, and say that the provisions in the local
18 competition order give Sprint or an ALEC that right to
19 request a two-way trunk. I mean, it may not be -- it may
20 not make sense for BellSouth if they have this in place
21 from a business standpoint and it is working fine, but,
22 again, I think it is situational. That ALEC may not have
23 the same advantages that BellSouth has. So I think it has
24 to be evaluated on a case-by-case, ALEC-to-ALEC.

25 Q So you will advocate then that the parties

1 should get together and mutually decide on a case-by-case
2 basis as to whether two-way trunking is appropriate?

3 A No, I didn't say for the provisions of this
4 agreement. I'm saying in BellSouth making these
5 decisions -- I mean, for this agreement, if it is
6 technically feasible for this arrangement to be
7 implemented, then Sprint has the right to request a
8 two-way trunk.

9 Q So for -- well, I'm not sure, okay.

10 In general it makes sense, but we are not
11 going -- you are not advocating this in this proceeding.
12 You want the absolute right in this proceeding, although
13 you will concede in some instances it makes sense for the
14 parties to sit down and both have a right to mutually
15 agree to use two-way trunking?

16 A I don't think I said mutually agree for the
17 arrangement for Sprint.

18 Q So you can think of no circumstance whatsoever
19 where BellSouth should have a say-so in whether to use a
20 two-way trunk such that it could refuse to put one in?

21 A I don't think that BellSouth under the
22 provisions of the local competition order has the right to
23 dictate when a two-way trunk can be implemented.

24 Q How about the right to determine whether it
25 should use the two-way trunk? It's one thing to put it

1 in, correct, and something else to actually put traffic
2 over it.

3 A But then if BellSouth does not use the trunk,
4 then the trunk is no longer a two-way trunk.

5 Q Well, it's still a two-way trunk because you
6 have made changes in the switch, right?

7 A Well, it has the ability to be a two-way trunk.
8 But if you are not utilizing it, it is no longer a two-way
9 trunk.

10 Q It's just going to be a two-way trunk, but it
11 has got one way worth of traffic going over it?

12 A That's correct.

13 COMMISSIONER JABER: Mr. Edenfield, for me, I am
14 having very slow today and I apologize for that, but one
15 question at a time. Let her answer, ask your next
16 question.

17 MR. EDENFIELD: I'm sorry.

18 COMMISSIONER DEASON: Let me ask this question.
19 Why are you concerned whether BellSouth utilizes a two-way
20 trunk as a two-way trunk or if they just send traffic on
21 it in one direction?

22 THE WITNESS: Well, Commissioner, the purpose of
23 the -- I mean, the two-way trunk provides the transmission
24 of traffic bidirectionally. And so if BellSouth is
25 obligated to provide this type of arrangement, then Sprint

1 expects BellSouth to use its trunk. It should be a
2 two-way trunk. And as I was explaining, if BellSouth does
3 not put its originated traffic over this trunk, it is no
4 longer a two-way trunk. Therefore, it is my position that
5 they are not complying with the provisions in the local
6 competition order.

7 COMMISSIONER DEASON: Well, if they have
8 originating traffic which has to be terminated to your
9 service, and they use some other means, why does it make a
10 difference to you what means they use to terminate their
11 traffic, or to transport their traffic to you?

12 THE WITNESS: I guess, it's -- you know, it is
13 the principle that the trunk should be two-way, that we
14 have the right as an ALEC if it is technically feasible to
15 request it. BellSouth says that they will, if it is
16 technically feasible, give Sprint the right to utilize
17 this two-way trunk, but has reserved the right to have a
18 one-way trunk for its originated traffic. And I believe
19 it goes back to a control issue for BellSouth. If they
20 have the trunk, the one-way trunk, they are the ones who
21 control the trunk.

22 COMMISSIONER DEASON: Well, Let me ask you this.
23 Is it impacting your costs or the quality of service that
24 you provide to your customer regarding BellSouth's
25 decision to utilize a two-way or a one-way?

1 THE WITNESS: I don't believe it impacts our
2 costs, but I would need to --

3 COMMISSIONER DEASON: So if it doesn't impact
4 your costs and it doesn't impact the quality of service
5 you provide to your customer, why do you care?

6 THE WITNESS: We care because the trunk is not
7 operating as a two-way trunk, it's a one-way trunk.

8 BY MR. EDENFIELD:

9 Q Let's talk about pricing for a second and maybe
10 that will help us get to what is going on here. When an
11 ALEC orders a two-way trunk, do the parties split the cost
12 equally for that trunk, or does the ordering party pay 100
13 percent or some portion based upon usage?

14 A The party requesting it orders the trunk. The
15 compensation for that trunk, for BellSouth or the parties
16 to utilize it, we have not really discussed that at this
17 point, so I really don't have a definitive answer for the
18 compensation of the trunk. We haven't gotten there. We
19 haven't reached that type of discussion because BellSouth
20 has been pretty consistent in their position not to
21 utilize the trunk.

22 So I think the reason we are here today is for
23 the Commission to determine that -- or if BellSouth should
24 or should not utilize that trunk. And I think that the
25 compensation for the use of that trunk will come after

1 that determination has been made.

2 Q Okay. Is BellSouth saying that it will never,
3 ever use a two-way trunk if you ask for it; or is
4 BellSouth saying we want to have the ability to make a
5 determination on our own if it is in our best interest to
6 use one-way trunking or two-way trunking?

7 A Let me make sure I understand your question.
8 Are you asking me if BellSouth agrees that the two-way
9 trunking arrangement is feasible and agrees to this
10 arrangement with Sprint or an ALEC, then BellSouth will
11 never use the trunk or reserves the right to dictate if it
12 will or will not use the trunk?

13 Q I guess what I'm asking you is what is your
14 understanding of BellSouth's position. Are you under the
15 impression that BellSouth is saying that we will never put
16 traffic on a two-way trunk that you have asked us to put
17 in and we have actually put in? Or is it your
18 understanding of our position that we just want to have
19 the ability to determine for ourselves whether it is in
20 our best interest to use the two-way trunk or a one-way
21 trunk?

22 A In the testimony of BellSouth, you reference
23 where traffic volumes are not -- where you do not have
24 sufficient traffic volumes then you will utilize a trunk.
25 If the traffic volumes are such that they are large

1 volumes, then you reserve the right to put in a one-way
2 trunk for your originated traffic.

3 Q Okay. I'm sorry to keep doing this, and I'm not
4 trying to put words in your mouth, but it sounds like to
5 me you are saying that your understanding, your
6 understanding of BellSouth's position is the latter, that
7 we want to be able to have the ability to make our own
8 decision based on traffic volumes as to whether we will
9 utilize the two-way trunk that we put in for you or we
10 will put our traffic on a one-way trunk?

11 A That is correct.

12 COMMISSIONER JABER: Is it a logistical concern?
13 I'm trying to get my hands around the gist of the issue.
14 And your testimony, throughout your testimony you are
15 clear that it is within your right under the local
16 competition order to request the two-way trunking. But
17 you also recognize that BellSouth may not use the two-way
18 trunking.

19 And what you testify to and also in response to
20 Chairman Deason's question is that you care about that
21 because they are not using the two-way trunking which I
22 guess defeats the local competition order. But what is
23 the real problem with their not using the two-way
24 trunking, is it a logistical concern?

25 THE WITNESS: I think it really goes back to,

1 one, that, yes, we do have the right to request it. If
2 BellSouth does not utilize it, it is not a two-way trunk.
3 Also, I think --

4 COMMISSIONER JABER: What does that mean, what
5 does that mean?

6 THE WITNESS: It means that the trunk has the
7 ability to be a two-way trunk, but the traffic is only
8 flowing in one direction. And I think the -- I think it
9 really boils down to it is not a billing issue for
10 BellSouth, it really is BellSouth controls their one-way
11 trunk. Whereas if Sprint orders the two-way trunk, then
12 they would have less control over that trunk.

13 COMMISSIONER DEASON: When you order a two-way
14 trunk, who pays for that?

15 THE WITNESS: We pay for the cost to -- the
16 provisioning costs, the administrative costs to order the
17 trunk. I was explaining that -- if your question is for
18 the -- I mean, how is BellSouth --

19 COMMISSIONER DEASON: There is up-front costs
20 and then there is -- I guess there is some type of a usage
21 or transport cost or something involved. And I want to
22 know both. When you order it, what costs are you
23 responsible for on a nonrecurring basis and on a recurring
24 basis?

25 THE WITNESS: I believe if Sprint orders a

1 two-way trunk and there is no other party utilizing it, we
2 are responsible for the monthly recurring as well as the
3 nonrecurring cost of the trunk.

4 COMMISSIONER DEASON: Okay. Irregardless of the
5 amount of traffic on that trunk and the direction of the
6 traffic on that trunk?

7 THE WITNESS: Correct.

8 MR. EDENFIELD: I had a question that just fled
9 my mind.

10 BY MR. EDENFIELD:

11 Q When you talk about controlling, who is going to
12 control the trunk, are you talking about who gets to
13 determine the point of interconnection?

14 A That could be considered.

15 Q And it is your position that even though both
16 parties would be sending originating traffic over a
17 two-way trunk that Sprint would be able to determine the
18 point of interconnection without having to get agreement
19 of BellSouth?

20 A Can you say that again, please.

21 Q Let me say it a different way. Would you agree
22 that where both parties are utilizing a two-way trunk that
23 they should be required to mutually agree on a point of
24 interconnection as opposed to one party or the other
25 having the absolute say-so?

1 A I'm not going to be able to give you a
2 definitive answer on that because I believe Ms. Closz
3 addressed that in her testimony on the POI. But what I'm
4 saying is that -- I mean, I guess you are asking me if
5 Sprint is granted the ability to get the two-way trunking
6 arrangement, that that gives us the control to put our POI
7 anyplace that we choose to?

8 Q For that particular trunk group.

9 A Well, and, again, the control -- I guess I'm not
10 referring -- I mean, the POI, it depends on the outcome of
11 the POI determination who can dictate where the POI is. I
12 guess control -- maybe I need to retract. Maybe control
13 is not the POI, maybe it is just BellSouth, this is your
14 trunk, your only -- your originated traffic is on it and
15 no other traffic is on it. So you have a greater ability
16 to control the traffic flow, the trunk, et cetera.

17 Q All right. Let me ask you this. Does Sprint
18 have a real concern that if they come to BellSouth and say
19 let's put in a two-way trunk and the two-way trunking
20 makes sense from both parties, that BellSouth will not use
21 a two-way trunk in that instance? I mean, is Sprint
22 really concerned that BellSouth is going to refuse to use
23 it just out of spite or something?

24 A I don't think -- I don't think our concern is
25 that you won't use it out of spite. But you have

1 continuously said that BellSouth makes the determination
2 if they should use it.

3 Q And do you think that if it makes sense from an
4 engineering standpoint for BellSouth to use the two-way
5 trunk that there is some reason why we wouldn't use it?

6 A I'm not -- I guess I'm not implying that, I'm
7 only going on what your testimony says that you base that
8 on the traffic volumes. So I can only go by what you have
9 in your testimony. I don't think anything was presented
10 on the engineering aspect of what makes sense, when it
11 makes sense to use these trunks.

12 Q Okay. Let me ask it a different way, since we
13 keep talking about traffic volumes. Do you think that if
14 the traffic volumes are such that it makes sense for
15 BellSouth to use a two-way trunk that we will not use it
16 in that instance?

17 A And I can't answer how you will utilize it. I'm
18 not sure.

19 Q I mean, is Sprint really concerned that in that
20 instance with the traffic volumes that make sense that
21 BellSouth is just not going to use it?

22 A Again, I can't -- I just can't answer for
23 BellSouth when you will use the trunk.

24 Q One last thing and I think I'm done. In the
25 event we have a two-way trunk and BellSouth has agreed to,

1 you know, send all its originating traffic over the
2 two-way trunk, and for purposes of this question assume it
3 is a 100 trunk group. And BellSouth maxes out its
4 originating traffic on that trunk group, in other words,
5 it is at exhaust, that trunk group. In that instance
6 would it be your position that BellSouth would have to add
7 trunks to that as two-way trunks or in that instance could
8 BellSouth put in a one-way trunk if it made sense for
9 BellSouth?

10 A In that instance, I believe that at that point
11 the trunking arrangement, if you max out that trunk it
12 would make sense for BellSouth to look at another trunking
13 arrangement, which could be a one-way trunk, yes.

14 Q Okay. So in that instance we could begin
15 utilizing one-way trunks again?

16 A Yes.

17 MR. EDENFIELD: I have nothing further.

18 COMMISSIONER DEASON: Staff.

19 CROSS EXAMINATION

20 BY MR. VACCARO:

21 Q When you were testifying to efficiencies of a
22 two-way trunk, could you be specific about what you were
23 talking about by efficiencies?

24 A Yes. What I was stating, in areas where we
25 don't have enough traffic to justify separate one-way

1 trunks for the different directions, I think that the
2 efficiencies come into play on the actual facilities that
3 are needed for the trunking facilities. Also in the port,
4 we don't have to implement as many ports if we use two-way
5 trunking when the traffic volumes are not enough to
6 justify separate one-way trunks.

7 Q Are these efficiencies saving Sprint money?

8 A The ports are a capital expense to Sprint. And
9 to put in trunks that don't have enough traffic volumes,
10 yes, they are a cost to Sprint.

11 MR. VACCARO: Thank you.

12 COMMISSIONER DEASON: Commissioners. Redirect.

13 MR. WAHLEN: No redirect.

14 COMMISSIONER DEASON: I believe there are no
15 exhibits?

16 MR. WAHLEN: No exhibits.

17 COMMISSIONER DEASON: Very well. Ms. Oliver,
18 you are excused. Thank you.

19 We will proceed to the next witness, but before
20 we do we will take a recess. The next witness is Witness
21 Felton, correct? Okay. We will take ten minutes and then
22 we will have Mr. Felton take the stand.

23 (Recess.)

24 CHAIRMAN JACOBS: We are back on the record.

25 Let the record reflect that I had to be absent for a brief

1 moment to go downtown and encounter some questions, but we
2 are all better now.

3 The next witness, I understand, is Witness
4 Felton?

5 MR. ATKINSON: Yes, Mr. Chairman. Good
6 afternoon, Mr. Chairman, Commissioners. Bill Atkinson
7 with Sprint. Our next witness is Mark Felton.

8 - - - - -

9 MARK FELTON

10 was called as a witness on behalf of Sprint Communications
11 Company Limited Partnership and, having been duly sworn,
12 testified as follows:

13 DIRECT EXAMINATION

14 BY MR. ATKINSON:

15 Q Mr. Felton, have you been sworn?

16 A Yes, I have.

17 Q Would you please state your name and full
18 address for the record, please?

19 A My name is Mark Felton. My address is 7301
20 College Boulevard, Overland Park, Kansas.

21 Q And are you the same Mark G. Felton who caused
22 to be prefiled in this proceeding question and answer
23 direct testimony on November 1st, 2000, consisting of 28
24 pages in length?

25 A Yes, I am.

1 Q Do you have any corrections, deletions or
2 amendments to your prefiled direct testimony that you
3 would like to make at this time?

