



Florida Cable Telecommunications Association

Steve Wilkerson, President

November 13, 1995

**VIA HAND DELIVERY**

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**RE: DOCKET NO. 950985A-TP**

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are an original and fifteen copies of Florida Cable Telecommunications Association, Inc.'s ("FCTA") Direct Testimony of Joseph P. Cresse on behalf of FCTA. Copies have been served on the parties of record pursuant to the attached certificate of service.

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

Thank you for your assistance in processing this filing.

Yours very truly,

*Charles Dudley, for*  
Laura L. Wilson  
Vice President, Regulatory Affairs &  
Regulatory Counsel

*Greer*  
Enclosures

cc: Mr. Steven E. Wilkerson  
All Parties of Record

*SW*

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 950985A-TP

DIRECT TESTIMONY  
OF  
JOSEPH P. CRESSE  
ON BEHALF OF

FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION, INC.

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Joseph P. Cresse and my business address

3 is 215 S. Monroe, Suite 701, Tallahassee, Florida

4 32302-1876.

5 Q. PLEASE STATE YOUR OCCUPATION.

6 A. I am a non-lawyer consultant working for the law

7 firm of Messer, Caparello, Madsen, Goldman & Metz,

8 P.A.

9 Q. WOULD YOU DESCRIBE YOUR BACKGROUND AND EXPERIENCE?

10 A. Please see Exhibit JPC-1 attached to my testimony.

11 Q. FOR WHOM ARE YOU TESTIFYING IN THIS DOCKET?

12 A. I am testifying on behalf of Florida Cable

13 Telecommunications Association.

14 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

15 A. The purpose is to recommend the appropriate policy

16 the Commission should adopt in setting

17 interconnection charges for local traffic between

18 Alternative Local Exchange Companies (ALEC's) and

19 incumbent Local Exchange Companies (LEC's) and the

20 appropriate compensation LEC's and ALEC's should

21 pay for terminating local traffic between

22 themselves.

23 Q. WHAT ARE THE APPROPRIATE POLICIES THE COMMISSION

24 SHOULD KEEP IN MIND AS THEY CONSIDER AND DECIDE

25 INTERCONNECTION ISSUES?

- 1       A.    I believe many are outlined in SB 1554 and can be  
2            summarized as follows:
- 3            1.    The competitive provision of telecommunication  
4                services including local service is in the  
5                public interest.
  - 6            2.    Encourage competition in order to ensure the  
7                availability of widest possible range of  
8                consumer choice.
  - 9            3.    Promote competition by encouraging new  
10               entrants into telecommunication markets.
- 11        In addition, I believe the Commission should keep  
12        in mind the following:
- 13           1.    Flat rate pricing for subscribers of local  
14                service and usage sensitive pricing for  
15                interconnection are not compatible, and would,  
16                if adopted, inhibit the provision of  
17                competitive local services to all consumers.  
18                The goal in this and all other implementation  
19                issues before the Commission should be to  
20                encourage competition for all consumers, not  
21                just those who receive more calls than they  
22                originate.
  - 23           2.    If possible, the interconnection policy  
24                approved by the Commission should not impose  
25                additional costs on the industry as a whole.

1           3.    The ALEC's and LEC's should be treated as a  
2                   co-carrier and not a customer, and the  
3                   policies governing the exchange of traffic  
4                   between local exchange companies should also  
5                   be applicable to ALEC and LEC interconnection.

6           Q.    WHAT IS THE APPROPRIATE COMPENSATION PLAN FOR  
7                   TERMINATING LOCAL CALLS?

8           A.    The plan that would promote and encourage  
9                   competition for all consumers regardless of that  
10                  consumer's calling pattern and which imposes the  
11                  least incremental cost to all local exchange  
12                  companies. The plan is called Bill and Keep or  
13                  Payment in Kind. Others may call it something  
14                  else.

15          Q.    WHAT ARE THE ADVANTAGES OF THAT TYPE OF SYSTEM?

16          A.    There are several advantages, but those that come  
17                  to mind are:

18                1.    Avoidance of the incremental cost of  
19                        recording, billing, collection, auditing  
20                        and dispute resolution, none of which  
21                        contributes to more efficient delivery of  
22                        services.

