

ORIGINAL  
FILE 8007

1           **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
2                           **DOCKET NO. 950985-TP**  
3                           **DIRECT TESTIMONY OF**  
4                           **JOAN McGRATH**  
5           **ON BEHALF OF TIME WARNER AXS OF FLORIDA, L.P.**  
6                           **AND DIGITAL MEDIA PARTNERS**

7  
8   **Q:   FOR THE RECORD, PLEASE STATE YOUR NAME AND BUSINESS**  
9           **ADDRESS.**

10   **A:   My name is Joan McGrath, and my business address is**  
11           **Time Warner Communications, 160 Inverness Drive**  
12           **West, Englewood, Colorado, 80112.**

13  
14   **Q:   ON WHOSE BEHALF ARE YOU TESTIFYING TODAY?**

15   **A:   I am testifying on behalf of Time Warner AxS of**  
16           **Florida, L.P. ("Time Warner AxS") and Digital Media**  
17           **Partners ("DMP") (collectively "Time Warner").**

18  
19   **Q:   ARE YOU EMPLOYED BY THOSE COMPANIES?**

20   **A:   No.    My title is Manager for Interconnect**  
21           **Management for Time Warner Communications ("TWC"),**  
22           **which owns Time Warner AxS and is an affiliate of**  
23           **DMP.**

1 Q: WHAT ARE YOUR DUTIES AT TWC?

2 A: My primary responsibilities are to provide support  
3 information and research for and to act as a  
4 liaison between Time Warner teams and subteams in  
5 interconnection negotiations between TWC affiliates  
6 and incumbent local exchange companies.

7

8 Q: PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
9 TELECOMMUNICATIONS EXPERIENCE.

10 A: I received a Bachelor of Science degree in Business  
11 Administration with emphasis in Marketing from the  
12 University of Denver, Denver, Colorado.  
13 Additionally, I have taken technical training  
14 courses through AT&T on Electronic Switching System  
15 Architecture and ISDN Overview. When my work  
16 schedule permits, I also attend Master level  
17 telecommunications classes at the University of  
18 Denver.

19

20 My telecommunications experience includes  
21 employment at U S West, an RBOC,  
22 Telecommunications, Inc. (TCI), a major cable  
23 company, and Teleport Communications Group (TCG),  
24 an alternative local exchange company (ALEC).

1 At U S West, my responsibilities included  
2 performing statistical and results analyses for the  
3 small business and home personal service. At TCI,  
4 my responsibilities included managing market  
5 research projects for new alternative access vendor  
6 (AAV) markets. At TCG my responsibilities included  
7 managing the interexchange company (IXC)  
8 interconnection negotiations and the RBOC  
9 collocations. My resume is attached as Exhibit JM-  
10 1.

11

12 Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

13 A: Pursuant to Section 364.162, Florida Statutes, Time  
14 Warner AxS and DMP have petitioned the Florida  
15 Public Service Commission (FPSC or Commission) to  
16 establish nondiscriminatory rates, terms, and  
17 conditions for local interconnection with  
18 BellSouth. My testimony is filed in support of  
19 those petitions.

20

21 All resolutions of interconnection issues between  
22 Time Warner and BellSouth should create and sustain  
23 a marketplace in which local exchange competition  
24 can flourish. A competitive market will provide  
25 consumers with innovative services at lower prices

1 and fulfill the mandate of the Florida Legislature.  
2 The only way to accomplish these objectives is to  
3 treat Time Warner as a co-carrier for the provision  
4 of local exchange service.

5

6 To allow Time Warner to efficiently use its network  
7 to offer innovative consumer products, the  
8 Commission should require the following:

- 9 • a rate structure for mutual interconnection  
10 that enables Time Warner to develop an  
11 efficient network, which would include bill  
12 and keep for local interconnection, and  
13 tariffing of interconnection rates
- 14 • efficient and cooperative network coordination  
15 between BellSouth and Time Warner, which would  
16 include mutual network management and design;  
17 equal priority notification on outages;  
18 cooperative 911 network arrangements and  
19 database access; options for Time Warner's  
20 interconnection points with BellSouth; access  
21 of Time Warner to adequate numbering  
22 resources; compensation for terminating access  
23 charges to ported numbers
- 24 • access to and use of existing operator and  
25 directory functions, which would include

1 access to operator services; input of  
2 directory assistance and directory listings  
3 provided at no charge; options for the  
4 provision of directory assistance; free white  
5 page/yellow page listings for Time Warner  
6 customers; an information page in the  
7 directory for Time Warner; directories  
8 provided and distributed free of charge to  
9 Time Warner customers.

10

11 **Q: ARE TIME WARNER AXS AND DMP CURRENTLY CERTIFICATED**  
12 **TO PROVIDE LOCAL EXCHANGE SERVICE IN FLORIDA?**

13 **A:** Yes, Time Warner and DMP hold certificate nos. 3167  
14 and 3135, respectively. On August 1, 1995, each  
15 notified the Commission of its intent to provide  
16 alternative local exchange service, and each is  
17 authorized to provide local exchange service  
18 effective January 1, 1995.

19

20 **Q: WHAT IS THE STATUS OF TIME WARNER'S NEGOTIATIONS ON**  
21 **LOCAL INTERCONNECTION WITH BELL SOUTH?**

22 **A:** Time Warner began interconnection negotiations with  
23 BellSouth on August 9, 1995. On the date that this  
24 testimony is filed, Time Warner and BellSouth  
25 remain in earnest negotiations which may result in

1 a mutually acceptable interconnection agreement.  
2 Time Warner is hopeful an agreement will be  
3 reached. However, as of November 20, 1995, no  
4 comprehensive agreement has been reached. Until  
5 such an agreement is reduced to writing, Time  
6 Warner necessarily must consider all  
7 interconnection issues to be unresolved.

8

9 **Q: IF TIME WARNER AND BELLSOUTH ARE STILL NEGOTIATING,**  
10 **WHY HAS TIME WARNER PETITIONED THE COMMISSION FOR**  
11 **ITS ASSISTANCE?**

12 **A:** Time Warner and BellSouth have not yet been able to  
13 reach a comprehensive agreement. Time Warner has  
14 petitioned the Commission to ensure that should the  
15 negotiations with BellSouth fail, Time Warner would  
16 still have a timely interconnection arrangement.  
17 Such an arrangement will help Time Warner  
18 prioritize its capital commitments. The company is  
19 now in the position of determining whether business  
20 conditions in Florida invite competition. A  
21 significant part of this determination is the  
22 rates, terms and conditions of interconnection with  
23 the incumbent LECs, in this case BellSouth. Time  
24 Warner must have an interconnection agreement with

1 BellSouth presently if it is to proceed with its  
2 plan to enter the Florida market.

3

4 **Q: WHAT IS LOCAL INTERCONNECTION?**

5 **A:** Interconnection is the ability of two local  
6 exchange service providers to connect their  
7 networks to provide service. This allows customers  
8 from one company's network to communicate with  
9 customers from another company's network.  
10 Interconnection encompasses an array of technical  
11 issues, as well as compensation arrangements needed  
12 for two or more local exchange providers to connect  
13 their networks. Interconnection also includes the  
14 provision of service provider number portability,  
15 coordinated network design and architecture, the  
16 arrangement of signaling, the transfer of  
17 information, access to data bases and billing  
18 information, and many other detailed coordination  
19 requirements. Equitable interconnection is  
20 necessary to ensure that consumers will benefit  
21 from local competition.

22

23 **Q: WHY IS LOCAL INTERCONNECTION SO IMPORTANT TO TIME**  
24 **WARNER?**

1 A: Without nondiscriminatory interconnection with  
2 BellSouth, Time Warner will be unable to  
3 ubiquitously serve its potential customers.  
4

5 Q: WHAT KIND OF ENVIRONMENT IS TIME WARNER FACING AS  
6 IT ENTERS THE LOCAL EXCHANGE TELECOMMUNICATIONS  
7 MARKET?

8 A: Time Warner is entering an environment  
9 characterized by the overwhelming dominance of one  
10 monopoly LEC, BellSouth. In each of its local  
11 exchanges BellSouth has nearly 100% of the market,  
12 a ubiquitous network, brand identity and loyalty,  
13 and control over essential facilities that Time  
14 Warner needs in order to begin competing. For  
15 competition to be sustainable, facilities-based  
16 providers--companies which invest in, own, and  
17 operate switches and networks--must be able to  
18 provide service. To do so, ALECs such as Time  
19 Warner must make large investments in their own  
20 networks and must also connect those networks with  
21 that of the ubiquitous incumbent LEC, in this case  
22 BellSouth, which stands to lose market share  
23 (although not necessarily revenues) by such  
24 interconnection. Thus, BellSouth will have little  
25 self-interest or economic incentive to enter into



1 interconnection arrangements that are economically  
2 viable and technically efficient for the new  
3 entrant.

4  
5 As unknowns to customers in the marketplace, Time  
6 Warner must build brand loyalty by providing better  
7 service at lower prices in order to gain market  
8 share. If consumers perceive the service Time  
9 Warner provides to be in any way inferior to that  
10 of BellSouth, Time Warner will not be able to  
11 attract and keep customers. This will be true even  
12 if the perceived deficiency is caused by the  
13 operating systems, practices, or interconnection  
14 offerings of BellSouth. Without nondiscriminatory  
15 and equal interconnection to BellSouth's networks  
16 by Time Warner, customers are denied the very real  
17 benefits of competition--technological innovation  
18 and lower prices.

