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Ms. Blanca S. Bayó
Director, Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 920260

Dear Ms. Bayó:

Enclosed for filing on behalf of MCI Telecommunications Corporation in the above referenced docket are the original and 15 copies of the direct testimony of Don J. Wood.

By copy of this letter this document has been provided to the parties on the attached service list.

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Very truly yours,

Richard D. Melson

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Richard

Attorney

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Don J. Wood, and my business address is 914 Stream Valley Trail,
3 Alpharetta, Georgia 30202. I provide consulting services to the ratepayers and
4 regulators of telecommunications utilities.

5

6 Q. PLEASE DESCRIBE YOUR BACKGROUND AND EXPERIENCE.

7 A. I received a BBA in Finance with distinction from Emory University and an MBA
8 with concentrations in Finance and Microeconomics from the College of William
9 and Mary. My telecommunications experience includes employment at both a
10 Regional Bell Operating Company ("RBOC") and an Interexchange Carrier
11 ("IXC").

12 I was employed in the local exchange industry by BellSouth Services, Inc.
13 in its Pricing and Economics, Service Cost Division. My responsibilities included
14 performing cost analyses of new and existing services, preparing documentation
15 for filings with state regulatory commissions and the Federal Communications
16 Commission ("FCC"), developing methodology and computer models for use by
17 other analysts, and performing special assembly cost studies. I was employed in
18 the interexchange industry by MCI Telecommunications Corporation, as Manager
19 of Regulatory Analysis for the Southern Division. In this capacity I was
20 responsible for the development and implementation of regulatory policy for
21 operations in the southern U. S. I then served as a Manager in the Economic
22 Analysis and Regulatory Affairs Organization, where I participated in the
23 development of regulatory policy for national issues.

24

25 Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE STATE

1 REGULATORY COMMISSIONS?

2 A. Yes. I have testified on telecommunications issues before the regulatory
3 commissions of twenty-three states, the District of Columbia, state courts, and
4 have presented comments to the FCC. A listing of my previous testimony is
5 attached as Exhibit ____ (DJW-1). I last presented testimony to this Commission in
6 Dockets 950984-TP and 950985-TP.

7

8 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

9 A. I have been asked by MCI Telecommunications Corporation ("MCI") to respond
10 to the May 31, 1996 filing by BellSouth Telecommunications, Inc. ("BST") to
11 make revisions to its Access Service Tariff. I have also reviewed the reductions
12 to switched access rates as contained in the Joint Proposal filed by MCI and a
13 coalition of users and competitive providers. My review of each proposal has
14 focused on whether it represents a reasonable first step toward an economically
15 rational, cost based rate structure for switched access services (to be clear,
16 throughout my testimony I use the phrase "rate structure" to describe the rate
17 elements of switched access service, the relationship among the rates for the
18 various rate elements, the absolute level of rates and their relationship to cost).
19 Based on this standard and the specific objectives described below, I have
20 concluded that the Joint Proposal represents a logical and effective first step
21 toward such a rate structure and should be adopted without delay. In contrast, the
22 BST proposal represents a much less effective step in some areas (in terms of
23 reductions to "pure contribution" rate elements, such as the CCLC and RIC) and
24 actually *movement away from a cost based rate structure* in others (the
25 introduction of geographic rate differentials that are unsupported by underlying

1 cost differentials).

2 As I explain later in my testimony, a sound economic basis exists for
3 pricing for pricing switched access service specifically, and other interconnection
4 elements generally, at a level equal to the Total Service Long Run Incremental
5 Cost ("TSLRIC") incurred by BST. Pricing at this level will promote efficiency
6 and permit end users of retail toll services to fully benefit from the operation of
7 competitive market forces, while ensuring that BST is fully compensated for all
8 relevant costs. I strongly urge the Commission to likewise view any proposed
9 adjustments to switched access rates within the context of progress toward an
10 economically rational, cost based rate structure for switched access service.

11

12 Q. PLEASE DESCRIBE THE OBJECTIVES THAT AN ECONOMICALLY
13 RATIONAL RATE STRUCTURE FOR SWITCHED ACCESS SERVICE
14 SHOULD MEET.

15 A. I urge the Commission to work toward a rate structure for switched access service
16 that meets the following objectives:

17 1. The rates established for switched access service should maximize the
18 potential for benefits to end users from toll competition by not artificially
19 constraining price decreases and ensuring that competition can take place
20 on a fair and equitable basis among carriers. This objective can be
21 achieved by ensuring that the remaining three objectives are met.

22 2. The rates established for switched access service should fully compensate
23 BST for all costs, but only those costs, that are *caused* by the
24 decision/requirement to offer switched access. By definition, costs
25 developed pursuant to a Total Service Long Run Incremental Cost

1 ("TSLRIC") methodology are based on this principle of cost causation.
2 Costs that cannot be avoided if switched access service is not offered by
3 BST are not a part of the TSLRIC and need not be recovered in the rates
4 for switched access.

