



Charles J. Rehwinkel
General Manager

100-160-2210
Tallahassee, FL 32309
Main: 904-499-0000
Fax: 904-499-0000
TDD: 904-499-0000

October 7, 1997

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

Re: Sprint-Florida, Incorporated's Response to the
Petition of Wireless One for Arbitration and Direct
Testimony of F. Ben Poag

Dear Ms. Bayo:

Enclosed for filing is the original and fifteen (15) copies
of Sprint-Florida, Incorporated's Response and Direct
Testimony of F. Ben Poag. Also enclosed is the diskette
containing the Response and Testimony of F. Ben Poag.

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

Thank you for your assistance in this matter.

Sincerely,

Charles J. Rehwinkel

CJR/th

Enclosures

- ACK _____
- AFA _____
- APR _____
- CAR _____
- CJR/th
- CR _____
- EP _____
- LE 2
- LT 3 tag
- RE 1
- SEL 1
- WAS _____
- OTH _____

RECEIVED & FILED

1 h.v.n.
FPCO-DIVISION OF RECORDS

DOCUMENT NUMBER-DATE
10281 OCT-76
FPCO-RECORDS/REPORTING

1 Bachelor's Degree in Business.

2

3 Q. What is the purpose of your testimony?

4

5 A. The purpose of my testimony is to provide Sprint's
6 position on two issues that were not resolved in the
7 negotiations process. These issues are the application
8 of toll and other usage charges for wireline originated
9 toll calls to the Wireless One network and whether
10 Wireless One's network actually provides or is
11 functionally equivalent to the tandem, transport and end
12 office functions provided by Sprint and therefore
13 entitled to compensation for these functionalities.

14

15 Q. What is Sprint-Florida's position regarding the
16 definition of local traffic for purposes of application
17 of reciprocal compensation?

18

19 A. Sprint's position is found in the definitions of "Local
20 Traffic" and "IntraLATA Toll Traffic" on pages 21-22 and
21 34 of the interconnection agreement attached to the
22 petition of Wireless One and reads

23

24 "Local Traffic" for purposes of the
25 establishment of interconnection and not for

1 the billing of customers under this Agreement,
2 is defined as telecommunications traffic
3 between an LEC and CMRS provider that, at the
4 beginning of the call, originates and
5 terminates within the same Major Trading Area,
6 as defined in 47 C.F.R. Section 24.202(a);
7 provided however, that consistent with
8 Sections 1033 et seq. of the First Report and
9 Order, Implementation of the Local Competition
10 Provisions in the Telecommunications Act of
11 1996, CC Docket No. 96-98 (Aug. 8, 1996),
12 hereinafter the "First Report and Order," the
13 Commission shall determine what geographic
14 areas should be considered "local areas" for
15 the purpose of applying reciprocal
16 compensation obligations under Section
17 251(b)(5), consistent with the Commission's
18 historical practice of defining local service
19 areas for wireline LECs. (See, Section 1035,
20 First Report and Order)

21 * * *

22 IntraLATA toll traffic. For the purpose of
23 establishing charges between the Carrier and
24 Company, this traffic is defined in accordance
25 with Company's then-current intraLATA toll

1 serving areas to the extent that said traffic
2 does not originate and terminate within the
3 same MTA.

4
5 Taken together, these provisions define the circumstances
6 under which local interconnection charges apply and when
7 access charges apply. As made clear in both definitions,
8 the billing of Sprint's end user customers is a matter
9 separate from this Agreement. The definition of
10 intraLATA toll traffic is bound up in this issue because
11 the phrase "for purposes of establishing charges between
12 the Carrier and Company" contained in Sprint's position
13 establishes that the traditional notion of toll calling
14 still applies as to Sprint's end user customers.

15
16 Q. Do you agree with Wireless One's interpretation of 47
17 C.F.R. § 51.701(b)(2)?