4 A Yes, I do. In my direct testimony on Pages --
5 Page 3, Line 8 through Line 12, should be stricken and
6 insert the following, "Testimony will deal with the
7 following issues, resale of stand-alone custom calling
8 services (Issue Number 3), and conversion of switching
9 UNEs to market-based rates (Issue Number 7)." On Page 4,
10 Line 3, through Page 7, Line 11, strike all of those
11 lines. On Page 13, Line 18, through Page 17, Line 18,
12 strike all of those lines. And on Page 22, Line 17,
13 through Page 28, Line 4, strike all of those lines.

14 Q Thank you, Mr. Felton. And did you also cause
15 to be prefiled in this proceeding question and answer
16 rebuttal testimony on December 1st, 2000, consisting of 17
17 pages in length?

18 A Yes, I did.

19 Q And do you have any corrections, deletions or
20 amendments to your prefiled rebuttal testimony?

21 A Yes, I do. In my rebuttal testimony on Page 1,
22 Lines 21 and 22, strike the words "7, 11, and 12," and
23 insert the words "and 7." And then on Page 12, Line 1,
24 through Page 16, Line 23, strike all of those lines.

25 Q And other than the withdrawn portions of your

1 prefiled testimony, you have no other corrections?

2 A That's correct.

3 Q If I asked you the same questions today that are
4 contained in your prefiled testimony as amended, would
5 your answers be the same?

6 A Yes, they would.

7 MR. ATKINSON: Mr. Chairman, at this time I move
8 that Mr. Felton's prefiled testimony as amended be
9 inserted into the record as though read.

10 CHAIRMAN JACOBS: Without objection, show
11 Mr. Felton's testimony entered as though read. Both
12 direct and rebuttal?

13 MR. ATKINSON: Direct and rebuttal, yes, Mr.
14 Chairman.

15 CHAIRMAN JACOBS: Okay.

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1 **BEFORE THE FLORIDA PUBLIC SERVICE**

2 **COMMISSION**

3 **DIRECT TESTIMONY**

4 **OF**

5 **MARK G. FELTON**

6

7

8 **Q. Please state your name and business address.**

9

10 **A. My name is Mark G. Felton. My business address is 7301 College Boulevard,**
11 **Overland Park, Kansas 66210.**

12

13 **Q. By whom are you employed and in what capacity?**

14

15 **A. I am employed by Sprint Communications Company Limited Partnership,**
16 **("Sprint") as Manager- Local Market Development.**

17

18 **Q. What is your educational background and work experience?**

19

20 **A. I graduated from the University of North Carolina at Wilmington in 1988 with a**
21 **B.S. degree in Economics. In 1992 I received a Masters degree in Business**
22 **Administration from East Carolina University. I began my career with Carolina**
23 **Telephone (a Sprint subsidiary) in 1988 as a Staff Associate. This was a**

1 Management Intern position that focused heavily on developmental and cross-
2 training activities. My job responsibilities were to develop Part 36 Jurisdictional
3 Cost Studies to be used in monthly booking and budgeting. In 1989 I became a
4 Separations Analyst with essentially the same responsibilities that I had as Staff
5 Associate. In 1990 I became a Coordinator-Separations. In this position, I
6 developed costs and prices for Carolina Telephone's interexchange facilities lease
7 product. I later assumed responsibility for Carolina Telephone's optional
8 intraLATA toll product, Saver*Service. In 1993, I was named Administrator-
9 Local Tariffs and Regulatory Issues. In this position I maintained the General
10 Subscriber Services Tariff for South Carolina and served as the primary point of
11 contact for the SCPSC staff on regulatory issues. In 1994 I became Competitive
12 Analysis Manager for Sprint. In that position, I provided analytical support for
13 the Revenues Policy group dealing with such issues as access reform, price caps,
14 and local competition. I assumed my current position in June 1999.

15
16 **Q. What are your current responsibilities?**

17
18 **A.** My current responsibilities include representation of Sprint in interconnection
19 negotiations with BellSouth Telecommunications, Inc. ("BellSouth"). In addition,
20 I support the coordination of Sprint's entry into the local markets within
21 BellSouth's territory. I interface with BellSouth's account team supporting Sprint
22 by communicating service and operational issues and requirements, including
23 escalation of service and/or support issues as necessary.

1 Q. What is the purpose of your testimony?

2

3 A. The purpose of my testimony is to provide input and background information to
 4 the Florida Public Service Commission ("FPSC") regarding Sprint's Petition for
 5 arbitration of certain issues that Sprint and BellSouth Telecommunications, Inc.
 6 ("BellSouth") discussed during the course of negotiating a renewal of their
 7 Interconnection Agreement, but were unable to resolve. Specifically, my
 8 testimony will deal with the following issues: ~~resolution of conflicts between the~~ resale of stand-alone
 9 ~~Custom Calling Services (Issue No. 3) and Conversion~~ Custom Calling Services (Issue No. 3) and Conversion
 10 ~~of switching UNEs to market-based rates~~ of switching UNEs to market-based rates
 11 ~~conversion of switching UNEs to market-based rates (Issue No. 7), tandem~~ (Issue No. 7).
 12 ~~charges for comparable geographic area (Issue No. 11) and, inclusion of IP~~
 13 telephony in the definition of "switched access traffic" (Issue No. 12).

14

15 Q. Describe Sprint and its business focus.

16

17 A. Sprint is certificated by the FPSC as a Alternative Local Exchange Carrier.
 18 Sprint's business plans in Florida include facilities-based local service via its
 19 revolutionary Sprint ION service, as well as local resale to both business and
 20 residential customers. Sprint will rely on BellSouth as an Incumbent Local
 21 Exchange Carrier ("ILEC") for the lease of unbundled network elements
 22 ("UNEs"), central office collocation, local number portability, directory listings,

1 CCS7 signaling, rights-of-way and pole attachments and interoffice and
2 interconnection trunking.

3 **ISSUE NO. 1: Terms and Conditions, Section 19.7 – Resolution of**
4 **conflicts between Agreement and BellSouth tariff.**

5
6 **Q. Please describe the issue relating to the resolution of conflicts between a**
7 **Sprint/BellSouth interconnection agreement provision and a BellSouth tariff**
8 **provision.**

9
10 **A. This provision in the General Terms and Conditions of the Agreement is intended**
11 **to establish a default resolution in the unlikely event that a term or condition of**
12 **the Agreement conflicts with a term or condition from the BellSouth tariff from**
13 **which a product or service is purchased.**

14
15 **Q. What is Sprint's position on this issue?**

16
17 **A. Sprint believes that, in the event that a provision of the interconnection agreement**
18 **conflicts with a provision of an applicable tariff and the tariff is not explicitly**
19 **referenced by the Agreement, the Agreement should prevail in all situations.**
20 **Both Sprint and BellSouth had access to BellSouth tariffs during the course of**
21 **negotiations and to the extent that a provision of the tariff conflicted with a**
22 **proposed provision in the agreement, the Parties had the opportunity to argue their**
23 **respective positions and reach a compromise, or to the extent a compromise could**

1 not be reached, to arbitrate the issue. Therefore, conflicts between the tariff and
2 the contract have presumptively been addressed during interconnection agreement
3 negotiations and the relevant contract provision should govern.

4
5 **Q. Since the tariff is a public document and subject to regulatory review, why**
6 **does Sprint object to the provisions of the tariff prevailing in situations**
7 **where there is a conflict?**

8
9 **A.** A tariff is indeed a public document that has undergone regulatory scrutiny.
10 However, a tariff is designed to meet the general needs of all persons or entities
11 that purchase product or services from it. An interconnection agreement, on the
12 other hand, is a customized, negotiated contract that is designed to meet the
13 specific requirements of the negotiating parties. To the extent that Sprint asks for,
14 and BellSouth contractually agrees to, a provision that differs from BellSouth's
15 tariffs, Sprint should not be bound by the tariff provision.

16
17 **Q. Under Sprint's proposal, how would future tariff modifications that may**
18 **conflict with the agreement be handled?**

19
20 **A.** In a situation where future tariff modifications cause a tariff provision to conflict
21 with a mutually negotiated provision in the Sprint / BellSouth interconnection
22 agreement, unless that tariff provision is specifically referenced by the agreement
23 for the product or service in question, the provision of the agreement should

1 prevail. Sprint believes that a future BellSouth tariff revision is the most likely
2 event that would trigger a conflict between the tariff and the interconnection
3 agreement. Certainly during the negotiation process, Sprint cannot anticipate
4 future revisions that BellSouth may make to its tariffs that may or may not
5 conflict with a provision that has been negotiated in the interconnection
6 agreement. With Sprint's proposed language, modifications to a BellSouth tariff
7 that caused the tariff to conflict with BellSouth's agreement with Sprint would be
8 of no consequence to Sprint's ALEC interests. Sprint was diligent in ensuring
9 that references to a BellSouth tariff within the agreement (and in effect at the time
10 of execution, were satisfactory to Sprint's business plans and purposes. It would
11 be unreasonable, and cause Sprint to be at a competitive disadvantage, for Sprint
12 to adjust its business plans because of a post-execution unilateral change in a
13 BellSouth tariff provision that was not explicitly intended, through a reference in
14 the agreement, to apply to Sprint.

15
16 **Q. What action does Sprint request the commission to take on this issue?**

17
18 **A. Sprint requests that the Commission adopt its language as follows:**

19
20 Nothing in this Agreement shall preclude Sprint from purchasing
21 any services or facilities under any applicable and effective
22 BellSouth tariff. Each party hereby incorporates by reference
23 those provisions of its tariffs that govern the provision of any of

1 the services or facilities provided hereunder. In the event of a
2 conflict between a provision of this Agreement and a provision of
3 an applicable tariff, the Parties agree to negotiate in good faith to
4 attempt to reconcile and resolve such conflict. If any provisions of
5 this Agreement and an applicable tariff cannot be reasonably
6 construed or interpreted to avoid conflict, the provision contained
7 in this Agreement, or any Attachment hereto, shall prevail. The
8 fact that a condition, right, obligation, or other term appears in this
9 Agreement but not in any such tariff shall not be interpreted as, or
10 be deemed as grounds for finding, a conflict for purposes of this
11 Section.

12
13
14 **ISSUE NO. 3: Attachment 1, Resale – Resale of stand-alone vertical**
15 **features**

16
17 **Q. Please describe the issue.**

18
19 **A. Sprint proposes to include language in the interconnection agreement that would**
20 **allow it to purchase Custom Calling Services on a “stand-alone” basis for resale**
21 **without the restriction of having to purchase the basic local service for resale.**

22
23 **Q. Describe what custom calling services are.**

1 A. Custom Calling Services are optional features that an end user may purchase
2 which enhance the functionality of the local service. Custom Calling Services are
3 retail services that are priced and purchased separately from the basic local
4 service and are not necessary for the basic local service to function properly.
5 Sprint believes that these Services are appropriately characterized as a
6 “telecommunications service(s)” under Section 251(c) of the Act.

7

8 **Q. What is BellSouth’s objection to Sprint’s proposal?**

9

10 A. BellSouth seeks to restrict Sprint from purchasing Custom Calling Services
11 except where Sprint also purchases the underlying basic local service. This
12 restriction is based primarily on a tariff provision (BellSouth’s General Subscriber
13 Services Tariff, Section A13.9.2(B)) which states that “Custom Calling Services
14 are furnished in connection with individual line residence and business main
15 service”. In other words, the purchase of any Custom Calling Service, in
16 BellSouth’s opinion is dependent upon, or “tied” to, the purchase of local dial
17 tone. BellSouth seeks to place upon Sprint this same limitation, which is intended
18 for subscribers who are not telecommunications carriers.

19

20 **Q. Are there any federal regulations that require BellSouth to offer custom**
21 **calling services individually for resale?**

22

1 A. Yes. Under Section 251(c) of the Act, BellSouth, as an ILEC, must “offer for
2 resale at wholesale rates *any* telecommunications service that the carrier provides
3 at retail to subscribers who are not telecommunications carriers” (emphasis
4 added). Sprint believes that Custom Calling Services are optional
5 telecommunication services that simply provide additional functionality to basic
6 telecommunications services. BellSouth seems to agree. In customer advertising
7 on the BellSouth Internet website, BellSouth refers to dial tone as a “basic”
8 service and Custom Calling Services as “optional” services. Neither Congress
9 nor the FCC made a distinction between “basic” and “optional”
10 telecommunications services when promulgating the resale requirement. In fact,
11 the FCC, in ¶ 871 of the First Report and Order in CC Docket 96-98 (issued
12 August 8, 1996) (“Local Competition Order”), noted that they found “no statutory
13 basis for limiting the resale duty to basic telephone services”. Therefore, Sprint
14 believes that BellSouth is under no less of an obligation to offer for resale
15 “optional” Custom Calling Services as it is to offer for resale “basic” local
16 telephone service.

17

18 **Q. Should the tariff restriction that applies to end users also apply to Sprint?**

19

20 A. No. The FCC, in its Local Competition Order, ¶ 939, found unequivocally not
21 only that “resale restrictions are presumptively unreasonable”, but also that
22 “[i]ncumbent LECs can rebut this presumption [only] if the restrictions are
23 narrowly tailored.” The FCC explained that the presumption exists because the

1 ability of ILECs to impose resale restrictions and limitations is likely to be
2 evidence of market power, and may reflect an attempt by ILECs to “preserve their
3 market position.” In this case, BellSouth’s attempt to “tie” provision of local dial
4 tone and Custom Calling Services by the same carrier evidences not just
5 BellSouth’s market power in Florida, but represents a clear attempt to preserve its
6 dominant market position in the burgeoning sub-market for Custom Calling
7 Services.

8
9 **Q. Is there any technical reason why BellSouth cannot provision custom calling
10 services on a stand-alone basis?**

11
12 **A.** No, there appears to be no technical reason that would prevent BellSouth from
13 offering Customer Calling Services to Sprint on a stand-alone basis. These
14 features are currently marketed to end-users separately from local dial-tone, carry
15 an additional charge, and are subject to a service order charge. Sprint does not
16 deny that some form of dial tone is needed to make Custom Calling Services
17 work. However, there is no reason that the same carrier must be the provider of
18 both dial tone and Custom Calling Services when they are sold today separately
19 and are two separate services.

20
21 **Q. Why does Sprint seek to resell custom calling services to end-users when they
22 are not that customer’s local provider?**

23

1 A. Many products and services have been developed, are under development, or have
2 not yet even been conceived which require a Custom Calling Service as a
3 component for the product or service to work optimally. An example of just such
4 a product is unified voice messaging which allows a customer to maintain one
5 voice mailbox for all of their voice messages. For this to work properly, the
6 customer must have Call Forwarding Busy Line and Call Forwarding Don't
7 Answer. This is just one example of a service that could be deployed using a
8 stand-alone Customer Calling Service as a component. Many more creative
9 applications will likely be developed if Sprint is given the authority to resell
10 stand-alone Custom Calling Services.

11

12 **Q. Why doesn't Sprint simply instruct the customer to purchase the custom**
13 **calling services that are necessary for a Sprint product directly from**
14 **BellSouth?**

15

16 A. The customer could purchase these services directly from BellSouth, however, in
17 doing so, Sprint's stature as a local carrier is diminished as compared to
18 BellSouth. In addition, one of the major attractions in any product, and especially
19 one as complicated as telecommunications can be, is the ease of obtaining and
20 using the product. Certainly, Sprint would face a significant obstacle to market a
21 product for which the customer was required to purchase additional components
22 for and assemble himself or herself. This is an obstacle that BellSouth does not
23 have to face.

