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ORIGINAL

March 12, 2001

Ms. Blanca S. Bayó, Director
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Florida Public Service Commission
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RECORDS AND REPORTING

Re: Docket No. 000075-TP Direct Testimony of Michael R. Hunsucker

Dear Ms. Bayó:

Enclosed for filing is the original and fifteen (15) copies of the Direct Testimony of Michael R. Hunsucker.

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

Thank you for your assistance in this matter.

Sincerely,

Teresa Harless
for Susan S. Masterton

Enclosure

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FPSC-RECORDS/REPORTING

1 A. The purpose of my testimony is to address, on behalf
2 of Sprint, Supplemental Issues 10-17 of the
3 Supplemental Issues List.

4

5

6 **Issue 10: Pursuant to the Telecommunications Act of 1996**
7 **(Act), the FCC's rules and orders, and Florida**
8 **Statutes, what is the Commission's jurisdiction to**
9 **specify the rates, terms and conditions governing**
10 **compensation for transport and delivery of traffic**
11 **subject to Section 251 of the Act? (Legal Issue)**

12

13 **Q. To what extent does the FPSC have jurisdiction to**
14 **specify the rates, terms, and conditions governing**
15 **compensation for transport and delivery of traffic**
16 **subject to Section 251 of the Act?**

17

18 A. Pursuant to Sections 251 and 252 of the Act, as well
19 as the U.S. Supreme Court Decision in AT&T vs. Iowa
20 Utility Board (119 S. Ct. 721 (1999)), the FCC has
21 jurisdiction to establish rules governing the rates,
22 terms and conditions for the transport and termination
23 of local traffic. The FPSC then has the jurisdiction
24 to implement these rules and apply any FCC-required

1 methodologies in establishing actual rates, terms and
2 conditions. The only limitation that the FCC has
3 applied to state commissions is that rules implemented
4 by state commissions, including the FPSC, must be
5 consistent or otherwise not conflict with the federal
6 rules. Additionally, the Florida Statutes, under
7 Sections 364.161 and 364.162, authorize the commission
8 to arbitrate disputes relating to negotiations of
9 telecommunications companies to establish the rates
10 terms and conditions of interconnection and the
11 unbundling of network elements. In addition, Section
12 120.80(d) provides that notwithstanding the provisions
13 of the Florida administrative Procedures Act, in
14 implementing the Telecommunications Act of 1996, the
15 Public Service Commission is authorized to employ
16 procedures consistent with that Act, which gives the
17 Commission the necessary state authority to implement
18 the federal Telecommunications Act.

19
20

21 **Issue 11: What types of local network architectures are**
22 **currently employed by ILECs and ALECs, and how does a**
23 **carrier's past, present, and forecasted traffic**

1 **volumes affect its choice of architectures?**

2 **(Informational issue)**

3

4 **Q. What types of local network architectures are**
5 **currently employed by ILECs?**

6

7 A. The local network architecture deployed by Sprint's
8 local division in Florida consists of circuit-based,
9 all digital switching Devices. Specifically, this
10 system contains 5 Toll Tandem Switches, 14 Lucent 5ESS
11 Local Switches and 46 Remote Switching Systems, 40 DMS
12 100 Local Switches and 153 Remote Switching Systems, 4
13 DMS 10 Local Switches, 2 Alcatel 1210 Local Switches
14 and 24 Remote Switching Systems. In addition, there
15 are 1564 Pair Gain Devices. The local switches are
16 interconnected to the Toll Tandems by fiber on fiber
17 rings that provide survivability. The Local Host
18 Switches directly serve 38% of the total access lines,
19 the Remote Switching Systems account for 37% of the
20 total access lines and finally, 25% are served off of
21 Pair Gain Devices, which home off of the Host/Remote
22 Switching Systems.

23

1 **Q What types of local network architectures are**
2 **currently employed by ALECs?**

3
4 A. The local network architectures deployed by ALECs may
5 vary considerably. Specifically, Sprint's ALEC
6 architecture in Florida is deployed using one of two
7 methods. The first incorporates a "tiering" structure
8 wherein the ILEC Tier 1 end offices are homed to one
9 or more ILEC Tier 2 end office(s). DS-3 level
10 transport is then leased from the ILEC. At the Tier 2
11 office, Sprint ALEC will "aggregate" the DS3 traffic
12 from the various end offices and lease an OC-3 from
13 the ILEC to provide transport to the Sprint POP.
14 With the second type of ALEC local network
15 architecture, Sprint homes all ILEC end offices to a
16 Sprint POP with aggregation performed at the POP.
17 Both the DSL equipment and the aggregator device
18 deployed by Sprint ALEC are ATM-based.

