

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for arbitration of certain terms and conditions of an interconnection agreement with Verizon Florida LLC by Bright House Networks Information Services (Florida), LLC

) Docket No. 090501-TP
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REDACTED

REBUTTAL TESTIMONY OF PETER J. D'AMICO
ON BEHALF OF
VERIZON FLORIDA LLC
PUBLIC VERSION

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APRIL 16, 2010

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FPSC-COMMISSION CLERK

1 Q. ARE YOU THE SAME PETER J. D'AMICO WHO SUBMITTED
2 PREFILED DIRECT TESTIMONY IN THIS CASE?

3 A. Yes.

4

5 Q. PLEASE DESCRIBE THE PURPOSE OF YOUR REBUTTAL
6 TESTIMONY.

7 A. The purpose of my Rebuttal Testimony on behalf of Verizon Florida LLC
8 ("Verizon") is to respond to the Direct Testimony of Bright House
9 Networks Information Services (Florida), LLC ("Bright House") witness
10 Timothy J Gates on Issues 28, 29, 32 and 38 in this docket.

11

12 Q. HAVE ANY ISSUES IN THE SCOPE OF YOUR DIRECT TESTIMONY
13 BEEN RESOLVED?

14 A. Yes, Verizon and Bright House have resolved Issues 26, 27, 30, 34 and
15 42 and have resolved Issue 31 except as it relates to Interconnection
16 Attachment section 2.2.9. They also have reached agreement in
17 principle on the remaining portion of Issue 31 and Issue 33, so I will not
18 address those issues here.

19

20 **ISSUE 28: WHAT TYPES OF TRAFFIC MAY BE EXCHANGED OVER A**
21 **FIBER MEET, AND WHAT TERMS SHOULD GOVERN THE**
22 **EXCHANGE OF THAT TRAFFIC? (Int. Att. §§ 3.1.3, 3.1.4.)¹**

23

24

¹ ICA citations are to Exhibit 4 of Bright House's Arbitration Petition.

1 **Q. DOES MR. GATES IDENTIFY ANY TYPE OF TRAFFIC THAT BRIGHT**
2 **HOUSE WANTS TO EXCHANGE OVER A FIBER MEET THAT**
3 **WOULD BE EXCLUDED BY VERIZON'S PROPOSAL?**

4 A. No. As I explained in my Direct Testimony, Verizon's proposal permits a
5 number of different traffic types to travel over fiber meets, but the parties
6 could not provision access services (except for jointly provisioned
7 access traffic) or unbundled network elements over fiber meets. Mr.
8 Gates does not identify any type of traffic that Bright House wishes to
9 send over fiber meets, but that Verizon's list would exclude. His
10 argument is instead that if a fiber meet is established, it should be used
11 as much as possible. (Gates Direct Testimony ("Gates DT") at 89.)
12 While Verizon would agree that the parties should make efficient use of
13 fiber meet arrangements if they are established, nothing in Verizon's
14 proposal prevents the parties from doing that. As noted, Mr. Gates does
15 not specify any additional traffic types that should be permitted under
16 the contract, let alone any traffic that would amount to any significant
17 volume that would affect efficient use of the facility one way or the other.

18

19 **Q. WHY SHOULD THE INTERCONNECTION AGREEMENT SPECIFY**
20 **THE TYPES OF TRAFFIC THAT MAY BE EXCHANGED?**

21 A. The parties should have a clear, mutual understanding of what traffic
22 they will exchange to prevent future disputes and improper use of fiber-
23 meet arrangements. For example, Bright House should not be allowed
24 to route special access traffic over a fiber meet, for the reasons I
25 explained in my Direct Testimony (at 7-8). By dealing with that issue

1 explicitly in the interconnection agreement ("ICA"), we can prevent
2 disputes down the road that might have to be resolved by the
3 Commission. Likewise, there may be traffic types that the parties have
4 not considered that would be inappropriate to exchange over a fiber
5 meet. Under Verizon's approach, the parties could exchange a new
6 traffic type over a fiber meet by mutual agreement.

7
8 **Q. DOES THE LOCAL COMPETITION ORDER PROHIBIT VERIZON'S**
9 **PROPOSAL, AS MR. GATES SUGGESTS?**

10 A. No. Mr. Gates refers to Paragraph 995 of the FCC's *Local Competition*
11 *Order*² (Gates DT at 90), which concludes that telecommunications
12 carriers that obtain interconnection under Section 251(a)(1) or (c)(2)
13 may use their interconnection arrangements to provide information
14 services if they also use them to provide telecommunications services.
15 But, as Mr. Gates admits (DT at 89-90), Verizon is not proposing to
16 exclude transmission of Bright House's VoIP traffic over a fiber meet.
17 Paragraph 995, therefore, is not relevant to any remaining dispute.

