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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

_____ :DOCKET NO. 960833-TP
Petitions by AT&T Communicatiosn of:DOCKET NO. 960846-TP
the Southern States, Inc., MCI :DOCKET NO. 960916-TP
Telecommunications Corporation, MCI:
Metro Access Transmission Services, :
Inc., and American Communications :
Services of Jacksonville, Inc., for:
arbitration of certain terms and :
conditions of a proposed agreement :
with BellSouth Telecommunications, :
Inc., concerning interconnection :
and resale under the :
Telecommunications Act of 1996. :
_____ :

THIRD DAY - AFTERNOON SESSION

VOLUME 19

PAGE 2755 through

PROCEEDINGS: HEARING
BEFORE: CHAIRMAN SUSAN F. CLARK
COMMISSIONER J. TERRY DEASON
COMMISSIONER JULIA L. JOHNSON
COMMISSIONER DIANE K. KIESLING
COMMISSIONER JOE GARCIA
DATE: Friday, October 11, 1996
PLACE: Betty Easley Conference Center
Room 148
4075 Esplandade Way
Tallahassee, Florida
REPORTED BY: NANCY S. METZKE, RPR, CCR
APPEARANCES:

(As heretofore noted.)

1 INDEX

2 NAME

3 WILLIAM V. ATHERTON, JR.

4 Direct Examination by Ms. White
5 MCI and AT&T prefiled direct testimony
6 MCI and AT&T prefiled rebuttal testimony
7 Cross Examination by Ms. Barone

7

8 EXHIBITS

9 ID EVD

10 95 (Atherton) Exhibit attached
11 to AT&T prefiled direct
12 testimony

12 96 (Atherton) Two exhibits
13 attached to MCI prefiled
14 direct testimony

14

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1 P R O C E E D I N G S

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3 (Transcript follows in sequence from Volume 18)

4 Whereupon,

5 WILLIAM V. ATHERTON, JR.

6 was called as a witness on behalf of BellSouth and, having
7 been duly sworn, testified as follows:

8 DIRECT EXAMINATION

9 BY MS. WHITE:

10 Q Mr. Atherton, in docket number -- well, let me
11 start over.

12 What is your name and address please, and by whom
13 are you employed?

14 A My name is William Victor Atherton Jr. I'm
15 employed by BellSouth Telecommunications, Inc. My business
16 address is 3535 Colonade Parkway, Birmingham, Alabama.

17 Q And have you caused to be prefiled in the AT&T
18 docket, 960833, direct testimony consisting of 15 pages and
19 rebuttal testimony consisting of six pages?

20 A Yes, ma'am.

21 Q Do you have any exhibits to that -- I mean do
22 you have any changes to that testimony?

23 A No, ma'am, I do not.

24 Q Did you have one exhibit attached to your AT&T
25 direct testimony, WVA-1?

1 A Yes.

2 Q Do you have any changes to that exhibit?

3 A No.

4 MS. WHITE: I would move that Mr. Atherton's
5 direct and rebuttal testimony in the AT&T docket be entered
6 into in the record as if read.

7 CHAIRMAN CLARK: It will be entered in the record
8 as if read.

9 MS. WHITE: And I would like the exhibit attached
10 to his AT&T direct testimony marked for identification.

11 CHAIRMAN CLARK: It will be marked as exhibit 95.

12 (SO MARKED EXHIBIT 95)

13 MS. WHITE: Okay.

14 BY MS. WHITE:

15 Q Mr. Atherton, you filed direct testimony in the
16 MCI docket, 960846, consisting of seven pages of direct
17 testimony and five pages of rebuttal testimony; is that
18 correct?

19 A That is correct.

20 Q Do you have any changes to that testimony?

21 A No, ma'am.

22 Q Did you file in connection with your direct
23 testimony in the MCI docket two exhibits, WVA-1 and 2?

24 A That's correct.

25 Q Do you have any changes to those exhibits?

1 A I do not.

2 MS. WHITE: I would like to move the testimony in
3 the MCI docket into the record as if read.

4 CHAIRMAN CLARK: It will be inserted in the
5 record as though read.

6 MS. WHITE: And I would like to have the two
7 exhibits to his direct MCI testimony identified.

8 CHAIRMAN CLARK: They will be identified as
9 exhibit 96.

10 (SO MARKED EXHIBIT 96)

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1 BY MS. WHITE:

2 Q Okay. And Mr. Atherton, you had no testimony in
3 the ACSI docket; is that correct?

4 A That's correct.

5 Q Do you have a summary of your testimony?

6 A Yes, ma'am, I do.

7 Q Would you please give that?

8 A Good evening, Madam Chairman, Commissioners. My
9 name is Vic Atherton, and I'm in the network planning
10 organization of BellSouth Telecommunications.