19  
20 **Q: IN DECIDING INTERCONNECTION ISSUES, SPECIFICALLY**  
21 **THE RATES, WHAT FACTORS SHOULD THE COMMISSION TAKE**  
22 **INTO ACCOUNT TO RENDER A POLICY DECISION THAT**  
23 **PROMOTES COMPETITION FOR CONSUMERS?**

24 **A: There are several factors:**

1           •     First, the Commission should consider that the  
2                     only way Time Warner can reach all consumers  
3                     today is through BellSouth's ubiquitous  
4                     network. Although the LECs argue that having  
5                     to serve everyone everywhere is a burden, they  
6                     gain marketing benefits from a ubiquitous  
7                     network.         (AT&T exploited a similar  
8                     circumstance in its advertising during the  
9                     early years of toll competition.) Because of  
10                    LEC ubiquity, every entrant that wants to do  
11                    business must interconnect with the LEC.

12           •     Second, the Commission should consider the  
13                    impact of various rate structures and levels  
14                    on the development of competition and  
15                    promotion of customer choice and innovative  
16                    technology.

17  
18                    It is my understanding that the Commission's  
19                    objective is to ensure the availability of the  
20                    widest range of consumer choice at the best  
21                    price. The absolute best way to provide  
22                    consumers with superior, innovative local  
23                    exchange service and the lowest price is to  
24                    provide consumers with choices.

- 1           •     Third, interconnection arrangements should  
2                     create incentives for competitive  
3                     infrastructure development. Sustainable  
4                     competition will only develop if competitors  
5                     do not have to rely exclusively on the LEC for  
6                     the provision of service. Interconnection  
7                     arrangements should encourage companies to  
8                     invest in plant and drive facilities-based  
9                     competition.
- 10           •     Fourth, interconnection arrangements should  
11                    promote technological innovation. The  
12                    Legislature has directed the Commission to  
13                    exercise its jurisdiction to encourage not  
14                    only consumer choice of new providers, but  
15                    also to encourage the introduction of new  
16                    services. The price structure for  
17                    interconnection should not be tied to price  
18                    structures which force a new market entrant  
19                    such as Time Warner to subsidize the  
20                    inefficiencies of the incumbent LECs or  
21                    duplicate the incumbent LECs' pricing  
22                    structures.
- 23           •     Fifth, interconnection rates should not  
24                    include a contribution to universal service.  
25                    Interconnection compensation arrangements

1           should    promote    the    introduction    of  
2           competition.    Universal   service   is   oriented  
3           toward   protecting   customers   where   competition  
4           does   not   occur.   Including   a   contribution   to  
5           universal   service   in   interconnection   rates  
6           will   discourage   competition,   therefore  
7           resulting   in   a   greater   need   for   universal  
8           service   funding.   These   concepts   are   very  
9           different,   and   should   not   be   treated   together.  
10          •   Sixth,   service   provider   number   portability   is  
11          necessary   for   Time   Warner   to   compete.   In  
12          surveys,   customers   have   told   Time   Warner   that  
13          they   value   retaining   their   local   telephone  
14          number.   Remote   call   forwarding,   the   only  
15          currently   viable   option   for   temporary   number  
16          portability,   is   an   inferior   technology.   As   a  
17          result   of   some   of   the   shortcomings   of   remote  
18          call   forwarding   for   temporary   number  
19          portability,   Time   Warner   experiences   longer  
20          call   set-up   times,   customer   confusion,   and  
21          loss   of   the   availability   of   some   custom  
22          calling   features.   These   problems   can   be   a  
23          perceived   drawback   for   consumers   considering  
24          using   Time   Warner.

1 Further, because toll calls lose their  
2 identity when they arrive at the BellSouth  
3 switch on the way to Time Warner's switch,  
4 Time Warner would lose terminating access  
5 charge revenues on calls to ported numbers.  
6 The parties to the stipulation in the number  
7 portability docket (No. 950737-TP) agreed that  
8 compensation issues such as the loss of  
9 terminating access charges to ported numbers  
10 would be a subject of interconnection  
11 negotiations. The Florida Commission should  
12 set prices for interconnection which take into  
13 account the service deficiencies and lost  
14 revenue resulting from the use of remote call  
15 forwarding for temporary number portability.  
16 Having true number portability is essential to  
17 Time Warner's being able to do business.

18

19 **Q: WHAT ARE THE APPROPRIATE RATE STRUCTURES,**  
20 **INTERCONNECTION RATES, AND OTHER COMPENSATION FOR**  
21 **THE EXCHANGE OF LOCAL TRAFFIC BETWEEN TIME WARNER**  
22 **AND BELLSOUTH?**

23 **A: The most appropriate arrangement for the exchange**  
24 **of local traffic is a bill and keep arrangement.**

1 Q: WHAT IS BILL AND KEEP?

2 A: Bill and keep is the local interconnection  
3 arrangement most often employed between incumbent  
4 LECs today in Florida. With bill and keep the two  
5 networks connect at some agreed-upon point, and  
6 each company bears the cost of its network, keeping  
7 the revenues it generates, and not charging the  
8 other company to use its network. Bill and keep is  
9 a payment in kind for local interconnection, thus,  
10 meeting the statutory requirement that it cover  
11 costs.

12

13 Q: WHY DO YOU RECOMMEND A BILL AND KEEP ARRANGEMENT?

14 A: There are a number of reasons why I recommend a  
15 bill and keep arrangement.

16 • First, a bill and keep arrangement is  
17 reciprocal, thus acknowledging that all  
18 participants are co-carriers. Competing local  
19 exchange carriers should be treated as co-  
20 carriers in light of the fact that the  
21 necessity for interconnection is mutual once  
22 an entrant signs up its first customer. In  
23 this case, once Time Warner gains its first  
24 customer, both BellSouth and Time Warner will  
25 have a mutual need for services from the other

1           if each is to offer its customers the ability  
2           to reach all telephone subscribers served by  
3           the other local service provider.

4           •     Second, bill and keep is certainly the least  
5           cost method of compensation for terminating  
6           traffic, and thus, is the approach most likely  
7           to help drive local exchange rates as low as  
8           possible for customers.

9           •     Third, bill and keep will minimize the  
10          opportunity for incumbent LECs to use the  
11          compensation mechanism to impose unnecessary  
12          and anti-competitive costs upon Time Warner.  
13          Thus, it is the method least likely to result  
14          in new, unnecessary barriers to entry.

15          •     Fourth, bill and keep is neutral in terms of  
16          both the technology and architecture that Time  
17          Warner might choose to adopt. Opening the  
18          local exchange to entry and developing local  
19          exchange competition benefits Florida  
20          residents with competition between different  
21          technologies and different architectures. If  
22          the compensation arrangements for terminating  
23          traffic force new providers to choose inferior  
24          technology or architecture, then a primary  
25          benefit of entry will be reduced or

1           eliminated. Such a result would not be in the  
2           public interest.

3

4   **Q: HOW DOES BILL AND KEEP ELIMINATE COSTS THAT ACT AS**  
5   **A BARRIER TO ENTRY?**

6   **A:** Once there is local competition, the amount of  
7   compensation owed to one network would be offset by  
8   the amount owed to the other. Unless there are  
9   significant distortions between networks, the  
10   traffic between networks tends to be in balance  
11   over time. BellSouth has proposed an access  
12   charge-based structure, which requires measuring  
13   terminating local traffic even though today it  
14   cannot measure the termination of local exchange  
15   traffic. Developing and implementing such a  
16   measurement and billing system could greatly  
17   increase the incremental cost of the switching  
18   function for terminating traffic, which BellSouth  
19   would likely pass along to its customers, or to  
20   Time Warner. These costs add a significant and  
21   unnecessary burden to local exchange service, when  
22   it can only be justified at best for a brief period  
23   of time.



1 Measuring also imposes other costs on local  
2 exchange service, costs that would fall more  
3 heavily on Time Warner than on BellSouth. Another  
4 set of costs that would be imposed if compensation  
5 for terminating local traffic were charged for on a  
6 per minute or per message basis is the cost of  
7 measuring equipment and establishing a billing  
8 system for use by the entrants. Moreover, based on  
9 the experience of IXCs, the billing for carrier  
10 access charges poses additional unnecessary costs  
11 in the form of auditing and verification. Carrier  
12 access bills have been sufficiently in error that  
13 interexchange companies have found it cost  
14 effective to hire people full time to audit and  
15 resolve billing disputes. Auditing costs are  
16 ongoing and may exceed the benefit gained by the  
17 additional revenues. These costs ultimately fall  
18 on basic local exchange customers, with no benefit  
19 to them.

20

21 **Q: WHY DID YOU REFER TO THE DEVELOPMENT OF MEASUREMENT**  
22 **AND BILLING SYSTEMS FOR THE INCUMBENT LECS?**  
23 **INCUMBENT LECS NOW MEASURE AND BILL FOR LOCAL**  
24 **CALLS. WHY WOULD THEY HAVE TO DEVELOP ANY NEW**  
25 **MEASUREMENT AND BILLING SYSTEMS?**

1 A: While it is true that BellSouth can and does  
2 measure and bill for some, but not all of its local  
3 exchange traffic, the measurement systems it uses  
4 for that purpose cannot be used to measure  
5 terminating local exchange traffic. The current  
6 measurement systems were not developed with local  
7 competition in mind and cannot distinguish today  
8 between local and toll calls.