5 3. The rates established for switched access service should minimize
6 the distortion to the pricing of other services. Toll services
7 provided by the IXCs are constrained by the rates that the IXCs
8 must pay for access. If access rates remain excessively high, retail
9 toll prices will likewise remain high even if the marketplace for
10 retail toll services is effectively competitive. As a general
11 principle, the objective should be to minimize the distortion to the
12 pricing of the "retail" services provided by carriers who purchase
13 "wholesale" inputs, including switched access and other forms of
14 interconnection, from BST. To be clear, the phrase "wholesale
15 service" is intended to mean a service sold by the LEC to another
16 telecommunications service provider for the purpose of offering a
17 service to end users. A LEC "retail service" is a service sold
18 directly to end users.

19 4. The rates established for switched access service should minimize
20 the potential for price squeezes related to toll or other retail
21 services in the short term and minimize the need for the application
22 of pricing safeguards in the long term. The need for a strenuously
23 applied imputation standard is created by the disparity between
24 switched access rates and the underlying cost. As this gap is
25 narrowed and eliminated, the importance of imputation standards

1 and similar safeguards will be significantly diminished.

2

3 **Q. DOES THE JOINT PROPOSAL ENDORSED BY MCI MEET THESE**
4 **OBJECTIVES?**

5 **A. The Joint Proposal supported by MCI and others represents a good first step**
6 **toward the goal of pricing all switched access rate elements at TSLRIC. Of**
7 **course, additional steps will need to be taken to reduce the rates for all switched**
8 **access rate elements (and ultimately all interconnection elements) to a level equal**
9 **to the TSLRIC incurred by BST to provide them.**

10 Specifically, the Joint Proposal addresses, as a first priority, those rates
11 which are least representative of the underlying cost to provide them: the Carrier
12 Common Line Charge and the Residual Interconnection Charge. Because the
13 CCLC and RIC have no underlying cost, a "cost based" rate of zero should be
14 established and the rate elements should be eliminated. Once these rate elements
15 are eliminated, the Commission should then focus on establishing rates for the
16 remaining rate elements that are equal to their underlying (TSLRIC) cost.

17

18 **Q. DOES THE BST PROPOSAL MEET THESE OBJECTIVES?**

19 **A. No. The BST proposal appears to be a strategic attempt to establish a rate**
20 **structure for switched access that will perpetuate existing rate/cost distortion,**
21 **shield BST from competitive pressures, and help to ensure that it retains**
22 **monopoly control over the various components of switched access service. It is**
23 **not an effective step toward a rational switched access rate structure that will**
24 **make it possible to meet the objectives listed above. To the contrary, the BST**
25 **proposal will delay benefits to the end users of toll services by 1) retaining**

1 markups over cost in the rates for those rate elements with an underlying cost, and
2 perpetuating the "pure contribution" rate elements (CCLC and RIC), 2) permitting
3 BST to strategically retain market control by leveraging existing monopoly power,
4 and 3) exaggerating existing distortions in the relationships between rates and cost
5 through non cost based geographic deaveraging of rates. *In these ways, the BST*
6 *proposal represents a step backward and away from the switched access rate*
7 *structure that will most benefit Florida toll consumers over the long run.*

8
9 Q. HOW SHOULD SWITCHED ACCESS BE PRICED IN ORDER TO PROMOTE
10 EFFICIENCY AND PROVIDE MAXIMUM BENEFITS TO FLORIDA
11 RATEPAYERS?

12 A. Rates for switched access service should be priced equal to the Total Service Long
13 Run Incremental Cost ("TSLRIC") incurred by BST to provide the service.
14 Pricing at this level will allow each of the objectives described previously in my
15 testimony to be met: BST will be fully compensated for all costs that are caused
16 by switched access service; the pricing of retail toll service will be at efficient
17 levels, resulting in the greatest possible benefit to consumers; and the ability of
18 BST to engage in price squeezes or other anticompetitive pricing strategies will be
19 mitigated.

20 Without access pricing at this level, IXCs must continue to charge more
21 for retail toll service than would otherwise be necessary. In summary, *existing*
22 *rates for switched access service place artificial restrictions on the ability of*
23 *competitive market forces to act to the benefit of consumers of retail toll services.*

24

25 Q. PLEASE DESCRIBE HOW COMPETITIVE MARKETS OPERATE TO

1 PRODUCE BENEFITS TO CONSUMERS, AND EXPLAIN WHY EXISTING
2 ACCESS PRICING PLACES ARTIFICIAL CONSTRAINTS ON THESE
3 BENEFITS.

