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March 14, 2003

VIA FEDERAL EXPRESS

Mrs. Blanca S. Bayo
Director, Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

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Re: Complaint of AT&T Communications of the Southern
States, LLC, Teleport Communications Group, Inc., and
TCG South Florida For Enforcement of Interconnection
Agreements with BellSouth Telecommunications, Inc.
Docket No. 020919-TP

Dear Mrs. Bayo:

Please find enclosed for filing in your office the original and fifteen (15)
copies of Rebuttal Testimony of Jeffrey A. King, Billy C. Peacock, and
Roberta Stevens on behalf of AT&T Communications of the Southern States,
LLC, Teleport Communications Group, Inc., and TCG of South Florida.

Please stamp two (2) copies of the Rebuttal Testimony in the usual
manner and return to us via our courier.

If you have any questions, please do not hesitate to contact me at
404-888-7437.

Sincerely yours,

Loretta A. Cecil

Loretta A. Cecil

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CERTIFICATE OF SERVICE

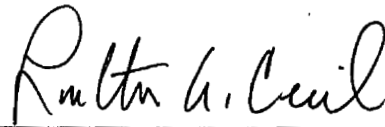
I HEREBY CERTIFY that a copy of the Rebuttal Testimony of Jeffrey A. King, Billy C. Peacock, and Roberta Stevens of AT&T of the Southern States, LLC, Teleport Telecommunications Group, Inc. and TCG South Florida (all collectively "AT&T") was furnished by U. S. Mail this 14th day of March, 2003 to the following:

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Loretta A. Cecil, Esq.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2
3 **In Re: Request for Arbitration) DOCKET NO. 020919-TP**
4 **Concerning Complaint of AT&T)**
5 **Communications of the Southern)**
6 **States, LLC, Teleport)**
7 **Communications Group, Inc., and)**
8 **TCG South Florida for)**
9 **Enforcement of Interconnection)**
10 **Agreements with BellSouth)**
11 **Telecommunications, Inc.)**

12
13
14 **REBUTTAL TESTIMONY OF JEFFREY A. KING**

15 **ON BEHALF OF**

16 **AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC,**

17 **TELEPORT COMMUNICATIONS GROUP, INC., AND**

18 **TCG SOUTH FLORIDA, INC.**

19 **MARCH 14, 2003**

DOCUMENT NUMBER DATE

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1 Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

2

3 A. My name is Jeffrey A. King. I am a District Manager in the Local
4 Services & Access Management organization of AT&T Corp.
5 ("AT&T"). My business address is 1200 Peachtree Street, N.E.,
6 Atlanta, Georgia 30309.

7

8 Q. FOR WHOM ARE YOU FILING TESTIMONY IN THIS
9 PROCEEDING?

10

11 A. I am testifying on behalf of AT&T Communications of the Southern
12 States, LLC, Teleport Communications Group, Inc., and TCG of the
13 Carolinas, Inc. (collectively referred to as "AT&T").

14

15 Q. ARE YOU THE SAME JEFFREY A. KING WHO PREVIOUSLY FILED
16 DIRECT TESTIMONY ON BEHALF OF AT&T IN THIS PROCEEDING
17 ON JANUARY 15, 2003?

18 A. Yes.

19 **ISSUE 2: DOES THE TERM "LOCAL TRAFFIC" AS USED IN**
20 **THE SECOND INTERCONNECTION AGREEMENT IDENTIFIED**
21 **IN AT&T'S COMPLAINT INCLUDE ALL "LATAWIDE" CALLS,**
22 **INCLUDING ALL CALLS ORIGINATED OR TERMINATED**
23 **THROUGH SWITCHED ACCESS ARRANGEMENTS AS**
24 **ESTABLISHED BY THE STATE COMMISSION OR FCC?**