9

10 Q: **HAVE ANY OTHER STATES ADOPTED BILL AND KEEP?**

11 A: Yes. Bill and keep is gaining approval in key  
12 states that have addressed interconnection issues.  
13 The California PUC recently adopted interim local  
14 competition rules that include bill and keep.  
15 (*See, Initial Rules for Local Exchange Service*  
16 *Competition in California, California Public*  
17 *Utilities Commission, Docket No. R 95-04-043/I 95-*  
18 *04-044, Section 7: Interconnection of LEC and CLEC*  
19 *Networks for Termination of Local Traffic, page 10*  
20 *[July 24, 1995].*) A Michigan Public Service  
21 Commission decision also adopts bill and keep if  
22 the traffic is in balance within five percent.  
23 (*See, Opinion and Order, In the matter of the*  
24 *application of City Signal, Inc., Case No. U-10647,*  
25 *pages 19-30 [February 27, 1995].*) Recently the

1 Connecticut Commission also adopted bill and keep.  
2 (See, DPUC Investigation into the Unbundling of the  
3 Southern New England Telephone Company's Local  
4 Telecommunications Network, State of Connecticut  
5 Department of Public Utility Control, Docket No.  
6 94-10-02, pages 63, 70, 71 [September 22, 1995].)  
7 Also, the Washington Utilities and Transportation  
8 Commission recently ordered bill and keep until a  
9 database number portability solution is reached.  
10 Thereafter, unless proven otherwise,  
11 interconnection rates will be cost based. (See,  
12 Fourth Supplemental Order Rejecting Tariff Filings  
13 and Ordering Refiling; Granting Complaints, in  
14 Part, Washington Utilities and Transportation  
15 Commission; Docket Nos. UT-941464, UT-941465, UT-  
16 950146, UT-950265, pages 29-33 [October 31, 1995].)  
17 Also, the Texas Public Utility Regulatory Act of  
18 1995, Title III, Subtitle J, Section 3.458,  
19 requires that in the absence of a mutually agreed  
20 compensation rate, bill and keep shall apply for a  
21 period of nine months.

22

23 **Q: WHAT METHOD OF INTERCONNECTION HAS BELLSOUTH**  
24 **OFFERED TO TIME WARNER?**

1 A: BellSouth has offered a per minute of use, access  
2 charge-based scenario that differentiates the price  
3 of interconnection depending on where Time Warner  
4 interconnects. For example, if Time Warner  
5 interconnects at a BellSouth tandem, the price for  
6 Time Warner is higher than if Time Warner  
7 interconnects at a BellSouth end office.

8

9 Q: **WHAT IS WRONG WITH THIS APPROACH?**

10 A: There are several problems with this approach:

- 11 • First, switched access charge levels in  
12 Florida today are loaded with contribution.  
13 Using switched access charges for local  
14 interconnection is inconsistent with the need  
15 for local interconnection rates to be  
16 separated from universal service. High  
17 interconnection rates will increase the risk  
18 to new entrants such as Time Warner and hinder  
19 their ability to compete.
- 20 • Second, a usage sensitive interconnection rate  
21 measurement is administratively burdensome and  
22 expensive, and makes no sense in light of data  
23 from other states, which indicate that the  
24 traffic flow back and forth between LEC and  
25 ALEC networks tends to even out over a

1 relatively short time. Based on EAS traffic  
2 studies, the same tends to be true in LEC  
3 local interconnection arrangements today. The  
4 unnecessary costs to Time Warner under a  
5 usage-based compensation arrangement would  
6 inhibit its competition in the local market.  
7 • Third, BellSouth's interconnection proposal  
8 reflects BellSouth's network architecture  
9 inefficiencies. Time Warner should not be  
10 forced to pay for the inefficiencies of  
11 BellSouth's network design.

12

13 **Q: IF THE COMMISSION REJECTS A BILL AND KEEP**  
14 **ARRANGEMENT, WHAT INTERCONNECTION ARRANGEMENT WOULD**  
15 **YOU RECOMMEND?**

16 **A:** If the Commission rejects a bill and keep approach,  
17 I recommend an interconnection charge that is  
18 equally applied to BellSouth and Time Warner in a  
19 nondiscriminatory fashion and which requires that  
20 BellSouth, the holder of the bottleneck monopoly,  
21 pass an imputation test. Imputation ensures that  
22 BellSouth cannot use its bottleneck monopoly  
23 facilities to impose rates on its competitors that  
24 are not also imposed on BellSouth. For example,  
25 the use of switched access rates for termination of

1 local traffic instead of a bill and keep approach  
2 would create an intolerable price squeeze. The  
3 only way for the Commission to avoid a price  
4 squeeze and not preclude competitive entry would be  
5 to require BellSouth to impute into its local  
6 exchange rates the same rates it charges Time  
7 Warner. I would like to reiterate my  
8 recommendation to institute bill and keep for local  
9 interconnection. The value of this compensation  
10 arrangement is reflected in its adoption by states  
11 throughout the country.

12

13 **Q: IF THE COMMISSION SETS RATES, TERMS, AND CONDITIONS**  
14 **FOR INTERCONNECTION BETWEEN TIME WARNER AND**  
15 **BELLSOUTH, SHOULD BELLSOUTH TARIFF THE**  
16 **INTERCONNECTION RATE(S) OR OTHER ARRANGEMENTS?**

17 **A:** Yes. Tariffing implies a generally available  
18 offering which can be purchased by like customers  
19 under the same circumstances. Tariffs are  
20 appropriate for monopoly services such as  
21 interconnection.

22

23 **Q: HOW SHOULD THE NETWORKS OF TIME WARNER AND**  
24 **BELLSOUTH BE INTERCONNECTED PHYSICALLY?**

1 A: To protect consumers and encourage the development  
2 of competition, physical interconnection should be  
3 done in the most efficient manner. To this end,  
4 interconnection should be permitted wherever  
5 reasonably possible, rather than being arbitrarily  
6 limited. In addition, signaling networks need to  
7 be interconnected and need to pass sufficient  
8 signaling information so that all of the services  
9 possible with today's technology can be offered to  
10 all customers.

11

12 Based on the types of interconnection available  
13 today, interconnection is possible at several  
14 points. For example, interexchange companies  
15 interconnect with the LEC either at their own  
16 points of presence or at the switch of the LEC.  
17 Incumbent LECs often interconnect with each other  
18 at a "meet point" (frequently at a company  
19 boundary), which is a division of ownership of a  
20 trunk connecting two switches owned by different  
21 companies. In addition, I recommend that  
22 collocation be made available at a reasonable cost.  
23 In this context it is reasonable that Time Warner  
24 should have the flexibility to interconnect at a  
25 BellSouth end office, tandem, or other mutually

1           agreed upon point in the network--whichever is more  
2           efficient.

3

4   **Q:   BELLSOUTH HAS PROPOSED RATES WHICH DIFFERENTIATE**  
5   **THE PRICE BETWEEN CONNECTING AT A BELLSOUTH TANDEM**  
6   **VERSUS AT A BELLSOUTH END OFFICE.  WHAT EFFECT DOES**  
7   **THIS HAVE ON TIME WARNER?**

8   **A:**   BellSouth, like other incumbent LECs, has a network  
9           that has evolved over many years to become what it  
10          is today--a series of end offices and tandems  
11          interconnected in various ways (and not necessarily  
12          efficiently).   Most customers are served by  
13          switches which are relatively close to the  
14          customers.  If the network were redesigned today  
15          from scratch, its design would most likely be more  
16          efficient.

17

18          Differential rates for tandems versus end offices  
19          do not encourage efficient network design.  For  
20          example, assume that Time Warner places only a  
21          single switch, using longer "loop" plant to reach  
22          its customers than does BellSouth.  The total cost  
23          to Time Warner for terminating a BellSouth local  
24          call may or may not be less than BellSouth's cost  
25          for terminating a Time Warner local call.  Time



1 Warner may have more loop costs, and less switching  
2 and transport costs than BellSouth.

3  
4 If the interconnection rate structure is designed  
5 so that the only costs Time Warner can recover in  
6 its local interconnection tariff are switching and  
7 interoffice transport costs, Time Warner will be  
8 handicapped relative to BellSouth, and may be  
9 prevented from recovering all of its costs  
10 regardless of whether those costs are less than or  
11 equal to BellSouth's costs. Particularly in the  
12 early stage of local competition, Time Warner will  
13 mostly be terminating calls from customers of  
14 BellSouth rather than from its own customers.

15  
16 Because of Time Warner's inability to recover its  
17 costs using its preferred architecture, it will  
18 have an incentive to try to mirror the architecture  
19 of BellSouth, even if this were not the most  
20 efficient architecture. Such a result would be  
21 very bad for the public, because it would reduce  
22 the dynamic efficiency benefits from entry. Time  
23 Warner should not be constrained by BellSouth's  
24 rate design from developing its network as  
25 efficiently as possible.

1 Q: HOW DO BELLSOUTH'S PROPOSED COLLOCATION RATES  
2 AFFECT TIME WARNER?

3 A. BellSouth's proposed rates charged for collocation  
4 have the ability to create an effective barrier to  
5 entry for Time Warner. Time Warner understands  
6 that the expenditures it makes for entry into the  
7 telecommunications market cannot easily be  
8 recovered should its market entry fail. However,  
9 the greater the level of investment that would be  
10 unrecoverable if entry were unsuccessful (potential  
11 loss for the investor), the higher the barrier to  
12 entry. If the potential loss is higher, Time  
13 Warner's investors will expect greater returns to  
14 make the investment a reasonable risk. The higher  
15 expected returns will increase the cost of doing  
16 business.

17  
18 For example, collocation-related investment for  
19 Time Warner includes the capital required to build  
20 to BellSouth central office, equipment costs, and  
21 the BellSouth rate elements applied to Time Warner  
22 for collocation (floor space, power, cabling,  
23 conduit, etc.). The costs for collocation are  
24 either nonrecurring or monthly recurring, and as a  
25 result are nonrecoverable if market entry does not

1           succeed. To encourage competition, the rates for  
2           collocation should be as close to cost as possible.