1 Q. Why doesn't Sprint purchase custom calling services from BellSouth at retail
2 rates?

3

4 A. Assuming that Sprint were entitled to purchase Custom Calling Services from
5 BellSouth on that basis, this would less than optimal for three reasons. First,
6 Sprint would be forced to pay retail, rather than wholesale, rates. Sprint, as a
7 telecommunications carrier, is entitled to purchase from BellSouth at wholesale
8 prices those telecommunications services that BellSouth sells at retail to end-
9 users. When Custom Calling Features are purchased for resale together with
10 BellSouth dialtone they are subject to this discount. There is no rational
11 economic reason not to apply the wholesale discount when purchased on a stand
12 alone basis. Additionally, Sprint would be penalized by paying Custom Calling
13 Service prices that have historically been inflated to subsidize basic service rates.
14 Second, Sprint would be forced to deal with BellSouth as an end-user customer
15 rather than as an interconnecting carrier, as Congress and the FCC intended. This
16 might entail submitting orders over the phone or via fax rather than electronically
17 as an interconnecting carrier would. This could also result in delayed orders,
18 needless expense and would inhibit Sprint from acting as a peer and competitor to
19 BellSouth. Third, if Sprint is treated as an end-user when ordering Custom
20 Calling Services from BellSouth, Sprint could expect to receive and manage
21 hundreds, if not thousands, of paper bills in much the same format BellSouth
22 utilizes for its own end-users, rather than a mechanized billing system it utilizes
23 when billing carriers with whom it has a wholesale relationship. This clearly is

1 discriminatory, and would prevent Sprint from acting as a true competitor to
2 BellSouth.

3

4 **Q. What action does Sprint request the Commission to take on this issue?**

5

6 A. Sprint requests that the Commission direct BellSouth to make stand-alone Custom
7 Calling Services available to Sprint in a reasonable and non-discriminatory
8 manner. In addition, Sprint requests that the Commission adopt Sprint's language
9 as follows:

10

11 Resale of Custom Calling Services. Except as expressly
12 ordered in a resale context by the relevant state
13 Commission in the jurisdiction in which the services are
14 ordered, Custom Calling Services shall be available for
15 resale on a stand-alone basis.

16

17

18 ~~ISSUE NO. 5: Attachment 2, Network Elements and~~

19 ~~Other Services, Sections 4.2.6, 12 - Access to DSLAM,~~

20 ~~unbundled packet switching~~

21

22 ~~Q. Please describe the issue.~~

23

1 A. The FCC ordered ILECs to offer packet switching to ALECs on an unbundled
2 basis if four criteria apply to the ILEC. The four criteria are set out in 47 CFR
3 51.319(c)(3)(B) and further discussed in ¶1313 of the Third Report and Order and
4 Fourth Further Notice of Proposed Rulemaking, CC Docket No. 96-98 (issued
5 November 5, 1999) (“UNE Remand Order”). They are: 1) IDLC technology has
6 been deployed or fiber is used between the central office and an intermediate
7 location such as a remote terminal; 2) no spare copper exists for use with xDSL
8 by the requesting carrier; 3) ALECs are not permitted to collocate DSLAMs in the
9 ILEC’s remote terminal; and 4) the ILEC has deployed packet switching for its
10 own use (“collectively, limited circumstances”). The clarification that Sprint is
11 seeking in this proceeding is whether BellSouth is relieved of its responsibility to
12 offer packet switching if any of the four limited circumstances do not apply to
13 BellSouth on a customer location specific basis or, stated differently, should
14 BellSouth be relieved of this obligation if any of the limited circumstances are not
15 applicable anywhere within BellSouth’s network. By way of example, if Sprint
16 seeks to provide advanced services to a customer in Miami, and BellSouth does
17 not have spare copper loops in that customer’s location in Miami, but BellSouth
18 does have a spare copper loop in Orlando, should BellSouth be obligated to offer
19 packet switching at the Miami location?

20
21 Q. **What is Sprint’s position on this issue?**
22

1 A. Sprint believes that if each of the limited circumstances apply to BellSouth for
2 the customer location in question, then BellSouth is obligated to offer packet
3 switching to Sprint on an unbundled basis at that location.
4

5 **Q. What is BellSouth's position on this issue?**
6

7 A. BellSouth's position is unclear. In negotiations, BellSouth seemed to agree with
8 Sprint's position, however, in other jurisdictions, BellSouth has indicated in
9 written and oral testimony that it believes that if BellSouth meets the criteria for
10 withholding packet switching at any location in its network that it is not obligated
11 to unbundle packet switching at locations where the criteria for withholding
12 packet switching are otherwise not met. See, Petition for Arbitration of
13 Interconnection Agreement between BellSouth Telecommunication, Inc. and
14 Intermedia Communications, Inc. Georgia PSC Docket No. 11644-U, Prefiled
15 Direct Testimony of Alphonso J. Varner, at 35.
16

17 **Q. What problem exists if the limited circumstances are evaluated on any basis
18 other than a location-specific basis?**
19

20 A. If BellSouth is allowed to evaluate the limited circumstances on a region-wide,
21 statewide, or even exchange-wide basis, the benefits of competition will be denied
22 to consumers in Florida and the development of advanced services will be
23 stymied through higher prices and reduced innovation. It would be irrational to

1 say that a consumer has competitive alternatives for advanced services just
2 because BellSouth has a spare copper loop in another state, city, or even across
3 town. That is, however, precisely what BellSouth has suggested in testimony in
4 other jurisdictions. To evaluate the limited circumstances on anything other than
5 a location-specific basis would be meaningless with respect to the goal of
6 ensuring that effective competition exists for every consumer in Florida.
7 BellSouth simply must not be allowed to hamper the development of advanced
8 services in this way.

9
10 **Q. What action does Sprint request the Commission to take?**

11
12 **A. Sprint requests that this Commission order BellSouth to evaluate the four limited**
13 **circumstances on a location-specific basis by adopting Sprint's proposed language**
14 **as follows:**

15
16 BellSouth shall be required to provide nondiscriminatory
17 access to unbundled packet switching capability only where
18 each of the following conditions are satisfied on a location
19 specific basis (i.e. per the loop or remote terminal in
20 question):

21
22 BellSouth has deployed digital loop carrier systems,
23 including but not limited to, integrated digital loop carrier

1 or universal digital loop carrier systems; or has deployed
2 any other system in which fiber optic facilities replace
3 copper facilities in the distribution section (e.g., end office
4 to remote terminal, pedestal or environmentally controlled
5 vault);

6
7 There are no spare copper loops capable of supporting the
8 xDSL services Sprint seeks to offer;

9
10 BellSouth has not permitted Sprint to deploy a Digital
11 Subscriber Line Access Multiplexer at the remote terminal,
12 pedestal or environmentally controlled vault or other
13 interconnection point, nor has Sprint obtained a virtual
14 collocation arrangement at these subloop interconnection
15 points as defined by 47 C.F.R. § 51.319 (b); and,

16
17 BellSouth has deployed packet switching capability for its
18 own use.

19
20 **ISSUE NO. 7: Attachment 2, Network Elements and Other**
21 **Services, Sections 8.4, 8.5 – conversion of switching UNEs to**
22 **market-based rate upon addition of fourth line.**
23

1 **Q. Please describe the issue.**

2 A. This issue deals with the appropriate rate for UNE switching for existing lines
3 when Sprint serves a customer in density zone 1 in of the top fifty Metropolitan
4 Statistical Areas (“MSAs”) who has three lines or less and the customer adds an
5 additional line or lines.

6

7 **Q. What is Sprint’s position on this issue?**

8

9 A. Sprint’s position is that when a Sprint customer in density zone 1 in one of the top
10 fifty MSAs with three lines or less is served via UNE switching and the customer
11 adds a fourth or higher lines, the three existing lines should be priced at cost-
12 based rates. In fact, to more accurately reflect the telecommunications needs and
13 characteristics of medium-sized businesses, Sprint believes that 40 lines is a more
14 appropriate threshold to delineate between a small and medium- sized business.
15 Therefore, only when a customer reaches the 40th line should BellSouth be
16 allowed to charge a market-based rate for all of the lines exceeding 39.

17

18 **Q. What is BellSouth’s position on this issue?**

19

20 A. Sprint’s understanding of BellSouth’s position is that UNE switching for *all* of the
21 lines provided by Sprint to customers in zone 1 in one of the top fifty MSAs
22 would convert to market-based rates when the customer adds a fourth line.

23

1 **Q. Why does Sprint disagree with BellSouth's position?**

2 A. FCC Rule 51.319(c)(1)(B) sets out the narrowly tailored exception to an ILEC's
3 obligation to unbundle local circuit switching. Although Sprint disagrees with the
4 FCC's determination that four lines is the appropriate threshold for a medium
5 sized business, it is clear that the FCC did not address the issue of pricing for
6 local circuit switching for existing lines when a customer goes from 1-3 lines to 4
7 lines or higher. BellSouth has no authority from the applicable rule or the
8 attendant discussion in ¶¶ 290-298 of the UNE Remand Order to re-price the first
9 three lines when the customer adds a fourth and additional lines.

10

11 **Q. Why is the threshold for medium-sized businesses important to this issue?**

12

13 A. The FCC points out in ¶¶ 293-294 of its UNE Remand Order that competition is
14 nascent in the "mass market" which includes residential and small business
15 customer whereas, competition in the medium and large business market is
16 "beginning to broaden". The FCC concluded that, without access to local circuit
17 switching, ALECs were impaired in their ability to address only the mass market
18 and that sufficient alternatives exist for the medium and large business segments.
19 The FCC, therefore, sought to tailor the unbundling requirement such that ILECs
20 were not required to offer local circuit switching to ALECs serving medium and
21 large business customers.

22

1 Q. What is the basis for Sprint's position that 39 lines is the appropriate
2 threshold to differentiate between a small and a medium-sized business?

3 A. Certainly, "small" and "medium" are imprecise terms and the FCC made an
4 attempt to place parameters around their meaning. However, a more realistic,
5 fact-based definition of "small-business" is one that employs up to 500 people.¹
6 A more conservative definition of "small-business" is one that employs fewer
7 than 100 people. It would be unreasonable to think that such a business could
8 survive with just 3 phone lines. Rather, the Yankee Group reports that the larger
9 segment of small businesses (those with 50-99 employees) uses an average of 22
10 phone lines, whereas the smaller segment of medium businesses (those with 100-
11 249 employees) uses an average of 56 lines.² The Yankee Group results are
12 consistent with the way that Sprint's incumbent LEC marketing organization
13 differentiates between the small business market and the medium and large
14 business markets: Businesses that have up to 15 key trunks or up to 50 Centrex
15 lines are considered small business or "mass market." Either the Yankee Group
16 data or Sprint's internal practice is far more reliable than the sheer guesswork that
17 underlies the "up to three-line" criterion employed in the UNE Remand Order.
18 Should the Commission choose to rely on the Yankee Group's study, it should use
19 the midpoint between the 22-line average for the larger small businesses and the
20 56-line average of the smaller medium businesses as reported by the Yankee
21 Group, or 39 lines.

22

¹ See < http://www.smallbiz.findlaw.com/text/P10_4223.stm >.

1 Q. What action does Sprint request the Commission to take on this issue?

2

3 A. Sprint requests that this Commission adopt its language with respect to
4 BellSouth's obligation to offer local circuit switching on an unbundled basis. The
5 language is as follows:

6

7 Notwithstanding BellSouth's general duty to unbundle local
8 circuit switching, BellSouth will provide unbundled local
9 circuit switching for Sprint when Sprint establishes service
10 for end users with three (3) or fewer voice-grade (DS-0)
11 equivalents or lines in locations where BellSouth has
12 provided non-discriminatory cost-based access to the
13 Enhanced Extended Link (EEL) through-out a Density
14 Zone 1 MSA as determined by NECA Tariff No. 4 as in
15 effect on January 1, 1999.

16

17 When a Sprint customer with three (3) or fewer voice-grade
18 (DS-0) equivalents or lines (as defined above) is being
19 served via unbundled local circuit switching and such
20 customer's requirements grow such that additional lines are
21 ordered, Sprint may continue to order and BellSouth will
22 provide such additional lines using unbundled local circuit

² See Yankee Group, "What SMBs Want In Local Service: Do You Have It?," November 1998.

1 switching for up to and including thirty-nine (39) total lines
2 provisioned at that customer location. The fortieth line and
3 each additional line at such customer location will be
4 provided by BellSouth at a rate that is negotiated by the
5 Parties for use of local circuit switching for the affected
6 facilities.

7
8 BellSouth shall not be required to offer unbundled local
9 circuit switching for Sprint when Sprint establishes service
10 for end users with four (4) or more voice-grade (DS-0)
11 equivalents or lines in locations where BellSouth has
12 provided non-discriminatory cost-based access to the
13 Enhanced Extended Link (EEL) through-out a Density
14 Zone 1 MSA as determined by NECA Tariff No. 4 as in
15 effect on January 1, 1999.

16
17 ~~ISSUE NO. 11: Attachment 3, Interconnection, Section 6.1.6.~~

18 ~~Tandem charges for comparable area.~~

19
20 ~~0 Please describe the issue.~~

21

1 A. Sprint has proposed to include language in the Agreement that would allow Sprint
2 to charge the tandem interconnection rate when Sprint's switch serves an area
3 comparable to BellSouth's tandem switch.

4 **Q. What is BellSouth's position on this issue?**

5

6 A. BellSouth believes that in order for Sprint to be entitled to charge the tandem
7 interconnection rate when it terminates BellSouth's originated traffic, the Sprint
8 switch must not only serve a comparable geographic area but must also perform a
9 tandem switching function.

10

11 **Q. What is the function of the tandem switch?**

12

13 A. The tandem switch serves as a hub for multiple end office switches relieving each
14 end office that subtends the tandem of the need to be physically connected to
15 every other end office. The tandem switch generally performs trunk-to-trunk
16 switching for traffic which originates in one end office switch and is destined for
17 another end office.

18

19 **Q. What is the basis for Sprint's position?**

20

21 A. FCC Rule 51.711 provides for symmetrical reciprocal compensation for the
22 transport and termination of local traffic. Section (a) of Rule 51.711 states the
23 general rule that reciprocal compensation rates charged by interconnecting

1 carriers be symmetrical. Subsection (a)(3) states that "(w)here the switch of a
2 carrier other than an incumbent LEC serves a geographic area comparable to the
3 area served by the incumbent LEC's tandem switch, the appropriate rate for the
4 carrier other than an incumbent LEC is the incumbent LEC's tandem
5 interconnection rate." The FCC notes in ¶ 1090 of the First Report and Order
6 (FCC 96-98) that transport and termination of calls originating on a competing
7 carrier's network may incur "additional costs" depending on whether or not
8 tandem switching is involved and that state commissions should establish rates
9 accordingly: "Where the interconnecting carrier's switch serves a geographic area
10 comparable to that served by the incumbent LEC's tandem switch, the appropriate
11 proxy for the interconnecting carrier's additional costs is the LEC tandem
12 interconnection rate." The meaning of this paragraph and associated rule is
13 abundantly clear and in need of no interpretation.

14
15 **Q. Is the provision of the tandem switching function a requirement for**
16 **compensating ALECs at the tandem interconnection rate?**

17
18 **A.** FCC Rule 51.711 and Paragraph 1090 of the First Report and Order do not
19 require that the ALEC switch perform a specific functionality to entitle the ALEC
20 to charge the tandem switching interconnection rate as long as the switch serves a
21 comparable geographic area.