4 A. The three primary benefits of competition -- the lowest possible prices, more rapid
5 introduction of new technologies, and a broader range of service offerings
6 provided in response to consumer demands -- are derived from how a competitive
7 marketplace sets prices over time. In order for an effectively competitive market
8 to develop and be maintained, it is necessary that there be as few barriers to entry
9 facing new firms as possible -- and certainly no artificial barriers to entry -- so
10 that it is relatively easy for new firms that see the possibility of making profits to
11 enter and provide discipline to the firms already in the market. At any given
12 time, there is a market price that all firms must either meet or beat. If a firm
13 tries to increase a price (in the absence of cost increases affecting all firms in that
14 market), it will lose sales to other firms and be forced to return to the market
15 price. If a firm discovers a new and better (i. e. lower cost) method of producing
16 the output, for a time that firm can increase its profits, but other firms will be
17 motivated to make similar efforts to reduce their costs and duplicate the improved
18 method of production in order to take away market share by lowering the price it
19 charges to reflect the lower costs. In order to hold onto market share, other firms
20 also have to lower their prices, in the process adopting the new lower cost way of
21 producing the output. Thus, one very important characteristic of effectively
22 competitive markets is that costs are the factor that is changed by a firm to ensure
23 that its total revenues equal or exceed its total costs. In other words, a firm in an
24 effectively competitive market makes total costs equal to or less than total
25 revenues by reducing costs, not by raising prices.

1 Q. HOW DO END USERS BENEFIT FROM THIS PROCESS?

2 A. The activity described above is the process that creates the major benefits for
3 consumers. It pushes prices to cost as firms strive to increase profits by
4 increasing market share, thereby passing on lower costs to consumers in the
5 process. As part of this process, firms are forced to adopt new technologies as
6 rapidly as possible, even if they would otherwise prefer to delay such a step (until
7 existing investments are fully depreciated, for example), otherwise another firm
8 will adopt the new technology first and gain a competitive advantage. The same
9 process also causes firms to strive actively and continuously to offer new services
10 in order to capture additional customers and expand revenues and profits. A firm
11 that believes it can increase its total market share and profits by offering a new
12 service, even one designed to serve only a niche in the market, will offer that
13 service and allow the market to test its acceptance. It will do so even if that
14 service is a close substitute for some other service in the market, both because it
15 hopes it will increase its own profits, and because the firm will fear that some
16 other firm might beat it into the market with the same or a similar service. In
17 short, firms in effectively competitive markets continuously offer new services,
18 thereby subjecting these offerings to a market test.

19
20 Q. ARE THERE LIMITATIONS TO THIS PROCESS?

21 A. Yes. The limit of how low prices can be pushed by effective competition depends
22 on the economic costs facing all of the firms in the market. To remain in the
23 market over the long term, firms must recover all of the costs they incur for
24 inputs when operating efficiently, as well as a normal return on the efficient
25 amount of capital required to supply the level of output they succeed in selling in

1 the market. If all of the inputs needed to produce the services the market will
2 support are themselves produced in effectively competitive markets, the price for
3 those services will not only move ever closer to the economic cost of supplying
4 them, but will also move ever closer to the social cost of producing them.

5

6 Q. WHAT IS "SOCIAL COST" AND HOW DOES IT RELATE TO ECONOMIC
7 COSTS?

8 A. The social cost of providing a good or service is equal to the cost of the resources
9 that society must give up to produce that good or service. It is the lowest possible
10 cost that could be incurred, and is the actual cost incurred only if all of the
11 markets supplying inputs to the firm are operating at the greatest possible
12 efficiency. The economic cost of providing a good or service is equal to the least
13 cost firms in the given market would face when operating efficiently, *but may be*
14 *higher than the social cost if the firms in the market have to pay more than the*
15 *social cost for all of their inputs.* Both concepts of cost include a competitive
16 level of profit for the firm in the given market, but not any higher level of profit.
17 If all goods and services are sold at their social cost, then the economic costs of
18 services will be equal to their social costs.

19 If, however, some intermediate goods or services -- that is, goods or
20 services used as inputs in the production of other goods or services -- are priced
21 above their social costs, the economic costs of the goods or services that use them
22 will be higher than their social costs. Retail toll services provide one example of
23 just such a scenario. Switched access is priced well above its social cost, with a
24 significant markup to provide "contribution." Because of this, the economic cost
25 of retail toll services are also significantly above the social cost of these services.

1 Put simply, no degree of competition in the market for retail toll services can
2 reduce the rates for these services to a level equal to their social cost unless the
3 rates for all intermediate goods -- including switched access -- are also priced
4 equal to their direct economic cost (i. e. at TSLRIC).