1 **ISSUE 3: UNDER THE TERMS OF THE SECOND**
2 **INTERCONNECTION AGREEMENT, DO RECIPROCAL**
3 **COMPENSATION RATES AND TERMS APPLY TO CALLS**
4 **ORIGINATED OR TERMINATED THROUGH SWITCHED ACCESS**
5 **ARRANGEMENTS AS ESTABLISHED BY THE STATE**
6 **COMMISSION OR FCC?**

7

8 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

9

10 A. My testimony responds to the Direct Testimony filed by
11 Elizabeth R. A. Shiroishi on January 15, 2003, particularly
12 regarding discussions I had with Billy C. Peacock, AT&T's lead
13 contract negotiator, regarding BellSouth's intent in proposing
14 certain language regarding what constituted "Local Traffic" in
15 Second Interconnection Agreement. I also respond to
16 Ms. Shiroishi's testimony where she implies that AT&T is required
17 to transport all "Local Traffic" over "local interconnection trunks
18 under Second Interconnection Agreement."

19

20 Q. WERE YOU A MEMBER OF AT&T'S INTERCONNECTION
21 NEGOTIATIONS TEAM WHICH WAS NEGOTIATING WITH
22 BELLSOUTH REGARDING SECOND INTERCONNECTION
23 AGREEMENT?

24

1 A. Not exactly. Although I was not a member of the AT&T team which
2 met regularly with BellSouth, I was involved in the negotiations in
3 that I provided guidance and assistance to Mr. Peacock on various
4 compensation and network issues. Mr. Peacock frequently
5 discussed with me the status of the negotiations and sought my
6 comments and approval regarding proposed language dealing with
7 compensation issues and network facilities. As a manager in
8 AT&T's Local Services and Access Management organization, I had
9 responsibility for implementing various compensation and network
10 provisions agreed to by AT&T and BellSouth. Thus I had a
11 significant interest and provided assistance in the negotiations.

12

13 Q. HOW OFTEN DID MR. PEACOCK DISCUSS WITH YOU THE
14 STATUS OF INTERCONNECTION NEGOTIATIONS WITH
15 BELLSOUTH AND SEEK YOUR COMMENTS AND APPROVAL OF
16 LANGUAGE.?

17

18 A. Very frequently, sometimes daily, particularly when issues were
19 being discussed that specifically affected the compensation rates
20 which AT&T would pay BellSouth for the transport and
21 termination of traffic.

22

23 Q. WERE THERE CERTAIN COMPENSATION ISSUES WHICH WERE

1 PARTICULARLY IMPORTANT TO AT&T WHICH YOU DISCUSSED
2 WITH MR. PEACOCK?

3

4 A. Yes. One of the most significant issues was what constituted
5 "Local Traffic" for purposes of applying local reciprocal
6 compensation rates. If traffic is not considered "Local Traffic" it is
7 generally transported and terminated at switched access rates
8 (which are higher) than local reciprocal compensation rates.

9

10 Q WHAT WAS AT&T'S POSITION REGARDING WHAT CONSTITUTED
11 "LOCAL TRAFFIC?"

12

13 A. AT&T considered all intraLATA traffic to be "Local Traffic" subject
14 to local reciprocal compensation rates.

15

16 Q. TO THE BEST OF YOUR KNOWLEDGE, WAS BELLSOUTH AWARE
17 OF AT&T'S POSITION THAT ALL INTRALATA TRAFFIC WAS TO BE
18 CONSIDERED "LOCAL TRAFFIC" TO BE TRANSPORTED AND
19 TERMINATED AT LOCAL RECIPROCAL COMPENSATION RATES?

20

21 A. Yes. In addition to the discussions which Mr. Peacock had with
22 various members of BellSouth's negotiations team while
23 negotiating Second Interconnection Agreement, during the last

1 several years I also have met with Jerry Hendrix of BellSouth to
2 resolve various pricing and related compensation issues for AT&T.
3 Mr. Hendrix is Ms. Shiroishi's supervisor and these discussions
4 took place separate and apart from the interconnection agreement
5 negotiations between AT&T and BellSouth. During these meetings,
6 I have advised Mr. Hendrix on numerous occasions that AT&T
7 desired to negotiate an interconnection agreement with BellSouth
8 which defines "Local Traffic" to include intraLATA traffic.

