

4/15

LAW OFFICES

McWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, RIEF & BAKAS, P.A.

100 NORTH TAMPA STREET, SUITE 2800
TAMPA, FLORIDA 33602-5126

TALLAHASSEE OFFICE
315 SOUTH CALHOUN STREET
SUITE 716
TALLAHASSEE, FLORIDA 32301
TELEPHONE (904) 222-2525
FAX (904) 222-5606

JOHN W. BAKAS, JR.
LINDA C. DARSEY
C. THOMAS DAVIDSON
STEPHEN O. DECKER
LESLIE JOUGHIN, III
VICKI GORDON KAUFMAN
JOSEPH A. MCGLOTHLIN
JOHN W. MCWHIRTER, JR.
RICHARD W. REEVES
FRANK J. RIEF, III
PAUL A. STRASKE

MAILING ADDRESS: TAMPA
P.O. BOX 3350, TAMPA, FLORIDA 33601-3350

TELEPHONE (813) 224-0866

FAX (813) 221-1854

CABLE GRANDLAW

PLEASE REPLY TO:
TALLAHASSEE

June 26, 1995

ORIGINAL
FILE COPY

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399

Re: Docket No. ~~920260-TL~~, Southern Bell Rate Case

Dear Ms. Bayo:

Enclosed are the original and fifteen copies of the Direct
Testimony of Joseph Gillan on behalf of the Florida Interexchange
Carriers Association.

Please acknowledge receipt of the above on the extra copy
enclosed herein and return it to me. Thank you for your
assistance.

Sincerely,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

- ✓
- 2
- 1
- 5
- Vincent
- 1
- 1
- 1

Enclosures

SEARCHED
SERIALIZED
INDEXED
FILED
JUN 27 1995
FBI - TAMPA

DOCUMENT NUMBER-DATE
05968 JUN 26 95
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive Review of)
the Revenue Requirements and Rate)
Stabilization Plan of Southern)
Bell Telephone and Telegraph)
Company.)
_____)

DOCKET NO. 920200

FILED: June 26, 1995



DIRECT TESTIMONY

OF

JOSEPH GILLAN

ON BEHALF OF

THE FLORIDA INTEREXCHANGE CARRIERS ASSOCIATION

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin
Davidson, Rief and Bakas
315 South Calhoun Street
Suite 716
Tallahassee, Florida 32301
904/222-2525

Attorneys for the Florida
Interexchange Carriers
Association

DOCUMENT NUMBER-DATE

05968 JUN 26 95

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive Review of)
the Revenue Requirements and Rate)
Stabilization Plan of Southern)
Bell Telephone and Telegraph)
Company.)
_____)

DOCKET NO. 920260-TL

FILED: June 26, 1995

DIRECT TESTIMONY

OF

JOSEPH GILLAN

ON BEHALF OF

THE FLORIDA INTEREXCHANGE CARRIERS ASSOCIATION

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin
Davidson, Rief and Bakas
315 South Calhoun Street
Suite 716
Tallahassee, Florida 32301
904/222-2525

Attorneys for the Florida
Interexchange Carriers
Association

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2

3 A. The purpose of my testimony is to evaluate Southern Bell's proposed Extended
4 Calling Service (ECS), particularly in light of the Company's new obligations
5 under the recently revised telecommunications statute. This tariff filing represents
6 a turning point in the Commission's regulation of Southern Bell. On one level,
7 the filing is a continuation of the Commission's previous regulatory policies
8 because it is intended to implement a scheduled revenue reduction required under
9 the Stipulation that concluded the Commission's last rate investigation of Southern
10 Bell (see Order No. PSC 94-0172-FOF-TL.) On another level, however, the filing
11 marks the first time that the Commission will review a Southern Bell pricing
12 proposal in the context of the recently revised Florida telecommunications law
13 which will become effective shortly after the tariff is implemented.