3

4   **Q:   HOW SHOULD NETWORK MANAGEMENT AND DESIGN BE HANDLED**  
5           **BETWEEN BELLSOUTH AND TIME WARNER?**

6   **A:** BellSouth and Time Warner should cooperatively work  
7           to install and maintain reliable interconnected  
8           telecommunications networks. Such cooperation  
9           benefits both companies and their respective  
10          customers. A cooperative effort will include, but  
11          not be limited to, the exchange of appropriate  
12          information concerning network changes that impact  
13          services to the local service provider, maintenance  
14          contact numbers, and escalation procedures. To  
15          ensure that service quality is maintained, the  
16          Commission should develop an expedited mediation  
17          and resolution procedure, and should fine companies  
18          which behave in an anticompetitive manner.

19

20   **Q:   WHAT ARE THE IMPLICATIONS FOR THE ASSIGNMENT OF NXX**  
21           **CODES?**

22   **A:** The North American Numbering Plan (NANP) Guidelines  
23          used by BellSouth today do not allow Time Warner to  
24          acquire more than one NXX code prior to the  
25          exhaustion of the code assigned to Time Warner's

1 first switch. This is true, even if more NXX codes  
2 were needed to provide the detailed billing  
3 information necessary to distinguish local and toll  
4 calls. BellSouth today is the NANP administrator  
5 for its region. The consensus in the industry is  
6 the NANP administration function should be  
7 relegated from the incumbent LECs to a neutral  
8 administrator. There will be a significant time  
9 lag before this occurs. This Commission should be  
10 cognizant of the ability of BellSouth to  
11 disadvantage competition by using the NANP  
12 Guidelines as an excuse to thwart the entry of Time  
13 Warner. Time Warner needs multiple NXX codes for  
14 purposes of intercompany compensation.

15

16 In those environments where new entrants are  
17 required to abide by the existing incumbent LEC  
18 exchange boundaries (which dictate whether a call  
19 is currently considered local or toll) for purposes  
20 of intercompany compensation, there are important  
21 implications regarding the number of NXX codes  
22 required by, and allocated to, every facilities-  
23 based ALEC. By way of assisting in the  
24 understanding of the implications of this issue, I  
25 have attached, as Exhibit JM-2, a series of

1           schematics showing how it would be impossible to  
2           properly characterize a call as local or toll  
3           unless Time Warner is permitted to acquire more  
4           than one NXX code. To the extent this Commission  
5           requires a usage-based intercompany compensation  
6           plan which maintains the current distinction  
7           between local versus toll, this Commission should  
8           also not tolerate BellSouth delaying or denying the  
9           assignment of NXX codes, which Time Warner would  
10          legitimately require for proper tracking of usage  
11          for intercompany compensation.

12

13          Time Warner recognizes the requirement for multiple  
14          NXXs risks the potential for NXX code exhaust. A  
15          solution to this problem is LATAwide intercompany  
16          compensation. This would eliminate the need to  
17          distinguish between existing local and toll calls  
18          for intercompany compensation, and would provide  
19          adequate flexibility to Time Warner for developing  
20          its marketing plans outside of BellSouth's market  
21          strategy.

22

23       **Q:   HOW DOES REMOTE CALL FORWARDING FOR NUMBER**  
24       **PORTABILITY AFFECT TIME WARNER'S ABILITY TO COLLECT**  
25       **ACCESS REVENUES?**

1 A: All incoming calls to Time Warner customers who  
2 keep their BellSouth local telephone numbers would  
3 go through the BellSouth tandem and/or the end  
4 office containing the old telephone number. When a  
5 toll call comes to that ported number from an IXC  
6 or another LEC, it goes to the BellSouth end  
7 office, is translated to the Time Warner office  
8 number, and continues to that Time Warner customer.  
9 Normally on terminating toll calls, the local  
10 service provider would receive access charge  
11 revenues from the toll provider. With a ported  
12 number, however, the call loses its identity as a  
13 toll call when it gets to BellSouth central office,  
14 even though it continues on to Time Warner's  
15 office. If nothing is done to compensate for this,  
16 BellSouth would pay Time Warner according to  
17 whatever local interconnect arrangement is in  
18 effect, and Time Warner would lose its switched  
19 access charge revenues. The loss of these revenues  
20 impedes competitive entry: not only does it  
21 produce revenue losses for Time Warner, it also  
22 provides an undeserved windfall to BellSouth.

23  
24 The solution to restoring these revenues is for  
25 BellSouth to be able to measure this traffic, or

1           develop a surrogate for estimating it, and to remit  
2           the correct switched access charges to Time Warner.  
3           If this cannot be accomplished, an alternative is  
4           to reduce the price for some other element of  
5           interconnection to offset BellSouth's revenue  
6           windfall.

7

8       **Q:   WHAT ARE THE APPROPRIATE TECHNICAL AND FINANCIAL**  
9       **ARRANGEMENTS WHICH SHOULD GOVERN INTERCONNECTION**  
10      **BETWEEN TIME WARNER AND BELLSOUTH FOR THE DELIVERY**  
11      **OF CALLS ORIGINATED AND/OR TERMINATED FROM CARRIERS**  
12      **NOT DIRECTLY CONNECTED TO TIME WARNER'S NETWORK?**

13     **A:**   For intraLATA calls (both local and toll), Time  
14       Warner should be allowed to transmit traffic  
15       through the BellSouth tandems to other  
16       telecommunications provider end offices also  
17       subtending the BellSouth tandems (for example,  
18       cellular company, other ALEC, or IXC). Further,  
19       BellSouth should allow two collocated ALECs to  
20       direct connect within the BellSouth tandem, without  
21       going through the tandem switch (a "hotel"  
22       connection), charging only for rates applied for  
23       collocation, and not for switched access. It is  
24       not efficient to exhaust BellSouth's tandem switch  
25       prematurely, nor to impose a switching cost on

1 other providers when no switching is needed. This  
2 would encourage efficient network utilization and  
3 encourage competition. On local calls, bill and  
4 keep should still apply.

5  
6 On intraLATA toll calls, if a LATAwide termination  
7 structure is not used, the intraLATA Modified  
8 Access Based Compensation Plan (MABC) used between  
9 LECs in Florida today should apply. Under the MABC  
10 plan, the originating LEC bills its end user for  
11 the toll call, and pays the terminating LEC  
12 switched access charges. Where another LEC serves  
13 as an intermediary, the intermediary LEC is paid  
14 tandem switching and transport as well.

15  
16 On interLATA toll calls, IXC traffic exchanged  
17 between the BellSouth tandem and Time Warner should  
18 be handled using industry Meet Point Billing  
19 procedures. This acknowledges the participation of  
20 each local service provider in the provision of  
21 access.

22

23 **Q: WHAT ARE THE APPROPRIATE TECHNICAL AND FINANCIAL**  
24 **REQUIREMENTS FOR THE EXCHANGE OF INTRALATA 800**  
25 **TRAFFIC WHICH ORIGINATES FROM A TIME WARNER**



1           **CUSTOMER AND TERMINATES TO AN 800 NUMBER SERVED BY**  
2           **OR THROUGH BELLSOUTH?**

3   **A:**   Competition will only develop if the exchange  
4           procedure recognizes the role of both companies in  
5           completing the call. The company originating the  
6           800 call should send the originating call record to  
7           the 800 number owner in order for it to bill the  
8           end user. 800 calls originating from Time Warner  
9           should be routed to its signal control point (SCP)  
10          where a query is launched to the service switching  
11          point (SSP). A bill record should be generated by  
12          the SSP provider which will be sent to the 800  
13          number owner, so it can bill the 800 end user  
14          customer. Time Warner should bill BellSouth  
15          originating switched access charges and an 800  
16          query charge. Depending on the contractual  
17          arrangement, companies may also charge for record  
18          provisioning.

19  
20   **Q:**   **WHAT ARE THE APPROPRIATE TECHNICAL ARRANGEMENTS FOR**  
21           **THE INTERCONNECTION OF TIME WARNER'S NETWORK TO**  
22           **BELLSOUTH'S 911 PROVISIONING NETWORK SUCH THAT TIME**  
23           **WARNER'S CUSTOMERS ARE ENSURED THE SAME LEVEL OF**  
24           **911 SERVICE AS THEY WOULD RECEIVE AS A CUSTOMER OF**  
25           **BELLSOUTH?**

1 A: Public safety concerns dictate that Time Warner's  
2 customers must have the same level of access to  
3 reliable 911 service as Southern Bell's customers.  
4 A high level of 911 service can only be achieved  
5 through a cooperative effort of the local 911  
6 coordinator, the incumbent 911 tandem provider  
7 (BellSouth), and Time Warner. Thus, BellSouth must  
8 configure its 911 tandem to recognize industry  
9 standard 911 signaling for the traffic originating  
10 from Time Warner's switches. BellSouth should  
11 designate a single point of contact for  
12 coordination of installing, testing, and ongoing  
13 911 and E911 operations. All parties should work  
14 together toward deploying redundant, reliable,  
15 standard facilities. To maintain standardization,  
16 Time Warner should be able to utilize the same type  
17 of facilities as are in place from other end  
18 offices. Resolving alternate routing and overflow  
19 situations should also be a cooperative effort  
20 between Time Warner and BellSouth.

21  
22 Also, BellSouth should be required to provide Time  
23 Warner with reference data to assist in the  
24 configuration of interconnected dedicated 911  
25 trunks and to ensure that 911 calls are correctly

1 routed. This should be available to all ALECs,  
2 LECs, and BellSouth, on a nondiscriminatory tariff  
3 basis. BellSouth should also provide Time Warner a  
4 list consisting of each county in Florida that  
5 subscribes to 911 and E911, and the E911 conversion  
6 date for those counties converting. Further,  
7 BellSouth should offer the same level of priority  
8 restoration to Time Warner's 911 trunks as it does  
9 its own; BellSouth should provide information on  
10 scheduled outages that would affect 911 service at  
11 least 48 hours in advance; and BellSouth should  
12 notify Time Warner immediately if an unscheduled  
13 outage occurs.