11 For the past 18 months, I've been leading the
12 BellSouth's technical negotiations team working
13 interconnection arrangements with well over 20 alternative
14 local exchange companies region wide. Several times during
15 this proceeding, you have heard the negotiations process
16 described from the high level or 30-thousand-foot view.
17 I'm here to represent the ground level experience of
18 working through the many technical interconnection details
19 within the new competitive environment. From an engineer's
20 point of view this has been an exciting challenge that
21 members of my team and I have fully embraced.

22 I would like to take this opportunity to briefly
23 describe the three scenarios under which an alternative
24 local provider may enter the market. This description will
25 clarify the requirement for the technical rearrangements

1 and will help put my testimony in its proper context. The
2 first situation is that of complete service resale. In
3 this scenario, the new market entrant purchases the
4 switching capabilities, outside facilities and other
5 services in total from the incumbent provider and resells
6 the package to the end user. In the simplest sense, this
7 involves only a matter of changing the customer of record
8 in the billing arrangements.

9 The second situation involves the new entrant's
10 purchase of separate unbundled network elements, such as
11 loops, switching capabilities and/or interoffice
12 facilities. When utilized in conjunction with elements of
13 the new entrant's own network, a total service can be
14 created for the customer.

15 The third and final scenario is the case where
16 the alternative local provider owns their own loops,
17 switches and interoffice transport; and in this situation
18 the only requirement is that the incumbent and the new
19 service provider connect their networks with trunk or
20 switch to switch facilities. In this final case the new
21 entrant is total facilities-based.

22 My testimony addresses two primary categories in
23 the unbundled element and totally facility-based
24 competitive environment: Service provider number
25 portability, or SPNP, and network interconnection trunking

1 arrangements. Number portability is that the capability
2 that allows an end-user customer to retain their existing
3 telephone number if they choose to change to a new
4 facility-based local service provider. My testimony
5 specifically addresses the interim arrangements that will
6 be used until a permanent data base solution can be fully
7 developed, tested and implemented by the industry.

8 There are two principle methods by which interim
9 number portability will be accomplished, remote call
10 forwarding, or RCF, and direct inward dialing, or DID.
11 With RCF a call to the old telephone number is first sent
12 to the switch of the former local service provider and then
13 forwarded to the switch of the new local service provider.
14 RCF is essentially the same as standard call forwarding and
15 can be implemented using existing switch and network
16 technology.

17 In the case of DID, the call is again routed to
18 the switch of the former local service provider. This time
19 the switch translates the call to look like a direct inward
20 call terminating to the new local provider much like a
21 standard private branch exchange or PBX service today. Once
22 again, this capability can be implemented using today's
23 technology.

24 These methods can be considered de facto
25 standards for number portability as evidenced by their

1 general use and acceptance throughout the industry. Both
2 AT&T and MCI Metro have agreed with BellSouth that these
3 interim solutions are acceptable. BellSouth will provide
4 and expects the alternative local exchange companies to
5 reciprocate these capabilities.

6 Associated with these interim methods, BellSouth
7 will coordinate number changes to the degree made possible
8 by the efficient use of reliable mechanized systems. Also,
9 BellSouth has examined and agreed to two additional interim
10 number portability methods as specifically requested by
11 AT&T: The route indexing portability hub variation of
12 direct inward dialing and the reassignment of central
13 office NXX codes pursuant to industry guidelines.

14 The technical details of these additional methods
15 are addressed in my prefiled, direct and rebuttal
16 testimonies. Coincident with BellSouth's agreement to
17 these additional capabilities, AT&T has withdrawn its
18 request for yet another mechanism for number portability.
19 It is very important to recognize that this should be
20 viewed as a good example of how the negotiations process
21 has and can continue to work to the mutual satisfaction of
22 the parties.