18
19 A. No. Wireless One has interpreted FCC Rule 51.701(b)(2)
20 to mean "that all calls originated and terminated in an
21 MTA, the FCC CMRS local call definition for application
22 of reciprocal compensation versus access charges are
23 considered as local in nature under 47 C.F.R. §
24 51.701(b)(2) or Rule 51.701(b)(2) and that no toll or
25 usage charges may be assessed for such calls. Wireless

1 One misinterprets and misunderstands the intent and
2 rationale underlying the FCC's Rule 51.701(b)(2). To
3 accept Wireless One's interpretation of the FCC rule
4 would allow Wireless One to determine Sprint's local
5 calling area and when and at what rate level Sprint can
6 charge for the origination of traffic by its end user
7 customers. Clearly, Wireless One cannot be allowed such
8 discretion.

9
10 Q. Please explain the context and the application of the
11 FCC's rule.

12
13 A. In order to better understand the FCC's rule, a review of
14 the FCC's order in CC 96-98, comments and discussions
15 sections is helpful. More specifically Section XI of the
16 order, of which Rule 51.701 is a derivative, addresses
17 reciprocal compensation for transport and termination of
18 local telecommunications traffic. It defines how LECs
19 and other telecommunications carriers compensate each
20 other for the transport and termination of local
21 telecommunications traffic. The key phrase in Rule
22 51.701 is "transport and termination", i.e., the rule
23 applies to the termination of traffic between carriers
24 not the origination of traffic by one carrier or the
25 other.

1 In Section XI, paragraph 1033 of the order the FCC
2 concluded that transport and termination of local traffic
3 are different services than access service for long
4 distance telecommunications. Note that the subcaption
5 above paragraph 1033 is "Distinction between 'Transport
6 and Termination' and Access." In paragraph 1036 the
7 order states

8 "Accordingly, traffic to or from a CMRS
9 network that originates and terminates in
10 the same MTA is subject to transport and
11 termination rates under 251(b)(5), rather
12 than interstate and intrastate access
13 charges."

14 Thus, Rule 51.701, is basically saying that Sprint cannot
15 charge access charges to a CMRS provider for termination
16 of a call originated within the CMRS provider's MTA.
17 Conversely, the CMRS provider cannot charge Sprint access
18 charges for terminating a call originated within Sprint's
19 service area within the MTA. Rule 51.701 has nothing to
20 do with what Sprint can charge its customers for
21 originating the traffic or what the CMRS providers can
22 charge their customers for originating their traffic.
23 Thus, Rule 51.701 is applicable only to "reciprocal
24 compensation" and distinguishes, as the plain language
25 suggests in the subcaption in the order, between the

1 application of local compensation versus access
2 compensation for call termination.
3

4 This point is made very clear in paragraph 1034 of the
5 FCC's order which states

6 "We conclude that section 251(b)(5)
7 reciprocal compensation obligations
8 should apply only to traffic that
9 originates and terminates within a local
10 area, as defined in the following
11 paragraph. We disagree with Frontier's
12 contention that section 251(b)(5)
13 entitles an IXC to receive reciprocal
14 compensation from a LEC when a long-
15 distance call is passed from the LEC
16 serving the caller to the IXC. Access
17 charges were developed to address a
18 situation in which three carriers --
19 typically, the originating LEC, the IXC,
20 and the terminating LEC -- collaborate to
21 complete a long-distance call. As a
22 general matter, in the access charge
23 regime, the long-distance caller pays
24 long-distance charges to the IXC, and the
25 IXC must pay both LECs for originating

1 and terminating access service. By
2 contrast, reciprocal compensation for
3 transport and termination of calls is
4 intended for a situation in which two
5 carriers collaborate to complete a local
6 call. In this case, the local caller
7 pays charges to the originating carrier,
8 and the originating carrier must
9 compensate the terminating carrier for
10 completing the call."

11
12 Q. Please explain why Sprint is charging Wireless One toll
13 charges for the origination of toll calls by Sprint's end
14 users.