19
20

21 **Q. How does a carrier's past, present, and forecasted**
22 **traffic volumes affect its choice of architectures?**

23

1 The economic drivers for building the network are
2 predominately growth, both in access lines and minutes
3 of use, and mandates. Although growth rates are
4 difficult to predict, much of what drives Sprint
5 ILEC's local network architectural decisions today is
6 the need for additional ports for trunks and Pair
7 Gains. The longer holding times driven by high
8 Internet usage are causing Sprint to expand the
9 trunking capabilities. Sprint ALEC's network
10 architecture is based on forecasted traffic. As
11 traffic volumes increase, Sprint ALEC will simply
12 purchase another DS-3/OC-3 from the ILEC.

13

14

15

16 **Issue 12: Pursuant to the Act and FCC's rules and orders:**

17

**(a) Under what conditions, if any, is an ALEC
 entitled to be compensated at the ILEC's tandem
 interconnection rate?**

18

19

20

(b) What is "similar functionality?"

21

(c) What is "comparable geographic area?"

22

1 **Q. Under what conditions, if any, is an ALEC entitled to**
2 **be compensated at the ILEC's tandem interconnection**
3 **rate?**

4
5 A. There are two scenarios in which the FCC rules afford
6 ALECs compensation at the ILEC's tandem
7 interconnection rate; 1) when the ALEC switch utilizes
8 a tandem or "equivalent facility" under FCC Rule
9 51.701(c), 2) when the ALEC switch serves a
10 "comparable geographic area" consistent with FCC Rule
11 51.711 (a) (3).

12

13 **Q. Please provide a brief description of when the ALEC**
14 **switch utilizes a tandem or "equivalent facility"**
15 **under FCC Rule 51.701(c)?**

16

17 A. As stated above, the first scenario in which the FCC
18 rules afford an ALEC compensation at the ILEC's tandem
19 interconnection rate is when the ALEC actually
20 utilizes a tandem switch or "equivalent facilities" in
21 their network consistent with the definition of
22 termination in FCC Rule 51.701(c). Sprint contends
23 that an ALEC switch performs "functions similar to
24 those performed by an incumbent LEC's tandem switch"

1 if the switch is capable of trunk to trunk
2 connectivity and has the necessary software activated
3 in the switch to perform the actual tandem function.
4 Under these circumstances, the ALEC is entitled to be
5 compensated at the tandem interconnection rate on all
6 traffic that passes through that switch or "equivalent
7 facilities".

8

9

10 **Q. Please provide a brief description of when the ALEC**
11 **switch serves a "comparable geographic area"**
12 **consistent with FCC Rule 51.711(a)(3)?**

13

14 A. As stated above, the second scenario in which the FCC
15 rules afford an ALEC compensation at the ILEC's tandem
16 interconnection rate is when the ALEC's switch serves
17 a geographic area "comparable" to the area served by
18 the ILEC's tandem switch as is stated in Rule
19 51.711(a)(3). (Note: the definition of "comparable
20 geographic area" is discussed later in the testimony.)
21 Rule 51.711(a)(3) is contained in the FCC's rules on
22 symmetrical reciprocal compensation.

23

1 Sprint believes that the ALEC is entitled to receive
2 symmetrical compensation under this rule if the ALEC is, in
3 fact, interconnected at the ILEC tandem and the ALEC is
4 both paying and receiving reciprocal compensation at the
5 ILEC tandem interconnection rate. If the ILEC and ALEC are
6 interconnected at the end office level, then the ALEC shall
7 pay and receive reciprocal compensation at the ILEC end
8 office rate. Thus, in either application, the compensation
9 between the ILEC and ALEC are reciprocal and symmetrical as
10 intended by the FCC.

11

12

13 **Q. What is "similar functionality?"**

14

15 A. Sprint contends that an ALEC switch performs
16 "functions similar to those performed by an incumbent
17 LEC's tandem switch" if the switch is capable of trunk
18 to trunk connectivity and has the necessary software
19 activated in the switch to perform the actual tandem
20 function. This is the same definition that should be
21 utilized to determine whether the switch is an
22 "equivalent facility" under FCC Rule 51.701.

23

1 **Q. What is "comparable geographic area?"**

2

3 A. In order for an ALEC to satisfy the "comparable
4 geographic area" criteria found in Rule 51.711(a),
5 Sprint maintains that the ALEC must in fact hold
6 itself out to serve customers in the geographic area
7 served by the ILEC tandem absent any technical
8 feasibility limitations. It is debatable as to the
9 definition of "comparable". Sprint does not believe
10 that "comparable" is identical, but rather similar.
11 Establishment of any benchmark for comparability is
12 subjective in nature. In that light, Sprint would
13 suggest that the Commission not adopt a specific
14 metric, but rather, resolve any dispute on a case-by-
15 case basis. Hopefully, interconnecting carriers will
16 be able to resolve this issue with guidance from the
17 FPSC that "comparable" means similar and not
18 identical. In addition, Sprint also reiterates the
19 importance of ALECs having access to necessary
20 unbundled network elements from the ILEC such as UNEP
21 and packet switching in order to be able to
22 competitively serve a "comparable geographic area".