22
23 **Q. How has the Florida Public Service Commission addressed this issue?**

1 A. In the *Intermedia v. BellSouth* arbitration case, (Docket No.
2 991854-TP; Order No. PSC-00-1519-FOF-TP, Issued August 22,
3 2000), the Commission addressed the issue from a fact-based
4 perspective, rather than from the perspective of what contract
5 provision should control. In *Intermedia*, the Commission
6 considered whether Intermedia's switches performed the tandem
7 functionality and/or whether the Intermedia switches actually
8 served an area equal to the geographic area covered by the
9 BellSouth tandem switch. In that case the Commission found that
10 the record was insufficient to support such a finding on either
11 functionality or geographic coverage.

12
13 Sprint's position in this case is that that factual issue does not need to be
14 addressed today. The issue before the Commission today is
15 whether Sprint should be entitled to compensation that includes the
16 tandem switching element when traffic is terminated via a switch
17 that covers the same geographic area served by a BellSouth tandem
18 switch. Sprint requests that the policy issue should be decided.
19 Sprint will self-certify that its switch(es) are capable of serving the
20 requisite area to be entitled to the tandem interconnection rate.
21 Otherwise, this Commission will be in the position of conducting a
22 fact-based proceeding each time Sprint deploys a switch.

23 **Q. Have other state commissions previously ruled on this issue?**

1
2 A. Yes. The North Carolina Utilities Commission ("NCUC") ruled in the
3 ITC^DeltaCom / BellSouth arbitration (Docket No. P-500, Sub. 10):
4 the FCC's Order treats geographic coverage as a proxy for equivalent
5 functionality, and that the concept of equivalent functionality is included
6 within the requirement that the equipment utilized by both parties covers
7 the same basic geographic area.

8
9 **Q. What action does Sprint request the Commission to take on this issue?**

10
11 A. Sprint requests that the Commission adopt Sprint's language as follows:

12 Where the switch of Sprint serves a geographic area comparable to
13 the area served by BellSouth's tandem switch, the appropriate rate
14 for Sprint is the BellSouth's tandem interconnection rate.

15
16 **ISSUE NO. 12: Attachment 3, Interconnection, Sections 6.1.7,**
17 **6.7.1, 7.7.9 – inclusion of IP telephony in definition of**
18 **"Switched Access Traffic"**

19
20 **Q. Please identify the issue in dispute.**

21
22 A. BellSouth proposes to include Internet Protocol (IP) Telephone calls in the
23 definition of Switched Access.

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Q. What is Sprint's position on IP telephony?

A. Sprint believes that any decision on the treatment of IP Telephony for the purposes of inter-company compensation is beyond the scope of this arbitration proceeding. The FCC, in its 1998 Federal-State Joint Board on Universal Service, Report to Congress, declined to make ruling on the regulatory treatment of IP telephony and further declined to subject such calls to access charges. For BellSouth to presuppose the outcome on any future FCC proceeding on this matter is inappropriate and premature. Hence, Sprint proposes that the interconnection agreement remain silent on this issue until a definitive ruling has been made by the FCC.

Q. What action does Sprint request the Commission to take on this issue?

A. Sprint requests that the Commission order that the Sprint/BellSouth interconnection agreement remain silent on the issue of IP Telephony pending the outcome of any FCC proceeding on the issue. Sprint also asks the Commission to adopt its definition of switched access as follows:

Switched Access Traffic. Switched Access Traffic means the offering of transmission or switching services to Telecommunications Carriers for the purpose of the

1 ~~origination or termination of telephone toll service.~~
2 ~~Switched Exchange Access Services including but not~~
3 ~~limited to. Feature Group A, Feature Group B, Feature~~
4 ~~Group D, 800/888 access and 900 access.~~

5

6 **Q. Does this conclude your Direct Testimony?**

7

8 **A. Yes.**

9

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
REBUTTAL TESTIMONY
OF
MARK G. FELTON

Q. Please state your name and business address.

A. My name is Mark G. Felton. My business address is 7301 College Boulevard, Overland Park, Kansas 66210.

Q. By whom are you employed and in what capacity?

A. I am employed by Sprint as Manager- Local Market Development.

Q. Are you the same Mark G. Felton who filed Direct Testimony in this arbitration proceeding?

A. Yes, I am.

Q. What is the purpose of your Rebuttal Testimony?

A. The purpose of my testimony is to respond to the testimony of the BellSouth Telecommunications, Inc. ("BellSouth") witness, Mr. John A. Ruscilli. Specifically, I will address contentions made by Mr. Ruscilli in regards to Issue numbers 1, 3, 5, ^{and} 7, ~~4, and 12.~~

ISSUE NO. 1: Terms and Conditions, Section 19.7 – Resolution of conflicts between Agreement and BellSouth tariff.

1 **Q. What is the current status of this issue?**

2 **A. Sprint's understanding is that this issue has been resolved. The agreed upon language**
3 **is as follows:**

4 "Nothing in this Agreement shall preclude Sprint from purchasing any
5 services or facilities under any applicable and effective BellSouth tariff.
6 Each party hereby incorporates by reference those provisions of its tariffs
7 that govern the provision of any of the services or facilities provided
8 hereunder. In the event of a conflict between a provision of the
9 Agreement and a provision of an applicable tariff, the parties agree to
10 negotiate in good faith to attempt to reconcile and resolve such conflict. If
11 any provision of the Agreement and an applicable tariff cannot be
12 reasonably construed or interpreted to avoid conflict, and the parties
13 cannot resolve such conflict through negotiation, such conflict shall be
14 resolved as follows:

15

16 Unless otherwise provided herein, if the service or facility
17 is ordered from the tariff, the terms and conditions of the
18 tariff shall prevail.

19

20 If the service is ordered from this Agreement (other than
21 resale), and the Agreement expressly references a term,
22 condition or rate of a tariff, such term, condition or rate of
23 the tariff shall prevail.

24

1 If the service is ordered from this Agreement, and the
2 Agreement references the tariff for purposes of the rate
3 only, then to the extent of a conflict as to the terms and
4 conditions in the tariff and any terms and conditions of this
5 Agreement, the terms and conditions of this Agreement
6 shall prevail.

7
8 If the service is a resale service, the terms and conditions of
9 the Agreement shall prevail.”

10 If this understanding proves to be incorrect, Sprint respectfully reserves the right to
11 file supplemental rebuttal testimony.

12
13 **ISSUE NO. 3: Attachment 1, Resale – Resale of stand-alone vertical features**

14
15 **Q. On page 8, lines 8-9 of his testimony, Mr. Ruscilli states that vertical services are**
16 **not retail services subject to the resale requirement because “BellSouth does not**
17 **offer custom calling services (vertical services) to end users on a stand-alone**
18 **basis”. Please comment.**

19 **A. Vertical Services are retail services regardless of whether BellSouth has a restriction in**
20 **its tariffs that these services may only be purchased in conjunction with another retail**
21 **service. Clearly, the product is the vertical feature and the purchase of local dial tone**
22 **is the prerequisite condition which must be met before the customer can purchase the**
23 **vertical feature. BellSouth’s condition for the purchase of a product is distinct from**
24 **the product itself.**

25

1 **Q. Are vertical features, in fact, retail services?**

2 A. Yes, as stated in my Direct Testimony, vertical features are optional retail services
3 which enhance the functionality of basic local dial tone. BellSouth markets these
4 features directly to end users. Webster defines retail as “the sale of commodities or
5 goods in small quantities to the ultimate consumers”. Vertical features certainly fit
6 this description. BellSouth’s contention that Sprint is requesting BellSouth to create a
7 new retail service is absolutely without merit. In support of BellSouth’s argument,
8 Mr. Ruscilli cites ¶877 of the First Report and Order, which states that an ILEC is not
9 obligated “to disaggregate a retail service into more discrete retail services” for the
10 purposes of resale. BellSouth’s argument breaks down, however, when the facts are
11 considered. Although local dial tone is required for a vertical feature to work
12 properly, vertical features are not a building block or component of some larger
13 service. Vertical features are not automatically included with the customer’s service
14 when they subscribe to BellSouth’s local dial tone. They are marketed, priced, and
15 billed separately from any other service and, therefore, meet the criteria of a retail
16 service.

17
18 **Q. Are vertical features, in fact, telecommunications services?**

19 A. Yes. BellSouth even acknowledges that the vertical features in question are, in fact,
20 telecommunications services by virtue of the fact that it agrees that Section 251(c)(4)
21 of the Act is the appropriate section with regard to this issue. Clearly, vertical features
22 are telecommunications services and vertical features are retail services. The only
23 question remaining to be answered is whether the end-user restriction on the purchase
24 of these retail services should apply to Sprint.

25

1 **Q. Should the tariff restriction that applies to end users also apply to Sprint?**

2 A. Contrary to Mr. Ruscilli's testimony on page 8, the issue *is* whether a resale restriction
3 should apply. As demonstrated previously, the retail telecommunications service
4 Sprint requests authority to resell *does* exist. As was stated in my Direct Testimony,
5 Congress and the FCC state without equivocation that "resale restrictions are
6 presumptively unreasonable" (See First Report and Order ¶ 939). The burden of proof
7 is on BellSouth to demonstrate that the restriction found in BellSouth's General
8 Subscriber Services Tariff, Section A13.9.2(B) is reasonable and should apply to
9 Sprint as an ALEC. Having no foundation to do so, BellSouth has instead chosen to
10 focus its arguments on whether the retail service actually exists. One can only assume
11 that BellSouth's motivation in doing so is, as the FCC noted, to preserve its market
12 power and prevent the development of any significant competition in the local services
13 market.

14
15 **Q. On page 9 of Mr. Ruscilli's testimony, he raises an objection based on a situation
16 where another ALEC requests to resell the basic local service. Please respond.**

17 A. Mr. Ruscilli raises a valid question. As I have stated previously, basic local service
18 and vertical features are two distinct retail services which BellSouth offers today. By
19 way of example, assume Sprint resells a vertical feature to an end-user for whom
20 BellSouth is the basic local service provider. If that customer then chose an ALEC,
21 other than Sprint, to provide their basic local service but did not wish to purchase the
22 vertical feature in question from the ALEC, then no problem arises since basic local
23 service and the vertical feature are two distinct retail services. Dial-tone is still being
24 provided, so there is no question that the feature would function properly. BellSouth
25 is fully compensated for the cost of the basic local service and the vertical feature less

1 its retail costs. If the customer in this example, however, chose to purchase the
2 vertical feature in question from the ALEC, then Sprint would be obligated to
3 relinquish that vertical feature to the ALEC. The hallmark of competition is for the
4 customer to have the ultimate choice of whom they purchase services from.

5
6 **Q. BellSouth also raises the question of what happens when an ALEC other than**
7 **Sprint purchases UNE switching for the customer to which Sprint resells a**
8 **vertical feature. How do you respond?**

9 **A.** If an ALEC purchased UNE switching for a customer to which Sprint is reselling a
10 vertical feature, Sprint would be required to terminate its delivery of the feature to that
11 customer. Mr. Ruscilli is correct in saying that a provider of service via UNEs has
12 exclusive rights to the vertical services of local switching but his extension of this
13 principle to resale is misguided. The purchaser of UNE switching effectively becomes
14 the "owner" of that network element and is, indeed, entitled to the exclusive use of all
15 of the features and functions associated with it. If the customer continued to desire
16 Sprint's service involving the vertical feature in question, Sprint would be required to
17 negotiate with the switching "owner", the purchasing ALEC, for this purchase.

18
19 **Q. On pages 9, lines 4-5, Mr. Ruscilli states that "whether BellSouth can technically**
20 **offer custom calling services to Sprint on a stand-alone basis is questionable". Do**
21 **you agree?**

22 **A.** No, as I stated in my direct testimony, there is no technical reason that would prevent
23 BellSouth from offering Customer Calling Services to Sprint on a stand-alone basis.
24 In fact, BellSouth confirms this assertion in its response to Sprint's First Set of
25 Interrogatories in this proceeding. See BellSouth's Responses to Sprint's First

1 Interrogatories, Docket No. 000828-TP (filed November 13, 2000), response to No. 6.
2 The bottom line for this issue is not the technical feasibility of offering vertical
3 features to Sprint on a stand-alone basis but whether any restrictions can rightfully be
4 placed on their purchase.

5 **Q. Please restate the action that Sprint requests the Commission to take.**

6 **A.** Sprint requests that the Commission order BellSouth to make Custom Calling services
7 available for resale by Sprint and adopt Sprint's proposed language as follows:

8

9 "Resale of Custom Calling Services. Except as expressly ordered
10 in a resale context by the relevant state Commission in the
11 jurisdiction in which the services are ordered, Custom Calling
12 Services shall be available for resale on a stand-alone basis."

13

14 **ISSUE NO. 5: Attachment 2, Network Elements and Other Services, Sections 4.2.6, 12 –**
15 **Access to DSLAM, unbundled packet switching**

16

17 **Q. What is the current status of this issue?**

18 **A.** Sprint's understanding is that this issue has been resolved. The agreed upon language
19 is as follows:

20 "BellSouth shall be required to provide nondiscriminatory access
21 to unbundled packet switching capability only where each of the
22 following conditions are satisfied:

23

24 BellSouth has deployed digital loop carrier systems, including but
25 not limited to, integrated digital loop carrier or universal digital

1 loop carrier systems; or has deployed any other system in which
2 fiber optic facilities replace copper facilities in the distribution
3 section (e.g., end office to remote terminal, pedestal or
4 environmentally controlled vault);

5
6 There are no spare copper loops capable of supporting the xDSL
7 services Sprint seeks to offer;

8
9 BellSouth has not permitted Sprint to deploy a Digital Subscriber
10 Line Access Multiplexer at the remote terminal, pedestal or
11 environmentally controlled vault or other interconnection point,
12 nor has Sprint been permitted to obtain a virtual collocation
13 arrangement at these subloop interconnection points as defined by
14 47 C.F.R. § 51.319 (b); and,

15 BellSouth has deployed packet switching capability for its own
16 use.

17 BellSouth will determine whether packet switching will be
18 available as a UNE on a remote terminal by remote terminal basis.”

19 If this understanding proves to be incorrect, Sprint respectfully reserves the right to
20 file supplemental rebuttal testimony.

21

22 **ISSUE NO. 7: Attachment 2, Network Elements and Other Services, Sections 8.4, 8.5 –**
23 **conversion of switching UNEs to market-based rate upon addition of fourth line.**

24

25 **Q. Has Sprint’s modified its position on this issue?**

1 A. Yes. In my Direct Testimony, page 18, lines 9-16, Sprints position was stated as
2 follows:

3 "...when a Sprint customer in density zone 1 in one of the top fifty
4 MSAs with three lines or less is served via UNE switching and the
5 customer adds a fourth or higher lines, the three existing lines
6 should be priced at cost-based rates. In fact, to more accurately
7 reflect the telecommunications needs and characteristics of
8 medium-sized businesses, Sprint believes that 40 lines is a more
9 appropriate threshold to delineate between a small and medium-
10 sized business. Therefore, only when a customer reaches the 40th
11 line should BellSouth be allowed to charge a market-based rate for
12 all of the lines exceeding 39."

13

14 Upon further consideration, Sprint has modified its position such that upon the
15 addition of the fourth or higher line, BellSouth should charge cost based rates for the
16 first three lines and may charge a negotiated rate for all lines above three. Sprint has
17 profound disagreement with the notion that 4 lines is characteristic of a medium sized
18 business and has raised this concern with the FCC.