5
6 Q. DOES SETTING THE PRICE FOR BST'S SWITCHED ACCESS SERVICE
7 (AND OTHER "WHOLESALE" AND INTERCONNECTION SERVICES)
8 EQUAL TO DIRECT ECONOMIC (TSLRIC) COSTS, WITHOUT ANY
9 MARKUPS TOWARD RECOVERY OF INDIRECT COSTS, MEAN THAT BST
10 WOULD NOT BE EARNING A COMPETITIVE RATE OF RETURN ON ITS
11 INVESTMENTS FOR THESE SERVICES OR FUNCTIONS OR THAT BST
12 WOULD BE AT A COMPETITIVE DISADVANTAGE WHEN ATTEMPTING
13 TO RECOVER ITS INDIRECT COSTS?

14 A. No. First, direct economic costs, as measured by the TSLRIC methodology,
15 explicitly include a competitive return -- a competitive rate of profit -- on the
16 capital invested to provide these functions. The prices for BST's retail services
17 will recover both the direct economic costs of providing those services, including
18 a competitive rate of profit on the capital invested to provide them, plus a markup
19 to recover indirect (sometimes called "shared and common") costs. BST will be
20 able to fully recover its indirect costs, including a competitive rate of return on
21 the investment incurred as part of these costs, *so long as it is at least as efficient*
22 *as its competitors, all of whom must also recover their indirect costs in retail*
23 *rates.* Setting the rates for switched access at a level equal to TSLRIC, therefore,
24 will put BST on exactly the same footing as its competitors when attempting to
25 recover indirect costs in its retail rates. As long as BST operates as efficiently as

1 its competitors, it will be able to successfully recover its costs. Likewise, if BST
2 fails to work as hard as its competitors in their ongoing efforts to develop and
3 maintain efficient operations, it will not be successful. As described previously in
4 my testimony, a primary benefit of competition is that firms operating in a
5 competitive marketplace must continuously seek to improve efficiency, reduce
6 cost, and pass those cost savings on to consumers in order to increase (or even to
7 maintain) market share. BST, as a firm operating under price caps regulation,
8 should face these same market forces (the Commission will recall that BST cited
9 these same competitive market forces and the resulting incentives for increased
10 efficiency when requesting pricing regulation). Existing rates for switched access,
11 however, create a "buffer" for BST, eliminating the need for the Company's
12 management to undertake the necessary efforts to increase efficiency and reduce
13 cost. If the rates for switched access are set equal to TSLRIC, however,
14 competitive market forces can begin to discipline BST's indirect costs.

15
16 Q. PLEASE REVIEW THE KINDS OF ANTICOMPETITIVE BEHAVIOR THAT
17 BST CAN ENGAGE IN WHEN THE RATES FOR SWITCHED ACCESS (OR
18 OTHER ESSENTIAL MONOPOLY INPUT FUNCTIONS) ARE SET ABOVE
19 DIRECT ECONOMIC COST.

20 A. If BST is allowed to recover costs other than its TSLRIC costs from the rates for
21 essential monopoly input functions, including switched access, that its dependent
22 competitors must purchase, it can engage in two kinds of behavior that can
23 prevent or eliminate competition from an equally efficient provider. First, it will
24 have the opportunity to place those competitors in an anticompetitive price
25 squeeze. Second, it could decide to recover so much of its indirect costs from its

1 prices for essential monopoly input functions that it would prevent equally
2 efficient firms from being able to compete.

3

4 Q. HOW COULD BST PLACE ITS DEPENDENT COMPETITORS IN A PRICE
5 SQUEEZE?

6 A. BST would do so any time it recovers less for essential monopoly input functions
7 in its telecommunications rates than it charges its competitors. Thus, if the price
8 for an end user service (retail toll service, for example) recovers less than the sum
9 of (1) the price charged for the essential monopoly input functions used to supply
10 that end user service (i. e. switched access) plus (2) the additional total service
11 long run incremental costs of supplying the other inputs for the competing end
12 user service, BST has created a price squeeze. A would-be competitor that is just
13 as efficient as BST at supplying the telecommunications service would not be able
14 to enter the market or remain in the market in the face of a price squeeze, and
15 consumers would obtain none of the benefits of competition.

16

17 Q. HOW CAN BST PREVENT EFFICIENT COMPETITION IF IT CONTINUES
18 TO RECOVER SOME OR ALL OF ITS INDIRECT COSTS IN ITS RATES
19 FOR ESSENTIAL MONOPOLY INPUT FUNCTIONS, INCLUDING
20 SWITCHED ACCESS?

21 A. It is possible for BST to force all equally efficient dependent competitors to use so
22 much of the difference between social cost and market prices to recover the
23 indirect costs of BST that they would be unable to recover all of their own indirect
24 costs. If the prices in all markets equal but do not exceed the sum of the rates
25 BST charges for essential monopoly input functions and the TSLRIC of the

1 remaining functions needed to supply the service, a firm that is just as efficient as
2 BST cannot recover all of its indirect costs. Under these conditions, it will go out
3 of business or never enter the market, in which case consumers will be denied the
4 benefits of competition that otherwise would have been possible.