23 The second category of my testimony is that of
24 the proper trunking arrangements required for the local
25 interconnection of BellSouth's network with the networks of

1 alternative local providers. A trunk in this context may
2 be simply thought of as a pair of wires that connects the
3 central office switch of one local service provider to the
4 central office switch of another local service provider.
5 There are two parameters that are used to define a trunk in
6 switch software. The first is the trunk type which
7 indicates, as the name implies, characteristics such as the
8 type of calls the trunk can carry, usage measurement and
9 recording capabilities. The second parameter is the trunks
10 directionality, one-way or two-way. This parameter merely
11 defines which switch can originate calls to that trunk; it
12 does not mean that conversation can only occur in one
13 direction.

14 Use of two-way trunking allows the originating
15 switch and thus the owning company to independently assign
16 trunk types and, more importantly, retain responsibility
17 for the management, control and performance of its own
18 network and trunk group. When shared two-way trunking is
19 used there is no clear accountability for the trunk group.
20 The sharing companies lose the ability to independently
21 control and define the trunk types in their performance
22 characteristics. Without specific administrative
23 guidelines, the use of shared two-way trunks will result in
24 continuous accountability and billing disputes ultimately
25 reducing the reliability of the interconnection and

1 degrading the level of service supplied to the end-user
2 customer.

3 BellSouth considered all of the above parameters
4 in designing the proper local interconnection arrangement
5 and determined that two separate reciprocal trunk groups is
6 the only workable solution. AT&T and MCI Metro technical
7 experts agree that this architecture is the most practical
8 solution at this time. The partial agreement between
9 BellSouth and MCI Metro supports this solution, and in fact
10 MCI Metro has proposed a specific network architecture that
11 reflects this arrangement. Also, good-faith negotiation
12 between BellSouth and AT&T has resulted in proposed
13 contract language that has been agreed to by both parties.

14 Today I'm requesting the Commission to recognize
15 the trunk interconnection and number portability issues
16 have been resolved with MCI Metro through the partial
17 agreement and more recently with AT&T through formal
18 negotiations process. This process has successfully
19 produced contract language that will result in the
20 implementation of the most efficient and reliable service
21 to the end-user customer in the competitive environment.

22 Thank you. This concludes my summary.

23 CROSS EXAMINATION

24 BY MS. BARONE:

25 Q Good evening, Mr. Atherton. My name is Monica

1 Barone. I'll be asking you questions on behalf of
2 Commission staff.

3 First I'd like you to identify the two additional
4 options that AT&T had requested.

5 A Okay, as I specified in my summary, the two
6 additional options are route indexing portability hub, and
7 that is a variation of DID; and the second request was the
8 reassignment of central office NXX codes through industry
9 standard numbering forums.

10 Q Did you state that the LERG reassignment is the
11 one that AT&T withdrew?

12 A No, I'll clarify this. There were actually two
13 requests with regard to reassignment of NXX codes per the
14 LERG. The first is the reassignment of just the NXX code
15 itself, three-digit prefix type of thing. The second
16 request was for reassignment at the thousands block level,
17 meaning the NXX-X. That second request that I just
18 mentioned is the one that AT&T has withdrawn.

19 Q So is the main unresolved issue for
20 implementation of interim local number portability options
21 the cost recovery issue?

22 A That is my understanding, yes.

23 Q Sir, are you aware that the Florida Public
24 Service Commission currently has a generic proceeding to
25 address that issue?

1 A Yes, I am aware of that.

2 Q And are you also aware that the FCC's order on
3 cost recovery requires that costs be spread across all
4 carriers?

5 A Yes, ma'am, I have heard that. That is outside
6 the area of my testimony, however.

7 Q Sir, would you agree that all telecommunications
8 carriers are not represented here today in this arbitration
9 proceeding?

10 A That would be true, yes.

11 Q And therefore, since all telecommunications
12 carriers are not in this proceeding, that cost recovery
13 could not be spread across all telecommunications carriers?