19

20 **Q. BellSouth claims on page 19, line 2 of Mr. Ruscilli's testimony that "the FCC's**
21 **position is quite clear" on this issue. Do you agree?**

22 A. Absolutely not. Quite the contrary, the FCC's position on this matter could not be
23 more unclear. The simple fact is that the FCC did not address the pricing of existing
24 lines where an end-user has 3 or fewer lines and later adds lines that would take them
25 beyond the threshold of 4 used to delineate between small and medium-sized

1 businesses. BellSouth assumes, without any basis, that the FCC's intent was that all
2 lines would transition to a negotiated rate.

3

4 **Q. Mr. Ruscilli also suggests on page 22, line 1 of his testimony that lines for a single**
5 **customer should be aggregated across multiple locations to determine in the**
6 **threshold is met. Please comment.**

7 A. Once again, BellSouth makes an assumption that is without foundation in the FCC
8 rule or its attendant discussion. In fact, the discussion in ¶ 297 of the UNE Remand
9 Order states that "competitors are not impaired in their ability to serve certain high-
10 volume *in the densest areas*" (emphasis added) without access to unbundled local
11 switching. The FCC sought to relieve ILECs of their obligation to provide unbundled
12 local switching only in areas where competing carriers would have an incentive to
13 deploy their own switching equipment. Clearly, a competing carrier would have the
14 greatest incentive to deploy switching facilities in areas where it could serve the
15 largest number of lines with a single switch. Aggregating lines for a single customer
16 who has more than one location to determine if the threshold is met would defeat the
17 intent of the FCC's rule. With its proposal, BellSouth seeks to reduce the opportunity
18 of ALECs to utilize unbundled local switching, the result of which will be to thwart
19 competition and frustrate the goals of the Telecom Act.

20

21 **Q. What action is Sprint requesting this Commission to take?**

22 A. Sprint requests that the Commission order BellSouth to provide the first three lines in
23 each customer location in the scenario described above at cost based rates and adopt
24 Sprint's proposed language as follows:

25

1 Notwithstanding BellSouth's general duty to unbundle local circuit
2 switching, BellSouth will provide unbundled local circuit
3 switching for Sprint when Sprint establishes service for end users
4 with three (3) or fewer voice-grade (DS-0) equivalents or lines in
5 locations where BellSouth has provided non-discriminatory cost-
6 based access to the Enhanced Extended Link (EEL) through-out a
7 Density Zone 1 MSA as determined by NECA Tariff No. 4 as in
8 effect on January 1, 1999.

9
10 When a Sprint customer with three (3) or fewer voice-grade (DS-0)
11 equivalents or lines (as defined above) at a particular location is
12 being served via unbundled local circuit switching and such
13 customer's requirements grow such that additional lines are
14 ordered, the fourth line and each additional line at such customer
15 location will be provided by BellSouth at a rate that is negotiated
16 by the Parties for use of local circuit switching for the affected
17 facilities.

18
19 BellSouth shall not be required to offer unbundled local circuit
20 switching for Sprint when Sprint establishes service for end users
21 with four (4) or more voice-grade (DS-0) equivalents or lines in
22 one location where BellSouth has provided non-discriminatory
23 cost-based access to the Enhanced Extended Link (EEL) through-
24 out a Density Zone 1 MSA as determined by NECA Tariff No. 4 as
25 in effect on January 1, 1999.

ISSUE NO. 11: Attachment 3, Interconnection, Section 6.1.6 – Tandem charges for comparable area.

Q. BellSouth sets up a two-part test to determine if Sprint is eligible to charge the tandem interconnection rate for terminating traffic. Is this appropriate?

A. No. FCC Rule 51.711(a)(3) clearly contemplates only one requirement necessary to determine if the ALEC is entitled to charge the tandem interconnection rate. Since ALEC's networks would consist of the latest technologies and architectures, the FCC, in ¶1090 of the First Report and Order explained that comparable geographic area is to be used as a proxy for equivalent functionality. The North Carolina Utilities Commission (NCUC) agrees with this assessment. The NCUC explained in its Recommended Arbitration Order in the ITC^Deltacom / BellSouth arbitration (Docket No P-500, Sub 10) that "the concept of equivalent functionality is included within the requirement that the equipment utilized by both parties cover the same basic geographic area". Based on this line of reasoning, it would be redundant to use both equivalent functionality and comparable geographic area in deciding if the ALEC is entitled to the tandem interconnection rate. Undoubtedly, a tandem switch performs a different function than an end-office switch. In legacy network architectures, tandem switches were a necessity. Technological advances, however, have allowed carriers to accomplish the same functionalities using a different network architecture that does not necessarily include the traditional tandem switch. The FCC recognized this fact when promulgating Rule 51.711(a)(3).

Q. BellSouth cites rulings from arbitration cases in Illinois federal district court and the Ninth Circuit in support of its two-fold criteria to determine if a carrier other

1 **than an ILEC is eligible to charge the ILEC's tandem interconnection rate. Are**
2 **those cases relevant to this issue?**

3 A. Although I am not a lawyer, my understanding of these two cases is that they do not
4 support BellSouth's position. In the Ninth Circuit decision, *US West Communications*
5 *v. MFS Intelenet*, 193 F.3d 1112 (9th Cir. 1999), the Court did not determine that
6 ALECs must pass the two-prong "functionality/comparable geographic area" test that
7 BellSouth is advocating in this proceeding, only that the Washington Commission's
8 decision that MFS was entitled to the tandem interconnection rate was not arbitrary
9 and capricious. In the Illinois federal district Court decision, *MCI*
10 *Telecommunications Corporation v. Illinois Bell Telephone Company (Case No. 97 C*
11 *2225, June 22, 1999)* the Court did not consider the issue of whether a two-prong test
12 complies with applicable federal law.

13
14 **Q. Does Sprint's switch serve a geographic area comparable to BellSouth's tandem?**

15 A. Mr. Ruscilli points out on page 55 of his testimony that Sprint has presented
16 insufficient evidence to determine if Sprint's switch serves a geographic area
17 comparable to BellSouth's tandem switch. At issue here is not whether a *currently*
18 *deployed* Sprint switch covers a comparable geographic area but rather whether Sprint
19 has the ability to self-certify at a future point in time that a specific switch covers a
20 comparable geographic area as a BellSouth tandem.

21
22 **Q. Has Congress or the FCC specifically stated that individual switches must be**
23 **certified by a state commission as meeting the geographic compatibility standard**
24 **as set forth in FCC Rule 51.711(a)(3)?**

1 A. No. Congress and the FCC did not establish a specific process for determining when a
2 requesting carrier's switch meets the criteria necessary for charging the tandem
3 interconnection rate for terminating traffic. BellSouth assumes in Mr. Ruscilli's
4 testimony that the correct method is for this Commission to examine the facts for
5 every switch for every ALEC in the state of Florida. Presumably, under BellSouth's
6 proposal, each time that Sprint deploys a new switch, Sprint and BellSouth would
7 need to request that the Commission establish a fact-based proceeding to determine if
8 the new switch serves a comparable geographic area as BellSouth's tandem. Such a
9 process would be unwieldy, would take up the Commission's time for a process that
10 was never intended, and would unnecessarily delay competition

11
12 **Q. What process should be used to determine if a Sprint switch is capable of serving**
13 **a geographic area comparable to a BellSouth tandem?**

14 A. Sprint should be permitted to self-certify that its switch is capable of serving an area
15 comparable to a BellSouth tandem switch. Under Sprint's proposal, if BellSouth
16 wished to dispute Sprint's self-certification that its switch was capable of serving an
17 area of comparable size, it could file a complaint before this Commission. The
18 complaint process would be used on an exception basis.

19
20 **Q. What action does Sprint request the Commission to take on this issue?**

21 A. Sprint requests that the Commission adopt Sprint's language as follows:

22
23 The Parties shall provide for the mutual and reciprocal recovery of
24 the costs for transporting and terminating Local Traffic on each
25 other's network pursuant to 47 CFR § 51.711 (a). Charges for

1 transport and termination of calls on the Parties' respective
2 networks are as set forth in Exhibit A to this Attachment.

3
4 Where Sprint's switch serves a geographic area comparable to the
5 area served by BellSouth's tandem switch, the appropriate rate for
6 Sprint is BellSouth's tandem interconnection rate.

7
8 Comparable geographic area shall be determined by the capability
9 of Sprint's switch to serve an area of approximately equal size as
10 the relevant BellSouth tandem switch. As clarification, Sprint's
11 switch will be deemed to serve a comparable geographic area if it
12 is capable of serving the same number of local calling areas as the
13 BellSouth tandem switch.

14
15 Sprint shall certify that its switches satisfy the above criteria. If
16 BellSouth wishes to challenge such certification, it shall utilize the
17 dispute resolution procedures set forth in this Agreement.

18
19 **ISSUE NO. 12: Attachment 3, Interconnection, Sections 6.1.7, 6.7.1, 7.7.9 – inclusion of**
20 **IP telephony in definition of "Switched Access Traffic"**

21
22 **Q. What is the current status of this issue?**

23 **A.** BellSouth has proposed alternative language that is currently being considered by
24 Sprint. The language correctly makes a distinction among the different types of IP
25 telephony. However, the language refers to the jurisdiction of computer-to-phone and

1 phone-to-computer telecommunications traffic as being determined by the end points
2 of the call. The FCC simply has not made such a determination.

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Q. Does Sprint agree with BellSouth that the jurisdiction of phone-to-phone telecommunications traffic should be determined by its end points regardless of transport protocol used?

A. Yes, Sprint has made it clear to BellSouth that, for purposes of compensation, phone-to-phone telephony using internet protocol should be treated the same as traditional circuit switched telephony. Sprint is in no way attempting to subvert the current access charge system.

Q. Please restate the action that Sprint requests the Commission to take.

A. Sprint requests that the Commission order that the Sprint / BellSouth interconnection agreement remain silent on the issue of IP Telephony pending the outcome of any FCC proceeding on the issue. Sprint also asks the Commission to adopt its definition of switched access as follows:

Switched Access Traffic. Switched Access Traffic means the offering of transmission or switching services to Telecommunications Carriers for the purpose of the origination or termination of telephone toll service. Switched Exchange Access Services include but are not limited to: Feature Group A, Feature Group B, Feature Group D, 800/888 access and 900 access.

Q. Does this conclude your Rebuttal Testimony?

1 A. Yes.
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1 BY MR. ATKINSON:

2 Q Mr. Felton, have you prepared a summary of your
3 testimony?

4 A Yes, I have.

5 Q Would you please give that at this time?

6 A Okay. Good afternoon, Commissioners and
7 Commission staff. As I stated, my name is Mark Felton,
8 and I am happy to appear before you to provide additional
9 detail and input on the issues which I sponsored in my
10 direct and rebuttal testimony, Issues 3 and 7.

11 Issue 3 is an issue dealing with BellSouth's
12 obligation pursuant to 251(c)(4) of the Telecommunications
13 Act of 1996 to provide to Sprint upon request custom
14 calling services at the wholesale discount. This
15 obligation exists because federal statute requires ILECs
16 such as BellSouth to, quote, offer for resale at wholesale
17 rates any telecommunications service that the carrier
18 provides at retail to subscribers who are not
19 telecommunications carriers. It also provides that ILECs
20 are, quote, not to prohibit and not to impose unreasonable
21 or discriminatory conditions or limitations on the resale
22 of such telecommunications service, end quote.

23 BellSouth's tariff restriction in its general
24 subscriber services tariff, Section A13.9.2B that custom
25 calling services may only be purchased in conjunction with

1 basic local service represents just such an unreasonable
2 and discriminatory condition. BellSouth's proposal to
3 limit Sprint's ability to purchase these vertical features
4 without the associated dial tone will only serve to stop
5 the development of competition and solidify BellSouth's
6 dominant position in this market. Sprint is asking this
7 Commission to affirm its statutory right to purchase
8 custom calling services at the wholesale discount.

9 Issue 7 is an issue related to BellSouth's
10 obligation to provide unbundled circuit switching at
11 cost-based rates in Zone 1, top 50 metropolitan
12 statistical areas, or MSAs, in Florida. This would
13 include Miami, Fort Lauderdale and Orlando. When
14 BellSouth chooses to offer the enhanced extended link, or
15 EEL, in these areas, it is not required to provide
16 unbundled circuit switching at cost-based prices to Sprint
17 for customers with four or more lines.

18 The question in this proceeding is how to price
19 the first three lines when Sprint serves a customer with
20 three or fewer lines and that customer grows to four or
21 more lines. Are the first three lines priced at TELRIC or
22 a negotiated rate? This is a question that the FCC has
23 not addressed. Sprint proposes that the UNE switching for
24 the first three lines continue to be priced at TELRIC
25 while BellSouth proposes to reprice the first three lines

1 at a negotiated rate.

2 The result of BellSouth's proposal will be to
3 arbitrarily increase costs to Florida ALECs which will
4 serve only to discourage the proliferation of competition
5 and deny Florida consumers its benefits.

6 I will now be happy to address any questions and
7 provide feedback on these issues.

8 BY MR. ATKINSON:

9 Q Does that conclude your summary, Mr. Felton?

10 A Yes, it does.

11 MR. ATKINSON: Mr. Chairman, the witness is
12 available for cross-examination.

13 CHAIRMAN JACOBS: Mr. Edenfield.

14 MR. EDENFIELD: Thank you.

15 CROSS EXAMINATION

16 BY MR. EDENFIELD:

17 Q Mr. Felton, let's start with Issue 3. I'm kind
18 of like the horse who has seen the barn; I'm ready to see
19 if we can get this thing put to rest here.

20 A All right. Me, too.

21 Q First and foremost, this is a resale issue,
22 correct?

23 A Correct.

24 Q It is Sprint's intention to resale a vertical
25 service aside and apart from local dial tone or local

1 exchange service?

2 A I will say the answer to that is yes. But I
3 would also add that we may not sell the vertical service
4 in its current form. It may be combined with some other
5 services, or products, or network, or whatever that Sprint
6 may provide to create a new service.

7 Q Okay. Well, let me get to that next. You were
8 here earlier today and you heard, and I assume you have no
9 information to the contrary that in Georgia Sprint has
10 pulled out of the local residential resale market, and in
11 Florida has no local residential resale customers?

12 A I am aware of that.

13 Q Okay. Now getting to this, this is something
14 new, I hadn't -- I don't think I was aware of this. What
15 exactly are you planning on doing with the vertical
16 service or the custom calling feature after you get it?
17 Are you planning on modifying it from its existing state
18 in any way?

19 A No, I don't believe that we are proposing to
20 modify it. It just may be -- the service may be combined
21 with another service, so to speak. And I will say that I
22 did offer one example of a service that could be offered
23 using these custom calling services. Obviously there is
24 many more services that could be developed if our
25 statutory right is affirmed to purchase these at the

1 wholesale discount.

2 Q Okay. Just one last question on what you are
3 planning on doing with them if you get them. Let's take
4 call waiting, for instance. And this may be a terrible
5 example for what you have in your mind, but let's take
6 call waiting, and you are going to take call waiting as a
7 stand-alone by itself vertical feature out of BellSouth's
8 tariff. You are then going to combine that with another
9 Sprint service or maybe another vertical feature and then
10 sell that as a different service, or am I missing what you
11 are telling me?