5
6 Q. HOW DO RATES FOR ESSENTIAL MONOPOLY INPUT FUNCTIONS,
7 INCLUDING SWITCHED ACCESS, SET AT DIRECT ECONOMIC COST
8 PREVENT THESE TWO FORMS OF ANTICOMPETITIVE BEHAVIOR?

9 A. If rates for essential monopoly input functions are set just at the direct cost of
10 supplying them (at TSLRIC), there is no markup for recovery of indirect costs
11 from these functions. As a result, there can be no price squeeze based on the
12 failure of BST to recover the same prices as part of its rates for
13 telecommunications services. BST could not decide to recover some or all of its
14 indirect costs from the rates for essential monopoly input functions, but instead
15 would have to recover them in its retail prices. As a result, not only could an
16 equally efficient competitor survive in the market, but more efficient competitors
17 have the greatest ability to force BST to become more efficient as well. These
18 competitive market forces, if permitted to develop and operate, will benefit end
19 users.

20
21 Q. SHOULD THE RATES FOR SWITCHED ACCESS BE GEOGRAPHICALLY
22 DEAVERAGED IF NO COST BASIS FOR SUCH DEAVERAGING EXISTS?

23 A. No. As described previously in my testimony, increases in the efficiency of all
24 providers and maximum benefits to consumers can be obtained as the rates for
25 switched access service are moved toward TSLRIC. Rate deaveraging that has no

1 basis in the underlying costs of providing the service is a move away from
2 efficient cost-based pricing.

3

4 Q. HOW SHOULD REDUCTIONS TO SWITCHED ACCESS RATES BE
5 IMPLEMENTED?

6 A. Reductions to switched access rates should be based on a proper calculation of
7 TSLRIC and should be implemented in a way that does not prevent equally
8 efficient competitors from being successful in the marketplace. As a first priority,
9 the rate elements which represent pure contribution and are not designed to
10 recover an identifiable cost of providing the service should be eliminated. The
11 CCLC and the RIC fall into this category. Next, other rate elements should be
12 moved toward the TSLRIC of providing the underlying function. The priority of
13 these reductions should be based on the existing rate/cost relationships. The
14 geographic deaveraging of these rates should be permitted only to the extent that
15 BST demonstrates that proportional differences exist in the underlying incremental
16 cost. To be clear, rate reductions in specific geographic zones need not be
17 prevented, but should be accompanied (absent a successful demonstration by BST
18 of a cost differential) by equivalent reductions in all geographic areas served by
19 BST in Florida.

20

21 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

22 A. Yes.

Vita of Don J. Wood

914 Stream Valley Trail, Alpharetta, Georgia 30202 ■ (770) 475-9971, FAX (770) 475-9972

EDUCATION

Emory University, Atlanta, Ga.
BBA in Finance, with Distinction.

College of William and Mary, Williamsburg, Va.
MBA, with concentration in Finance and Microeconomics.

CURRENT EMPLOYMENT

Don J. Wood provides economic and regulatory analysis services in telecommunications and related industries. He has been employed in a management capacity at a major Local Exchange Company and an Interexchange Carrier, and has been directly involved in both the development and implementation of regulatory policy. He has presented testimony before the Regulatory Commissions of twenty-three states and the District of Columbia, state courts, and has prepared comments for filing with the Federal Communications Commission.

PREVIOUS EXPERIENCE

BellSouth Services, Inc.

Staff Manager responsible for conducting cost of service studies to be filed for regulatory purposes at State Commissions and FCC. Developed new costing methodologies and models for use by other analysts.

MCI Telecommunications Corporation.

Manager of Regulatory Analysis, Southeast Division. Responsible for development and implementation of regulatory policy for nine state division of the company. Duties included testimony before State Commissions, preparation of related pleadings, settlement negotiations, and development of relationships with Commission Staff and key industry personnel. After company reorganization, responsibilities expanded to new 15 state Southern Division.

Manager, Corporate Economic Analysis and Regulatory Affairs. Responsible for national regulatory policy development. Acted as part of a four person internal consulting team, specifically assigned to new/complex issues. Testimony before State Commissions throughout eastern US and comments/lobbying at FCC.

TESTIMONY - STATE REGULATORY COMMISSIONS:

Alabama Public Service Commission

Docket No. 19356, Phase III: Alabama Public Service Commission vs. All Telephone Companies Operating in Alabama, and Docket 21455: AT&T Communications of the South Central States, Inc., Applicant, Application for a Certificate of Public Convenience and Necessity to Provide Limited IntraLATA Telecommunications Service in the State of Alabama.

Docket No. 20895: In Re: Petition for Approval to Introduce Business Line Termination for MCI's 800 Service.