14

15 **Q. WHAT CONCLUSIONS HAVE YOU REACHED ABOUT SOUTHERN**
16 **BELL'S ECS PROPOSAL?**

17

18 A. My conclusions are:

19

20 1. Southern Bell's proposed ECS service cannot be implemented (as is)
21 because it fails the imputation requirements for a non-basic service.

22

23 2. The Commission should only implement ECS if it is accompanied by

1 complementary actions that will assure continued competition.

2 Specifically, the Commission should require:

3

4 a. The introduction of a "wholesale" equivalent to ECS that is
5 expressly designed to be resold by other providers, and

6

7 b. The adoption of an "interconnection" rate to apply to the
8 origination/termination of ECS traffic.

9

10 The full development of these complementary policies is likely to extend beyond
11 the October 1, 1995 revenue reduction date required by the Stipulation. Until
12 these policies are implemented, the Commission should use the interim refund
13 mechanism outlined in the Stipulation.

14

15 **Q. DO YOU SUPPORT THE INTRODUCTION OF AN ECS-LIKE SERVICE**
16 **TO SATISFY THE SCHEDULED REVENUE REDUCTION?**

17

18 A. No. There are a number of inequities in Southern Bell's current price schedules
19 (the relationship between PBX trunk and Centrex prices is one example) that
20 should be corrected with the scheduled revenue reduction. However, the following
21 testimony ignores the *relative* merits of an ECS-like service and, instead, addresses
22 the complementary steps that the Commission must take, *assuming* that it
23 concludes that an ECS-like arrangement is the appropriate way to implement the

1 revenue reduction.

2

3 **II. Southern Bell's ECS Proposal Cannot be**
4 **Implemented as Structured**

5

6 **Q. DOES THE RECENTLY ENACTED FLORIDA STATUTE CLEARLY**
7 **ARTICULATE THE POLICY DIRECTION THE COMMISSION MUST**
8 **FOLLOW?**

9

10 **A. Yes. The clear objective of the revised statute is to promote competition in all**
11 **telecommunication markets. The new law articulates legislative intent at section**
12 **364.01(3):**

13 The Legislature finds that the competitive provision
14 of telecommunications services, including local
15 exchange telecommunications service, is in the
16 public interest and will provide customers with
17 freedom of choice, encourage the introduction of
18 new telecommunications service, encourage
19 technological innovation, and encourage investment
20 in telecommunications infrastructure.

21 As this statement of legislative intent emphasizes, the Legislature's basic policy
22 goal is a competitive telecommunications industry in all of its submarkets. It is
23 against this competitive standard that the Commission must judge Southern Bell's
24 ECS proposal, and it may allow the tariff to become effective only if it is
25 modified to ensure that competition on the routes in question may continue.

26

27 The procompetitive intent of the new law is particularly relevant in the market

1 jeopardized by ECS -- i.e., the interexchange toll market -- where the Commission
2 itself has already recognized the importance of competition by empowering
3 customers with control of their 1+ dialing. (Order No. PSC-95-0203-FOF-TP,
4 Docket No. 930330-TP (Feb. 13, 1995)). To *eliminate* competition here and now
5 -- along some of the most heavily used toll routes in the state and on the eve of
6 intraLATA presubscription -- would be an action completely at odds with the
7 fundamental intent of the revised statute and this Commission's orders. If the
8 ECS service is implemented "as is," without the other safeguards I discuss later
9 in my testimony, it will have the effect of converting currently competitive toll
10 routes to monopoly routes which only Southern Bell can viably serve.

11

12 **Q. HOW SHOULD THE COMMISSION APPROACH ITS REVIEW OF**
13 **SOUTHERN BELL'S ECS PROPOSAL UNDER THE NEW STATUTE?**

14

15 A. The Commission should review the proposed ECS service under the statutory
16 standards contained in the revised law. Although it could be argued that the full
17 application of the revised statute is not appropriate until after the statute becomes
18 effective and Southern Bell has elected price cap regulation, it makes little sense
19 to ignore these standards now and then revisit the entire ECS pricing issue again
20 in a few short months. Under the new statute, the following key provisions apply:

21

22 1. As a non-basic service, ECS prices must exceed the imputed price of any
23 monopoly component charged to a competitor in the provision of its same

1 or functionally equivalent service. (Section 364.051(6)(c), Florida
2 Statutes).