14 MR. MELSON: Objection.

15 CHAIRMAN CLARK: Yes, Mr. Melson.

16 MR. MELSON: Commissioner Clark, I hate to do
17 this. There was an issue as to whether the cost recovery
18 for interim local number portability should be stricken
19 from this proceeding. The prehearing officer ruled that it
20 would be allowed in this proceeding. This line of
21 questioning appears to be going to a staff position that it
22 should not be included in this proceeding. It seems to me
23 that is inconsistent with the prehearing officer's rulings.

24 MS. BARONE: I am exploring an issue, and I have
25 one more question that I think will answer Mr. Melson's

1 question, Chairman.

2 MR. MELSON: I'll withdraw the objection then.

3 CHAIRMAN CLARK: Thank you, Mr. Melson.

4 BY MS. BARONE:

5 Q So would you agree that we cannot determine
6 whether costs can be spread over all telecommunications
7 carriers in this proceeding?

8 A I am not in a position to comment on that
9 question.

10 Q Sir, if the Commission decided to defer this
11 issue until the generic proceeding, what would you
12 recommend the Commission do in this proceeding regarding
13 cost recovery?

14 A I'll have to state, once again, the cost recovery
15 aspects of interim number portability are outside the scope
16 of my testimony.

17 MS. BARONE: Okay. Thank you. That's all I
18 have.

19 CHAIRMAN CLARK: Thank you. No exhibits, right?

20 MS. WHITE: Yes, I'm sorry, exhibits 95 and 96.

21 CHAIRMAN CLARK: All right. They will be entered
22 in the record without objection.

23 We do have three late-filed exhibits that I
24 have -- yeah, it looks like I have three late-filed
25 exhibits. Can we -- Let me ask a question. These are all

1 exhibits I believe BellSouth has to provide.

2 MS. WHITE: Right.

3 CHAIRMAN CLARK: Okay. When do we need the
4 late-filed exhibits? Pretty quick, because --

5 MR. HATCH: Pretty quick for briefing purposes,
6 Madam Chairman.

7 CHAIRMAN CLARK: Right.

8 MS. CANZANO: Just so that you know, briefs are
9 due October 22nd, so that doesn't allow the parties much
10 time.

11 CHAIRMAN CLARK: Help me out here, Ms. White.
12 How fast can we get this done?

13 MS. WHITE: Well, number 74 I believe we can have
14 to you by next Tuesday. 73 I don't think that would take
15 very long. We could probably have that one here at the
16 same time. I was looking to see if Mr. Milner was still
17 here for number 94.

18 CHAIRMAN CLARK: Yes, he is. He is right back
19 there.

20 MR. LACKEY: Middle of next week.

21 CHAIRMAN CLARK: All right. What I'm going to do
22 is the exhibits, the late-filed exhibits are due close of
23 business Tuesday -- close of business Wednesday. And any
24 objections to them have to be made by Friday. Is that all
25 right, staff?

1 MS. CANZANO: That's fine with staff. I would
2 ask the parties too because they are doing the briefing.

3 CHAIRMAN CLARK: Any objection to that schedule?

4 MR. HATCH: We can live with it I expect.

5 CHAIRMAN CLARK: Okay. Thank you very much.

6 Is there anything further we have to take up
7 before the hearing is adjourned?

8 COMMISSIONER DEASON: What about Issue 30?

9 CHAIRMAN CLARK: That's correct. Thank you
10 Commissioner Deason.

11 Let me do one other thing, on my list of exhibits
12 I show something that I identified as exhibit 43 was not
13 moved into the record because it was one of those
14 illustrative exhibits I believe and I had improperly marked
15 it, so that will not be in the record. And likewise, AT&T
16 did not move 53 into the record, and those are the only two
17 items besides the late-filed exhibits that I have as not
18 being entered in the record.

19 MR. PELLEGRINI: Chairman Clark, was exhibit 50
20 moved in?

21 CHAIRMAN CLARK: Excuse me?

22 MR. PELLEGRINI: Exhibit 50.

23 CHAIRMAN CLARK: It's in the record; it's
24 BellSouth Europe.

25 MR. PELLEGRINI: Yes.

1 CHAIRMAN CLARK: Okay, it's in the record.

2 Issue 30.

3 MS. WHITE: Mr. Atherton is excused, isn't he?

4 CHAIRMAN CLARK: Yes, Mr. Atherton, you are
5 excused.

6 WITNESS ATHERTON: Thank you.

7 CHAIRMAN CLARK: I take it the briefing schedule
8 is also outside the scope of your testimony.

9 Help me out, staff, what is it we have to resolve
10 on this, the appropriate procedures?

11 MS. CANZANO: It would be the appropriate post
12 hearing procedures for submission and approval of a final
13 arbitrated agreement. So once the Commission actually
14 votes on all the unresolved issues in this proceeding, the
15 question remains, What are the appropriate post-hearing
16 procedures for the parties to put together an agreement
17 incorporating your decision?