Docket No. 21071: In Re: Petition by South Central Bell for Introduction of Bidirectional Measured Service.

Docket No. 21067: In Re: Petition by South Central Bell to Offer Dial Back-Up Service and 2400 BPS Central Office Data Set for Use with PulseLink Public Packet Switching Network Service.

Docket No. 21378: In Re: Petition by South Central Bell for Approval of Tariff Revisions to Restructure ESSX and Digital ESSX Service.

Docket No. 21865: In Re: Petition by South Central Bell for Approval of Tariff Revisions to Introduce Network Services to be Offered as a Part of Open Network Architecture.

Arkansas Public Service Commission

Docket No. 92-337-R: In the Matter of the Application for a Rule Limiting Collocation for Special Access to Virtual or Physical Collocation at the Option of the Local Exchange Carrier.

State of Connecticut, Department of Utility Control

Docket 91-12-19: DPUC Review of Intrastate Telecommunications Services Open to Competition (Comments).

Docket No. 94-07-02: Development of the Assumptions, Tests, Analysis, and Review to Govern Telecommunications Service Reclassifications in Light of the Eight Criteria Set Forth in Section 6 of Public Act 94-83 (Comments).

Delaware Public Service Commission

Docket No. 93-31T: In the Matter of the Application of The Diamond State Telephone Company for Establishment of Rules and Rates for the Provision of IntelliLinQ-PRI and IntelliLinQ-BRI.

Docket No. 41: In the Matter of the Development of Regulations for the Implementation of the Telecommunications Technology Investment Act.

Florida Public Service Commission

Docket No. 881257-TL: In Re: Proposed Tariff by Southern Bell to Introduce New Features for Digital ESSX Service, and to Provide Structural Changes for both ESSX Service and Digital ESSX Service.

Docket No. 880812-TP: In Re: Investigation into Equal Access Exchange Areas (EAEAs), Toll Monopoly Areas (TMAs), 1+ Restriction to the Local Exchange Companies (LECs), and Elimination of the Access Discount.

Docket No. 890183-TL: In Re: Generic Investigation into the Operations of Alternate Access Vendors.

Docket No. 870347-TI: In Re: Petition of AT&T Communications of the Southern States for Commission Forbearance from Earnings Regulation and Waiver of Rule 25-4.495(1) and 25-24.480 (1) (b), F.A.C., for a trial period.

Docket No. 900708-TL: In Re: Investigation of Methodology to Account for Access Charges in Local Exchange Company (LEC) Toll Pricing.

Docket No. 900633-TL: In Re: Development of Local Exchange Company Cost of Service Study Methodology.

Docket No. 910757-TP: In Re: Investigation into the Regulatory Safeguards Required to Prevent Cross-Subsidization by Telephone Companies.

Docket No. 920260-TL: In Re: Petition of Southern Bell Telephone and Telegraph Company for Rate Stabilization, Implementation Orders, and Other Relief.

Docket No. 950985-TP: In Re: Resolution of Petitions to establish 1995 rates, terms, and conditions for interconnection involving local exchange companies and alternative local exchange companies pursuant to Section 364.162, Florida Statutes.

Georgia Public Service Commission

Docket No. 3882-U: In Re: Investigation into Incentive Telephone Regulation in Georgia.

Docket No. 3883-U: In Re: Investigation into the Level and Structure of Intrastate Access Charges.

Docket No. 3921-U: In Re: Compliance and Implementation of Senate Bill 524.

Docket No. 3905-U: In Re: Southern Bell Rule Nisi.

Docket No. 3995-U: In Re: IntraLATA Toll Competition.

Docket No. 4018-U: In Re: Review of Open Network Architecture (ONA) (Comments).

Docket No. 5258-U: In Re: Petition of BellSouth Telecommunications for Consideration and Approval of its "Georgians FIRST" (Price Caps) Proposal.

Docket No. 5825-U: In Re: The Creation of a Universal Access Fund as Required by the Telecommunications Competition and Development Act of 1995.

Iowa Utilities Board

Docket No. RPU-95-10.

Docket No. RPU-95-11.

Kentucky Public Service Commission

Administrative Case No. 10321: In the Matter of the Tariff Filing of South Central Bell Telephone Company to Establish and Offer Pulselink Service.

Administrative Case No. 323: In the Matter of An Inquiry into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality.

- Phase IA: Determination of whether intraLATA toll competition is in the

public interest.

- Phase IB: Determination of a method of implementing intraLATA competition.
- Rehearing on issue of Imputation.

Administrative Case No. 90-256, Phase II: In the Matter of A Review of the Rates and Charges and Incentive Regulation Plan of South Central Bell Telephone Company.

Administrative Case No. 336: In the Matter of an Investigation into the Elimination of Switched Access Service Discounts and Adoption of Time of Day Switch Access Service Rates.