23                2.    Bill and Keep - Payment in Kind  
24                        encourages LEC's and ALEC's alike to want  
25                        to serve all potential customers, without

1           considering whether their usage is  
2           predominately originating or terminating  
3           traffic. Any charge for terminating  
4           calls provides an incentive to serve  
5           customers who receive more calls (airline  
6           reservation), than those who generally  
7           place more calls than they receive  
8           (residential).

9           3. I believe the Commission is well aware of  
10          the LEC's desire to encourage Local  
11          Measured Service, and a measured rate for  
12          terminating local calls could be the  
13          first step in a long journey to local  
14          measured rates. Flat rate pricing and  
15          usage based terminating charges appear to  
16          be incompatible.

17       **Q. ARE THERE OTHER REASONS A BILL AND KEEP-PAYMENT IN**  
18       **KIND MECHANISM SHOULD BE ADOPTED?**

19       A. Yes, if competition is successful, over the long  
20       term the terminating minutes of use between ALEC's  
21       and LEC's should balance out. Bill and Keep-  
22       Payment in Kind provides an incentive for each  
23       carrier to minimize their terminating costs, and it  
24       also has the advantage of eliminating the need for  
25       any additional cost studies and the litigation

1 expenses attendant thereto.

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

3 **A. Yes, it does.**

**JOSEPH P. CRESSE**

Presently employed as a non-lawyer Special Consultant with the law firm of Messer, Caparello, Madsen, Goldman & Metz P.A. in Tallahassee, Florida; former Chairman of the Public Service Commission having served seven years on the Commission; former State Budget Director for State of Florida under Governor Reubin Askew, and former Assistant Secretary for the Department of Administration, State of Florida.

Resides in Tallahassee, Florida, with wife, Beverly; has two children; born in Indiana, and attended public schools in Frostproof, Florida; attended University of Florida - graduated in 1950 B. S. B. A. Major in Accounting; served in the U. S. Army as Staff Sergeant; member of Beta Alphi PSI Fraternity.

Career accomplishments include recipient of Florida Senate and House Resolution of Commendation; Administrator of the year in 1975; recipient of University of Florida Distinguished Alumnus Award; served on the Executive Committee of National Assn. of State Budget Officers, National Assn. of Regulatory Utility Commissioners, and President of the Southeastern Assn. of Regulatory Utility Commissioners; assisted in passage and implementation of the Career Service System, State of Florida; assisted in the implementation the Governmental Reorganization Act; implementation of program budgeting and computerizing substantial budgeting information; assisted in development of Education funding program for the State of Florida; assisted in development of financial plan to reduce appropriations to operate within available funds when revenue of the State was approximately 10% less than anticipated; assisted the Governor and Legislature during Special 1978 Legislative Session in drafting and passing legislation protecting title to state sovereign lands; served as member of the Florida Advisory Council on Intergovernmental Relations; appointed by Governor as member of the Deferred Compensation Advisory Committee and elected chairman; chaired a Task Force which developed financial and organizational plans to dismantle the Inter-American Center Authority with real estate assets of the Authority preserved for public use; appointed by Governor to state team which successfully negotiated a major settlement involving oil, gas and mineral rights on state-owned submerged lands; appointed to task force overseeing litigation, State v. Mobil Oil, Sovereign Lands; member Growth Management Committee; appointed by Governor and co-chaired Telecommunications Task Force. In 1985 received the National Governor's Association award for Distinguished Service to State Government. Retired from State Government December 1985 to assume present position with Messer, law firm. Since 1985 he has been engaged in regulatory consulting work with both utilities and non-utilities. He lectures at Indiana University once a year, and has testified before the Georgia, Florida, South Carolina and Virginia Regulatory Commissions.



**CERTIFICATE OF SERVICE**  
**DOCKET NO 950985A-TP**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing been furnished by Hand Delivery(\*) and/or U.S. Mail on this 13th day of November, 1995 to the following parties of record:

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