9

10 Q IF SUCH A DEFINITION COULD NOT BE AGREED TO WITH
11 BELLSOUTH ON A VOLUNTARY BASIS, WOULD AT&T HAVE
12 ARBITRATED THE ISSUE OF WHAT CONSTITUTES "LOCAL
13 TRAFFIC" BEFORE THE COMMISSION IN ITS MOST RECENT
14 ROUND OF INTERCONNECTION AGREEMENT NEGOTIATIONS?

15

16 A. Most definitely.

17

18 Q. DID AT&T ARBITRATE THIS ISSUE WITH BELLSOUTH IN
19 FLORIDA OR ANY OTHER STATE IN THE MOST RECENT ROUND
20 OF INTERCONNECTION NEGOTIATIONS?

21

22 A. No we did not. This is because before AT&T's arbitration petition
23 was filed in Florida and in other states, I was advised by Mr.

1 Peacock that BellSouth had agreed that local reciprocal
2 compensation rates would apply to all intraLATA traffic and that
3 we would not have to arbitrate this issue.

4

5 Q. AFTER AT&T FILED ITS ARBITRATION PETITION IN FLORIDA,
6 DID MR. PEACOCK EVER ADVISE YOU THAT BELLSOUTH WAS
7 PROPOSING NEW LANGUAGE REGARDING WHAT CONSTITUTED
8 "LOCAL TRAFFIC?"

9

10 A. Yes. In the context of continuing to negotiate two unresolved
11 issues while the arbitration proceeding was pending, Mr. Peacock
12 advised me that BellSouth had proposed new "LATAwide" local
13 concept language regarding what constituted "Local Traffic."

14

15 Q. WHAT WERE THE TWO ISSUES WHICH AT&T AND BELLSOUTH
16 WERE CONTINUING TO NEGOTIATE AFTER AT&T HAD FILED ITS
17 ARBITRATION PETITION IN FLORIDA?

18

19 A. Compensation for transporting and terminating Internet Service
20 Provider ("ISP's") bound traffic and Voice Over Internet Protocol
21 ("VOIP") calls.

22

23 Q. WHAT WAS THE NEW LANGUAGE PROPOSED BY BELLSOUTH?

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A. BellSouth proposed what was referred to as a "LATAwide" local concept for defining "Local Traffic." Specifically, the language proposed by BellSouth in a new Section 5.3.1.1 stated:

"The Parties agree to apply a "LATAwide" local concept to this Attachment 3, meaning that traffic that has traditionally been treated as intraLATA toll will now be treated as local for intercarrier compensation purposes, except for those calls that are originated or terminated through switched access arrangements as established by the ruling regulatory body."

Q. DID YOU DISCUSS WITH MR. PEACOCK BELLSOUTH'S INTENT REGARDING THE LANGUAGE "EXCEPT FOR THOSE CALLS THAT ARE ORIGINATED OR TERMINATED THROUGH SWITCHED ACCESS ARRANGEMENTS AS ESTABLISHED BY RULING REGULATORY BODY" IN THIS NEW SECTION 5.3.1.1?

A. Yes. Mr. Peacock explained that BellSouth wanted to include the language to protect BellSouth in the event a state commission or the FCC determined that ISP traffic was deemed jurisdictionally to be interLATA traffic even though the traffic technically stayed within a LATA. Mr. Peacock further explained that BellSouth would not allow such traffic to be compensated as "Local Traffic" when AT&T's long distance network transported this traffic. He said Ms. Shiroishi also was concerned about a state commission or the FCC determining VOIP calls to be interLATA traffic. Further,

1 we discussed the words "regulatory ruling body" and requested
2 that the words be changed to "State Commission or the FCC" given
3 BellSouth's statements that "regulatory ruling body" meant "state
4 commission or the FCC."
5

