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December 22, 1997

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

Re: Docket No. 970526-TP  
Generic consideration of incumbent local exchange (ILEC) business  
office practices and tariff provisions in the implementation of intraLATA  
presubscription

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of the Direct Testimony of  
ACK William E. Munsell on behalf of GTE Florida Incorporated for filing in the above matter  
AFA Service has been made as indicated on the Certificate of Service If there are any  
APP questions regarding this matter, please contact me at (813) 483-2617

CAF Very truly yours,  
CMU [Signature]  
CTR \_\_\_\_\_  
EAG \_\_\_\_\_  
LEG 1  
LIN 54 Enclosures  
OPC \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC 1  
WAS \_\_\_\_\_  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of the Direct Testimony of William E. Munsell on behalf of GTE Florida Incorporated in Docket No. 970526-TP were sent via U S. mail on December 22, 1997, to the parties on the attached list.

  
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**GTE FLORIDA INCORPORATED**

**DIRECT TESTIMONY OF WILLIAM E. MUNSELL**

**DOCKET NO. 970526-TP**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

**A. My name is William E. Munsell. My business address is 600 Hidden Ridge Road, Irving, Texas 75015-2092.**

**Q. WHAT IS YOUR CURRENT POSITION?**

**A. I am employed by GTE Telephone Operations as Senior Product Manager-Switched Access Service. In this position I am responsible for the switched access products offered by the GTE telephone operating companies throughout the country.**

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.**

**A. I have an undergraduate degree in economics from the University of Connecticut, and a masters degree from Michigan State University in agricultural economics. I joined GTE in 1982 with GTE Florida. In 1989, I joined GTE Telephone Operations in Irving, Texas, as Senior Product Manager - IntraLATA Toll Services. In that capacity I was responsible for developing tariffs, assessing system capabilities, and product promotions for GTE's optional calling plans. During the course of my career with GTE I have held positions of increasing**

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1 responsibility in Demand Analysis, Pricing and Product Management.  
2 I assumed my present position in 1994.

3

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
5 **DOCKET?**

6 **A. I will address the issue of whether the Commission should require**  
7 **GTEFL to provide so-called "two-for-one PIC" to existing customers.**  
8 **A two-for-one PIC policy would require GTEFL to charge just one fee**  
9 **to customers changing both their interLATA and intraLATA primary**  
10 **interexchange carriers (PICs). I will show that any significant**  
11 **discount off the two separate charges that apply today to such**  
12 **transactions would be unjustified for GTEFL.**

13

14 I understand that the remaining issues in the case will be addressed  
15 in the parties' briefs.

16

17 **Q. HOW DOES GTEFL CURRENTLY ASSESS THE INTRALATA PIC**  
18 **CHANGE CHARGE?**

19 **A. GTEFL currently assesses an intraLATA PIC change charge at a rate**  
20 **identical to the interLATA PIC change charge.**

21

22 **Q. HOW DO EXISTING CUSTOMERS CHANGE INTRALATA TOLL**  
23 **PROVIDERS?**

24 **A. On the day their exchange was converted, existing customers were**  
25 **able to select toll providers other than GTEFL simply by contacting**

1 their toll provider of choice or by contacting GTEFL. GTEFL  
2 continues to provide intraLATA toll service until the customer chooses  
3 another toll provider. GTEFL allows each existing customer a free  
4 initial PIC change. An intraLATA PIC change charge is applied to  
5 each subsequent change.

6

7 **Q. HOW ARE NEW CUSTOMERS ABLE TO SELECT THEIR TOLL**  
8 **PROVIDERS OF CHOICE?**

9 **A. At the time they initiate service, new customers are asked to select an**  
10 **intraLATA toll provider and an interLATA toll provider. New**  
11 **customers have 90 days from the date they initiate service to choose**  
12 **each toll provider without charge. Consistent with interLATA equal**  
13 **access, until new customers select their intraLATA toll providers, they**  
14 **cannot dial toll calls on a 1+ basis, but must use a carrier access**  
15 **code (10XXX). After the 90-day period has elapsed, if a new**  
16 **customer selects both toll providers, two PIC change charges (one for**  
17 **interLATA and one for intraLATA) apply.**

18

19 **Q. PLEASE EXPLAIN THE INTRALATA PIC CHANGE CHARGE.**

20 **A. The intraLATA PIC change charge is assessed when an end user**  
21 **changes their intraLATA presubscribed carrier. PIC change requests**  
22 **can come to GTEFL either directly from the end user, or from the**  
23 **interexchange carrier via an industry-standard Customer Account**  
24 **Record Exchange (CARE) transaction. GTEFL's procedures and the**  
25 **associated costs to process an intraLATA PIC change are identical**

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to the procedures and costs of processing the interLATA PIC change.  
The rates for the intraLATA and interLATA PIC changes are thus the  
same.