12 A I think the answer to that is we may. I don't
13 think that I am here today to tell you that this is the
14 service that we plan to offer if given the right to
15 purchase custom calling services with BellSouth in this
16 way.

17 Q Okay. So you want to be able to basically take
18 custom calling piece-parts, for lack of a better term, you
19 know, call waiting, call forwarding, and take those and
20 combine them into something else and sell that to a Sprint
21 customer potentially?

22 A We would like to be able to purchase these
23 retail services because the Act and the FCC rules has said
24 that requesting carriers -- or that incumbent LECs are
25 required to make available retail telecommunications

1 services for resale.

2 Q Okay. Let's jump down to the Act, since you
3 bring that up. We are talking about Section 251(c)(4) of
4 the Telecommunications Act?

5 A Yes.

6 Q And basically in a nutshell what that requires
7 BellSouth to do is allow Sprint to resell any service that
8 BellSouth offers to BellSouth's retail customers?

9 A That is my understanding.

10 Q Okay. Now, are you familiar with the FCC's
11 First Report and Order?

12 A Generally, yes.

13 Q Do you happen to have Mr. Ruscilli's testimony
14 there with you?

15 A I do.

16 Q Would you take a look at his direct testimony on
17 Page 7, Line 11?

18 A Okay.

19 Q You beat me there, hold on. And what Mr.
20 Ruscilli has cited here is Paragraph 877 of the First
21 Report and Order. And would you agree with me that
22 basically what that paragraph says is that BellSouth is
23 under no obligation to disaggregate its retail services
24 into more discreet or smaller retail services?

25 A I would agree that that is one statement in that

1 paragraph, yes. The paragraph does say some other things
2 related to BellSouth's obligation.

3 Q Would you agree with me that a custom calling
4 feature is a feature function or capability of the switch?

5 A Let me answer that this way. When you would
6 speak of unbundled network elements, then a custom calling
7 feature is a feature or function of the switch. But when
8 you are talking about custom calling services that are in
9 BellSouth's tariff, general subscriber services tariff, we
10 are talking about a retail service that is offered to end
11 users who are not telecommunications carriers.

12 Q Okay. I'm not sure I understand your
13 distinction. Are you suggesting that vertical features or
14 custom calling features are provided somewhere in the
15 network other than the switch?

16 A I am not suggesting that they are. But I
17 believe that your question could cause the impression that
18 because we are familiar with UNE terminology, and when you
19 are talking about the UNE switching, custom calling or
20 vertical features are a feature or function of the switch
21 itself. But what we are talking about here is a retail
22 telecommunications service under the definition as
23 provided in or described in 251(c)(4).

24 Q Okay. Regardless -- and I'm just not sure I'm
25 following what you are saying. Regardless of whether

1 you're serving a local customer via resale or via UNE, if
2 that customer wants a custom calling feature such as call
3 waiting or call forwarding, that service is going to be
4 provided from the switch that serves that customer, right?

5 A That's correct. The only reason for my added --
6 addition to my answer is I didn't want the issue to be
7 confused with that we are asking for a specific feature or
8 function from the UNE switching. We are asking for a
9 retail service that BellSouth offers to end users. We
10 want the ability to purchase those at the wholesale
11 discount and be able to resell them to Sprint customers or
12 combine them with other services, whatever the reason may
13 be. I mean, the real question is the statutory right that
14 was given to the ALEC.

15 Q Let me go down the UNE road for just one more
16 second. If you take a look at -- before we turn there.
17 In the UNE world, will you agree with me that whoever is
18 buying the unbundled local switching, whoever is buying
19 that service to provide service to its end user has the
20 exclusive right to all of the custom calling, or custom
21 calling features, or vertical services that come out of
22 that switch?

23 A If you phrase the question is the purchaser of
24 the UNE switching entitled to exclusive use of all the
25 features and functions of the switch, then I would say

1 yes, I agree.

2 Q And, in fact, if you take a look at Mr.
3 Ruscilli's direct testimony on Page 9, starting on Line
4 18, he cites Paragraph 11 from the order on
5 reconsideration, and that is precisely what the FCC had
6 said in Paragraph 11, that the carrier that purchases the
7 unbundled local switching element to serve an end user
8 obtains the exclusive right to provide all features,
9 functions, and capabilities of the switch, da, da, da. So
10 in the UNE world, if Sprint is serving a customer via
11 unbundled switching here in town via UNEs, then Sprint
12 would have the exclusive right to provide all of those
13 vertical services that you are talking about?

14 A I would agree with that.

15 Q Okay. Let's take this hypothetical for a
16 second. Suppose the Commission allows you to do what you
17 want to do, and that is to take a vertical service or a
18 vertical feature without having to provide the local dial
19 tone. And I assume that is kind of what you are asking to
20 do?

21 A Yes, basically. Or at least not being required
22 to buy the local dial tone.

23 Q Correct. Sprint comes to me and says, "Kip, I
24 want to sell you call waiting, but BellSouth is going to
25 remain your underlying provider of dial tone, but I am

1 going to sell you call waiting and call forwarding via
2 resale." That is kind of the situation you are talking
3 about, at least presumably. You may be the provider of
4 local dial tone, you may not, but at least you don't have
5 to be?

6 A That is one situation that could occur.

7 Q Okay. Let's take this the next step. You are
8 my reseller for those vertical services, BellSouth is my
9 underlying carrier for my dial tone. I get mad at
10 BellSouth because they are sending my paychecks late and
11 they are not nearly enough, and I say to heck with it, I'm
12 going to MCI. They are going to be my local dial tone
13 provider, but I go to MCI, and MCI says, okay, I will
14 serve you. They then send an order to BellSouth, but
15 instead of serving me via resale, MCI is going to be my
16 dial tone provider via UNEs.

17 So BellSouth sells to MCI unbundled local
18 switching, that is how I'm getting my dial tone now, and
19 you are still reselling me call waiting and whatever else,
20 three-way calling. MCI then comes to BellSouth and says,
21 "As the purchaser of unbundled local switching UNE, I have
22 the exclusive right to sell Kip call forwarding and call
23 waiting." And then BellSouth says, "But wait a minute,
24 Sprint is already reselling that service, they have first
25 dibs." What in the world are we going to do in this

1 situation? How do we resolve this?

2 A I think it is clear that we already established
3 that the purchaser of the unbundled local switching
4 element has the exclusive right to the features and
5 functions associated with it. And Sprint would be
6 required to relinquish that customer or terminate its
7 delivery of that custom calling feature to that customer
8 and may be able to negotiate with BellSouth to purchase
9 the function from them because they are then in effect the
10 switching owner.

11 Q So if Sprint is providing me service as an ALEC
12 via -- in other words, they are the purchaser of the
13 unbundled switching, they have the exclusive right to all
14 the vertical services. However, if BellSouth is being my
15 provider by providing local switching, they do not have
16 the exclusive right to all the vertical services, is that
17 kind of where we are?

18 A Well, I don't know if I would have characterized
19 it that way, but certainly Congress and the FCC put
20 additional requirements on incumbent local exchange
21 carriers that are not required of requesting carriers.

22 Q Would you agree with me that if dial tone or
23 local service was an integral part of the service of
24 providing custom calling features such as call waiting,
25 three-way calling, that you would not be allowed to

1 disaggregate that retail service down further?

2 A I'm not sure if I understand your question. But
3 let me just say, going back to this Paragraph 877 from the
4 local competition order where in Mr. Ruscilli's testimony
5 he implies that what Sprint is asking for is to
6 disaggregate a retail service into more discreet retail
7 services is completely without merit. Custom calling
8 services are separate retail services. When a customer
9 purchases local dial tone from BellSouth today, they do
10 not automatically get a custom calling service with that
11 basic local service. They are required to purchase the
12 custom calling service in addition to the basic local
13 service. So I see no disaggregation associated with that
14 whatsoever.

15 Q Okay. So it's your position that you can have
16 basic local dial tone service without having a vertical
17 feature?

18 A Absolutely.

19 Q But the opposite of that is not true; you cannot
20 have a vertical service without having dial tone. I mean,
21 you can't just sell someone call waiting without them
22 having dial tone, can you?

23 A I would agree with that, but I don't know
24 that -- or I do know that the delivery of dial tone and
25 the delivery of the custom calling feature has to be by

1 the same company.

2 Q Well, let me ask you this.

3 A In the resale environment.

4 Q Okay. At least as far as it goes, you would
5 agree with me that you cannot have call waiting, call
6 forwarding, three-way calling, without having dial tone at
7 your house. That those features will not work without
8 dial tone?

9 A Yes, I would agree with that.

10 Q Okay. Can you point me to any place where
11 BellSouth has offered custom calling, three-way calling,
12 one of those custom calling services without also
13 requiring the customer to have BellSouth dial tone?

14 A In terms of an ALEC or --

15 Q Well --

16 A Let me say it this way. I believe that
17 BellSouth allows an ESP, or an enhanced service provider,
18 to purchase certain custom calling services, a limited
19 list of custom calling services from BellSouth without
20 purchasing the associated dial tone.

21 Q Why don't we do it this way, instead of us
22 guessing, why don't I hand you a copy of BellSouth's A13
23 tariff that you had referenced earlier. And A13.9 is the
24 BellSouth tariff that deals with custom calling services.
25 And let's see how BellSouth is selling these custom

1 calling services to its end user customers.

2 A I'm sorry, I thought you said to anybody, I
3 didn't know you meant to end user customers.

4 Q I'm sorry. Let me ask you this. I mean, you
5 would agree that you are only entitled to resell services
6 that BellSouth is providing to its end user customers who
7 are not telecommunications carriers? I thought we agreed
8 to that early on.

9 A I'm sorry, Mr. Edenfield, could you repeat that.
10 I was distracted.

11 Q Yes. Your last comment caused me pause. I want
12 to make sure we are on the same page. You will agree that
13 BellSouth under the Act is only required to allow Sprint
14 to resell services that BellSouth offers to its retail
15 subscribers, in other words, to BellSouth's end users?

16 A That is my understanding.

17 Q I could be giving a service to someone who is
18 not an end user and you would not have a statutory right
19 to resell that service, because it has to be service
20 provided to an end user of BellSouth's?

21 A I believe that to be correct.

22 Q Would you agree with me that BellSouth's A13.9
23 tariff sets forth the terms and conditions under which
24 BellSouth sells custom calling services to its end user
25 customers?

1 A Yes, I would.

2 Q All right. Let's take a look, if you look at
3 that very first page under 13, A13.9.1, description, and
4 there is a capital A, do you see where I am?

5 A Yes, I see that.

6 Q And that reads, "Custom calling services are
7 auxilliary features --" I'm sorry, I can't even read
8 anymore -- "provided in addition to basic telephone
9 service." Would you agree with me that that sentence does
10 not say it is provided separately, but it is in addition
11 to?

12 A Yes, I agree, and I believe that is exactly what
13 we are here to talk about today is whether the restriction
14 that the basic local service has to be purchased by Sprint
15 or by that end user before they can purchase the custom
16 calling service should also apply to Sprint.

17 Q Okay. Turn over to page -- I'm not sure how the
18 pagination works on this. It says fourth revised Page 15
19 up in the upper right-hand corner. And if you go down to
20 A13.9.2, provision of service, look at the paragraph that
21 starts with a capital B as in boy. Are you there, Mr.
22 Felton?

23 A Yes, I am.

24 Q Will you agree with me that this tariff says --
25 and this talks about the provision of service to

1 BellSouth's end users, that except where provided
2 otherwise in the tariff, custom calling services are
3 furnished only in connection with individual line
4 residence and business main service. Would you agree with
5 me that this says that you cannot get or that custom
6 calling services are only furnished with residential and
7 business service?

8 A I would agree that that is what this tariff
9 says, and I would also add that the FCC has said that
10 tariff provisions are to be presumptively unreasonable and
11 can only be rebutted by the ILEC. And I go through that
12 discussion in my testimony.

13 Q I'm not sure I followed all of that. You
14 understand that when BellSouth files a tariff, the
15 Commission has the authority to stop it?

16 A Yes. Let me explain, maybe I can be a little
17 clearer, that tariff restrictions that apply to end users,
18 I assume, would be reasonable. Certainly the staff and
19 the Commission have gone through great lengths to approve
20 these. But when they apply to a requesting carrier they
21 are presumptively unreasonable and they must be rebutted
22 by the ILEC.

23 Q So if I understand what you are telling me, you
24 will concede that as the tariff exists today that
25 BellSouth does not sell custom calling services to its end

1 users without them having dial tone, but it is your
2 position that the tariff is wrong and it should be changed
3 to not make that a requirement, is that kind of where we
4 are going with this?

5 A No, I don't believe I said that at all. I
6 believe what I said was that that is a reasonable
7 requirement when you are selling those custom calling
8 services to end users. But when you are dealing with
9 another carrier, a requesting carrier, it is not
10 reasonable to require that requesting carrier to buy basic
11 local service before they can buy another retail service
12 that you sell completely separately in your tariff.

13 Q But aren't we kind of in a circle, because you
14 are only allowed by law, by statute, to resell a service
15 that BellSouth provides to its end users. So I thought I
16 just heard you say it is not unreasonable to have that
17 restriction as to an end user, but it is unreasonable to
18 have it as to a carrier. But you are only allowed to
19 resell what I am selling to my end users.

20 A Well, I believe that your question is somewhat
21 misleading and the reason is because you are implying that
22 you don't sell custom calling services to an end user by
23 saying we don't sell custom calling services to an end
24 user without them buying dial tone. The fact of the
25 matter is you sell custom calling features or services to

1 an end user, and the condition upon that purchase is that
2 they buy dial tone from you first. The service, the
3 service itself is a custom calling service. Call
4 forwarding, for example, is a retail telecommunications
5 service. Now, you, Mr. End User, can only purchase this
6 custom calling service, call forwarding, after you have
7 purchased dial tone from me. And I'm just saying that the
8 restriction of the end user purchasing dial tone first
9 should not apply to Sprint.

10 CHAIRMAN JACOBS: If you provide dial tone, do
11 you -- how should I say this, are there functions in your
12 switch capability which allow you to do these special
13 features?

14 THE WITNESS: As an ALEC?

15 CHAIRMAN JACOBS: Yes.

16 THE WITNESS: I believe there would be, but we
17 are talking about a resale environment, I think.

18 CHAIRMAN JACOBS: That's right. I did hear you
19 say that. I'm sorry, nevermind.

20 COMMISSIONER PALECKI: Could you please educate
21 me just a little bit on this. Is there a market for
22 custom calling services outside of providing the dial tone
23 service? I mean, what is it that you want to do, is
24 basically sell BellSouth customers the custom calling
25 features through Sprint while they are still accepting

1 their service of dial tone from BellSouth, is that what
2 you are talking about here?

3 THE WITNESS: Well, let me give you a couple of
4 examples. First of all, let me answer your question to
5 say, yes, Sprint believes that there is a huge market for
6 custom calling services and obviously the customer is
7 going to have to have dial tone from some source. I mean,
8 as our exchange went, dial tone has to be provided from
9 some party before a custom calling service will work.

10 The couple of examples I would offer to you, and
11 this is not intended to be what Sprint intends to do with
12 the services, but a few years ago we had call waiting
13 custom calling services and we had Caller ID custom
14 calling services. Well, some bright marketing person came
15 up with the idea, you know, if we combine these two
16 together we could have call waiting/Caller ID. So if I am
17 on the telephone and I get a call waiting beep, I can look
18 at my Caller ID display and it tells me who is calling me
19 before I pick up the telephone. Those are two separate
20 custom calling services that were combined to make a
21 completely new service.

