

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

March 16, 1998

BY HAND DELIVERY

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

Re: Docket Nos. 870248-TL; 900039-TL;
910022-TL; 911185-TL; and 921193-TL

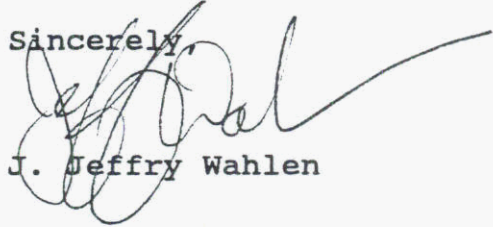
Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Sprint-Florida, Inc.'s Prepared Direct Testimony of Sanja Powell.

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,



J. Jeffrey Wahlen

Enclosures

cc: All parties of record

DOCUMENT NUMBER-DATE
03266 MAR 16 88
FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U. S. Mail or hand delivery (*) this 16th day of March, 1998, to the following:

Mary Beth Keating •
Florida Public Service
Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Nancy H. Sims
BellSouth Telecommunications
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

Florida Competitive Carriers
c/o J.P. Gillan and Associates
P. O. Box 541038
Orlando, FL 32854

Holmes County Board of
Commissioners
210 N. Oklahoma St.
Bonifay, FL 32425

Orange County Board of
Commissioners
P. O. Box 1393
Orlando, FL 32802-1393

Vista-United Telecommunications
P. O. Box 10180
Lake Buena Vista, FL 32830

Richard Brashear
ALLTEL Florida, Inc.
P. O. Box 550
Live Oak, FL 32060-0550

Joseph McGlothlin
Vicki Kaufman
McWhirter Law Firm
117 S. Gadsden Street
Tallahassee, FL 32301

Starke-Bradford Counties
Chamber of Commerce
P. O. Box 576
Starke, FL 32091

Volusia County
Communications Director
119 W. Indiana Avenue
Deland, FL 32720

Palm Beach County Board of
Commissioners
Asst. County Attorney
P. O. Box 1989
West Palm Beach, FL 33402



Attorney

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

SANJA POWELL

Q. Please state your name, business name, address and title.

A. My name is Sanja Powell. I am employed by Sprint-Florida, Incorporated ("Sprint"). My business address is 555 Lake Border Drive, Apopka, Florida, 32713. I am currently a Docket Manager at Sprint.

Q. Please describe your educational background and business experience.

A. I received a Bachelor of Science degree in Computer Information Systems from Florida A&M University. I also have a Masters of Business Administration degree in Management Information Systems from the University of Central Florida.

I began my career in 1994 when I joined Sprint as a Management Trainee in the Information Systems department. In 1995, I was placed into an Information Systems Consultant position where I provided hardware and

1 software support to users in the Marketing Department.

2

3 In 1997, I was promoted to the position of Business
4 Analyst and later promoted to a Project Manager where I
5 supported process improvement initiatives through project
6 management. In 1998, I was promoted to my current
7 position as a Docket Manager. In this role, I am
8 responsible for analyzing dockets and tariffs related to
9 local services.

10

11 Q. What is the purpose of your testimony?

12

13 A. The purpose of my testimony is to address Sprint's
14 position regarding implementation of a toll alternative,
15 e.g., Extended Calling Scope, or ECS, on the interLATA
16 routes on a one-way basis for traffic originating in
17 Sprint's exchanges and terminating in BellSouth's
18 exchanges.

19

20 The routes included are as follows:

21

<u>Sprint Exchange</u>	<u>BellSouth Exchange</u>	<u>Docket No.</u>
Graceville	Ponce De Leon	870248-TL
Graceville	Defuniak Springs	870248-TL
Mt. Dora	Orlando	900039-TL

1	Lawtey	Gainesville	910022-TL
2	Starke	Gainesville	910022-TL
3	Orange City	Daytona Beach	911185-TL
4	Orange City	New Smyrna Beach	911185-TL
5	Orange City	Oak Hill	911185-TL
6	Orange City	Pierson	911185-TL
7	Clewiston	Belle Glade	921193-TL

8

9 Additionally, I provide Sprint's position on the
10 appropriate rate structure and rates for the proposed ECS
11 service and the call compensation rates that should be
12 paid to BellSouth for terminating the traffic.

