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March 24, 2006

Mrs. Blanca S. Bayó
Director, Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No. 050419-TP
In Re: Petition of MCImetro Access Transmission Services, LLC
For Arbitration of Certain Terms and Conditions of Proposed
Agreement with BellSouth Telecommunications, Inc. Concerning
Interconnection and Resale Under the Telecommunications
Act of 1996**

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of the Supplemental Testimony of Shelley L. Decker and Pam Tipton, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,


James Meza III

Enclosures

cc: All parties of record
Jerry D. Hendrix
Nancy B. White
R. Douglas Lackey

DOCUMENT NUMBER-DATE

02698 MAR 24 06

FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE
DOCKET NO. 050419-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

First Class U.S. Mail and Electronic Mail this 24th day of March, 2006 to the following:

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James Meza III

(+) SIGNED PROTECTIVE AGREEMENT

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BELLSOUTH TELECOMMUNICATIONS, INC.
SUPPLEMENTAL TESTIMONY OF SHELLEY L. DECKER
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 050419-TP
MARCH 24, 2006

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH"), AND YOUR BUSINESS ADDRESS.

A. My name is Shelley L. Decker. I am employed by BellSouth as Senior Product Manager for Interconnection Services. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Auburn University in Auburn, Alabama, in 1999, with a Bachelor of Science in Business Administration. I began employment with BellSouth in 2000 in the Interconnection Services Organization as a Contract Negotiator. I moved to a position in product management in this same organization and now work as a Senior Product Manager for Local Interconnection and Switched Access products. In this position, I am responsible for development of intercarrier compensation strategy and initiatives, as well as overseeing lifecycle management of certain Local Interconnection and Switched Access products.

1 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS
2 PROCEEDING?

3

4 A. Yes. I filed direct testimony on October 21, 2005. I also filed rebuttal
5 testimony on December 1, 2005.

6

7 Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT
8 TESTIMONY?

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10 A. The purpose of my supplemental testimony is to restate BellSouth's
11 position on Issues 21 and 22. For ease of convenience, this
12 supplemental testimony includes my rebuttal testimony previously filed
13 with the Florida Public Service Commission ("Commission" or "FPSC")
14 modified in certain respects to take into account new positions of the
15 parties resulting from ongoing negotiations or the merger between
16 MCImetro Access Transmission Services, LLC ("MCI") and Verizon.

17

18 ***Issue 21: For intraLATA toll traffic originated by an ICO, carried over***
19 ***BellSouth's network and then terminated by MCI: A) what rate is MCI***
20 ***entitled to charge BellSouth, if at all and B) what records should be used***
21 ***to bill BellSouth?***

22

23 Q. IS THIS AN ISSUE IN FLORIDA?

24 A. No. The parties have agreed this is not an issue in Florida.

25

26 ***Issue 22: How should FX-like or VNX services offered by MCI to its***
27 ***customers be treated for intercarrier compensation purposes? If this***
28 ***traffic is not local, how should it be identified and what rates apply to it?***
29

1 Q. WHAT IS MCI'S POSITION? PLEASE COMMENT.

2

3 A. MCI's most recent position, as set forth in the revised Issues Matrix filed
4 on March 3, 2006, is that this issue is currently at the Federal
5 Communications Commission ("FCC"). MCI then states that, "MCI will
6 not challenge any established state policy of applying reciprocal
7 compensation...to VNXX traffic." However, in states where a state
8 commission has not ruled consistent with MCI's position, MCI requests
9 that the Commission "implement the same kind of compensation
10 approach major ILECs and CLECs have themselves agreed upon" by
11 applying a single rate to both Local and ISP-bound VNXX traffic.

12

13 Thus, while not entirely clear, it appears that MCI's position is that,
14 where a state commission has issued an order that agrees with MCI's
15 position, i.e., that reciprocal compensation applies to VNXX traffic, MCI
16 will not object. In situations where a state commission has issued an
17 order that is contrary to MCI's position or has refused to adopt MCI's
18 position; however, MCI wants to implement an unknown approach that
19 unidentified "major ILECs and CLECs" have allegedly already agreed
20 upon. Accordingly, it appears that MCI's newest position is inherently
21 inconsistent and that MCI is unwilling to comply with the law when it is
22 adverse to MCI.