15
16 A. Wireless One has subscribed to reverse toll billing from
17 Sprint's intrastate tariffs. Reverse toll billing allows
18 Wireless One to pay the originating toll and ECS-type
19 charges of Sprint's end user customers calls to Wireless
20 One customers. Companies such as Wireless One subscribe
21 to this service in lieu of extending facilities directly
22 to all end offices served by Sprint. In other words,
23 Wireless One has the option of extending facilities
24 directly to an end office to afford Sprint's customers
25 local calling to Wireless One customers or subscribing to

1 reverse toll billing and paying the associated toll
2 charges in lieu of cost of direct connections.

3

4 Q. Please explain how Sprint and Wireless One will
5 compensate each other for the termination of local
6 traffic as defined by Rule 51.701.

7

8 A. With regard to the reverse billed toll option that
9 Wireless One has subscribed to in order to increase its
10 revenues, Wireless One has only taken on the obligation
11 to pay the originating customers' toll usage charges, at
12 a discount. However, Sprint will compensate Wireless One
13 for local call termination as long as the call originated
14 within the MTA. Similarly, Sprint will only charge
15 Wireless One at local compensation rates, not access
16 charges, for any traffic originated within Wireless One's
17 MTA even if the call originated by the cellular customer
18 is actually a toll call and Wireless One bills its
19 customer for a toll call.

20

21 Q. Are there other reasons why Wireless One's interpretation
22 is flawed?

23

24 A. Yes, as has already been made clear by the Eighth Circuit
25 Court, that the FCC does not have the authority to

1 regulate intrastate services. Sprint's intrastate
2 tariffed services are regulated by the FPSC, not the FCC.
3 IntraLATA toll, extended calling plans and reverse toll
4 billing services are intrastate services. Clearly, if
5 the Eighth Circuit Court had misinterpreted 51.701 as
6 Wireless One does, the Court would have vacated 51.701
7 for CMRS providers too.

8
9 Q. Explain Sprint's position with regard to the payment of
10 tandem switching and transport charges to Wireless One
11 for call termination.

12
13 A. Sprint is willing to compensate Wireless One if Wireless
14 One actually provides tandem switching and transport or
15 an equivalent facility and functionality. This position
16 is fully consistent with FCC Rule 51.701 in that Sprint
17 is only required to compensate Wireless One if they can
18 prove that they are provisioning an "equivalent facility"
19 as required in the FCC rules. Additionally this is
20 exactly the same position advocated by this Commission in
21 the Sprint/MCI arbitration proceeding. In the FPSC
22 decision, the Commission stated that MCI has not proven
23 that it actually deploys both tandem and end office
24 switches in its network.

25

1 Q. Does Wireless One claim to actually provide tandem
2 switching and transport?
3

4 A. No, Wireless One claims that its network provides
5 equivalent facilities. Wireless One states that
6 "Wireless One's CMRS network employs the equivalent of a
7 tandem/end office hierarchy." Based on previous rulings
8 by the FPSC, a simple statement is insufficient to prove
9 the equivalent facilities test.
10

11 Q. Do you agree with Wireless One's explanation of how its
12 network provides functionally equivalent facilities?
13

14 A. No. First, the FCC does provide very explicit
15 definitions of transport and termination for purposes of
16 47 U.S.C. § 251(b)(5).
17

18 Transport is defined in paragraph 1039 as the
19 transmission of terminating traffic

20 "...from the interconnection point
21 between the two carriers to the
22 terminating carriers end office switch
23 that directly serves the called party (or
24 equivalent facility provided by a non-
25 incumbent carrier)."

1 Termination is defined in paragraph 1040 as

2 "...the terminating carrier's end office
3 switch (or equivalent facility) and
4 delivery of that traffic from that switch
5 to the called party's premises."

6
7 As pointed out in these two paragraphs, alternatives
8 exist for transport but not termination.

9
10 Q. Does Wireless One's network meet the equivalent
11 facilities requirement?

12
13 A. No. Wireless one portrays its CMRS network as providing
14 the equivalent of a tandem/end office hierarchy. In its
15 petition for arbitration Wireless One states

16 "a call originating on Sprint's network will
17 be switched first at Wireless One's MTSO and
18 transported over Wireless One's facilities to
19 the appropriate cell site, which is the
20 equivalent of an end office switch, for
21 delivery to the called party."