6 Q. DID YOU HAVE FURTHER DISCUSSIONS WITH MR. PEACOCK
7 REGARDING ANY OTHER LANGUAGE IN SECOND
8 INTERCONNECTION AGREEMENT REGARDING WHAT
9 BELLSOUTH INTENDED RELATIVE TO THE "SWITCHED ACCESS
10 ARRANGEMENTS" LANGUAGE DISCUSSED ABOVE?
11

12 A. Yes. As discussions between Mr. Peacock and BellSouth
13 continued, BellSouth also proposed a definition of "Switched
14 Access Traffic" in Section 5.3.3 (which included only intrastate
15 interLATA and interstate interLATA traffic as "Switched Access
16 Traffic"). BellSouth also proposed language to make it clear that
17 Section 5.3.3 with its definition of "Switched Access Traffic" was
18 "interrelated" to Section 5.3.1.1. (which included the "LATAwide"
19 local concept language regarding "Local Traffic" as well as the
20 "switched access arrangements" language regarding not
21 misrepresenting interLATA traffic as being subject to local
22 compensation rates).
23

1 Q. GIVEN THAT BELL SOUTH'S PROPOSED LANGUAGE DISCUSSED
2 ABOVE INVOLVED WHAT CONSTITUTED "LOCAL TRAFFIC,"
3 WOULD MR. PEACOCK HAVE NEEDED YOUR APPROVAL
4 BEFORE AGREEING TO ANY SUCH LANGUAGE?

5
6 A. Yes.

7
8 Q. DID YOU PROVIDE YOUR APPROVAL?

9
10 A. Yes. I gave Mr. Peacock my approval after he advised me of
11 BellSouth's rationale for the language as had been explained to
12 him and others at AT&T. That rationale was that BellSouth
13 wanted to include language regarding "switched access
14 arrangements" in order to protect BellSouth in the event a state
15 commission or the FCC determined that ISP bound traffic was
16 interLATA traffic even though the traffic technically stayed within a
17 LATA; and in the event that the FCC determined that VOIP calls
18 constituted interLATA traffic. Mr. Peacock also indicated that
19 AT&T and BellSouth had reached agreement on a clear and
20 unambiguous definition of "Switched Access Traffic" in Section
21 5.3.3 that was limited to intrastate interLATA and interstate
22 interLATA traffic and did not include any intraLATA or "LATAwide
23 Traffic." Finally, we discussed that BellSouth also had proposed

1 language that Section 5.3.3 (which defined "Switched Access
2 Traffic") was "interrelated" to Section 5.3.1.1 (which set forth the
3 "LATAwide" local concept for "Local Traffic"). Based on these
4 provisions and Mr. Peacock's discussions with Ms. Shiroishi, I
5 believed that the language which BellSouth had asked be included
6 in Second Interconnection Agreement provided that intraLATA
7 traffic would be compensated at local reciprocal compensation
8 rates and not at switched access rates. It clearly was AT&T's
9 intent for that to be the case, and we never would have agreed to
10 any language that would have required us to pay switched access
11 rates for intraLATA traffic.

12
13 Q. SPECIFICALLY, AT PAGE 6, LINES 1-4 OF MS. SHIROISHI'S
14 TESTIMONY SHE STATES THAT IF AN INTRALATA CALL
15 ORIGINATES OR TERMINATES THROUGH SWITCHED ACCESS
16 ARRANGEMENTS, THEN THAT CALL WOULD BE EXCLUDED
17 FROM THE DEFINITION OF "LOCAL TRAFFIC." SHE THEN GOES
18 ON TO STATE "SUCH A CALL WOULD BE GOVERNED BY
19 BELLSOUTH'S SWITCHED ACCESS TARIFFS AND WOULD BE
20 SUBJECT TO THE APPROPRIATE SWITCHED ACCESS RATES."
21 DID MR. PEACOCK EVER STATE TO YOU THAT MS. SHIROISHI
22 OR ANYONE ELSE FROM BELLSOUTH HAD MADE ANY SUCH
23 STATEMENTS TO AT&T IN NEGOTIATIONS MEETINGS BETWEEN

1 THE PARTIES OF IN ANY OTHER DISCUSSIONS WITH
2 MR. PEACOCK?

3

4 A. Absolutely not.

5

6 Q. DOES SECOND INTERCONNECTION AGREEMENT CONTAIN ANY
7 PROVISIONS WHICH CONTAIN ANY OF MS. SHIROISHI'S
8 CONCLUSIONS DISCUSSED?