18
19 It would be too broad, however, to simply provide that all
20 telecommunications traffic, or all information services traffic, may be
21 exchanged over a fiber meet: To take an obvious example, the fiber
22 meet may not be used to carry cable television. Verizon has included all
23 of the types of traffic the parties would likely ever exchange over a fiber

² First Report and Order, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, 11 FCC Rcd 15499 (1996) ("Local Competition Order").

1 meet. If Bright House proposes to exchange any additional types of
2 traffic a fiber meet, it should identify that traffic. To the extent there is
3 any dispute about the law relating to this Issue, those aspects will be
4 briefed. But it is clear that the FCC did *not* state, in paragraph 995 or
5 elsewhere, that every interconnection arrangement must be made
6 available for every conceivable type of traffic, without regard to the
7 ability of the parties properly to deal with each such type of traffic routed
8 over the arrangement. The reasonable limitations Verizon has proposed
9 therefore are consistent with the FCC's ruling, and Mr. Gates has raised
10 no legitimate concerns about them. Given the parties' agreement that
11 Bright House may send VoIP traffic over fiber meets, there seems to be
12 no concrete disagreement with respect to Issue 28.

13

14 **ISSUE 29: TO WHAT EXTENT, IF ANY, SHOULD PARTIES BE**
15 **REQUIRED TO ESTABLISH SEPARATE TRUNK GROUPS**
16 **FOR DIFFERENT TYPES OF TRAFFIC? (Int. Att. §§, 2.2.1.1,**
17 **2.2.1.5, 2.2.2.)**

18

19 **Q. MR. GATES STATES THAT HE IS NOT CERTAIN WHETHER THIS**
20 **ISSUE IS IN DISPUTE. (GATES DT AT 117.) IS IT?**

21 A. Yes. Mr. Gates testifies that it is common within the industry to put
22 traffic with particular routing or billing characteristics onto separate trunk
23 groups to make it easier to properly route it or apply special billing
24 requirements. (Gates DT at 117, 118.) Although that may be true for
25 certain traffic types, it is not standard practice – within Verizon or to my

1 knowledge within the industry – to separate local traffic into distinct trunk
2 groups based on the identity of the originating party.

3

4 **Q. WHY ISN'T LOCAL TRAFFIC SEPARATED ACCORDING TO**
5 **CARRIER?**

6 A. Verizon's network was set up to be agnostic as to the originating carrier
7 of local traffic. When transit traffic enters Verizon's network, it is
8 commingled with Verizon-originated traffic and with other transit traffic.
9 The switch treats all of the local traffic the same: it determines that a
10 particular local call is destined for a particular carrier, and it routes the
11 call accordingly. So when a call enters the switch destined for a Bright
12 House end user, the switch simply routes the call onto a Bright House
13 trunk. The switch does not look into whether the call came from
14 Verizon, or whether it came from a third-party carrier (or which third-
15 party carrier it might have come from).

16

17 **Q WHAT WOULD BE REQUIRED TO ROUTE TRAFFIC IN THIS WAY?**

18 A. It would require a fundamental change in how our network looks at
19 traffic. Verizon's network is configured to route transit traffic based on
20 the terminating number; that is, to ensure that it routes through Verizon's
21 network to the correct terminating carrier. From this perspective, transit
22 traffic is no different from Verizon-originated traffic that is bound for that
23 terminating carrier. Both types of traffic need to get to the same place,
24 and Verizon's network is configured to route the traffic over the trunk
25 groups in place to carry traffic to that terminating carrier.

1 For Verizon instead to route transit traffic over separate trunk groups
2 from Verizon-originated traffic, it would need to route traffic based on
3 both the originating and terminating numbers. That is because
4 Verizon's tandem switch would need to know the originating carrier so it
5 could determine whether the traffic was transit traffic or Verizon-
6 originated traffic. Requiring the switch to route local traffic based not
7 only on the called number, but also by reference to the calling number,
8 would significantly increase the processing power required to handle
9 such traffic. Likewise, it would require the establishment of those
10 additional trunk groups, with the inefficiency inherent in that.