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Issue 13: How should a "local calling area" be defined, for purposes of determining the applicability of reciprocal compensation?

Q. How should a "local calling area" be defined, for purposes of determining the applicability of reciprocal compensation?

A. Pursuant to Paragraph 1035 of the FCC's First Report and Order, state commissions have the authority to determine what geographic areas should be considered "local areas" for the purpose of applying reciprocal compensation obligations for wireline carriers under section 251(b)(5). Furthermore, Sprint believes that the ILEC's local calling scope, including mandatory EAS, should define the appropriate local calling scope for reciprocal compensation purposes for wireline carriers. The local calling scope of the ILEC, including mandatory EAS, establishes a logical boundary upon which reciprocal compensation can be determined and is both fair and practical because ILECs generally have well-established flat-rated local calling scopes, with tariffed access charges

1 applicable outside the local calling scope. It should
2 be noted that this does not affect the ability of the
3 ALEC to designate its own flat rated calling scope for
4 its retail services provided to its end user
5 customers.

6

7

8 **Issue 14:**

9 (a) What are the responsibilities of an originating
10 local carrier to transport its traffic to another
11 local carrier?

12 (b) For each responsibility identified in part (a),
13 what form of compensation, if any, should apply?

14

15 **Q. What are the responsibilities of an originating local**
16 **carrier to transport its traffic to another local**
17 **carrier?**

18

19 A. Sprint maintains that it is the responsibility of the
20 originating carrier to transport its traffic to the
21 Point of Interconnection (POI) where it will be
22 delivered to the terminating carrier. The ALEC has the
23 right to designate the location of this POI for both
24 the receipt and delivery of local traffic with the

1 ILEC at any technically feasible location within the
2 ILEC's network. Furthermore, it is the responsibility
3 of both parties to build facilities to that physical
4 meetpoint. Specifically, the FCC has stated in
5 Paragraph 553 of the First Report and Order that ILECs
6 have an obligation for some build-out as a reasonable
7 accommodation for interconnection.

8

9

10 **Q. For each responsibility identified in part (a), what**
11 **form of compensation, if any, should apply?**

12

13 A. As mentioned above, it is Sprint's belief that the
14 originating carrier has the obligation to deliver its
15 traffic to the POI. Once the traffic is delivered to
16 the terminating carrier at the POI, the originating
17 carrier must pay the terminating carrier reciprocal
18 compensation for the transport and termination of
19 their traffic from the POI to the terminating switch.

20

21

22 **Issue 15:**

23 **(a) Under what conditions, if any, should carriers be**
24 **permitted to assign NPA/NXX codes to end users**

1 outside the rate center in which the NPA/NXX is
2 homed?

3 (b) Should the intercarrier compensation mechanism
4 for calls to these NPA/NXXs be based upon the
5 physical location of the customer, the rate
6 center to which the NPA/NXX is homed, or some
7 other criterion?

8

9 Q. Under what conditions, if any, should carriers be
10 permitted to assign NPA/NXX codes to end users outside
11 the rate center in which the NPA/NXX is homed?

12

13 A. Sprint believes that carriers should be permitted to
14 assign NPA/NXX codes to end users outside the rate
15 center in which the NPA/NXX is homed. In fact, this
16 is already occurring in the marketplace. The
17 important fact to understand is that it is uneconomic
18 for ALECs to establish homing or interconnection at
19 every ILEC rate center and attempt to replicate the
20 ILEC network in its entirety. Competition is advanced
21 by allowing ALECs the ability to interconnect at
22 limited points in the ILEC network while providing
23 service to end users across multiple rate centers.

24

1

2 **Q. Should the intercarrier compensation mechanism for**
3 **calls to these NPA/NXXs be based upon the physical**
4 **location of the customer, the rate center to which the**
5 **NPA/NXX is homed, or some other criterion?**

6

7 A. Similar to the point of interconnection issue
8 discussed in issue 14, Sprint believes that it should
9 be the responsibility of the originating carrier to
10 deliver its traffic to the rate center to which the
11 NPA/NXX is homed.