9

10 A. No it does not.

11

12 Q. WITH RESPECT TO MS. SHIROISHI'S TESTIMONY AT PAGE 10,
13 BEGINNING AT LINE 18 REGARDING VARIOUS TRUNKING
14 "REQUIREMENTS," IS THE INTRALATA TRAFFIC, WHICH IS IN
15 DISPUTE IN THIS PROCEEDING, TRAFFIC IN WHICH AT&T
16 PROVIDES ITS ORIGINATING CUSTOMER BOTH THE FACILITIES-
17 BASED DEDICATED LOOP TO THE CUSTOMER'S PREMISE AS
18 WELL AS LOCAL SWITCHING (I.E., DIAL TONE), INCLUDING THE
19 UNBUNDLED NETWORK ELEMENT PLATFORM OR LOOP/PORT
20 COMBINATION ("UNE-P")?

21

22 A. Yes.

23

1 Q. WITH RESPECT TO UNE-P, DOES BELLSOUTH ALSO REFUSE TO
2 TREAT THESE INTRALATA CALLS AS "LOCAL TRAFFIC"?

3

4 A. Yes. UNE-P is a new local service option available to AT&T. Due to
5 billing and network capabilities that currently exist within AT&T's
6 traditional long distance business, AT&T routes certain of its
7 customers' intraLATA traffic (e.g., intraLATA 1+ dialed calls) over
8 the AT&T long distance network and then terminates that traffic
9 back to BellSouth over in-place switched access provisioned
10 facilities. Even though AT&T is the originating carrier for these
11 types of calls, because the call "leaves" the AT&T network and
12 transverses switched access facilities within the LATA, BellSouth
13 requires AT&T to pay switched access rates for such calls based on
14 its interpretation of Second Interconnection Agreement. To put
15 BellSouth's position in perspective, if an AT&T UNE-P customer
16 was calling a BellSouth customer (i.e., a customer which is "PIC'D"
17 or uses BellSouth for intraLATA service) and the BellSouth
18 customer returns that call to the AT&T UNE-P customer, AT&T
19 would receive no compensation from BellSouth.¹ This is because
20 BellSouth alleges that it "owns" all of the UNE-P network and thus
21 the call never leaves its network even though AT&T is providing

22

¹ Under UNE-P, the Parties have agreed that the originating party is responsible for both originating and terminating costs related to "Local Traffic."

1 local service (through UNE-P) to the customer being called by
2 BellSouth's customer. Further, if that same BellSouth customer
3 were to call an AT&T facilities based local customer (not UNE-P),
4 and the BellSouth's customer's call does leave BellSouth's network,
5 AT&T charges BellSouth local reciprocal compensation rates to
6 terminate that call in accordance with the provisions of Second
7 Interconnection Agreement "Local Traffic" and not switched access
8 rates.

9

10 Q. DOES AT&T PURCHASE ORIGINATING SWITCHED ACCESS
11 FROM BELL SOUTH FOR ITS LATAWIDE LOCAL TRAFFIC?

12

13 A. No it does not.

14

15 Q. WITH RESPECT TO MS. SHIROISHI'S TESTIMONY AT PAGES 10,
16 LINES 18-22 AND PAGE 11, LINES 1-15, MS. SHIROISHI
17 FURTHER STATES "...THE DEFINITION [OF LOCAL TRAFFIC] IN
18 SECOND INTERCONNECTION AGREEMENT RELATED TO THE
19 TYPE OF ARRANGEMENT, OR TRUNK GROUP, THAT THE
20 TRAFFIC ORIGINATED OVER OR TERMINATED THROUGH." SHE
21 THEN GOES ON TO STATE "THE DESCRIPTIONS OF THE
22 TRUNKING ARRANGEMENTS MAKE CLEAR THAT THEY ARE FOR
23 LOCAL AND INTRALATA TOLL TRAFFIC AND THE TRUNKING