14

15 **Q: WHAT PROCEDURES SHOULD BE IN PLACE FOR THE TIMELY**  
16 **EXCHANGE AND UPDATING OF TIME WARNER CUSTOMER**  
17 **INFORMATION FOR INCLUSION IN APPROPRIATE E911**  
18 **DATABASES?**

19 **A:** To satisfy critical public safety concerns,  
20 BellSouth and Time Warner should operate according  
21 to the same standards. BellSouth should be  
22 required to cooperate with Time Warner to ensure  
23 that the Time Warner's customer data is in the  
24 proper format for inclusion in the 911 Automatic  
25 Location Identification (ALI) database. Customer

1 data, specifically the street addresses, are edited  
2 against a database referred to as the master street  
3 address guide (MSAG) to ensure the uniform listing  
4 of street addresses. The MSAG provides emergency  
5 personnel a consistent reference for every address  
6 which may call for emergency service. Thus,  
7 BellSouth must either make the MSAG available to  
8 Time Warner, or cooperate in the editing of Time  
9 Warner's customer data against the MSAG for  
10 inclusion in the ALI database(s). BellSouth should  
11 also be required to permit Time Warner access to  
12 the same mechanized systems BellSouth uses to edit  
13 customer data against the MSAG. This should be  
14 available as soon as possible.

15

16 **Q: HOW SHOULD REPAIR SERVICE ARRANGEMENTS BE**  
17 **DEVELOPED?**

18 **A:** In the new multi-provider environment, each  
19 participating company must notify other telephone  
20 companies of outages and troubles. Otherwise, it  
21 would be impossible to isolate and clear a problem  
22 in one part of a multi-provider network. To this  
23 end, BellSouth should develop mechanized systems  
24 for network monitoring to which other providers  
25 have access. Further, notification and repair

1 procedures in the event of outages must be  
2 coordinated between BellSouth and Time Warner. To  
3 ensure competition, Time Warner's high quality  
4 service must not suffer because of a lack of  
5 adequate repair procedures.

6

7 **Q: WHAT ARE THE APPROPRIATE TECHNICAL REQUIREMENTS FOR**  
8 **OPERATOR TRAFFIC FLOWING BETWEEN TIME AND BELLSOUTH**  
9 **INCLUDING BUSY LINE VERIFICATION AND EMERGENCY**  
10 **INTERRUPT SERVICES?**

11 **A:** There are three scenarios for Time Warner to  
12 provide operator services. Time Warner could self-  
13 provide, hire a third party vendor, or hire  
14 BellSouth. In either the first or second scenario,  
15 Time Warner's only connection to BellSouth would be  
16 an inward trunk from Time Warner's local switch to  
17 the BellSouth operator services switch. This  
18 connection would enable a Time Warner operator to  
19 contact a BellSouth operator when a local Time  
20 Warner customer requires busy line verify/interrupt  
21 of a BellSouth line. Conversely, if a BellSouth  
22 subscriber has a need to verify/interrupt a Time  
23 Warner line, an inward trunk arrangement needs to  
24 be made available to Time Warner's operator service  
25 provider. Time Warner's operator service provider

1           should be able to verify/interrupt Time Warner  
2           lines without connecting to BellSouth.  If Time  
3           Warner selects BellSouth as the provider, operator  
4           services trunking will be required between Time  
5           Warner's local switch and the BellSouth operator  
6           switch to perform all operator service functions.  
7           Operator services are one aspect of a full array of  
8           local telephone services which new entrants such as  
9           Time Warner must be able to offer if they are to  
10          compete with LECs such as BellSouth.

11

12   **Q:   WHAT ARE THE APPROPRIATE ARRANGEMENTS FOR THE**  
13   **PROVISION OF DIRECTORY ASSISTANCE SERVICES AND DATA**  
14   **BETWEEN TIME WARNER AND BELLSOUTH?**

15   **A:   A comprehensive directory assistance database**  
16   **benefits everyone--BellSouth, Time Warner, and end**  
17   **user consumers.  For the customers' benefit,**  
18   **BellSouth should be required to carry Time Warner's**  
19   **listings (including updates) in its DA database at**  
20   **no charge to Time Warner.  Such a charge would**  
21   **limit competition.**

22

23           Directory Assistance can be provided by entities  
24           other than BellSouth.  Thus, BellSouth should be  
25           required to offer at least three options for the

1 provision of directory assistance service. First,  
2 BellSouth should provide a resale option, where  
3 Time Warner would simply utilize BellSouth's  
4 directory assistance service for Time Warner's  
5 customers. Second, BellSouth should provide a  
6 database access option. Under this arrangement,  
7 Time Warner would use its own operators, who would  
8 be able to "access" the BellSouth database to  
9 obtain listing information. Third, BellSouth  
10 should provide a database purchase option at an  
11 appropriate cost-based price. These options will  
12 allow Time Warner to choose the most efficient  
13 arrangement for the provision of directory  
14 assistance service.

15

16 **Q: UNDER WHAT TERMS AND CONDITIONS SHOULD BELLSOUTH BE**  
17 **REQUIRED TO LIST TIME WARNER'S CUSTOMERS IN ITS**  
18 **UNIVERSAL WHITE AND YELLOW PAGES DIRECTORIES AND TO**  
19 **PUBLISH AND DISTRIBUTE THESE DIRECTORIES TO TIME**  
20 **WARNER'S CUSTOMERS?**

21 **A:** A unified white pages directory is of great value  
22 to consumers, businesses, and local service  
23 providers. Time Warner is willing to provide its  
24 customer listings to BellSouth. In exchange for  
25 providing this valuable asset, BellSouth should

1 provide a single line white page listing for Time  
2 Warner's customers at no charge to either Time  
3 Warner or the end user. BellSouth will benefit  
4 from the additional Time Warner listing by having a  
5 comprehensive directory to sell to directory  
6 providers.

7  
8 For business customers, BellSouth should also  
9 provide a single line yellow page listing at no  
10 charge as well. Just as Time Warner will do,  
11 BellSouth should be required to ensure accuracy and  
12 timeliness in these listings. Additional revenues  
13 will be realized when BellSouth sells its listings  
14 to its yellow pages affiliate. Also, BellSouth  
15 will have the opportunity for additional revenues  
16 by selling yellow page ads to Time Warner's  
17 customers.

18  
19 BellSouth should also provide a user  
20 guide/informational insert to Time Warner to be  
21 published in both the white pages information  
22 section and the yellow pages sections, at no charge  
23 to Time Warner. The purpose of the informational  
24 section of the phone book is to assist customers  
25 with their telephone services, in a readily



1 accessible manner. For this information to be  
2 complete and for the telephone book to not provide  
3 BellSouth an undeserved market advantage,  
4 information on Time Warner (and other ALECs) should  
5 be included.

6  
7 BellSouth should be required to provide and deliver  
8 directories to all customers (of both BellSouth and  
9 Time Warner) in the same manner and recycle the  
10 directories at no charge to Time Warner. Any costs  
11 BellSouth incurs for these functions will be  
12 recovered through directory advertising BellSouth  
13 gains from Time Warner's business customers.

14  
15 **Q: WHAT ARE THE APPROPRIATE ARRANGEMENTS FOR THE**  
16 **PROVISION OF BILLING AND COLLECTION SERVICES**  
17 **BETWEEN TIME WARNER AND BELLSOUTH, INCLUDING**  
18 **BILLING AND CLEARING CREDIT CARD, COLLECT, THIRD**  
19 **PARTY CALLS AND AUDIOTEXT CALLS?**

20 **A:** There are numerous intercompany arrangements  
21 necessary for the proper billing of services in a  
22 multiple provider environment, most of which are  
23 already in existence between BellSouth and other  
24 telecommunications providers today. All of the  
25 arrangements benefit not only BellSouth's

1 customers, but also Time Warner (and other  
2 providers') customers. For example, Time Warner  
3 must be able to validate credit card or third party  
4 calls where the customer is a BellSouth customer.  
5 This is accomplished through a line identification  
6 database (LIDB), to which Time Warner must have  
7 access under reasonable terms and conditions. For  
8 efficiency's sake, BellSouth should treat Time  
9 Warner the way it treats other LECs today in the  
10 clearing of such fund transfers, through standard  
11 industry procedures and systems.

12

13 **Q: WHAT ARRANGEMENTS ARE NECESSARY TO ENSURE THE**  
14 **PROVISION OF CLASS/LASS SERVICES BETWEEN TIME**  
15 **WARNER'S AND BELL SOUTH'S NETWORKS?**

16 **A:** To ensure fully functional networks between Time  
17 Warner and BellSouth, Time Warner's point codes  
18 (end office addresses) need to be translated in all  
19 BellSouth end offices that support CLASS/LASS  
20 features. Likewise, the point code of BellSouth  
21 end offices need to be translated in Time Warner's  
22 switch. In addition, both STP pairs (Time Warner's  
23 and BellSouth's) must be translated to allow an  
24 exchange of messages between end offices. Finally,

1 BellSouth should offer unbundled elements of its  
2 SCP for use by Time Warner.

3

4 **Q: PLEASE SUMMARIZE YOUR TESTIMONY.**

5 **A:** Time Warner has petitioned the Commission because  
6 negotiations have not yet been fruitful. Although  
7 Time Warner and BellSouth remain in earnest  
8 negotiation, Time Warner must have certain  
9 resolution of all interconnection issues in order  
10 to enter the market. Further, Time Warner requires  
11 that a complaint process be available to resolve  
12 prospective issues that may develop as details are  
13 worked out and networks are actually connected.