**Q. WHEN BOTH THE INTRALATA AND INTERLATA PICS ARE  
CHANGED ON THE SAME ORDER, HOW MANY PIC CHANGE  
CHARGES DOES GTEFL APPLY?**

**A. GTEFL applies two PIC change charges—one for interLATA and one  
for intraLATA.**

**Q. WHY ARE TWO PIC CHANGE CHARGES APPROPRIATE?**

**A. Any efficiencies gained when both PICs are changed on the same  
order are very minimal, so that GTEFL is justified in charging the  
interLATA PIC change charge for the interLATA PIC change and the  
intraLATA PIC change charge for the intraLATA PIC change.**

**Q. WHAT IS THIS EFFICIENCY TO WHICH YOU REFER?**

**A. The only efficiency which GTEFL has been able to identify occurs  
when end users contact the GTEFL business office directly to change  
both PICs. If an end user changes both presubscribed carriers on the  
same order, GTEFL estimates that the amount of time the customer  
representative saves, relative to handling two separate calls to  
change each PIC, is two minutes. This two minutes is an estimate of  
the time the customer representative spends confirming information  
(name, address, etc) with the customer. GTEFL also estimates that**

1 only about 14% of PIC changes are the result of end users calling the  
2 GTEFL business office directly; the remainder (86%) are made as a  
3 result of the toll carriers sending GTEFL CARE transactions. Thus,  
4 even the minimal efficiency identified would not apply for most  
5 transactions.

6  
7 **Q. ARE THERE OTHER WAYS IN WHICH GTEFL'S PIC CHANGE**  
8 **PROCESSES SUPPORT TWO PIC CHANGE CHARGES?**

9 **A. Yes. Even though PIC changes may be made simultaneously, they**  
10 **are handled individually in the system. At the request of the IXC's,**  
11 **GTE instituted a process which provides the IXC's with a positive**  
12 **confirmation, by way of a date and time stamp, of when a PIC change**  
13 **was accepted by the switch in updating the customer's line**  
14 **information. In the development of its intraLATA equal access**  
15 **process, GTE realized that the switch may very well process the two**  
16 **PIC's at different points in time and that the end user may have**  
17 **instituted a PIC restriction ("freeze") on either the interLATA or**  
18 **intraLATA PIC. In order to provide accurate date and time stamps,**  
19 **GTE had to split the single CARE transaction from the IC into two**  
20 **distinct transactions for interLATA and intraLATA processing,**  
21 **respectively.**

22  
23 Furthermore, GTEFL's existing one-free-PIC policy essentially  
24 achieves, to a great extent, a two-for-one PIC result. GTEFL has  
25 permitted customers one free intraLATA PIC change since intraLATA



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presubscription became available (GTEFL's switch conversion was completed in February, 1997). As such, a customer requesting a change of his interLATA PIC along with a first-time change of intraLATA PIC would be assessed only one charge—for the interLATA PIC change. This situation underscores how reasonable GTEFL has been in the PIC change area and how unjustified this entire docket is.

**Q. BASED ON YOUR TESTIMONY, IT SEEMS THAT ANY EFFICIENCIES ASSOCIATED WITH SIMULTANEOUS PIC CHANGES WOULD NOT HAVE MUCH OF AN IMPACT ON THE RATE THE CUSTOMER PAYS. IS THAT RIGHT?**

**A. Yes. GTEFL believes that the cost difference of changing both the interLATA and intraLATA PIC on the same order is only about \$.08 (about 2% of the existing \$4.14 rate), and that this minimal cost difference does not warrant establishing a separate intraLATA PIC change charge in those relatively few instances where the customer changes both PICs through direct contact with the business office.**

**Q. IN THE BELLSOUTH COMPLAINT PROCEEDING, THE COMMISSION ALLOWED BELLSOUTH TO COLLECT A 30% ADDITIVE, RATHER THAN A FULL CHARGE, WHEN A CUSTOMER CHANGES BOTH PICS ON THE SAME ORDER. IS THIS AN APPROPRIATE MEASURE TO CONSIDER FOR GTEFL?**

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**A. Absolutely not. Like everything else in the BellSouth complaint case, the additive was based on facts specific to BellSouth. I understand that the 30% additive reflects BellSouth's PIC change processes and associated costs. Those processes are different from GTEFL's. As noted, with regard to GTEFL's systems, there are only negligible efficiencies associated with changing both PICs on a single order. Imposition upon GTEFL of the 30% additive, with no regard for GTEFL's own circumstances, would plainly be arbitrary and unwarranted.**

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

**A. Yes.**

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