Administrative Case No. 91-250: In the Matter of South Central Bell Telephone Company's Proposed Area Calling Service Tariff.

Louisiana Public Service Commission

Docket No. 17970: In Re: Investigation of the Revenue Requirements, Rate Structures, Charges, Services, Rate of Return, and Construction Program of AT&T Communications of the South Central States, Inc., in its Louisiana Operations.

Docket No. U-17949: In the Matter of an Investigation of the Revenue Requirements, Rate Structures, Charges, Services, Rate of Return, and Construction Program of South Central Bell Telephone Company, Its Louisiana Intrastate Operations, The Appropriate Level of Access Charges, and All Matters Relevant to the Rates and Service Rendered by the Company.

- Subdocket A (SCB Earnings Phase)
- Subdocket B (Generic Competition Phase)

Docket No. 18913-U: In Re: South Central Bell's Request for Approval of Tariff Revisions to Restructure ESSX and Digital ESSX Service.

Docket No. U-18851: In Re: Petition for Elimination of Disparity in Access Tariff Rates.

Public Service Commission of Maryland

Case 8584, Phase II: In the Matter of the Application of MFS Intelenet of Maryland, Inc. for Authority to Provide and Resell Local Exchange and Intrastate Telecommunications Services in Areas Served by C&P Telephone Company of Maryland.

Case 8715: In the Matter of the Inquiry into Alternative Forms of Regulating Telephone Companies.

Mississippi Public Service Commission

Docket No. U-5086: In Re: MCI Telecommunications Corporation's Metered Use Service Option D (Prism I) and Option E (Prism II).

Docket No. U-5112: In Re: MCI Telecommunications Corporation's Metered Use Option H (800 Service).

Docket No. U-5318: In Re: Petition of MCI for Approval of MCI's Provision of Service to a Specific Commercial Banking Customers for Intrastate Interexchange Telecommunications Service.

Docket 89-UN-5453: In Re: Notice and Application of South Central Bell Telephone Company for Adoption and Implementation of a Rate Stabilization Plan for its Mississippi Operations.

Docket No. 90-UA-0280: In Re: Order of the Mississippi Public Service Commission Initiating Hearings Concerning (1) IntraLATA Competition in the Telecommunications Industry and (2) Payment of Compensation by Interexchange Carriers and Resellers to Local Exchange Companies in Addition to Access Charges.

Docket No. 92-UA-0227: In Re: Order Implementing IntraLATA Competition.

New York Public Service Commission

Case No. 28425: Proceeding on Motion of the Commission as to the Impact of the Modification of Final Judgement and the Federal Communications Commission's Docket 78-72 on the Provision of Toll Service in New York State.

North Carolina Public Utilities Commission

Docket No. P-100, Sub 72: In the Matter of the Petition of AT&T to Amend Commission Rules Governing Regulation of Interexchange Carriers (Comments).

Docket No. P-141, Sub 19: In the Matter of the Application of MCI Telecommunications Corporation to Provide InterLATA Facilities-Based Telecommunications Services (Comments).

Docket No. P-55, Sub 1013: In the Matter of Application of BellSouth Telecommunications, Inc. for, and Election of, Price Regulation.

Docket Nos. P-7, Sub 825 and P-10, Sub 479: In the Matter of Petition of Carolina Telephone and Telegraph and Central Telephone Company for Approval of a Price Regulation Plan Pursuant to G.S. 62-133.5.

Docket No. P-19, Sub 277: In the Matter of Application of GTE South Incorporated for and Election of, Price Regulation.

Public Utilities Commission of Ohio

Case No. 93-487-TP-ALT: In the Matter of the Application of The Ohio Bell Telephone Company for Approval of an Alternative Form of Regulation.

Oklahoma Corporation Commission

Cause No. PUD 01448: In the Matter of the Application for an Order Limiting Collocation for Special Access to Virtual or Physical Collocation at the Option of the Local Exchange Carrier.

Public Utility Commission of Oregon

Docket No. UT 119: In the Matter of an Investigation into Tariffs Filed by US West Communications, Inc., United Telephone of the Northwest, Pacific Telecom, Inc., and GTE Northwest, Inc. in Accordance with ORS 759.185(4).

Pennsylvania Public Utilities Commission

Docket No. I-00910010: In Re: Generic Investigation into the Current Provision of InterLATA Toll Service.

Docket No. P-00930715: In Re: The Bell Telephone Company of Pennsylvania's Petition and Plan for Alternative Form of Regulation under Chapter 30.

Docket No. R-00943008: In Re: Pennsylvania Public Utility Commission v. Bell Atlantic-Pennsylvania, Inc. (Investigation of Proposed Promotional Offerings Tariff).