23

24

25

1 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

2

3 A. BellSouth's position is that, regardless of the telephone number that
4 MCI assigns to its end user, access charges, not reciprocal
5 compensation, should apply to calls that originate and terminate in two
6 different LATAs.

7

8 Q. HAS THIS COMMISSION ADDRESSED THIS ISSUE?

9

10 A. Yes. Consistent with BellSouth's position, the Florida Public Service
11 Commission ("FPSC") has ruled that the end points of the call
12 determine jurisdiction and that reciprocal compensation should not
13 apply to virtual NXX traffic. Specifically, the FPSC stated, in pertinent
14 part:

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In addition, we find that intercarrier compensation for calls to these numbers shall be based upon the end points of the particular calls. This approach will ensure that intercarrier compensation will not hinge on a carrier's provisioning and routing method, or an end user's service selection. We find that calls terminated to end users outside the local calling area in which their NPA/NXXs are homed are not local calls for purposes of intercarrier compensation; therefore, we find that carriers shall not be obligated to pay reciprocal compensation for this traffic.¹

¹ *Investigation into appropriate methods to compensate carriers for exchange of traffic subject to Section 251 of the Telecommunications Act of 1996*, Docket No. 000075-TP, Order No. PSC-02-1248-FOF-TP (Sept. 10, 2001).

1 More recently, the FPSC reaffirmed its position that Virtual NXX or FX-
2 Like traffic should be subject to the appropriate access charges.

3 Specifically, the Commission stated:

4 VNXX traffic should be subject to long distance
5 access charges based on the end points of the
6 calls and the terms should be reciprocal such that
7 both FDN VNXX and similar Sprint FX traffic, if
8 any, is compensated in the same manner
9 regardless of the directional flow of such traffic.²

10

11 Q. HAVE OTHER COMMISSIONS IN BELLSOUTH'S REGION
12 ADDRESSED THIS ISSUE AND, IF SO, WHAT WERE THE
13 OUTCOMES?

14

15 A. Yes. The Georgia Public Service Commission ("GPSC") ruled that the
16 jurisdiction of virtual NXX or virtual FX traffic should be determined by
17 the physical end points of the call and not based on the NPA/NXX
18 assigned to the call. Additionally, the GPSC ruled that reciprocal
19 compensation should not apply to Virtual FX traffic because these calls
20 are terminated in different local calling areas.³ Specifically, the GPSC
21 stated, in pertinent part:

22

23

² *Petition for arbitration of certain unresolved issues associated with negotiations for interconnection, collocation, and resale agreement with Florida Digital Network, Inc. d/b/a FDN Communications, by Sprint-Florida, Incorporated, Docket No. 041464-TP. Vote Sheet (Dec. 20, 2005).*

³ *Generic Proceeding on Point of Interconnection and Virtual FX Issues, Final Order, page 11, Docket No. 13542-U (August 15, 2001)*

1 Determining the nature of Virtual FX traffic based
2 on the physical location of the callers is consistent
3 with the end-to-end analysis endorsed by the FCC.
4 The FCC has stated that "both court and [FCC]
5 decisions have considered the end-to-end nature of
6 the communications more significant than the
7 facilities used to complete such communications."
8 [citations omitted]. Application of an end-to-end
9 analysis to Virtual FX calls focuses on this traffic
10 traveling between local calling areas, and leads to
11 a conclusion that reciprocal compensation is not
12 due for these calls.
13

14 In addition, the Tennessee Regulatory Authority⁴ and the South
15 Carolina Public Service Commission⁵ both found that access charges
16 should apply to Virtual NXX traffic.⁶
17

18 Similarly, in the prior BellSouth/MCI arbitration proceeding, (Docket No.
19 P-474, Sub 10), the North Carolina Utilities Commission ("NCUC")
20 determined that reciprocal compensation only applies to virtual NXX

⁴ *Petition for Arbitration of the Interconnection Agreement Between BellSouth Telecommunications, Inc. and Intermedia Communications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996*, Docket No. 99-00948, Interim Order of Arbitration Award, page 44. (June 25, 2001).