14

15 For Time Warner to have a reasonable chance to  
16 compete so that consumers receive the benefits of  
17 local competition, Time Warner believes that the  
18 Commission should adopt a bill and keep approach  
19 for local interconnection. Bill and keep  
20 represents payment in-kind and thus covers  
21 BellSouth's cost for interconnection.

22

23 Further, Time Warner requests a rate structure that  
24 encourages the following:

25 • efficient network design by Time Warner

- 1 • options for interconnection points by
- 2 Time Warner in BellSouth's network
- 3 • cooperative network management and design
- 4 by Time Warner and BellSouth
- 5 • access for Time Warner to adequate
- 6 numbering resources
- 7 • compensation to Time Warner for
- 8 terminating access charges to ported
- 9 numbers
- 10 • tariffing of interconnection rates by
- 11 BellSouth
- 12 • options for access by Time Warner to
- 13 BellSouth's operator services
- 14 • input of directory assistance and
- 15 directory listings by BellSouth provided
- 16 at no charge to Time Warner
- 17 • options by Time Warner for the provision
- 18 of directory assistance from BellSouth
- 19 • free white page/yellow page listings in
- 20 BellSouth directories for Time Warner
- 21 customers
- 22 • an information page for Time Warner in
- 23 the BellSouth directory

- 1           •     directories provided and distributed free  
2                   of charge to Time Warner customers by  
3                   BellSouth
- 4           •     directory affiliates of BellSouth  
5                   marketing their yellow pages to Time  
6                   Warner's customers;
- 7           •     equal priority notification on outages by  
8                   BellSouth and Time Warner
- 9           •     cooperative 911 network arrangements and  
10                   database access between BellSouth, Time  
11                   Warner, and the 911 coordinator, with  
12                   equal prioritization and notice in the  
13                   case of outages.

14           In short, the Commission should develop a structure  
15                   that encourages competition by making Time Warner's  
16                   cost to do business viable.

17

18   **Q: DOES THIS COMPLETE YOUR TESTIMONY?**

19   **A: Yes, it does.**



**SUMMARY**

A Professional with 8 years experience and increasing responsibility in creating, managing and facilitating market assessments and business development for telecommunications projects. This hands-on approach to implementing effective research and feasibility studies includes mastery of:

- Analysis and Planning
- Meeting demanding time and performance requirements
- Developing innovative, cost saving procedures
- Communicating effectively at all levels
- Building effective teams

**SUCSESSES**

**Managerial**

- Created and directed team of routing engineers and analysts who developed business plans and networks for 23 cities.
- Redesigned the interconnection process, reducing the collocation interval from 12 months to 90 days or less.
- Developed corporate market assessment process.

**Financial**

- Decreased costs of carrier interconnection through negotiations by \$100,000.
- Developed qualitative analysis for operational and capital budgets.

**Innovative**

- Developed non-linear approaches to market analysis which reduced time to implementation.
- Created analysis of revenue, expense and sales raising understanding of resource relationships which increased annual revenues.
- Increased productivity of InterExchange Carrier Interconnection through effective process development.

**BUSINESS  
EXPERIENCE**

1993 to  
Present

**TCG, Denver, Colorado**  
**Network Planning & Interconnection**  
**Manager**

Create and manage the TCG InterExchange Carrier Interconnection process nationally. Liaison among long distance carriers and TCG cities. Evaluate and forecast capacity requirements. Negotiate nationwide carrier contracts.

**Network Development**  
**Manager**

Developed market assessments and network designs for new cities. Created business plans with capital of \$9-22 Million which met board approval. Liaison among corporate clientele, including cable companies and long distance carriers. Managed technical and non-technical individuals.

---

**BUSINESS  
EXPERIENCE**

**1990 to 1993**    **TCL, Denver, Colorado**  
**Business Development**  
**Senior Analyst**  
Managed planning and execution of TCG market research projects for new access cities and acquisitions. Assessed feasibility of recommendations for existing cities. Critical assessment of VCTV project, research for healthcare and education over broadband networks.

**Business Development**  
**Corporate System Administrator**  
Developed fair market pricing strategies and created operational budgets in excess of \$1 Million. Audited and clarified global carrier accounts. Provided implementation support and training for new city field offices.

**Marketing**  
**Corporate Customer Service Specialist**  
Developed customer service program and pricing data base. Analyzed product and pricing of switched and common carrier telecommunications services. Facilitated customer surveys, promotional campaigns, materials and events for business to business services.

**1987 to 1990**    **US WEST Communications, Denver, Colorado**  
**Small Business and Home Personal Services**  
**Market Analyst**  
Performed statistical and results analysis for telemarketing center of revenue, expense, sales, product projections and forecasting.

**Small Business and Home Personal Services**  
**Telecommunications Specialist**  
Sold business lines and trunks, foreign exchange lines, WATS, 800, Centron, remote call forwarding, custom calling services, voice mail and information services. Evaluated case study of Hispanic market, test marketing for voice mail and custom ringing services.

**EDUCATION**

**University of Denver, Denver, Colorado**  
**Bachelor of Science in Business Administration, 1977**

**1994 to Present**    **Masters of Science in Telecommunications**

**TECHNICAL TRAINING**    **#5 Electronic Switching System Architecture**  
                                 **#5 Electronic Switching System ISDN Overview**

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**Exhibit JM-2  
to the Testimony of  
Joan McGrath  
On behalf of Time Warner Communications of Florida**



## **Narrative to Exhibit JM-2**

### **Base Schematic "A"**

The TWC franchise area (also assumes this area will be the footprint for switched services) is bounded by the solid heavy line. The theoretical NXX code of 473 has been assigned to the TWC switch in this example.

Existing LEC A (usually an RBOC) exchange area is bounded by the dotted lines, and in this example assumes two exchanges are owned by LEC A, with any traffic between the two exchanges considered as toll traffic.

Please note that LEC A owns the tandem which serves its own end offices and those of LEC B, and which would also serve TWC's switch.

Existing LEC B (usually a smaller independent LEC, or ILEC) exchange area is bounded by the dotted/dashed line, and this diagram assumes one exchange is owned by LEC B, with any traffic between it and the 576 switches of LEC A exchanges considered as EAS traffic and with any traffic between it and the 331 switch of LEC A considered as toll traffic.

### **Base Schematic "B"**

This diagram depicts the overlap areas of TWC's footprint on the existing exchange boundaries of LEC A and LEC B.

#### **Diagram 1**

TWC customer B places a call to LEC A customer D. Both customers lie within the existing exchange boundary of LEC A. The call can be identified as a local call and local traffic intercompany compensation applies.

#### **Diagram 2**

Customer A places a call to Customer B.

- Before ALEC entry, LEC customer A would pay a toll charge to call LEC customer B.
- After ALEC entry, TWC customer A places a call to TWC customer B, both of whom lie within TWC's franchise and are switched entirely within TWC's system. TWC may, or may not choose to charge toll to customer A. No intercompany compensation involved.

## **Narrative to Exhibit JM-2 (continued)**

### **Diagram 3**

TWC Customer B places a call to LEC Customer C. Assumes TWC has only one NXX code = 473.

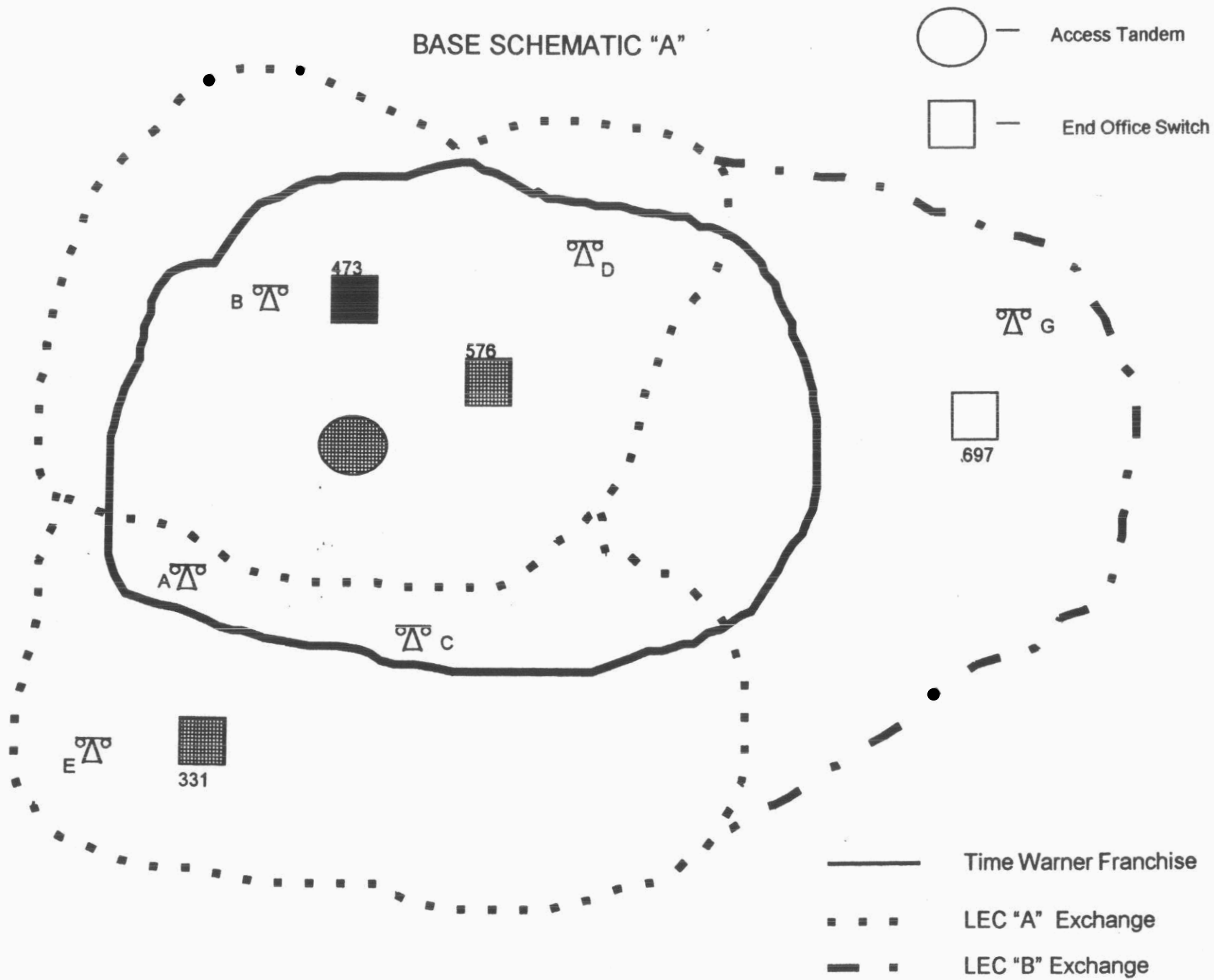
- Before ALEC entry, LEC customer B (NXX=576) would pay a toll charge to call customer C (NXX=331).
- After ALEC entry, TWC customer B (NXX=473) places a call to LEC customer C, and the call is handled by both TWC & LEC A.
- LEC A would charge full intrastate access rates to TWC to complete the call if TWC is acting as a toll carrier for Customer B. If TWC is not acting as a toll carrier, then both TWC and LEC A would charge full intrastate access rates to the toll Carrier.
- Under reciprocity, TWC would charge full intrastate access rates to LEC A for a call from customer C to customer A if LEC A is acting as a toll carrier for Customer C. If LEC A is not acting as a toll carrier, then both TWC and LEC A would charge full intrastate access rates to the toll Carrier.