3

4 2. ECS must be available for resale (absent a Commission finding to the
5 contrary), at prices set below the retail price of ECS by an amount (at least
6 sufficient) to adjust for unbundled marketing and other expenses unrelated
7 to the wholesale-ECS service. (Section 364.161, Florida Statutes).

8

9 3. Southern Bell must introduce an interconnection service which provides
10 other competitors the ability to originate or terminate ECS-like traffic.
11 (Section 364.161, Florida Statutes).

12

13 **Q. DOES THE PROPOSED ECS SERVICE MEET THE STATUTORY TESTS**
14 **DESCRIBED ABOVE?**

15

16 A. No, ECS fails each of the required tests. Therefore, the Commission must either
17 reject Southern Bell's ECS proposal or implement it in such a way that the
18 statutory requirements are met.

19

20 **A. Imputation**

21

22 **Q. WHAT IMPUTATION TEST MUST ECS SATISFY TO COMPLY WITH**
23 **THE STATUTE?**

1 A. The revised statute's imputation provision for non-basic services is quite clear:

2 The price charged to a consumer for a non-basic
3 service shall cover the direct costs of providing the
4 service and shall, to the extent a cost is not included
5 in the direct cost, include as an imputed cost the
6 price charged by the [local telephone] company to
7 competitors for any monopoly component used by
8 a competitor in the provision of its same or
9 functionally equivalent service.

10 Section 364.051(6)(c), Florida Statutes. The relevant charges to consider in the
11 imputation test for ECS are switched access charges. For each and every call
12 along these routes, Southern Bell imposes switched access charges on its
13 interexchange competitors for the use of its monopoly local exchange network to
14 originate and terminate this traffic.

15

16 Southern Bell itself recognizes that ECS is the functional equivalent of the toll
17 services offered by it and its competitors when it computes the revenue reduction
18 that ECS will provide. Only 22 of the 154 Phase I routes that Southern Bell
19 proposes to move to ECS service have any other calling option other than MTS
20 toll service today. And given the mandatory nature of ECS, these revenues
21 disappear with its introduction.

22

23 **Q. HAVE YOU CONDUCTED AN IMPUTATION TEST FOR ECS SERVICE?**

24

25 A. Yes, I performed a simplified imputation test to determine if the ECS prices
26 charged to end-users cover the tariffed price of the monopoly component used by

1 Southern Bell's interexchange carrier competitors, switched access service.

2

3 Although detailed information is not currently available, even a superficial analysis
4 indicates that ECS fails to cover the access charges that Southern Bell would (in
5 the absence of an "interconnection rate") impose on its competitors. FIXCA has
6 served Southern Bell with discovery requests for the information needed to
7 perform a more thorough evaluation and reserves the right to supplement this
8 testimony, if appropriate. Table 1 compares the average switched access charge
9 imposed on a four minute call to the retail prices that Southern Bell proposes to
10 impose on consumers.

11

Table 1

	<u>Average Per Minute</u>
12 Estimated Average ECS Revenue/Minute	\$0.0642
13	
14 Estimated Access (Effective 10/1/95)	\$0.0745

15

Source: Average of Business and Residential ECS Revenue Per Minute Calculated
16 Using Relative Business and Residence MTS Minutes (1st Q, 1994),
17 Southern Bell's Response to FIXCA's First Set of Interrogatories, No. 1,
18 Docket No. 930330-TP.