18 CHAIRMAN CLARK: As I read this, I recall that
19 there was one solution that I found acceptable, and that
20 is, that it would be as outlined, the 14 days and then if
21 no agreement is reached they would have, you would have to
22 file your contractual language within 20 days, and then we
23 could look at both proposals and choose what we think the
24 final proposal should have, that we weren't limited to
25 choosing one or the other. Is there an objection to that,

1 or is there support for that?

2 COMMISSIONER DEASON: I can live with that. My
3 only concern is that I think the parties expressed at the
4 prehearing conference, and I agreed, that they needed some
5 guidance from the Commission since this is on a very
6 abbreviated time schedule and that it's going to be
7 imperative on their part once a decision is made by this
8 Commission to reach a final agreement; and if they know
9 what the ground rules are, perhaps it will facilitate them
10 in that process. And if we can give any guidance today,
11 fine. If we can't do it today, that's fine too; but I
12 think it would be helpful to the parties if we can.

13 CHAIRMAN CLARK: I just was persuaded by the
14 notion that they -- the time frames, but that if they
15 couldn't resolve it and they each provided their own, that
16 we weren't limited to choosing one or the other, that we
17 could choose what we liked out of each one of them. Is
18 that acceptable?

19 MS. CANZANO: Chairman Clark, can I ask a
20 clarification question? Would that be towards the
21 provisions incorporating by your decision for each issue?
22 Is that how narrow you would want to go?

23 CHAIRMAN CLARK: No, as I understood it, we
24 meant -- As I understood Issue 30, we make a decision and
25 the parties go back and develop their final agreement. If

1 they can't agree on the final agreement, they each submit
2 their own.

3 MS. CANZANO: Right.

4 CHAIRMAN CLARK: And then at that point the
5 procedure I would recommend following is that we will then
6 craft the final agreement, and we are not limited to
7 choosing either, say, BellSouth's or AT&T; we can put one
8 together using the terms in one or the other. It wouldn't
9 deviate from the final decision the terms we dictated.

10 COMMISSIONER DEASON: Well, only one word of
11 caution on that, and that is, is that it seems to me that
12 if you start taking one provision out of one agreement and
13 combining it with a provision out of another agreement,
14 they might not be totally consistent. We may end up with a
15 camel when we are trying to design a horse, and that was
16 one of my concerns. And I think that if need be we need
17 the flexibility to say we can't mesh these two and we are
18 just going to pick one that we think is the most compatible
19 with all of the decisions we have made and that is going to
20 be it.

21 CHAIRMAN CLARK: I would agree with that, but my
22 only concern is that we were limited to one or the other.

23 MR. TYE: Chairman Clark, I think the proposal
24 that you are talking about is one that AT&T made, and the
25 proposal was that you would go on an issue by issue basis.

1 Now I don't think that will preclude you, say, from doing
2 what Commissioner Deason said.

3 CHAIRMAN CLARK: Correct.

4 MR. TYE: Which is pick all of one side or the
5 other's, but you would have the option to go on an issue by
6 issue basis.

7 CHAIRMAN CLARK: That would be what I would
8 envision.

9 Mr. Lackey.

10 MR. LACKEY: Yes, ma'am, and I don't want to be
11 difficult about this; we want to reach an agreement. As
12 far as I'm concerned, you all can issue your order on these
13 30 issues or 29 issues. We can put a whereas clause on the
14 front of the page and a signature block on the last one and
15 move. What I'm worried about are -- and the issues that I
16 raised at the prehearing conference is, all the issues that
17 we have to resolve haven't been litigated I'm afraid. Now
18 we hope, and I think AT&T hopes, that if you give us some
19 guidance on these major issues that we'll just -- we'll be
20 adults and we'll work them out and we'll get an agreement
21 and we'll move on.