Docket No. M-00940587: In Re: Investigation pursuant to Section 3005 of the Public Utility Code, 66 Pa. C. S. §3005, and the Commission's Opinion and Order at Docket No. P-930715, to establish standards and safeguards for competitive services, with particular emphasis in the areas of cost allocations, cost studies, unbundling, and imputation, and to consider generic issues for future rulemaking.

South Carolina Public Service Commission

Docket No. 90-626-C: In Re: Generic Proceeding to Consider Intrastate Incentive Regulation.

Docket No. 90-321-C: In Re: Petition of Southern Bell Telephone and Telegraph Company for Revisions to its Access Service Tariff Nos. E2 and E16.

Docket No. 88-472-C: In Re: Petition of AT&T of the Southern States, Inc., Requesting the Commission to Initiate an Investigation Concerning the Level and Structure of Intrastate Carrier Common Line (CCL) Access Charges.

Docket No. 92-163-C: In Re: Position of Certain Participating South Carolina Local Exchange Companies for Approval of an Expanded Area Calling (EAC) Plan.

Docket No. 92-182-C: In Re: Application of MCI Telecommunications Corporation, AT&T Communications of the Southern States, Inc., and Sprint Communications Company, L.P., to Provide IntraLATA Telecommunications Services.

Docket No. 95-720-C: In Re: Application of BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company for Approval of an Alternative Regulation Plan.

Tennessee Public Service Commission

Docket No. 90-05953: In Re: Earnings Investigation of South Central Bell Telephone Company.

Docket Nos. 89-11065, 89-11735, 89-12677: AT&T Communications of the South Central States, MCI Telecommunications Corporation, US Sprint Communications

Company -- Application for Limited IntraLATA Telecommunications Certificate of Public Convenience and Necessity.

Docket No. 91-07501: South Central Bell Telephone Company's Application to Reflect Changes in its Switched Access Service Tariff to Limit Use of the 700 Access Code.

Public Utility Commission of Texas

Docket No. 12879: Application of Southwestern Bell Telephone Company for Expanded Interconnection for Special Access Services and Switched Transport Services and Unbundling of Special Access DS1 and DS3 Services Pursuant to P. U. C. Subst. R. 23.26.

Virginia State Corporation Commission

Case No. PUC920043: Application of Virginia Metrotel, Inc. for a Certificate of Public Convenience and Necessity to Provide InterLATA Interexchange Telecommunications Services.

Case No. PUC920029: Ex Parte: In the Matter of Evaluating the Experimental Plan for Alternative Regulation of Virginia Telephone Companies.

Case No. PUC930035: Application of Contel of Virginia, Inc. d/b/a GTE Virginia to implement community calling plans in various GTE Virginia exchanges within the Richmond and Lynchburg LATAs.

Case No. PUC930036: Ex Parte: In the Matter of Investigating Telephone Regulatory Methods Pursuant to Virginia Code § 56-235.5, & Etc.

Washington Utilities and Transportation Commission

Docket Nos. UT-941464, UT-941465, UT-950146, and UT-950265 (Consolidated): Washington Utilities and Transportation Commission, Complainant, vs. US West Communications, Inc., Respondent; TCG Seattle and Digital Direct of Seattle, Inc., Complainant, vs. US West Communications, Inc., Respondent; TCG Seattle, Complainant, vs. GTE Northwest Inc., Respondent; Electric Lightwave, Inc., vs. GTE Northwest, Inc., Respondent.

Docket No. UT-950200: In the Matter of the Request of US West Communications, Inc. for an Increase in its Rates and Charges.

Public Service Commission of Wyoming

Docket No. 70000-TR-95-238: In the Matter of the General Rate/Price Case Application of US West Communications, Inc.

Docket No. PSC-96-32: In the Matter of Proposed Rule Regarding Total Service Long Run Incremental Cost (TSLRIC) Studies.

Public Service Commission of the District of Columbia

Formal Case No. 814, Phase IV: In the Matter of the Investigation into the Impact of the AT&T Divestiture and Decisions of the Federal Communications Commission on Bell Atlantic - Washington, D. C. Inc.'s Jurisdictional Rates.

COMMENTS - FEDERAL COMMUNICATIONS COMMISSION

CC Docket No. 92-91: In the Matter of Open Network Architecture Tariffs of Bell Operating Companies.

CC Docket No. 93-162: Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection for Special Access.

CC Docket No. 91-141: Common Carrier Bureau Inquiry into Local Exchange Company Term and Volume Discount Plans for Special Access.

CC Docket No. 94-97: Review of Virtual Expanded Interconnection Service Tariffs.

CC Docket No. 94-128: Open Network Architecture Tariffs of US West Communications, Inc.

CC Docket No. 94-97, Phase II: Investigation of Cost Issues, Virtual Expanded Interconnection Service Tariffs.