19

20

B. Other Anticompetitive Aspects of ECS

21

22

**Q. ARE THERE OTHER ELEMENTS OF THE ECS PROPOSAL THAT ARE
23 ANTICOMPETITIVE?**

24

1 A. Yes. In addition to its below-cost pricing, there are three other factors which will
2 act to prevent competition: (a) the change to a 7-digit dialing pattern, (b) the
3 mandatory nature of the service, and (c) the preclusion of resale by subjecting
4 ECS to a resale restriction and failing to introduce a wholesale-ECS service which
5 can be resold.

6

7 **Q. HOW DOES THE CHANGE IN DIALING PATTERN AFFECT**
8 **COMPETITION?**

9

10 A. Removing the 1+ dialing pattern from these routes shelters this traffic from the
11 competitive pressures that will result with the introduction of 1+ presubscription.
12 There is no reason to change the dialing pattern associated with these routes (even
13 if the Commission changes its pricing). This traffic should remain subject to the
14 Commission's intraLATA presubscription order, with the 1+ dialing pattern
15 undisturbed.

16

17 **Q. WHAT IS THE EFFECT OF REQUIRING CUSTOMERS TO BUY ECS?**

18

19 A. Southern Bell proposes to make ECS mandatory -- effectively bundling this
20 competitive interexchange service with the subscriber's local exchange service.
21 Competitors would be unable to compete for this interexchange traffic unless they
22 could also offer the subscriber a bundled local/ECS service. In this way, Southern
23 Bell is attempting to shift this traffic from the more competitive interexchange

1 marketplace to the local market where competition is nascent (at best), or (more
2 accurately) non-existent. The Commission should only permit ECS as an optional
3 service.

4

5 **Q. DOES SOUTHERN BELL PROHIBIT THE RESALE OF ECS?**

6

7 A. Yes. Southern Bell appears to impose a general restriction on the resale of ECS
8 service by its inclusion in the "local" section of its General Subscriber Service
9 Tariff (Section A2.2.). This implicit resale restriction is in direct contravention
10 of the statute's requirement that Southern Bell allow that its services be resold --
11 with appropriate price reductions -- unless the Commission affirmatively decides
12 otherwise.

13

14 Together, these actions -- the pricing below access-cost, the change in dialing
15 pattern, its mandatory nature, and the restriction on resale -- all work to remove
16 the ECS routes from competition.

17

18 **Q. WHERE ARE THE COMPETITIVE CONSEQUENCES OF THE**
19 **PROPOSED ECS FILING CONCENTRATED?**

20

21 A. It appears that the competitive consequences of the proposed ECS filing are
22 concentrated in the Southeast LATA. Over 85% of the revenue reduction
23 anticipated from the introduction of ECS service occurs in this LATA.

1 Q. SHOULD THE COMMISSION BE PARTICULARLY SENSITIVE TO
2 COMPETITIVE CONDITIONS IN THE SOUTHEAST LATA?

3

4 A. Yes, the Southeast LATA owes its very existence to this Commission's
5 commitment to competition. At divestiture, Southern Bell was granted a waiver
6 of the MFJ's LATA-rules to combine a number of separate communities within
7 a single Southeast LATA. The Court allowed the combination of these
8 metropolitan areas into a single LATA based on its understanding that the Florida
9 Commission was committed to the development of intraLATA competition:

10 With regard to intraLATA competition, the Court
11 notes that Florida has already licensed an intrastate
12 carrier, Microtel, Inc., to compete with Southern
13 Bell for intercity intraLATA calls. The State Public
14 Service Commission, in its filings with the Court,
15 has persuaded the Court that it is a strong body and
16 one committed to promoting competition.

17

18 And, in a later section, the Court noted that:

19

20 The Court allowed the consolidation of three
21 SMSAs to form the Southeast LATA (Miami, West
22 Palm Beach, and Ft. Pierce) with the understanding
23 that there would be intra-LATA competition for
24 calls between these cities.