22 And what I'm offering today is Sprint would like
23 its statutory right to purchase these retail services from
24 BellSouth affirmed so that our bright marketing people can
25 go out and figure out what other kinds of stuff we can

1 develop and possibly even create new markets for vertical
2 services.

3 COMMISSIONER PALECKI: And you are anticipating
4 selling these services to BellSouth's dial tone customers,
5 for lack of a better word?

6 THE WITNESS: Yes. In the situation we are
7 talking about, yes. Now, I would also assume that for our
8 facilities-based customers, we would develop similar
9 features but it would be through the provision of our own
10 dial tone.

11 COMMISSIONER PALECKI: But with this issue we
12 are only talking about on a stand-alone basis. This does
13 not have any effect upon those customers that you provide
14 the dial tone to, is that correct?

15 THE WITNESS: Yes, that's correct. I was just
16 responding to your question that this would be only to
17 BellSouth customers. We would intend to offer that to any
18 customer that we had, whether it was a BellSouth local
19 dial tone customer or a Sprint local dial tone customer.

20 COMMISSIONER PALECKI: So it is anticipated in
21 this new market that customers will purchase custom
22 calling features and dial tone service, et cetera, on a
23 piecemeal basis from separate companies?

24 THE WITNESS: Well, they may purchase additional
25 services from Sprint. I don't know if I would say

1 piecemeal, because Sprint would probably do the putting
2 together of whatever needed to be put together. Is that
3 responsive to your question?

4 COMMISSIONER PALECKI: Yes, it is.

5 BY MR. EDENFIELD:

6 Q We talk about the market, but Sprint seems to be
7 running a -- that's a terrible phrase. Sprint seems to be
8 making business decisions at the moment to remove itself
9 from the resale market as opposed to getting into it
10 stronger, do you agree with that statement?

11 A In the resale market? No, I think what we're
12 doing is looking for the most economically advantageous
13 way to enter the market. Now, competition is not going to
14 develop at the same rate for all services in all areas. I
15 think that is a well understood fact. And we are just
16 looking for the way that we can provide, you know, take
17 care of our fiduciary responsibilities to the shareholders
18 and to benefit Florida consumers.

19 Q Of which you have none at the moment in the
20 resale market?

21 A I believe that was the testimony this morning,
22 yes.

23 Q Now, the only other question I want to ask you
24 is what happens when -- or I guess are you envisioning a
25 situation where you could have a number of resellers

1 providing service to a single residential customer? In
2 other words, you could have one company reselling local
3 service and then five different companies reselling five
4 different vertical features?

5 A I'm sorry, could you repeat that question.

6 Q Yes. I mean, taking where this seems to be
7 going, we have talked about whether there is a market
8 developing. I mean, are you anticipating a situation
9 where you have, you know, a single residential customer
10 being served by five resellers, potentially?

11 A I'm not anticipating that. Obviously I would
12 hope they would purchase all of their services from
13 Sprint. But I believe that you could draw that conclusion
14 from the 251(c)(4) provisions in the act.

15 Q Has Sprint given any thought as to how this will
16 be ordered or billed?

17 A We have had some very high level discussions.
18 And I have to admit to you I'm not a billing expert nor am
19 I an operational support system expert, but we believe
20 there should be a couple of different alternatives that
21 could be used.

22 Q Do you know for a fact that this is actually
23 technically feasible in BellSouth's network?

24 A I know that that was the response to the data
25 request in Florida, that it was technically feasible.

1 Q That BellSouth said it was definitely
2 technically feasible or that we thought it was technically
3 feasible, or --

4 A Well, if you will allow me to -- if I may, I
5 will read it.

6 Q Sure.

7 A The request was does BellSouth contend that it
8 is not technically feasible to make custom calling
9 services or other vertical features available to Sprint
10 for resale at wholesale rates on a stand-alone basis
11 unless those services are purchased in conjunction with
12 basic local service (dial tone), and the answer is no.

13 MR. ATKINSON: For the record, Mr. Chairman,
14 that is BellSouth's response to Sprint's data request
15 dated October 20th, 2000. It is Item Number 6. That
16 item, I think, as the record stands has not been
17 submitted.

18 BY MR. EDENFIELD:

19 Q And the last question on this topic, just to
20 bring this thing around, if this Commission determines
21 that BellSouth is not offering a custom calling feature
22 separate and apart from dial tone, in other words, the two
23 are interrelated, one is relying upon the other, will you
24 agree with me in that situation that under the Act you are
25 not entitled to resell that service in a stand-alone

1 basis?

2 A Well, I would hope the Commission would not
3 reach that conclusion. If they did, I would disagree with
4 that conclusion.

5 Q But, if they reach -- in other words, if they
6 look a look at the tariff and said, well, the tariff says
7 it is going to be furnished only in connection with a
8 residential and business service, therefore they are
9 completely related to each other and you can't have
10 vertical services without the dial tone, and that is the
11 way BellSouth offers it to its end user, in that situation
12 if they were to make that finding that under the Act you
13 would not be entitled to resell that service as a
14 stand-alone basis?

15 A I'm sorry, I can't answer that question as a yes
16 or a no. What I will say is I think that clearly they are
17 going to find that that restriction is in your tariff. I
18 mean, we have agreed to that. And I think I have told you
19 today that some form of dial tone is required for a
20 vertical or custom calling service to work. But I think
21 that saying that the dial tone has to be purchased from
22 the same company or carrier that the custom calling
23 service is purchased from is a restriction that should not
24 apply to Sprint.

25 Q You will agree that the FCC -- well, not

1 actually the FCC, the 1996 Act places upon this Commission
2 the obligation to only allow you to resell services that
3 BellSouth actually offers to its end users?

4 A Yes, I would agree with that.

5 MR. EDENFIELD: I've got nothing further on
6 that. Anyone?

7 BY MR. EDENFIELD:

8 Q Let's turn to Issue 7, and hopefully this won't
9 take very long. Issue 7 deals with unbundled local
10 switching and Sprint's ability to purchase lines at either
11 TELRIC rates or market-based rates when you kind of get
12 down to the bottom of it. Isn't that what is really at
13 issue here?

14 A Yes, the switching UNE.

15 Q Yes. So, in other words, if BellSouth meets all
16 the requirements set forth in the UNE --

17 CHAIRMAN JACOBS: I'm sorry, did you say the
18 switching or the --

19 THE WITNESS: The switching UNE. I believe he
20 said lines, and I was just clarifying that it was the
21 switching UNE that we are talking about here.

22 CHAIRMAN JACOBS: Okay. I thought you were
23 saying switching.

24 MR. EDENFIELD: I stand corrected. It is the
25 switching UNE that we are talking about purchasing.

1 CHAIRMAN JACOBS: Okay. Then I guess that is my
2 question. Because when you described it you said it had
3 to do with going back and repricing the lines. Is this
4 the same issue?

5 MR. EDENFIELD: Yes, sir. But maybe it would be
6 better if I started again than try to reframe the issue.

7 BY MR. EDENFIELD:

8 Q The issue here is if BellSouth meets all the
9 requirements of being in the top 50 MSA, provides
10 nondiscriminatory access to the EEL, that in those
11 situations that for customers with three lines or less
12 BellSouth is still required to provide unbundled local
13 switching to you to provide to those customers.

14 A That's correct.

15 Q And if, in fact, you have a customer -- and I
16 will phrase it this way and then we will kind of get to
17 the argument. If you have a customer that comes to you in
18 that top 50 MSA where we meet all the other requirements,
19 and says, I need to purchase, you know, switching for four
20 lines, or I need four lines and you are going to need to
21 get switching for those four lines. You would agree in
22 that situation that BellSouth is not obligated to provide
23 you with unbundled local switching?

24 A Per the FCC rules, yes, I would agree with that.

25 Q Now, the issue we have here is a situation where

1 a customer who has three lines, is an existing Sprint
2 customer, or at least you are buying unbundled local
3 switching through us and the customer has three lines,
4 that customer grows and he adds a fourth line. And the
5 issue, I think, between us is when that customer adds that
6 fourth line, are you still entitled to purchase unbundled
7 local switching for the first three lines and not for the
8 fourth, or are you no longer entitled to buy unbundled
9 local switching for any of those lines?

10 A I would agree with that.

11 Q And when I say purchase, BellSouth is not saying
12 we are not going to provide you with unbundled local
13 switching, the issue is are we going to provide you
14 unbundled local switching at TELRIC rates or are we going
15 to provide them at market-based rates?

16 A Yes.

17 Q I mean, BellSouth has not taken the position
18 with Sprint that we are just not going to provide you with
19 unbundled local switching, you are stuck; it's just a
20 matter of pricing?

21 A That is my understanding, yes.

22 Q Okay. Now, as I understood your direct
23 testimony, originally --

24 COMMISSIONER DEASON: Let me interrupt just one
25 second. What is your understanding of market rates?

1 THE WITNESS: Market rates?

2 COMMISSIONER DEASON: Uh-huh.

3 THE WITNESS: Well, that is an interesting
4 question, Commissioner, because I'm not sure what really
5 the market is for switching. I think really what that
6 means is that BellSouth then could charge whatever rates
7 it deemed in its sole judgment to be appropriate.

8 BY MR. EDENFIELD:

9 Q Basically, nonTELRIC rates, whatever those may
10 be?

11 A I think they would be nonTELRIC, yes.

12 Q I guess the idea is at that point if BellSouth
13 is charging too much then you would have options to go get
14 that switching from someone else is kind of the gist of
15 it?

16 A I'm not sure who else we would get it from, but
17 I guess certainly that is within the realm of possibility.

18 Q I mean, any ALEC that has a switch that would
19 be, you know, in that particular area, I mean, you could
20 buy switching from that person, right, if they would let
21 you?

22 A Yes.

23 Q All right. As I understand your direct
24 testimony, your original interpretation of the UNE remand
25 order and specifically Rule 51-319 was that when you have

1 a customer with three lines, and that customer moves to a
2 fourth line, or a fifth line, or a sixth line, all the way
3 up to a 39th line, that you were still entitled to
4 unbundled switching at TELRIC rates, that was your
5 original position when you filed direct on November 1st?

6 A Yes. That was the position that we took in this
7 proceeding. And I will say that we still feel that four
8 lines is probably not the best demarcation point between a
9 small and a medium-sized business, but we decided to take
10 that issue to the FCC as opposed to this proceeding.

11 Q Okay. So, I mean, understanding Sprint does not
12 agree with the FCC's cut-off to distinguish between the
13 mass market and the medium to large market, understanding
14 that, Sprint has decided to take that up with the FCC?

15 A Correct.

16 Q Okay. So you will at least acknowledge that as
17 the law exists today, that four is the cut-off between the
18 mass market and the medium to large business market?

19 A Yes, I will agree that is what the FCC
20 determined.

21 Q And, in fact, in your rebuttal testimony you
22 have now come around to the position we talked about
23 earlier, and that is once you add the fourth line, then
24 you move to an unbundled -- market-based unbundled
25 switching rate for the fourth line and any above that?

1 A Yes.

2 Q Turn with me, if you will, because I know you
3 have Mr. Ruscilli's testimony, to Page 19 of his direct.

4 A Direct?

5 Q Yes, sir. And specifically I'm going to ask you
6 to look at Line 11, which is the rule that we are talking
7 about here. Let me know when you get there.

8 A I'm there now.

9 Q Okay. If you take a look at the first sentence
10 there starting on Line 12, which is Subsection 2 of the
11 rule, skipping through the first part, it says an
12 incumbent LEC shall not be required to unbundle local
13 circuit switching for requesting telecommunications
14 carriers when the requesting carrier serves end users with
15 four or more voice grade DS-0 equivalents or lines. Will
16 you agree with me that is the rule?

17 A Yes.

18 Q Do you see anywhere in that rule where it says
19 when a customer or when an end user goes to a fourth line
20 he is still entitled to TELRIC-based unbundled switching
21 for the first three lines, does that exist anywhere in
22 this rule?

23 A No, I don't see it in this rule. I also don't
24 see where it says that the first three lines should be
25 repriced when he grows beyond that. I believe the FCC

1 just didn't contemplate that.

2 Q So it is your position that when the FCC said
3 four lines was the cut off, they left it vague as to what
4 you do in a situation when you move from three to four?

5 A I think they did leave it vague. Not
6 intentionally, but I believe that that may be something
7 they didn't contemplate.

8 Q All right. Let's talk about it from a practical
9 standpoint. NationsBank comes to Sprint and says I need
10 four lines, or I need -- yes, I guess we will just use
11 four. I need four lines. You come to BellSouth and say I
12 need four lines, let's negotiate a rate. And then I guess
13 NationsBank will -- you will charge them whatever.

14 At the same time, a small mom and pop bank comes
15 to you and says I need three lines. You give them those
16 three lines, you are at TELRIC pricing. One of their
17 major customers wins the lottery. Boom, the bank is now
18 huge. They now need a fourth line. They go to the fourth
19 line, and now it is your position that the bank, even if
20 now NationsBank and this bank are the exact same size,
21 they have the exact same number of lines, but because the
22 mom and pop bank started with three and moved to four,
23 they should get a better pricing deal than the bank that
24 started with four?

25 A Well, I'm going to try and work within your

1 example there. I think that the pricing deal that the
2 bank is going to get is probably going to be the same as
3 NationsBank. I doubt that we would discriminatorily price
4 between the two banks. The price break would be to
5 Sprint. Or said another way, should Sprint's costs of
6 providing service be increased because that customer went
7 from three to four lines?

8 And I think the bottom line is that Sprint's
9 position is one that will encourage competition within the
10 State of Florida. And BellSouth is simply trying to
11 restrict the instances in which Sprint can buy or -- not
12 restrict the instances, but impose more cost upon Sprint
13 as a requesting carrier.

14 Q So -- well, let me ask you this. Under your
15 theory there, would you agree with me that Sprint has
16 incentive to go to its end users and say -- suppose an end
17 user comes in and says I need five lines. Would it not be
18 to Sprint's benefit to say to them, order three up front,
19 we will provision those, then come back in and order the
20 other two, that way it won't cost me as much to give you
21 service because I'm getting a break on the first three
22 lines, could that happen?

23 A I think it could happen. I think that an
24 unscrupulous carrier may do that, but Sprint is not --
25 that is not Sprint's way of conducting business.

1 Q I would be shocked if it was. But you
2 understand that once this provision goes into an
3 interconnection agreement there are 300 other carriers out
4 here doing business in Florida that aren't Sprint.

5 A Yes, I understand that. Yes.

6 Q And that one of those carriers could say, this
7 is a neat way to gain the system. I will just always
8 order -- no matter how many lines my customer needs, I
9 will always order three up front and then come back with a
10 subsequent order and order more, you know, 100 more, but
11 that way I always got a good price for me, not for my end
12 user, but for me on the first three. Does that sound
13 really farfetched?

14 A No, I could see how that could happen, yes.

15 Q And just so we are clear, you have raised all of
16 these issues with the FCC and that is currently up there
17 for them to consider?

18 A Yes. We have raised the issue of the cut-off,
19 you mean, is that the one you are asking about?

20 Q Yes.

21 A We have raised that with the FCC. I'm not sure
22 of the current status of that.

23 MR. EDENFIELD: Okay. I have nothing further.

24 COMMISSIONER DEASON: Let me ask a question at
25 this point. You have raised the issue with the FCC on the

1 cut-off point. You have not raised the issue that is
2 presently before this Commission, that being the pricing
3 of the three when the customer grows to four or more?