12

13

14 **Issue 16:**

15 **(a) What is the definition of Internet Protocol (IP)**
16 **telephony?**

17 **(b) How should IP telephony be compensated?**

18

19 **Q. What is the definition of Internet Protocol (IP)**
20 **telephony?**

21

22 A. Internet Protocol (IP) telephony is commonly referred
23 to as IP Telephony or VoIP. Paragraph 84 of the FCC's
24 April 1998 USF Order (FCC 98-67) defines IP telephony

1 services as services that "enable real-time voice
2 transmission using Internet protocols".

3
4 The services can be provided in two basic ways:
5 through software and hardware at customer premises, or
6 through "gateways" that enable applications
7 originating and/or terminating on the PSTN. Gateways
8 are computers that transform the circuit-switched
9 voice signal into IP packets, and vice versa, and
10 perform associated signalling, control, and address
11 translation functions."

12
13 It seems the IP telephony services may be generally
14 classified into one of three categories: computer-to-
15 computer, phone-to-phone and computer-to-phone.

16
17 In the case of computer-to-computer IP telephony,
18 individuals use software and hardware at their
19 premises to place calls between two computers
20 connected to the Internet. The IP telephony software
21 is an application that the subscriber runs, using
22 Internet access provided by its Internet service
23 provider. The Internet service providers over whose
24 networks the information passes may not even be aware

1 that particular customers are using IP telephony
2 software, because IP packets carrying voice
3 communications are indistinguishable from other types
4 of packets. Therefore, it is extremely difficult to
5 measure. Without regard to whether
6 "telecommunications" is taking place in the
7 transmission of computer-to-computer IP telephony, the
8 Internet service provider does not appear to be
9 provid[ing]" telecommunications to its subscribers.
10 (Paragraph 87).

11

12 With phone-to-phone IP telephony, users simply receive
13 voice transmission services using traditional NPA-NXX
14 dialing patterns and do not receive any data or
15 information services from a functional standpoint.
16 Specifically, the IP telephony provider simply creates
17 a virtual transmission path between points on the
18 public switched telephone network over a packet-
19 switched IP network (Paragraph 88). In fact, these
20 types of phone-to-phone IP telephony service providers
21 provide services that are virtually identical to
22 traditional circuit-switched carriers from the end-
23 user perspective (Paragraph 101).

24

1 The computer-to-phone IP telephony, where the
2 originator actually uses his computer to initiate a
3 call that terminates on a telephone, provides the same
4 functionality as phone-to-phone IP Telephony. The
5 only distinguishing characteristic is that the
6 originating point is a computer with a microphone
7 rather than a telephone handset.

8
9 While some circuit switches that are evolving into
10 packet switches using ATM or IP to transmit voice and
11 data, service provided by this equipment should not be
12 considered IP Telephony and should be treated like
13 circuit switched telephony is treated today.

14

15

16 **Q. How should IP telephony be compensated?**

17

18 A. With computer-to-phone IP telephony, the originator
19 will actually dial into an Internet Service Provider
20 who will, as some point during call, hand the call off
21 to the Public Switched Telephone Network (PSTN), where
22 the call is completed. If the call is
23 jurisdictionally local, then reciprocal compensation

1 should apply and if the call is non-local the
2 appropriate access charges should apply.

3

4

5 **Issue 17: Should the Commission establish compensation**
6 **mechanisms governing the transport and delivery of**
7 **traffic subject to Section 251 of the Act to be used**
8 **in the absence of the parties reaching an agreement or**
9 **negotiating a compensation mechanism? If so, what**
10 **should be the mechanisms?**

11

12 **Q. Should the Commission establish compensation**
13 **mechanisms governing the transport and delivery of**
14 **traffic subject to Section 251 of the Act to be used**
15 **in the absence of the parties reaching an agreement or**
16 **negotiating a compensation mechanism? If so, what**
17 **should be the mechanisms?**

18

19 **A. Yes. The FPSC should follow the reciprocal**
20 **compensation procedures already established by the**
21 **FCC. Specifically, according to Rule 51.711(a), the**
22 **compensation mechanism governing the transport and**
23 **delivery of traffic should be symmetrical reciprocal**
24 **compensation rates based on the ILEC's Commission-**

1 approved cost studies. Furthermore, under Rule
2 51.711(b) the states may establish asymmetrical rates
3 if the ALEC proves to the state commission, by filing
4 their own cost study, that their costs of operating an
5 efficiently configured network exceeds the costs
6 incurred by the ILEC. In addition, under
7 circumstances when the ILEC has not submitted a cost
8 study, Sprint believes the ALEC should be allowed to
9 adopt the rates of another large ILEC for reciprocal
10 compensation purposes.

11

12

13 **Q. Does that conclude your testimony?**

14

15 **A. Yes.**

CERTIFICATE OF SERVICE
DOCKET NO. 000075-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by U.S. Mail or facsimile this 12th day of March, 2001 to the following:

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