25 United States v. Western Electric Co., Inc., 569 F. Supp. 990, 1032, 1109 (D.D.C.
26 1983) (footnotes omitted).

27

28 Q. SOUTHERN BELL IMPLIES THAT THE COMMISSION COULD
29 CONTINUE TO ALLOW COMPETITION ON THESE ROUTES SIMPLY
30 BY INCLUDING THESE ROUTES UNDER A PREEXISTING

1 **AGREEMENT BETWEEN FIXCA AND SOUTHERN BELL. (SEE**
2 **TESTIMONY OF JOSEPH A. STANLEY, JR. AT 10). DO YOU AGREE?**

3

4 A. No. The agreement referenced by Southern Bell *deferred* the debate over what
5 actions are necessary for competition to continue along routes subject to "\$.25
6 plan" pricing, it did not *resolve* it. Several of the actions that FIXCA has long
7 endorsed as good policy -- in particular, establishing an appropriately priced
8 "interconnection rate" and resale -- are now law. Further, due to the widespread
9 nature of the proposed ECS, it is no longer reasonable for the Commission to
10 delay addressing the competitive implications of the plan.

11

12 The legislation is clear and unambiguous. The policy of the State of Florida is
13 competition in telecommunications. The statute plainly prohibits the unilateral
14 implementation of ECS because its prices are below the charges that Southern Bell
15 imposes on other providers for use of its monopoly local network. Further, the
16 statute prohibits restrictions on resale (absent a Commission determination to the
17 contrary) and, in fact, affirmatively obligates Southern Bell to provide an
18 appropriately priced interconnection service that would allow its interexchange
19 competitors the opportunity to offer ECS-like services.

20

21 If the Commission decides that an ECS-like pricing system is appropriate, then
22 other complementary policies must be implemented in combination with ECS to
23 assure the continued viability of competition along these routes.

1 **III. Recommended Complementary Actions:**
2 **Resale and Interconnection**

3
4 **Q. WHAT OTHER ACTIONS MUST THE COMMISSION TAKE IF IT**
5 **CHOOSES TO APPROVE SOUTHERN BELL'S ECS PROPOSAL?**

6
7 **A. As noted, the new Florida statute is intended to promote an increasingly**
8 **competitive telecommunications marketplace. The statute recognizes, however,**
9 **that the incumbent local exchange carrier will continue to be the preeminent (if**
10 **not monopoly) local network for some time. Accordingly, the statute establishes**
11 **a number of mechanisms to assist in the transition to fuller competition.**

12
13 These mechanisms are instructive because they are also the policies that the
14 Commission should adopt here to enable competition to continue. Specifically,
15 the Commission should require that Southern Bell introduce:

- 16
17 1. a wholesale ECS-like service that is designed to be resold, and
18
19 2. an interconnection rate to apply to the use of Southern Bell's local network
20 for the origination and termination of ECS-like traffic.

21
22 In fact, such an interconnection rate is absolutely required by the statute so that
23 ECS may satisfy the imputation test required for non-basic services.

1 Q. DOES THE STATUTE CONTEMPLATE WHOLESALE SERVICES
2 EXPRESSLY DESIGNED FOR RESALE?

3

4 A. Yes. The statute clearly requires that local telephone companies offer unbundled
5 components of their retail services. A wholesale-ECS service is similar to the
6 retail-ESC product with all retail support functions "unbundled" from its price.

7

8 Further, the statute clearly contemplates a lower wholesale price that is at least
9 reduced by the cost savings experienced by the local telephone company, but
10 should not be below the cost to provide the service:

11 The commission shall ensure that, if the rate it sets
12 for a service or facility to be resold provides a
13 discount below the tariff rate for such service or
14 facility which appropriately reflects the local
15 exchange telecommunications company's avoidance
16 of the expense and cost of marketing such service or
17 facility to retail customers, such rate must not be
18 below cost. The commission shall also assure that
19 this rate is not set so high that it would serve as a
20 barrier to competition.

21 Section 364.161(5), Florida Statutes.

22

23 Thus, the revised statute establishes the basic parameters of the Commission's
24 discretion in the pricing of the wholesale-equivalent to ECS. The price discount
25 must at least reflect the cost savings experienced by the LEC, but should not be
26 below the LEC's cost.