1 ARRANGEMENTS ARE NOT THE SAME AS THE SWITCHED
2 ACCESS TRUNKING ARRANGEMENTS SET FORTH IN
3 BELLSOUTH'S TARIFFS." ARE ANY OF THESE STATEMENTS BY
4 MS. SHIROISHI FOUND IN ATTACHMENT 3 TO SECOND
5 INTERCONNECTION AGREEMENT?
6

7 A. Absolutely not.
8

9 Q. WITH RESPECT TO EXISTING TRUNKING ARRANGEMENTS
10 UTILIZED BY AT&T, HAS BELLSOUTH IN THE PAST, AND DOES
11 BELLSOUTH CURRENTLY CHARGE AT&T LOCAL RECIPROCAL
12 COMPENSATION RATES FOR "LOCAL TRAFFIC" WHICH IS NOT
13 TRANSPORTED OVER "LOCAL INTERCONNECTION TRUNKS" AS
14 DEFINED BY BELLSOUTH?
15

16 A. Yes. Several years ago, in an effort to offer local services to various
17 business customers, AT&T began offering local service using
18 4ESS™ switched and related facilities which traditionally had been
19 used to provide long distance services. BellSouth has in the past,
20 and it continues today under Second Interconnection Agreement,
21 to charge AT&T local reciprocal compensation rates for calls which
22 are transported over these facilities. For compensation billing
23 purposes, AT&T provides BellSouth a Percent Local Usage ("PLU")

1 factor in order to determine what portion of AT&T's traffic is "Local
2 Traffic" versus "Switched Access Traffic." This factor changes from
3 time to time as traffic levels and types vary.

4

5 Q. HAS BELLSOUTH AGREED TO THIS PLU FACTOR BILLING
6 PROCESS?

7

8 A. Yes. BellSouth has agreed to this process in Second
9 Interconnection Agreement.

10

11 Q. TO YOUR KNOWLEDGE HAS BELLSOUTH CONTACTED AT&T'S
12 ACCESS BILLING MANAGEMENT ORGANIZATION TO INFORM
13 AT&T THAT IT WILL NO LONGER ACCEPT A PLU FACTOR FROM
14 AT&T?

15

16 A. No. However, BellSouth has "frozen" AT&T's PLU factor at the
17 September 2001 PLU factor level while this dispute is pending.

18

19 Q. WITH RESPECT TO MS. SHIROISHI'S TESTIMONY AT PAGES 10-
20 11 REGARDING VARIOUS TRUNKING "REQUIREMENTS," IS IT
21 CLEAR TO YOU WHAT MS. SHIROISHI IS ALLEGING?

22

23 A. No it is not. However, she seems to be implying that AT&T must

1 "migrate" or "convert" its existing trunks to "local only" trunks in
2 order for AT&T's "Local Traffic" to be compensated at local
3 reciprocal compensation rates.
4

5 Q. DID MR. PEACOCK EVER ADVISE YOU THAT MS. SHIROISHI
6 HAD INTERPRETED THE INTERCONNECTION PROVISIONS OF
7 ATTACHMENT 3 TO REQUIRE ANY SUCH "MIGRATIONS" OR
8 "CONVERSIONS"?