### **Diagram 4**

TWC Customer A places a call to LEC Customer C. Assumes TWC has two NXX codes: 473 & 235.

- Before ALEC entry, LEC customer A (NXX=331) would pay a local charge to call customer C (NXX=331).
- After ALEC entry, TWC customer A places a call to LEC customer C, both of whom lie within TWC's franchise, and the call is handled by both TWC & LEC A. Under the default paradigm of the LECs, LEC A would want to charge full intrastate access rates to TWC because it could not determine if the call was originating at TWC customer B (which would have been a toll call), or at TWC customer A (which would have been a local call).
- Assigning an NXX code of 235 to TWC customers lying within the shaded area allows the incumbent LEC's recording and billing systems to know that this is a local call, and that local traffic intercompany compensation applies.
- Under reciprocity, TWC would charge local traffic intercompany compensation rates to LEC A for a call from customer C to customer A.

# BASE SCHEMATIC "A"



# BASE SCHEMATIC "B"

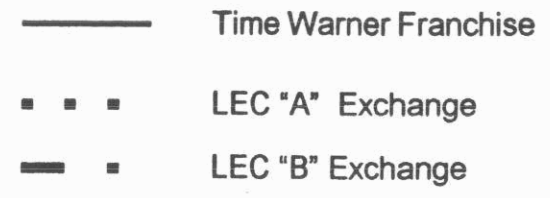
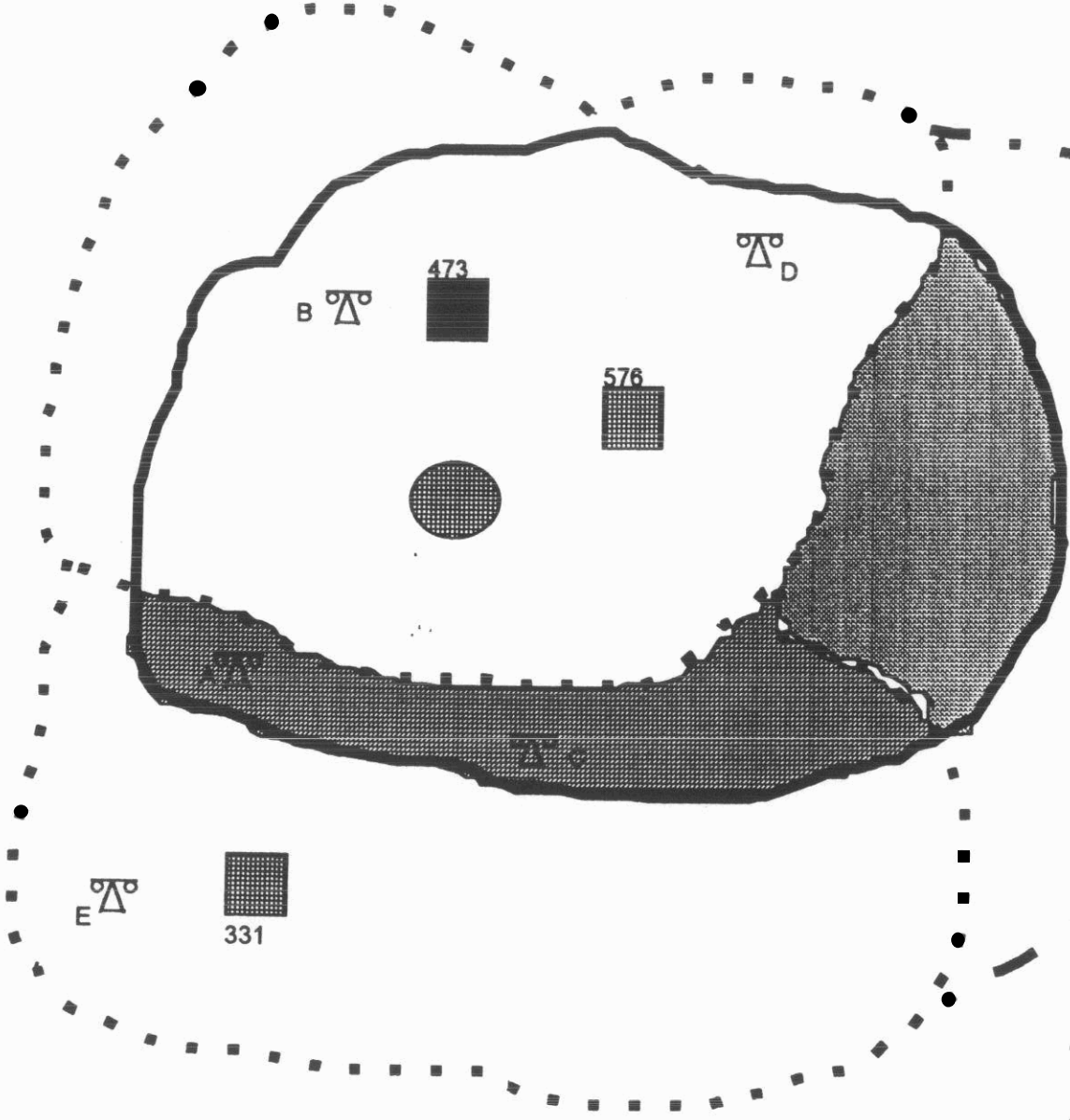


Diagram 1

TWC serves Customer B  
LEC A serves Customer D

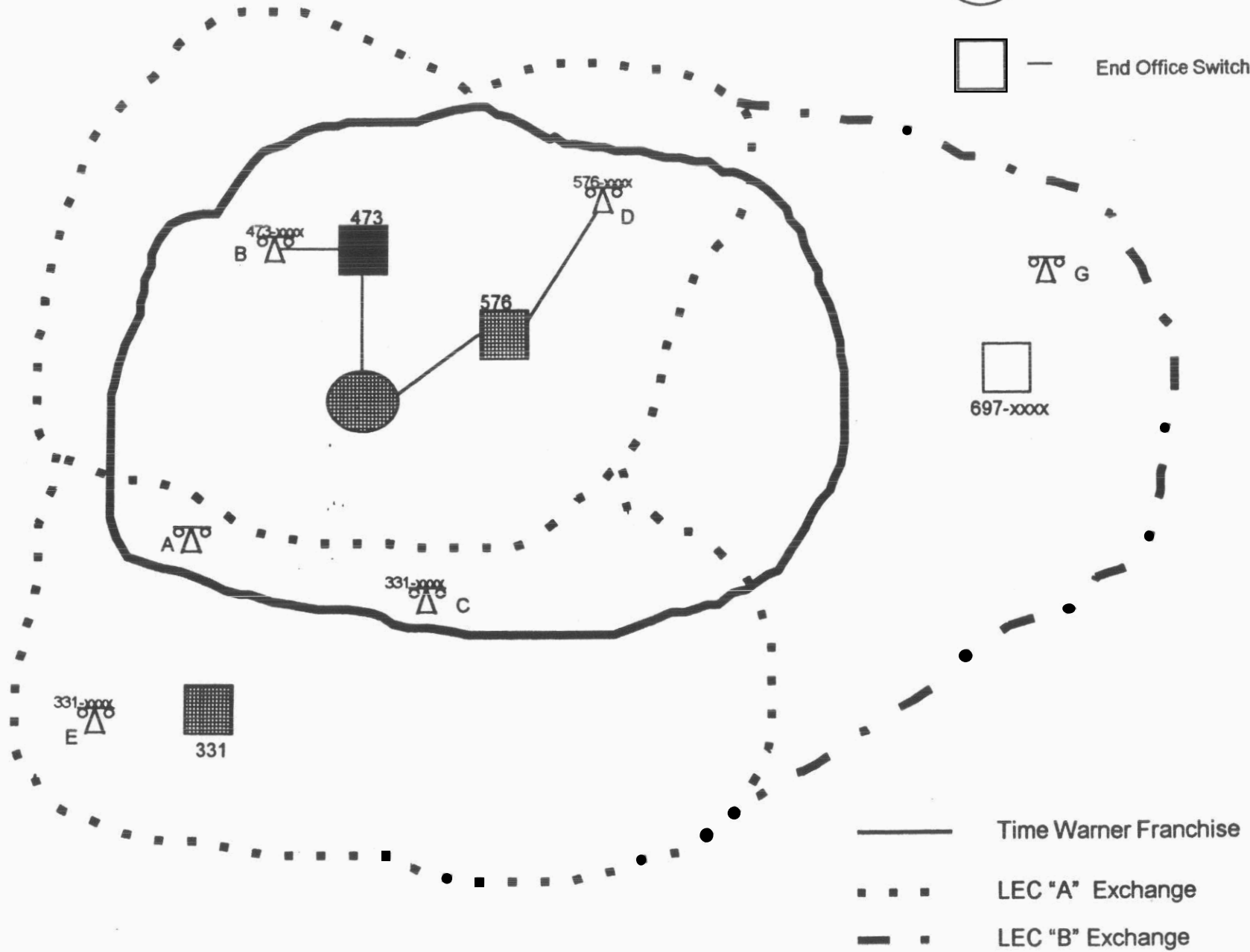
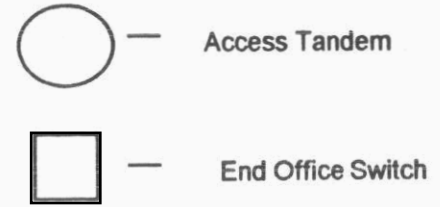