11

12 To use a rough analogy, Verizon operates like a cab company that
13 determines the routes it will take to transport customers based on their
14 destination. If the company had to determine the route based on
15 whether the customer was coming to town from, say, Atlanta or New
16 York, it would have to develop a whole new way of doing business.

17

18 **Q. HOW WOULD VERIZON HAVE TO CHANGE ITS SYSTEMS TO PUT**
19 **BRIGHT HOUSE'S TRANSIT TRAFFIC ON SEPARATE TRUNK**
20 **GROUPS?**

21 A. Verizon would have to manually program its tandems to route traffic
22 from designated trunk groups inbound from third-party carriers to transit
23 trunk groups bound for Bright House. Thus, Verizon technicians would
24 have to identify each of the carriers sending local traffic to Bright House
25 through Verizon's tandems and develop a program instructing the

1 tandems to route that traffic over designated Bright House trunks used
2 only for non-Verizon traffic. Moreover, every time one of those third-
3 party carriers established a new trunk group that could be used to send
4 traffic to Bright House, and every time a new carrier interconnected with
5 Verizon's network, technicians would have to manually reprogram the
6 tandems. The initial and subsequent programming that would be
7 required not only would be extremely time-consuming, but would give
8 rise to the possibility of errors in traffic routing and billing, in part
9 because there are no industry standards that support this unique
10 trunking arrangement. Moreover, to the extent other CLECs opted into
11 Bright House's ICA, Verizon would have to program (and reprogram) its
12 tandems for them, too, thus multiplying the demands on Verizon's
13 technicians and the risk of errors.

14
15 **Q. DOES MR. GATES POINT TO A SIGNIFICANT PROBLEM THAT**
16 **WOULD JUSTIFY BRIGHT HOUSE'S REQUEST?**

17 **A.** No. Mr. Gates does not claim that Bright House is unable to bill for
18 terminating transit traffic under the parties' current arrangement, and I
19 am not aware that Bright House has ever claimed that it was unable to
20 do so. So this appears to be another attempt by Bright House to shift
21 costs to Verizon – in this case by asking it to make significant and
22 ongoing changes to how it runs its network in exchange for added
23 convenience to Bright House in processing its bills. Verizon should not
24 (and may not) be required to make such changes in its network to
25 accommodate Bright House's request to provide special treatment for its

1 traffic.

2

3 **Q. MR. GATES STATES THAT HE “CANNOT IMAGINE WHY VERIZON**
4 **WOULD OBJECT” TO BRIGHT HOUSE’S PROPOSAL IN**
5 **INTERCONNECTION ATTACHMENT SECTION 2.2.2 THAT EITHER**
6 **PARTY BE ENTITLED TO REQUEST THAT SEPARATE TRUNK**
7 **GROUPS BE ESTABLISHED FOR ADDITIONAL TRAFFIC TYPES.**
8 **(GATES DT AT 118.) WHY DOES VERIZON OBJECT TO THIS**
9 **PROVISION?**

10 A. Bright House’s proposal seems to be a recipe for litigation because it
11 would enable Bright House to invoke the ICA’s dispute resolution
12 provision any time it requested separate trunking to which Verizon did
13 not agree. Moreover, there is no reason any disputes about separate
14 trunking could not have been resolved in this proceeding. Bright House
15 has been exchanging traffic with Verizon for several years now and
16 should have been able to identify any traffic types that it wants to
17 exchange over separate trunk groups, as it in fact it has done in the
18 case of transit traffic. If there were a traffic type for which Bright House
19 wanted separate trunking, it should have identified it during the parties’
20 negotiations. Bright House should not be allowed to reserve the right to
21 bring disputes to the Commission later that it could have raised in this
22 arbitration.

23

24 **Q. IF THE PARTIES ULTIMATELY DECIDE THEY WANT TO SEPARATE**
25 **TRAFFIC IN SOME WAY THEY DON’T CURRENTLY FORESEE,**

1 **COULD THEY STILL DO THAT?**

2 A. Of course. Where there is mutual agreement, we can always amend the
3 ICA. If some new kind of traffic or new network technology comes
4 along, such that the parties both would like to establish separate trunk
5 groups for a certain traffic type, we could deal that eventuality with an
6 amendment to the ICA.