9
10 A. Absolutely not. In fact, Mr. Peacock and I never discussed any
11 "migration" or "conversion" requirements in Attachment 3 that
12 would affect AT&T. I feel confident he would have done so had Ms.
13 Shiroishi explained her "interpretation" of these provisions to him
14 as she has testified in this proceeding.
15

16 Q. WOULD IT BE A SIGNIFICANT AND EXPENSIVE UNDERTAKING
17 FOR AT&T TO IMPLEMENT THE "MIGRATIONS" AND
18 "CONVERSIONS" SHE REFERENCES?
19

20 A. Yes. Ms. Shiroishi is suggesting that AT&T replace many of its
21 existing facilities, which AT&T implemented over many years to
22 operate a combined local and long distance network, to local
23 facilities. This would be an inefficient and expensive endeavor and

1 Ms. Shiroishi knows that. In this respect, her interpretation of
2 AT&T's trunking "requirements" under Second Interconnection
3 Agreement (in order to have AT&T's "local traffic" considered "Local
4 Traffic") are akin to the proverbial "poison pill." It certainly was
5 never AT&T's understanding or intent that it would need to engage
6 in a wholesale rebuilding of its combined local and long distance
7 network in order to have its "local traffic" to be considered "Local
8 Traffic" under Second Interconnection Agreement for local
9 reciprocal compensation purposes. Moreover, BellSouth also
10 would experience increase costs to implement such a "migrated" or
11 "converted" network. Those sections from Second Interconnection
12 Agreement referred by Ms. Shiroishi in her Direct Testimony allow
13 BellSouth to request AT&T to implement any such "migration" or
14 "conversion." To date, BellSouth has never made any such request
15 of AT&T.

16
17 Q. IN TRYING TO MAKE SENSE OF MS. SHIROISHI'S TESTIMONY,
18 FROM A TECHNICAL PERSPECTIVE, ARE THERE ANY
19 DIFFERENCES BETWEEN TRUNKS USED TO TRANSPORT
20 "LOCAL TRAFFIC" AND TRUNKS WHICH ARE USED TO
21 TRANSPORT SWITCHED ACCESS TRAFFIC?

22
23 A. No, as the saying goes in the industry, "a trunk is a trunk is a

1 trunk." Trunks which are used to transport "Local Traffic" and
2 "Switched Access Traffic" are functionally equivalent. Billing is
3 therefore determined by the jurisdiction of traffic, using billing
4 factors known as PIU ("Percent Interstate Usage"), PLU ("Percent
5 Local Usage"), and PLF ("Percent Local Facility").

6
7 Q. FINALLY, ARE THERE PROVISIONS IN ATTACHMENT 3 TO
8 SECOND INTERCONNECTION AGREEMENT WHICH WOULD
9 LEAD YOU TO CONCLUDE THAT "LOCAL TRAFFIC" AND
10 "SWITCHED ACCESS TRAFFIC" CAN BE TRANSPORTED OVER
11 THE SAME TRUNKS?

12
13 A. Yes. Sections 5.3.7 and 5.3.9 allow the parties to determine the
14 amount of local and switched access traffic to be billed based on
15 the parties' projections of how much of their traffic is "Local
16 Traffic" and how much of their traffic is "Switched Access Traffic."
17 If AT&T was required under Second Interconnection Agreement to
18 transport all of its "Local Traffic" only over "local trunks" and all of
19 its "Switched Access Traffic" over only "Switched Access Trunks,"
20 the type of traffic could be determined from the trunk group
21 carrying the traffic. As a result, there would be no need for the
22 parties to project with "factors" how much of their traffic is "Local
23 Traffic" and how much of their traffic is "Switched Access Traffic".

1 For the Commission's convenience, I have attached a copy of
2 Sections 5.3.7 and 5.3.9 of Attachment 3 as JAK Rebuttal Exhibit
3 1.

4

5 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

6 A. Yes.

the first sentence of this paragraph. Once the FCC issues an Effective Order addressing this issue, the Parties agree to amend this Interconnection Agreement to comply with the Order on a prospective basis only within thirty (30) days of either Party's written request. No "true-up" shall be required in connection with such an Effective Order. Nothing in this Section 5.3.4 is intended to change the way that the Parties treat ISP-bound traffic in accordance with the FCC's ISP Order on Remand.