Diagram 2

TWC serves both Customer B and Customer A

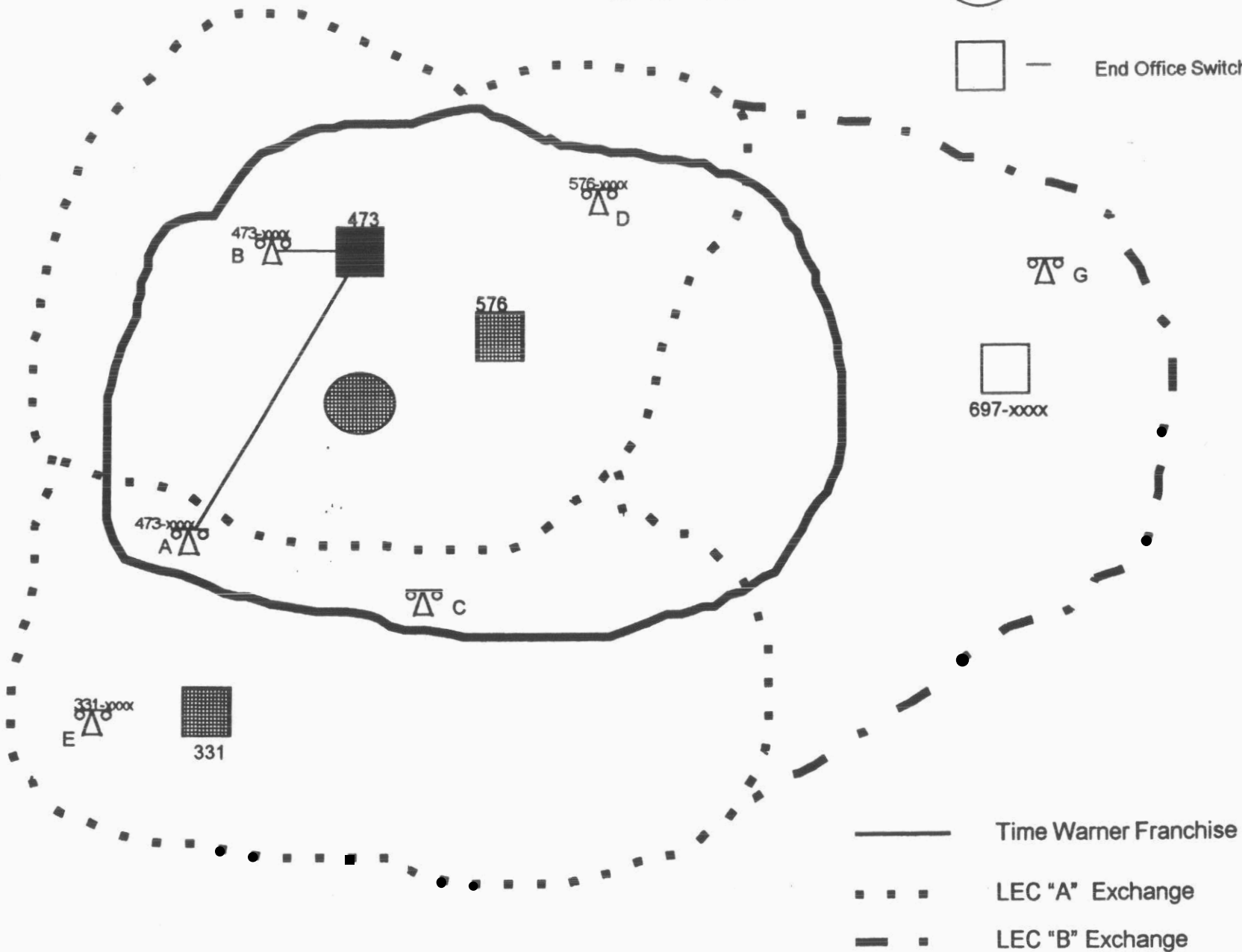
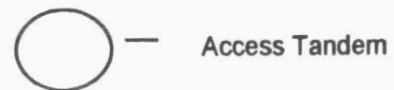


Diagram 3

TWC serves Customer B  
LEC A serves Customer C

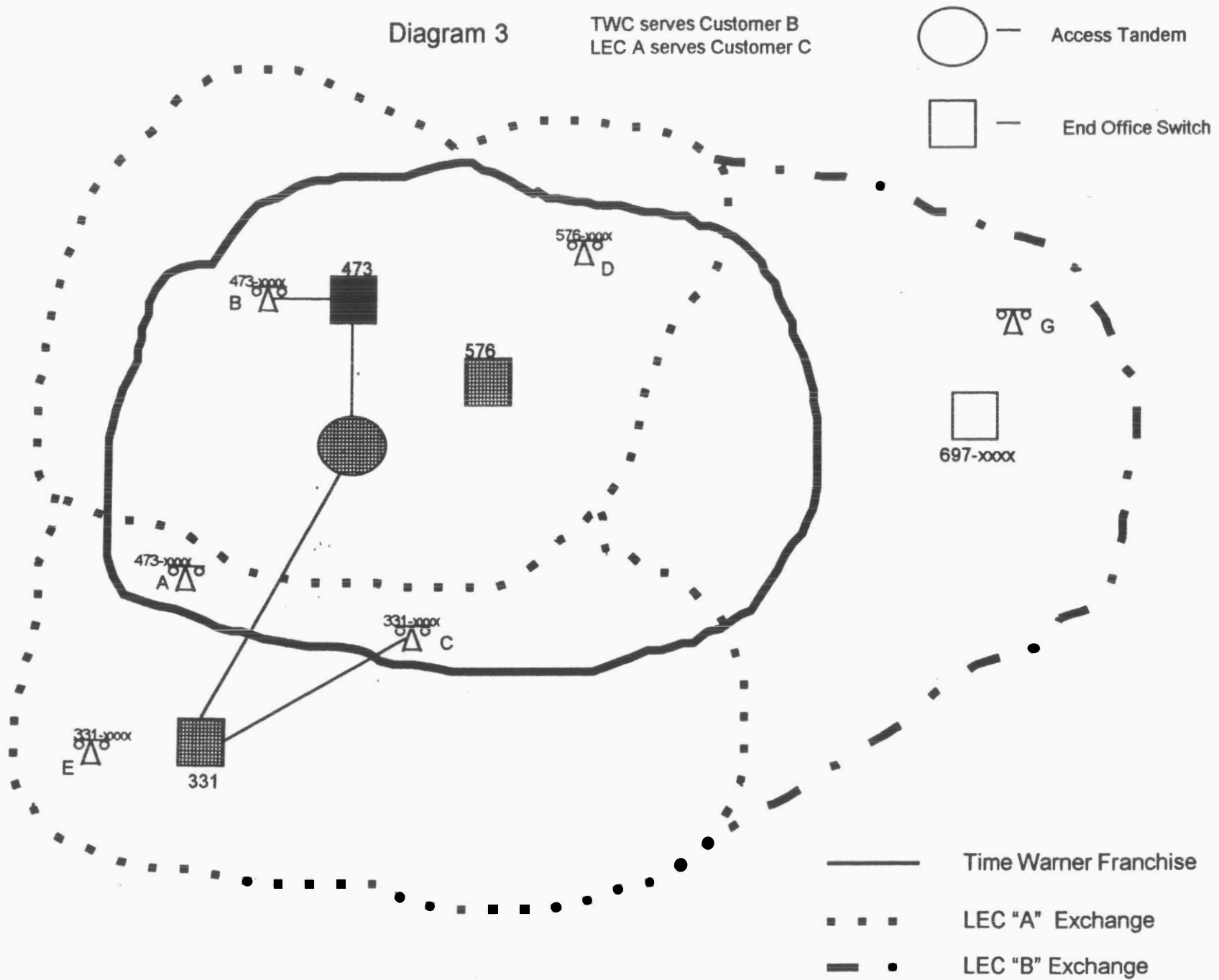


Diagram 4  
 TWC serves Customer A  
 LEC A serves Customer C