22
23 If the cell site were actually providing the same
24 functionality as an end office, Sprint would be able to
25 provide its own facilities directly to the cell site for

1 termination in the same manner that Wireless One has the
2 option to terminate from Wireless One's MTSO directly to
3 Sprint's end office for call termination. Thus,
4 alternatives for Wireless One's transport do not exist
5 contrary to paragraph 1039 of the FCC's order.
6 Therefore, the equivalent functionality is not available
7 to Sprint. To allow Wireless One to charge end office
8 switching functionality to Sprint can be likened to
9 Sprint charging Wireless One a switching function at its
10 tandem and end office host switches, again at a remote
11 switch served by the host, and again at a subscriber line
12 carrier node, which like the cell site is the final link
13 to the subscriber. Thus, if Wireless One's cell site
14 were to be considered a separate switching function,
15 rather than the MTSO which actually provides the end user
16 to end user connection, Sprint would be allowed to charge
17 Wireless One a switching function not only at its tandem,
18 and host switches, but also at its remotes, and its
19 subscriber line carrier nodes, the latter of which
20 functions most nearly like a cell site in terms of being
21 the final network link to the customer.

22
23 Q. Can you provide an example of how an end office switch
24 differs functionally from a cell site?
25

1 A. Yes, this can most simply be explained by the fact that
2 an end office connects one customer within the switch to
3 another customer within the switch. A cell site cannot
4 connect one customer to another without using the MTSO
5 switch for connection. Thus, a cell site is not
6 functionally equivalent to an end office. Similarly,
7 Sprint cannot interconnect at Wireless One's cell sites
8 to terminate traffic whereas Wireless One can
9 interconnect at Sprint's end offices to terminate
10 traffic. Additionally, Sprint can direct trunk from its
11 end office to Wireless One's MTSO to terminate calls.
12 Wireless One cannot direct trunk from its cell sites to
13 any of Sprint's switches to terminate traffic.

14
15 Q. Would there be a disparity in the FCC's reciprocal
16 compensation plan if this commission were to determine
17 that Wireless One's network did provide functionally
18 equivalent transport?

19
20 A. Yes, it would result in a significant reciprocal
21 compensation disparity. Wireless One would have the
22 option to directly connect to Sprint's end offices for
23 call termination. However, Sprint, because Wireless
24 One's cell sites do not provide the same functionality as
25 Sprint's end offices, would not be able to directly

1 connect to Wireless One's cell sites for call
2 termination. The end result is that Sprint would always
3 pay the highest compensation charges to terminate traffic
4 to Wireless One, but Wireless One would be able to avoid
5 the transport payments by directly connecting at Sprint's
6 end offices. This is an alternative not available to
7 Sprint because cell sites are not functionally equivalent
8 to end offices.

9

10 Q. Does that conclude your testimony?

11

12 A. Yes.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Testimony of F. Ben Poag has been served by Overnight Delivery or hand delivery (*) upon the following on this 7th day of October, 1997.

William A. Adams, Esq.
Arter & Hadden
One Columbus Circle
10 West Broad Street, Suite 2100
Columbus, Ohio 43215- 3422
Attorneys for Wireless One

Beth Culpepper, Esq.
William Cox, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32301



Charles J. Rehwinkel

CERTIFICATE OF SERVICE

971194 - TP

I HEREBY CERTIFY that a true and correct copy of the ^{DIRECT} Testimony of F. Ben Poag has been served by Overnight Delivery or hand delivery (*) upon the following on this 7th day of October, 1997.

William A. Adams, Esq.
Arter & Hadden
One Columbus Circle
10 West Broad Street, Suite 2100
Columbus, Ohio 43215- 3422
Attorneys for Wireless One

Beth Culpepper, Esq.
William Cox, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32301



Charles J. Rehwinkel

DN 10281 -97
10/7/97