⁵ *Petition of Adelpia Business Solutions of South Carolina, Inc. for Arbitration of an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Communications Act of 1934, as Amended by the Telecommunications Act of 1996*, Docket No. 2000-516-C, Order No. 2001-045 (January 16, 2001).

⁶ BellSouth acknowledges that the Wireline Competition Bureau of the FCC in the *Virginia Arbitration Order* ruled that virtual NXX is subject to reciprocal compensation. *In the Matter of Petition of WorldCom, Inc. Pursuant to Section 252(E)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission*, CC Docket No. 00-218, 17 FCC Rcd. 27,039 (Jul. 17, 2002) ("*Virginia Arbitration Order*") at ¶ 301.

However, this decision is factually distinguishable from the instant matter, because the Bureau based its finding on the fact that the parties, in that arbitration, could not identify a means to bill this traffic based upon the end points of the call. As stated above, BellSouth does not have the same concerns.

1 calls that originate and terminate within the same LATA. See Order
2 *Ruling On Objections*, Docket No. P-474, Sub 10 at 28 (Aug. 2, 2001).

3 In reaching this conclusion, the NCUC focused on the admissions of
4 MCI:

5 The Commission notes that its conclusion in the
6 RAO limiting its decision to calls within a LATA
7 originated by BellSouth customers to MCI_m FX
8 customers was due primarily to MCI_m's own
9 witness' testimony during the hearing. As the RAO
10 noted, ***MCI_m witness Price agreed during cross-***
11 ***examination at the hearing that a call from a***
12 ***BellSouth customer in Lenior, North Carolina to***
13 ***a MCI_m FX customer in Denver, Colorado is not***
14 ***a local call by virtue of the fact that the call***
15 ***crosses LATA boundaries.*** Further, witness
16 Price stated that MCI_m would be *willing to agree*
17 *to never assign an NPA/NXX code to a*
18 *customer physically located outside of the*
19 *LATA* if it would resolve the issue.
20

21 *Id.* (emphasis added).

22

23 Based on this admission, it is clear that BellSouth and MCI agree that
24 virtual NXX and FX-like calls should be subject to access charges for
25 intercarrier compensation purposes.

26

27 Q. WHAT PROPOSAL HAS BELL SOUTH MADE TO IDENTIFY THESE
28 CALLS FOR COMPENSATION PURPOSES?

29

1 A. BellSouth proposed that MCI identify the minutes that are originating
2 from or terminating to telephone numbers assigned by MCI to end
3 users outside the associated LATA.

4

5 Q. WHY IS IDENTIFICATION OF SUCH CALLS AND MINUTES
6 NEEDED?

7

8 A. The requested identification of the minutes is necessary so that
9 BellSouth will not pay reciprocal compensation for non-local calls to
10 MCI and will receive switched access charges from MCI that BellSouth
11 is due for interLATA toll calls. Without MCI performing the requested
12 identification, BellSouth has no way to determine the actual originating
13 location of the call for intercarrier compensation purposes.

14

15 Q. HOW COULD MCI IDENTIFY THE MINUTES THAT ARE
16 ORIGINATING FROM OR TERMINATING TO TELEPHONE
17 NUMBERS ASSIGNED BY MCI TO END USERS OUTSIDE THE
18 ASSOCIATED LATA?

19

20 A. BellSouth maintains a database of its Foreign Exchange subscribers so
21 that it knows that the customer does not physically reside in the
22 exchange where the NPA/NXX is homed. MCI could create and
23 maintain a similar database to identify and track minutes of use that
24 originate from or terminate to MCI's virtual NXX or FX-like subscribers.

25

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2

3 A. Yes.

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