7

8 **ISSUE 32: MAY BRIGHT HOUSE REQUIRE VERIZON TO ACCEPT**
9 **TRUNKING AT DS-3 LEVEL OR ABOVE? (Int. Att. § 2.4.6.)**

10

11 **Q. HAVE THE PARTIES RESOLVED THIS ISSUE WITH RESPECT TO**
12 **THEIR CURRENT ARRANGEMENT FOR NETWORK**
13 **INTERCONNECTION?**

14 A. Yes. The parties have agreed that they will include terms in the ICA that
15 will address their current arrangement for network interconnection,
16 which resolves this dispute as long as those physical arrangements
17 remain materially unchanged.

18

19 **Q. PLEASE DESCRIBE THE PARTIES' CURRENT NETWORK**
20 **INTERCONNECTION ARRANGMENT.**

21 A. **[BEGIN CONFIDENTIAL]** XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
22 XX
23 XX
24 XX
25 XX

1 XXX
2 XXX
3 XXX
4 XXXXXXXXXXXXXXXXXXXXXXX [END CONFIDENTIAL]

5

6 **Q. WHAT IS THE SCOPE OF THIS DISPUTE?**

7 A. That is not clear because the settlement covers the parties' current
8 interconnection arrangement and Mr. Gates does not state what
9 material changes to the current interconnection arrangement Bright
10 House might request. Bright House thus appears to be asking the
11 Commission to address this issue in the abstract, without reference to a
12 particular network configuration, which alone is reason to reject Bright
13 House's proposed language. In any event, because the interconnection
14 arrangements in place at Verizon's tandem office have been resolved, it
15 appears that whatever theoretical disagreement the parties may have
16 concerns whether Verizon's end office switches should have DS3 switch
17 ports. Because Bright House is sending [BEGIN CONFIDENTIAL] XXX
18 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX, [END CONFIDENTIAL]
19 Bright House has no practical need for the Commission to address this
20 issue, but in any case Bright House is wrong for the reasons I discuss
21 below.

22

23 **Q. WHAT WOULD VERIZON BE REQUIRED TO DO IF ITS END OFFICE**
24 **SWITCHES HAD TO ACCEPT DS3 LEVEL TRAFFIC WITHOUT**
25 **MULTIPLEXING?**

1 A. Verizon would be forced to replace some of its end office switches and
2 augment the others with DS3 capable interface equipment, which would
3 be cost-prohibitive and impractical. Verizon's only alternative would be
4 to provide multiplexing to Bright House for free (Bright House's real
5 objective), rather than charging it the tariffed rates that apply today. As
6 a practical matter, therefore, this dispute boils down to whether Bright
7 House should be allowed to shift the cost of multiplexing to Verizon.

8

9 **Q. MR. GATES STATES THAT SWITCHES WITH DS1 SWITCH PORTS
10 ARE OBSOLETE. (GATES DT AT 128.) IS THAT TRUE?**

11 A. No. All of Verizon's end office switches in service today use DS1 switch
12 ports and switches with DS1 switch ports continue to be manufactured
13 and used throughout the country. CLECs exchange traffic with Verizon
14 at the DS1 level today (without multiplexing) or obtain multiplexing for
15 their trunking if they want to use DS3 transport. In short, switches using
16 DS1 switch ports continue to provide an efficient way for Verizon to
17 provide interconnection to Florida CLECs.

18

19 **Q. MR. GATES STATES THAT IT SHOULD NOT BE REQUIRED TO
20 "PAY TO SLOW ITS TRANSMISSIONS DOWN." (GATES DT AT
21 129.) IS THAT AN ACCURATE STATEMENT?**

22 A. No. Multiplexing from a DS3 to a DS1 level does not "slow down"
23 transmissions. Transmissions move at the same speed through the
24 network regardless of whether they are carried on DS1 or DS3 trunks.

25

1 Q. MR. GATES ARGUES THAT USING DS1 SWITCH PORTS DOES
2 NOT COMPLY WITH TELRIC PRINCIPLES. (GATES DT AT 130.)
3 HAS THE FCC OR THIS COMMISSION EVER MADE THAT
4 DETERMINATION?

5 A. No. TELRIC is a *costing* methodology; it is not a standard by which a
6 Commission can dictate an ILEC's physical network architecture or
7 equipment, let alone modifications of architecture or equipment at the
8 whim of a CLEC. And as Verizon has pointed out and will again
9 emphasize in its legal briefs, Verizon is not required to modify its
10 network to suit interconnecting parties; they take Verizon's network as it
11 is. That ILEC network, unlike Bright House's relatively new network, has
12 been constructed over decades and burdened with legacy regulatory
13 obligations that Bright House does not have.