27

1 **Q. DO YOU HAVE A SPECIFIC PRICE RECOMMENDATION FOR THE**
2 **WHOLESALE ECS SERVICE?**

3

4 A. No, not at this time. FIXCA has requested the appropriate cost information from
5 Southern Bell and hopes to further articulate a specific price level after the
6 information is received.

7

8 **Q. WILL A WHOLESALE-ECS SERVICE PROMOTE COMPETITION?**

9

10 A. Yes. Companies compete through pricing, but they also compete by differentiating
11 their billing systems, customer support and other non-price elements of service.
12 This type of competition can continue, so long as IXC's can obtain from Southern
13 Bell the switching and transmission capabilities underlying ECS unbundled from
14 other retail functions.

15

16 Further, with an appropriately reduced wholesale price, additional price
17 competition is also possible. The key is requiring Southern Bell to introduce a
18 wholesale-ECS service which interexchange carriers would resell -- with the
19 interexchange carrier providing retail functions such as billing, collection and
20 customer support. Under such a system, Southern Bell would continue to perform
21 the transmission and switching of each subscriber's ECS call, but the
22 interexchange carrier would handle billing and customer inquiries.

23

1 **Q. ARE THERE OTHER CHANGES THAT SOUTHERN BELL WOULD**
2 **NEED TO MAKE TO OFFER A WHOLESALE-ECS SERVICE?**

3

4 A. Yes. Southern Bell would need to devise automated support systems for the
5 transfer of billing and other account management information to the interexchange
6 carrier that is reselling the ECS service and maintaining contact with the customer.

7

8 **Q. SHOULD THE COMMISSION ALSO ESTABLISH AN**
9 **"INTERCONNECTION RATE" FOR THE USE OF SOUTHERN BELL'S**
10 **NETWORK TO ORIGINATE OR TERMINATE TRAFFIC?**

11

12 A. Yes. Some competitors will want to provide their own switching of ECS-like
13 services, perhaps to add new features or functions, such as account billing. In this
14 case, the resale of a wholesale-ECS service will not meet their needs and an
15 interconnection rate will need to be established to originate and terminate these
16 calls on Southern Bell's network.

17

18 I would note also that such an interconnection rate is necessary for Southern Bell
19 to satisfy the imputation standards of the statute.

20

21 **Q. WHAT PROCESS SHOULD THE COMMISSION USE TO ESTABLISH AN**
22 **ECS-INTERCONNECTION RATE?**

23

1 A. The statute contains an unfortunate ambiguity in that it does not clearly contain
2 a process to establish the interconnection charge (or resale price) paid by
3 interexchange carriers (as opposed to alternative local exchange carriers). The
4 section of the statute discussing the negotiaiton of interconnection rates is written
5 to apply to discussions between local telephone companies and companies
6 certificated as alternative local telephone companies. While the statute certainly
7 contemplates a competitive interexchange *outcome* -- and, as noted above,
8 expressly requires that the monopoly local exchange network continue to be priced
9 in a manner consistent with this result -- there is no clearly defined *process* to
10 arrive at the necessary interconnection rates.

11

12 The statute is clear, however, in that all disputes are to be resolved by the
13 Commission -- irrespective of the path taken to the Commission's doorstep.
14 (Section 364.162(2)). As a result, I recommend that the Commission adopt in this
15 proceeding the interconnection rates that would underlie ECS-like services offered
16 by other providers, including interexchange carriers (assuming that the
17 Commission chooses the ECS alternative for the disposition of the stipulated
18 revenue reduction).

19

20 **Q. HOW SHOULD THE INTERCONNECTION PRICE BE ESTABLISHED?**

21

22 A. A straightforward methodology could be to simply establish the relative ratio of
23 ECS prices/interconnection rates to equal the same ratio of MTS prices/access-

1 charges. Such a methodology would assure consistent treatment between the retail
2 prices and their respective interconnection/access rates.