- 5.3.5 Billing Point of Interface Compensation. If BellSouth establishes a BPOI, AT&T agrees to pay to BellSouth Interoffice Dedicated Transport and any associated Multiplexing for BellSouth to transport BellSouth's originated Local and ISP-bound Traffic over BellSouth facilities from the BPOI as described in Section 1.8.3 of this Attachment to the Physical Point of Interface. Such Interoffice Dedicated Transport shall be priced as set forth in Exhibit A. The Interoffice Dedicated Transport mileage shall be the airline mileage between the Vertical and Horizontal ("V&H") coordinates of the BPOI and the V&H coordinates of the BellSouth Point of Interface. The Interoffice Dedicated Transport charges for BPOI shall be billed based on the actual volume of traffic in increments of 8.9M minutes, which is a DS3 equivalent. BellSouth will not assess charges for an additional DS3 until the additional 8.9M-minute threshold is met.
- 5.3.6 Charges for Trunks and Associated Dedicated Facilities. Compensation for trunks and associated dedicated facilities shall be handled in accordance with Section 1.9-1.9.2 of this Attachment.
- 5.3.7 Percent Local Use. Each Party will report to the other a Percentage Local Usage ("PLU"). The application of the PLU will determine the amount of local minutes to be billed to the other Party. For purposes of developing the PLU, each Party shall consider every local call and every long distance call, excluding intermediary traffic. BellSouth shall report quarterly PLU factors to AT&T. BellSouth will accept from AT&T monthly PLU factors provided under the previous agreement until the third quarter of 2001, at which time AT&T shall report quarterly PLU factors. BellSouth and AT&T shall also provide a positive report updating the PLU. Detailed requirements associated with PLU reporting shall be as set forth in BellSouth's Standard Percent Local Use Reporting Platform for Interconnection Purchasers, as it is amended from time to time during this Agreement. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.

- 5.3.8 Percent Local Facility. Each Party shall report to the other a PLF. The application of the PLF will determine the portion of switched dedicated transport to be billed per the local jurisdiction rates. The PLF shall be applied to multiplexing, local channel and interoffice channel switched dedicated transport utilized in the provision of local interconnection trunks. Each Party shall update its PLF on the first of January, April, July and October of the year and shall send it to the other Party to be received no later than thirty (30) calendar days after the first of each such month to be effective the first bill period the following month, respectively. Requirements associated with PLU and PLF calculation and reporting shall be as set forth in BellSouth's Percent Local Use/Percent Local Facility Reporting Guidebook, as it is amended from time to time.
- 5.3.9 Percentage Interstate Usage. For combined interstate and intrastate AT&T traffic terminated by BellSouth over the same facilities, AT&T will be required to provide a projected Percentage Interstate Usage ("PIU") to BellSouth. All jurisdictional report requirements, rules and regulations for Interexchange Carriers specified in BellSouth's Intrastate Access Services Tariff will apply to AT&T. After interstate and intrastate traffic percentages have been determined by use of PIU procedures, the PLU factor will be used for application and billing of local interconnection. Notwithstanding the foregoing, where the terminating company has message recording technology that identifies the traffic terminated, such information, in lieu of the PLU factor, shall at the company's option be utilized to determine the appropriate reciprocal compensation to be paid.
- 5.3.10 Audits. On thirty (30) days' written notice, each Party must provide the other the ability and opportunity to conduct an annual audit of the traffic reported. BellSouth and AT&T shall retain records of call detail for a minimum of nine months from which a PLU and/or PIU can be ascertained. The audit shall be accomplished during normal business hours at an office designated by the Party being audited. Audit requests shall not be submitted more frequently than one (1) time per calendar year. Audits shall be performed by a mutually acceptable independent auditor paid for by the Party requesting the audit. The PLU and/or PIU shall be adjusted based upon the audit results and shall apply to the usage for the quarter the audit was completed, to the usage for the quarter prior to the completion of the audit, and to the usage for the two quarters following the completion of the audit. If, as a result of an audit, either Party is found to have overstated the PLU and/or PIU by twenty percentage points (20%) or more, that Party shall reimburse the auditing Party for the cost of the audit.