22 That may not happen is what my concern is. And
23 what our concern is that we think that you've got to finish
24 your arbitration within nine months; you've got to reach
25 your decision. But I don't think there is any authority

1 for requiring a 252 (e) submission to you. I mean there is
2 nothing that I saw in the Federal Act that said, you know,
3 okay, now we have reached the end of the arbitration,
4 submit us an agreement within X-number of days. But again,
5 like I've said, with regard to the issues that you all are
6 deciding, assuming that we agree that it's a factual
7 dispute, you've resolved the factual dispute. As far as we
8 are concerned, like I said, you can put a whereas clause
9 and a signature block and we'll go. We're not going to
10 have a problem with that.

11 CHAIRMAN CLARK: You are suggesting, Mr. Lackey,
12 that you don't have to -- once we make our decision, you go
13 forward and see if you agree, and --

14 MR. LACKEY: No. Again, I'm not trying to be
15 difficult, okay?

16 CHAIRMAN CLARK: Well, you are.

17 MR. LACKEY: I know I am, but I mean -- I missed
18 my 5:15 plane.

19 CHAIRMAN CLARK: I must not be understanding you.

20 MR. LACKEY: Well, the point -- and I don't mean
21 to belabor this, I really don't, but I just don't want to
22 create a problem and have you all look at me six weeks from
23 now and go, What? What our position was is that we had to
24 identify every issue that was in the case and then you
25 identify each one that is resolved and you identify each

1 one that is not resolved. You all decide the unresolved
2 one, we plug it into the agreement, and we just go on about
3 our business. But we had a big disagreement with AT&T
4 about how they raised the issues in this case, and that's
5 still an issue. And as long as the agreement only requires
6 what you all have decided the issues and what we have
7 already resolved, then there will be no problem with an
8 agreement.

9 CHAIRMAN CLARK: I see. You're concerned that
10 there will be something added at the back end that is
11 brought to us for the first time.

12 MR. LACKEY: Or brought -- Yes. Yes, that's
13 really it.

14 CHAIRMAN CLARK: Okay. Well, I would suggest
15 that you raise that at that time.

16 MR. LACKEY: Okay. I just -- I understand;
17 that's what we'll do.

18 CHAIRMAN CLARK: And then we'll have to deal with
19 that. And it would seem to me if it wasn't raised then
20 it's not subject to arbitration.

21 Mr. Tye.

22 MR. TYE: Chairman Clark, this issue --

23 MS. CANZANO: And if it wasn't raised, it should
24 have been resolved.

25 MR. TYE: The issue that Mr. Lackey said is still

1 a disagreement was raised in a motion he filed that the
2 prehearing officer rejected, and to my knowledge, they
3 haven't filed a motion for reconsideration of that denial.

4 Now I presume that what we are saying is we will
5 all brief how this ought to be handled on a going-forward
6 basis, and I don't really have a problem with that; but I
7 do have a problem with reopening an issue that was properly
8 raised, properly rejected and no reconsideration was
9 sought.

10 MR. LACKEY: I dis -- if he is done, I disagree,
11 and I believe that the Chairman's resolution -- I mean the
12 prehearing officer's resolution at the time was perfectly
13 satisfactory. What my recollection is, is that
14 Commissioner Deason said was we are going to do this the
15 way we always do it. You've got an issues list now that we
16 have got here in front of us; we are going to decide the
17 issues. That's what he said, I believe, and I think that's
18 the process. And I believe, like I said, you decide the
19 issues, we'll sign it.

20 It's the other things. And again, I don't want
21 to cause a ruckus; I just didn't want to sit here and have
22 you all think --

23 COMMISSIONER DEASON: Madam Chairman, let me put
24 in my recollection, and there was a concern as to whether
25 there would -- all of the nuts and bolts, the nitty-gritty

1 type specifics that come in with something that is this
2 complicated, if those were going to be matters that would
3 be put before the Commission. And I decided that the
4 issues that we are going to arbitrate are the issues that
5 are in the prehearing order; all of the parties agreed
6 those are the major issues. And I think, Mr. Tye correct
7 me, but I believe it was your position that when it got
8 down to the nitty-gritty that if you couldn't come to an
9 agreement, it was basically going to take another
10 arbitration, round of arbitration, and I denied that. I
11 indicated that we were going to decide these major issues.
12 And then the question came up, Well, what happens when we
13 decide the major issues and you still can't sign an
14 agreement and present it to the Commission?