3

4

IV. Summary

5

6 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

7

8 A. The recently passed telecommunications legislation makes it clear that the
9 overriding goal of the Legislature is to move to a competitive telecommunications
10 environment. Such intent would be thwarted if Southern Bell's proposed ECS
11 plan is approved as submitted -- particularly at price levels that would be unlawful
12 the instant Southern Bell elects price regulation. The plan would prevent
13 competition on important toll routes and fails to meet several criteria set out in the
14 new law.

15

16 If the Commission does approve Southern Bell's ECS plan, it must first put in
17 place the following policies: (1) it must require the service to meet the imputation
18 requirements for a non-basic service; (2) it must make a wholesale ECS-like
19 service available for resale; (3) it must provide an IXC interconnection rate to
20 apply to ECS traffic; (4) it must retain 1+ dialing; and (5) it must make ECS
21 optional.

22

23 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

1 A. Yes, at this time.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony of Joseph Gillan, on behalf of the Florida Interexchange Carriers Association has been furnished by hand delivery* or by U.S. Mail to the following parties of record, this 26th day of June, 1995:

Robert Elias*
Division of Legal Services
Florida Public Service
Commission
Gerald L. Gunter Bldg., R. 370
2540 Shumard Oak Drive
Tallahassee, FL 32399

Robin Norton*
Division of Communications
Florida Public Service
Commission
Gerald L. Gunter Bldg., R. 270
2540 Shumard Oak Drive
Tallahassee, FL 32399

Marshall M. Criser
Southern Bell Telephone and
Telegraph Company
150 South Monroe Street
Sun Bank Building, Suite 400
Tallahassee, Florida 32301

Thomas F. Woods
Gatlin, Woods, Carlson
and Cowdery
1709-D Mahan Drive
Tallahassee, FL 32308

Michael J. Henry
MCI Telecommunications Corp.
780 Johnson Ferry Road
Suite 700
Atlanta, GA 30342

Rick Melson
Hopping, Green, Sams and Smith
123 South Calhoun
Post Office Box 6526
Tallahassee, FL 32301

Charles J. Beck
Deputy Public Counsel
Office of Public Counsel
Claude Pepper Bldg., Rm. 812
111 W. Madison Street
Tallahassee, FL 32301

Michael W. Tye
AT&T Communications
106 East College Avenue
Suite 1410
Tallahassee, FL 32301

Chanthina R. Bryant
Tony Key
3065 Cumberland Circle
Atlanta, GA 30339

Floyd Self
Messer, Vickers, Caparello
Madsen, Lewis, Goldman & Metz
Post Office Box 1876
Tallahassee, FL 32301-1876

Dan B. Hendrickson
Post Office Box 1201
Tallahassee, FL 32302

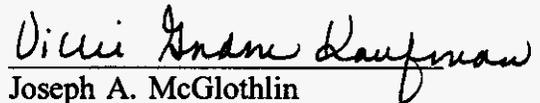
Laura L. Wilson
Florida Cable Television
Association
Post Office Box 10383
310 North Monroe Street
Tallahassee, FL 32302

Monte Belote
Florida Consumer Action Network
4100 W. Kennedy Blvd. #128
Tampa, FL 33609

Michael A. Gross
Assistant Attorney General
Department of Legal Affairs
PL-01, The Capitol
Tallahassee, FL 32399-1050

Angela Green
Florida Public
Telecommunications Assoc.
125 S. Gadsden Street
Suite 200
Tallahassee, FL 32301

Rick Wright
Auditing & Financial Analysis
Division
Fla. Public Service Commission
Gerald L. Gunter Bldg., R. 215
2540 Shumard Oak Drive
Tallahassee, Florida 32399



Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin
Davidson, Rief and Bakas
315 South Calhoun Street
Suite 716
Tallahassee, Florida 32301
904/222-2525

Attorneys for the Florida
Interexchange Carriers
Association