14
15 Moreover, in the *Local Competition Order* (before the TRRO altogether
16 eliminated the mass-market local switching UNE), the FCC rejected the
17 idea of designating switch ports as TELRIC-priced, unbundled network
18 elements (*See Local Competition Order*, ¶ 422) — a conclusion at odds
19 with Bright House's argument that it is entitled to facilities (that is, DS3
20 switch ports) that provide a particular level of access to Verizon's
21 switches.

22
23 Q. MR. GATES SUGGESTS THAT IN USING SWITCHES WITH DS1
24 PORTS VERIZON HAS NOT PROVIDED INTERCONNECTION TO
25 BRIGHT HOUSE THAT IS AT LEAST EQUAL IN QUALITY WHAT

1 **VERIZON PROVIDES ITSELF. (GATES DT AT 128-29.) IS THAT**
2 **CORRECT?**

3 A. No. Indeed, this suggestion makes no sense. Obviously, Verizon uses
4 the same switches for its retail traffic that it uses to provide
5 interconnection with CLECs. If a Verizon switch has DS1 ports, they are
6 available to Verizon for retail use in the same manner as they are for
7 CLECs. For example, when Verizon or a CLEC routes traffic to that
8 switch at the DS3 level, both must multiplex the traffic to the DS1 level
9 before it can be switched. Verizon pays for multiplexing by purchasing
10 the necessary equipment; the CLEC pays for multiplexing by
11 compensating Verizon for the CLEC's use of the multiplexing equipment
12 (or it could buy its own equipment and install that equipment in its
13 collocation arrangements). Verizon thus provides interconnection to
14 itself in exactly the same manner that it provides it to the CLEC.

15

16 **Q. FINALLY, MR. GATES CONTENDS THAT MULTIPLEXING IS PART**
17 **OF THE TRANSPORT FUNCTION FOR WHICH VERIZON IS PAID**
18 **THROUGH RECIPROCAL COMPENSATION? (GATES DT at 131.)**
19 **IS THAT CORRECT?**

20 A. No. As I stated at the outset, the parties have resolved this issue for
21 their current interconnection arrangement, so the only remaining
22 question concerns some *other* possible arrangement that has not been
23 identified. Because I don't know how Bright House might modify its
24 interconnection arrangement in the future, I can't speculate on how or
25 whether multiplexing might be charged under those unidentified

1 arrangements—nor should the Commission make any blanket decisions
2 about the treatment of multiplexing under unidentified potential future
3 interconnection arrangements that Bright House may or may not
4 implement. I can say, however, that Verizon has a right to be paid for
5 features and functions it provides to interconnectors.

6

7 **ISSUE 38: SHOULD THERE BE A LIMIT ON THE AMOUNT AND TYPE**
8 **OF TRAFFIC THAT BRIGHT HOUSE CAN EXCHANGE WITH**
9 **THIRD PARTIES WHEN IT USES VERIZON'S NETWORK TO**
10 **TRANSIT THAT TRAFFIC? (Int. Att. § 12.4.)**

11

12 **Q. HOW DOES MR. GATES ADDRESS THIS ISSUE?**

13 A. He states that the parties are in agreement on the principles that once
14 traffic between Bright House and a third party reaches “some
15 appropriate level,” Bright House should be required to make
16 “commercially reasonable” efforts to directly interconnect with the third
17 party or make alternative arrangements. (Gates DT at 140.)

18

19 **Q. DO MR. GATES' COMMENTS RESOLVE THE ISSUE?**

20 A. Not quite. Mr. Gates' comments suggest that this issue *can* be
21 resolved, but Bright House has not yet made a specific proposal in
22 response to Verizon's latest offer. I also note that Bright House appears
23 to misunderstand Verizon's proposal because it only would require
24 Bright House to enter into a reciprocal traffic exchange agreement with
25 the other carrier that addresses traffic termination and billing, and would

1 not require that the traffic in question be removed from Verizon's
2 network unless such an arrangement was not made, as Mr. Gates
3 incorrectly suggests. (Gates DT at 140.)

4

5 **Q. HOW SHOULD THE COMMISSION ADDRESS THIS ISSUE?**

6 A. If the parties are unable to reach agreement, the Commission should
7 adopt Verizon's proposed language for the reasons stated in my Direct
8 Testimony (at 15-16).

9

10 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

11 A. Yes.

12

13

14

15

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