15 MR. TYE: And I believe, Commissioner Deason,
16 what you suggested was exactly what AT&T's position is on
17 Issue 30 now. It was that we will go forth and negotiate
18 for a period of time, bring back opposing agreements if
19 necessary, and you will decide it on an issue by issue
20 basis, and that's what we've -- We've agreed to it.

21 CHAIRMAN CLARK: Are you saying that at the
22 end of this you may not agree to it?

23 MR. TYE: No, ma'am. No, ma'am. What I'm saying
24 is that once you've resolved the issues, the policy issues
25 that are presented to you, then the additional step of the

1 parties agreeing to language that implements all of these
2 issues, and getting to that language may require you to
3 take AT&T's language and BellSouth's language and MCI's
4 language and go issue by issue and say, we adopt your
5 language here, we adopt your language here, and actually
6 craft an agreement that implements all of this.

7 CHAIRMAN CLARK: I view that as a motion for
8 clarification. If you all can't decide it, once we decide
9 it and you are still confused as to how it is, then it will
10 come back to us by some suggestion that this is the
11 language we'll choose and thereby clarify what we did.

12 MR. MELSON: Commissioner Clark, may I address
13 that?

14 CHAIRMAN CLARK: Yes.

15 MR. MELSON: My only concern is that, like AT&T,
16 we submitted for arbitration a great many more issues than
17 have actually been arbitrated. The prehearing officer
18 ruled in essence that we would define major issues in this
19 proceeding the way the Commission ordinarily defines them.
20 There are a number of issues that we submitted for
21 arbitration that have not been addressed that --

22 CHAIRMAN CLARK: I appreciate that, Mr. Melson,
23 but I think it can still work out. I think it was done the
24 right way, to do the major issues. I can't think of any
25 way I would have done it differently, and we'll just have

1 to see what results.

2 MR. MELSON: My only concern is that if we --
3 that we not get to the end of the period and have a very
4 extended time after that at which the Commission is, you
5 know, considering opposing agreements, that we be on a
6 tight time frame and that the Commission recognize that in
7 ultimately approving an agreement it is going to be
8 approving language on some things that have not been
9 actively litigated.

10 CHAIRMAN CLARK: I don't know that we can either
11 predict or prevent that at this point. And so I guess we
12 won't reach a resolution of Issue 30. You've heard our
13 discussion and debate on it and thoughts on it, so we'll go
14 forward.

15 MR. LACKEY: And I give you our assurances we are
16 not trying to raise a ruckus here. We have reached
17 agreements with people; we are capable of doing it. I just
18 didn't want to sit here and raise some expectation that we
19 couldn't meet it.

20 CHAIRMAN CLARK: Okay. We are forewarned.

21 I want to tell all the parties, I very much
22 appreciate how well this hearing went. I know you've spent
23 a lot of times in various places trying to prepare for
24 this, and I thought you did a remarkable job given the time
25 frames, and I think we got to the issues that we need to

1 look at and I sincerely appreciate it.

2 MR. HATCH: One final matter, Commission, with
3 respect to making this process a little bit easier. We
4 have actually agreed to contract language with respect to
5 Issue 20, which is the two-way trunking issue.

6 CHAIRMAN CLARK: Okay.

7 MR. HATCH: AT&T is withdrawing that issue as to
8 this arbitration proceeding. With respect to subloop
9 unbundling, we are taking off the table, hence withdrawing
10 it from the arbitration process, our request for subloop
11 unbundling; so these need not be resolved by the
12 Commission.

13 CHAIRMAN CLARK: Thank you.

14 MR. HATCH: Basically with respect to subloop
15 unbundling, we have -- taken it off the table, we have
16 agreed to, we are trying to agree to contract language on a
17 bona fide request process, but for the arbitration purposes
18 it's off the table.

19 CHAIRMAN CLARK: Okay. Thank you all very much.
20 The hearing is adjourned.

21 (WHEREUPON, THE HEARING WAS ADJOURNED AT 5:45
22 P.M.)

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