13

14 Q. What is Sprint's position on one-way ECS?

15

16 A. It is Sprint's position that one-way ECS is appropriate
17 on these routes if appropriate originating end user rates
18 and call termination compensation arrangements are also
19 ordered.

20

21 Q. If one-way ECS is ordered, what call termination rate, if
22 any, should BellSouth charge Sprint to terminate this
23 interLATA ECS traffic?

24

25 A. BellSouth should charge Sprint the same interLATA

1 terminating access charge rates as BellSouth charges IXCs
2 to terminate traffic between these exchanges.

3

4 Q. Why should interLATA access charges apply rather than
5 intraLATA access charges or local interconnection
6 charges?

7

8 A. All of the routes are interLATA routes and all carriers
9 providing service over the route should be subject to the
10 same charges. If the routes were two way routes, an
11 argument could be made that the traffic is local and
12 local interconnection rates would apply. However, as
13 long as the traffic in one direction, from BellSouth to
14 Sprint, is toll, local interconnection rates should not
15 apply.

16

17 Q. If one-way ECS is appropriate, what rate structure and
18 rate levels should the LECs charge the end user?

19

20 A. In order to allow Sprint to recover the terminating
21 access charge expenses, the originating call set up and
22 transport costs, and to provide some contribution to
23 common costs, Sprint recommends a per minute of use rate
24 structure. The current rate in place for business
25 customers on ECS routes of \$.10 for the initial minute

1 and \$.06 for the additional minutes is appropriate for
2 both business and residential customers on these
3 interLATA routes.

4
5 A per minute rate versus a per message rate will mitigate
6 inter-carrier arbitrage and be more competitively
7 neutral. For example, if Sprint were required to provide
8 ECS on a per message basis while its competitors charged
9 by the minute, Sprint would win all the losers (callers
10 with long call durations) while callers with short call
11 durations would use a competitor. This could result in
12 Sprint paying more in terminating access charges than it
13 collects in revenues from the originating callers and
14 would limit Sprint's ability to compete for customers
15 with short duration holding times.

16

17 Q. Please explain why a usage sensitive rate structure is
18 appropriate.

19

20 A. First, it has been Sprint's experience that many
21 customers' calls are of a short duration and the usage
22 sensitive structure will benefit them. Secondly, it will
23 maintain a competitive balance, that is, IXCs will be
24 able to compete in this market if LECs' prices reflect
25 underlying costs. Thirdly, it will prevent inter-carrier

1 arbitrage. For example, if the LECs' prices are message
2 rated, customers with calls of long duration will use the
3 LEC, and customers with calls of short duration will use
4 a carrier with usage sensitive pricing structure.
5 Additionally, some customers will place calls they expect
6 to be of long duration with the LEC, e.g., to their
7 Internet provider, and use casual dialing to an IXC for
8 shorter calls. Equity and competitive neutrality require
9 that a usage sensitive pricing structure be implemented.
10 This is the only way to ensure cost recovery and to
11 mitigate competitive barriers on the routes in question.

12
13 Q. If one-way ECS is ordered on the routes in question, and
14 a termination charge is deemed appropriate, what economic
15 impact will this have on the originating LEC?

16
17 A. Based on traffic study results conducted on each of the
18 routes in question, using the \$.10 and \$.06 rates and
19 BellSouth's terminating intrastate premium rates listed
20 in the Commission's compiled October 20, 1997, Florida
21 Access and Toll Report, implementing ECS on the proposed
22 routes will have a negative financial impact on Sprint
23 annually of approximately \$21,000.

24
25 Q. Does this loss include the cost of constructing the

1 facilities necessary to implement ECS on these routes?
2
3 A. No, the Company has not done a study to determine those
4 costs. Those costs would be in addition to the above
5 financial impact.
6
7 Q. How do Sprint's proposed rates compare to the rates of
8 the larger IXCs?
9
10 A. Based on the Florida Access and Toll Report, Sprint's
11 proposed rates are in the range of 50% to 70% lower than
12 the day rate period rates in the major IXCs' basic rate
13 schedules. The difference would be much less for the
14 IXC's night and evening rates as well as for any volume
15 discount plans offered by the IXCs.
16
17 Thus, Sprint's proposed rates and rate structure would
18 provide customers with some savings over current toll
19 rates, still provide for competition on these routes and
20 ensure that each carrier's call termination costs are
21 recovered.
22
23 Q. Does this conclude your testimony?
24
25 A. Yes.