4 THE WITNESS: No, actually I believe that is the
5 issue that we have raised. Both issues. What happens in
6 a growth situation and is four the appropriate cut-off.

7 COMMISSIONER DEASON: When is the FCC going to
8 rule on that?

9 THE WITNESS: I don't have that information.

10 COMMISSIONER DEASON: Well, what happens in this
11 state if we rule one way and the FCC rules the other way?

12 THE WITNESS: Well, I think that's why we
13 decided to revise our position in this proceeding to be
14 consistent with the current FCC rules so that, you know,
15 we wouldn't be putting the Florida Commission out in front
16 of the FCC on this.

17 COMMISSIONER DEASON: Well, let me clarify
18 again. I thought you said that you have raised both
19 issues with the FCC, the four cut-off as well as what
20 happens with the original three when a customer grows to
21 four or more lines?

22 THE WITNESS: Okay. I see what you are saying.
23 I'm not sure I can answer that question.

24 COMMISSIONER DEASON: You don't know if that
25 issue -- if you have raised that issue with the FCC?

1 THE WITNESS: I believe that we have raised the
2 issue, but I'm not sure what the current status of it is.
3 I believe, and this would be subject to check, but I
4 believe that the FCC hasn't acted on it and maybe doesn't
5 intend to.

6 COMMISSIONER DEASON: Well, the FCC's
7 determination is going to prevail, correct?

8 THE WITNESS: I would think it would, yes.

9 COMMISSIONER DEASON: Well, why shouldn't we
10 just tell you to wait and hear from the FCC, don't bother
11 us? And I don't mean it in an overly negative way. I
12 mean, it's just if the ultimate determination is going to
13 be made by the FCC and whatever we say is not going to
14 prevail, why is it even an issue in front of us if we have
15 no discretion other than to just follow what the FCC says?

16 THE WITNESS: Right, I understand. And, again,
17 this would be subject to check, but I believe that we did
18 ask for reconsideration on that issue with the FCC and
19 nothing ever came of it.

20 COMMISSIONER DEASON: They just refused to
21 answer your question or they said wait and we will
22 eventually answer your question?

23 THE WITNESS: I think it was the former.

24 COMMISSIONER DEASON: They just refused to
25 answer the question?

1 THE WITNESS: Yes, I believe so.

2 COMMISSIONER JABER: Wait a minute, let me
3 follow up on that. That doesn't sound right. Did they
4 issue an order that refused to entertain the question?

5 THE WITNESS: Before I get into areas I'm not
6 clear on, it would be probably be best for me to get that
7 information and be clear. I know that we have raised the
8 issue with the FCC, and I believe that -- maybe it was
9 denied or they just refused to rule on it, but I don't
10 believe that it has the potential to go further with the
11 FCC.

12 COMMISSIONER JABER: Let me ask staff a
13 question. Is this one of the dockets where you all asked
14 the parties to include in their briefs any legal decisions
15 or orders that come out that might affect this decision?

16 MR. VACCARO: Yes, I believe that is the case.
17 Because I know they were identified in the prehearing
18 statements.

19 COMMISSIONER JABER: All right. So in the brief
20 we should be expecting some analysis of a decision that
21 might have come out in the interim?

22 MR. VACCARO: I think you could certainly ask
23 for that.

24 COMMISSIONER JABER: Isn't it already in the
25 order on procedure, Tim? I don't know, I wasn't involved

1 with this, so -- did you all intend -- staff, did you
2 intend as part of Issue A that what the FCC does on the
3 issue that we are discussing right now that it be included
4 in the brief on Issue A?

5 MR. EDENFIELD: I don't believe that was the
6 intent, I think we just wanted to know what the basic
7 jurisdiction of the Commission was.

8 MR. WAHLEN: Commissioner, if you want us to
9 address something specific under this issue relating to
10 the FCC and what is going on there, I think we would all
11 be pleased to do that as long as we know what you would
12 like us to address.

13 COMMISSIONER JABER: Let me talk it out with the
14 Commissioners. I would like to know what Sprint has
15 filed, Commissioners, and what the result of it is. And
16 to the degree there is an order we should probably take
17 official recognition of it.

18 CHAIRMAN JACOBS: Do you want to make that a
19 late-filed or just --

20 COMMISSIONER DEASON: No, it would be part of
21 the briefs.

22 COMMISSIONER JABER: Part of the briefs. Part
23 of the briefs is what I had in mind.

24 COMMISSIONER PALECKI: I would like to know what
25 is also pending before the FCC at this time, which it is

1 very unclear to us whether we are making a decision that
2 will be decided by the FCC later on. And I don't think
3 any of us want to do that if that is a pending issue
4 before the FCC.

5 MR. VACCARO: And, Commissioners, perhaps what
6 you could do is whatever has been filed with the FCC you
7 could ask for as a late-filed exhibit and then take
8 recognition of any decision that comes out of that
9 exhibit.

10 MR. EDENFIELD: I mean, BellSouth has no
11 objection if you would like Sprint to supplement this
12 record with a current status of the -- I guess that is the
13 UNE remand order, whether there is any motions for
14 reconsideration from Sprint and what the position Sprint
15 took on this issue is, I have no objection to that. I
16 mean, if that seems helpful to the Commission.

17 COMMISSIONER JABER: Let me ask the witness. Is
18 that what you are talking about? Are you talking about a
19 reconsideration position you took to the FCC UNE order?

20 THE WITNESS: In the UNE remand order, yes, I
21 think so.

22 COMMISSIONER JABER: All right. Well, what I
23 would like to know, and I don't care, Commissioners, how
24 we do it, whether it be in the brief or through official
25 recognition, I just want to know what the result of your

1 reconsideration was. And to the degree there was an
2 order, I would like that included in the record.

3 THE WITNESS: We can certainly get that
4 information, yes.

5 CHAIRMAN JACOBS: So it sounds like --

6 COMMISSIONER PALECKI: I have one other question
7 on the issue, before we move on.

8 CHAIRMAN JACOBS: Let's resolve how we want to
9 process this.

10 COMMISSIONER JABER: Staff, what is the best way
11 to handle this?

12 MR. VACCARO: I would suggest that whatever has
13 been filed with the FCC on this issue be a late-filed
14 exhibit, and that the Commission take official recognition
15 of anything that may come out of that up until the time,
16 of course, we get to a final decision. If something comes
17 up prior to your final decision that you take official
18 recognition of that.

19 CHAIRMAN JACOBS: Okay. And this is Sprint's
20 filing with the FCC regarding pricing --

21 THE WITNESS: Petition for reconsideration on
22 the UNE remand. I believe that that issue was addressed.

23 MR. EDENFIELD: Sprint will be filing as a
24 late-filed exhibit the current status of their motion for
25 reconsideration on this issue in the FCC's UNE remand

1 docket, that is -- I mean, that is --

2 CHAIRMAN JACOBS: And then, Commissioner Deason,
3 did you want --

4 COMMISSIONER DEASON: Well, it's one thing to
5 file that as a position. I guess it is another question
6 that is more of a legal question, and that is if there is
7 something pending at the FCC, if and when they make a
8 decision is that going to prevail and if this Commission
9 has no discretion -- what I want to avoid, and I have said
10 it many, many times, is if we have jurisdiction and we
11 have discretion and our decisions mean something, let's
12 litigate it and let's make a policy decision and let's all
13 go forward.

14 If we are simply here for an interim decision
15 and the ultimate decision is going to be at the FCC and we
16 really don't have much discretion other than to follow
17 what the FCC says, just get your answer from the FCC. And
18 if that is the situation, I want to know what it is and
19 really what our jurisdiction is and what our discretion
20 is.

21 MR. EDENFIELD: I am -- with Mr. Wahlen's
22 concurrence, I am happy to add that as part of the
23 discussion on this issue in the brief. But I will, again,
24 subject to Mr. Wahlen correcting me, we have a provision
25 in the interconnection agreement that if the law changes,

1 that we are required to go back and amend. So, you know,
2 if the FCC were to change its mind or give a clarification
3 as to what it meant, the parties would then go back under
4 that provision and do whatever is consistent, modify the
5 agreement to be consistent with the FCC. We would not
6 come back here to ask you to do that. At least that is my
7 understanding of how that would work. Ms. Closz may have
8 a better --

9 MS. CLOSZ: Yes, I agree with that.

10 COMMISSIONER DEASON: I'm sorry, you are not on
11 the witness stand to agree or disagree.

12 THE WITNESS: I will agree with that.

13 CHAIRMAN JACOBS: So does that still entail a
14 need to file that status and information?

15 COMMISSIONER JABER: Chairman Jacobs, let me
16 tell you something we started adding in the orders on
17 procedure, and I thought was going to be part of all of
18 these dockets, was statements that identified any
19 decisions or pending decisions of the FCC or any court
20 that has or may either preempt or otherwise impact the
21 Commission's ability to resolve any of these issues. That
22 is what I'm looking for. We started adding that language
23 in the orders on procedure in these dockets and in these
24 prehearing orders.

25 And I thought that the parties understood that

1 would be information that would be presented through
2 briefs or through testimony as it is appropriate.
3 Commissioner Deason and I are saying the same thing. I
4 don't just want the position, I want to know how the FCC
5 decision impacts ours.

6 CHAIRMAN JACOBS: Okay. Let's approach it this
7 way. Let's identify a late-filed that would have the
8 actual filing itself plus a status update on that filing
9 at the FCC. Then I would -- we would leave an option for
10 the parties in their briefs to discuss the effect of
11 either a pending FCC decision or an existing FCC decision
12 on this matter. Does that sound workable?

13 MR. EDENFIELD: That is acceptable to BellSouth,
14 and I kind of stand here red-faced, Commissioner Jaber,
15 because I'm looking at your -- I don't know if it is
16 yours, but the order establishing procedure. At the risk
17 of opening myself to physical abuse, there is a provision
18 here that says that we are supposed to do exactly what you
19 say. And I can tell you now from my standpoint I think we
20 did a jurisdictional -- general jurisdiction of the
21 Commission, but I did not go into that kind of detail in
22 my prehearing statement, and I apologize. But you did ask
23 for it.

24 CHAIRMAN JACOBS: Duly noted that Mr. Edenfield
25 has fallen on his sword.

1 MR. EDENFIELD: Now my client can beat me about
2 the head.

3 CHAIRMAN JACOBS: Mr. Wahlen, is that workable?

4 MR. WAHLEN: That will be fine. I think we can
5 deal with that. I was just going to say that we think we
6 have the ability to get a copy of Sprint's motion for
7 consideration on the UNE remand order here this afternoon.

8 CHAIRMAN JACOBS: Okay. But we can still mark
9 it as a late-filed. If we can get it today that would be
10 great.

11 MR. WAHLEN: But if we can't, we will get it to
12 you as quickly as we can. And then in the brief we will
13 do as you suggest and brief these things.

14 CHAIRMAN JACOBS: Very well.

15 MR. WAHLEN: And would that be Late-filed
16 Exhibit Number 3?

17 CHAIRMAN JACOBS: That would be Exhibit 3.

18 (Late-filed Exhibit Number 3 marked for
19 identification.)

20 CHAIRMAN JACOBS: Very well. You are done with
21 cross, Mr. Edenfield?

22 MR. EDENFIELD: Yes, sir.

23 CHAIRMAN JACOBS: Staff.

24 MR. VACCARO: No cross.

25 CHAIRMAN JACOBS: Commissioners. Redirect.

1 COMMISSIONER PALECKI: I just have one quick
2 question. I'm trying to look at what is the practical
3 effect of what we are talking about here in dollars and
4 cents. What would you anticipate if the Commission goes
5 along with Sprint's scenario and allows the first three
6 lines to be charged at the less expensive rate, the fourth
7 line gets put in, what do you anticipate is the dollar and
8 cents difference?

9 THE WITNESS: I could offer an opinion, I
10 obviously don't have the numbers in front of me.

11 COMMISSIONER PALECKI: I don't need an exact
12 number, I'm looking for the ballpark.

13 THE WITNESS: On the UNE switching itself, I
14 think it could be as much as twice as the TELRIC rate.
15 Again, it would be at BellSouth's discretion to price the,
16 quote, market rate at whatever they --

17 COMMISSIONER PALECKI: What is the charge we are
18 talking about for the first three?

19 THE WITNESS: I'm sorry.

20 COMMISSIONER PALECKI: What is the charge for
21 the first three lines?

22 THE WITNESS: You mean in terms of actual
23 dollars?

24 COMMISSIONER PALECKI: In terms of dollars, yes.
25 I'm trying to find out what the difference is.

1 THE WITNESS: I don't have that information with
2 me today.

3 COMMISSIONER PALECKI: Thank you.

4 CHAIRMAN JACOBS: Redirect.

5 MR. ATKINSON: No redirect, Mr. Chairman. And I
6 believe there are no exhibits.

7 CHAIRMAN JACOBS: Other than the late-filed. Do
8 we go ahead and admit those or leave those until they are
9 filed? We don't admit those, do we?

10 MR. VACCARO: I'm sorry.

11 CHAIRMAN JACOBS: The late-filed, we don't admit
12 that, we just wait until they are filed, is that correct?
13 Or we do admit them into the record now?

14 MR. VACCARO: I think you duly noted that it
15 will be admitted in the record as a late-filed.

16 CHAIRMAN JACOBS: Very well.

17 MR. EDENFIELD: Commissioner Jacobs, one more
18 thing before we go. May I make the same request as to the
19 tariff that I had made with the collocation orders, and
20 that is instead of offering them as an exhibit to just get
21 them added to the official recognition list?

22 CHAIRMAN JACOBS: Okay.

23 MR. EDENFIELD: That is the A13 tariff.

24 CHAIRMAN JACOBS: There is no reference yet, so
25 show that amendment -- I'm sorry, Exhibit 1 would be

1 amended to include reference to BellSouth tariff --

2 MR. WAHLEN: I hate to interrupt, but I was
3 going to ask Mr. Ruscilli some questions on that tariff.
4 And it may just as easy to go ahead and identify it as an
5 exhibit.

6 MR. EDENFIELD: That's fine. We would ask that
7 the A13.9 tariff be identified as BellSouth's Exhibit 4,
8 out of turn obviously. And then we would ask once it is
9 identified that it be moved into evidence.

10 CHAIRMAN JACOBS: Very well. Show BellSouth
11 tariff A13.9, custom calling services, identified as
12 Exhibit 4, and without objection it is admitted.

13 (Exhibit Number 4 marked for identification and
14 admitted into the record.)

15 MR. WAHLEN: Thank you.

16 CHAIRMAN JACOBS: You are excused.

17 THE WITNESS: Thank you.

18 (Transcript continues in sequence with
19 Volume 3.)

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

4

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7 Hearing in Docket No. 000828-TP was heard by the Florida
8 Public Service Commission at the time and place herein
9 stated.

7

8 It is further certified that I stenographically
9 reported the said proceedings; that the same has been
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12 true transcription of my notes of said proceedings and the
13 insertion of the prescribed prefiled testimony of the
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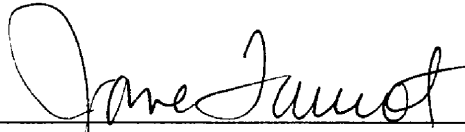
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