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April 17, 1998

ORIGINAL

BY HAND DELIVERY

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

Re: Docket No. 980499-TP - Complaint Against BellSouth
Telecommunications, Inc.

Dear Ms. Bayó:

Enclosed for filing on behalf of MCImetro Access
Transmission Services, Inc. ("MCImetro"), in the above
referenced docket are the original and 15 copies of the
Direct Testimony of Ronald Martinez.

Copies have been furnished to parties of record as
indicated on the attached service list.

Very truly yours,

Richard D. Melson

Richard D. Melson

- ACK _____
- AFA _____
- APP _____
- CAF 1 RDM/clp
- CMU 2 Enclosure
- cc: Parties of Record
- CTR _____
- EAG _____
- LEG _____
- LIN Dygt 5
- OPC _____
- RCH _____
- SEC I
- WAS _____
- OTH _____

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

04396 APR 17 98

FPSC-REC. MGS/REPORTING

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by Hand Delivery this 17th day of April, 1998.

Charles J. Pellegrini
FL Public Service Commission
Division of Legal Services
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Tallahassee, FL 32399-0850

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Richard D. Me

ATTORNEY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF RONALD MARTINEZ

ON BEHALF OF MCIMETRO ACCESS TRANSMISSION SERVICES, INC.

DOCKET NO. 980499-TP

April 17, 1998

Q. PLEASE STATE YOUR NAME, ADDRESS AND POSITION.

A. My name is Ronald Martinez. My business address is 780 Johnson Ferry Road, Atlanta Georgia 30342. I am employed by MCI Telecommunications Corporation in the Law and Public Policy Group as an Executive Staff Member II. My responsibilities in my current position include working with the MCI business units to ensure timely introduction of products and services.

Q. PLEASE PROVIDE YOUR BACKGROUND AND EXPERIENCE.

A. In my previous position at MCI, I managed the business relationships between MCI and approximately 500 independent local exchange companies in twenty-one states. I have experience in network engineering, administration and planning; facilities engineering, management and planning; network sales; and technical sales support. Prior to joining MCI, I was the Director of Labs for Contel Executone for several years. Before that, I worked for sixteen years in the Bell system in numerous engineering, sales and sales support functions. I have a Master of Science degree in Operations Research and a Bachelor of Science Degree in Electrical Engineering from the University of New Haven.

DOCUMENT NUMBER-DATE

04396 APR 17 88

FPSC-RECORDS/REPORTING

1 **Q. ARE YOU FAMILIAR WITH THE FLORIDA INTERCONNECTION**
2 **AGREEMENT BETWEEN MCI AND BELLSOUTH?**

3 A. Yes. I was the lead negotiator in the negotiation of the Interconnection
4 Agreement (the "MCI Agreement") on behalf of MCImetro Access Transmission
5 Services, Inc. ("MCImetro"). Although I am not a lawyer and do not express legal
6 opinions in this testimony, I am quite familiar with the provisions discussed below
7 and what the parties intended them to accomplish.

8
9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. The purpose of my testimony is to provide information to the Florida Public
11 Service Commission concerning the provisions of the MCI Agreement that are
12 relevant to the reciprocal compensation issue. I have attached copies of the
13 relevant provisions of the MCI Agreement as Exhibit ___ (RM-1).

14
15 **Q. WHAT IS RECIPROCAL COMPENSATION?**

16 A. Reciprocal compensation is the mechanism by which interconnecting parties
17 compensate each other for local traffic terminated on each other's lines. Thus,
18 when a customer calling from a BellSouth line calls a customer on MCImetro's
19 network, BellSouth pays MCImetro to terminate that call.

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21 **Q. WHAT CONTRACTUAL OBLIGATION DOES BELLSOUTH HAVE TO**
22 **PAY RECIPROCAL COMPENSATION TO MCIMETRO FOR LOCAL**

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**TRAFFIC ORIGINATED ON BELLSOUTH'S LINES AND
TERMINATED ON MCIMETRO'S LINES?**

A. Attachment IV, Subsection 2.2.1 of the Agreement provides in relevant part: "The Parties shall bill each other reciprocal compensation at the rates set forth for Local Interconnection in this Agreement and the Order of the FPSC. Local Traffic is defined as any telephone call that originates in one exchange and terminates in either the same exchange, or a corresponding Extended Area (EAS) exchange." Rates for the exchange of local traffic are set forth in Table 1 of Attachment I to the MCI Agreement. As noted in Attachment I, Subsection 7.1, compensation for the exchange of local traffic is to be billed on a per-minutes-of-use basis and is to be measured in accordance with Attachment IV (i.e., in accordance with the definition in Subsection 2.2.1 quoted above). These provisions make it clear that BellSouth is required to pay MCImetro at the agreed-upon rate for all local calls originated on BellSouth's lines and terminated on MCImetro's lines.

**Q. DOES MCIMETRO "TERMINATE" TELEPHONE CALLS TO THE
INTERNET SERVICE PROVIDERS ON ITS NETWORK?**

A. Yes. A "telephone call" placed over the public switched telephone network is "terminated" when it is delivered to the telephone exchange service premise bearing the called telephone number. As a communications service, a call is completed at that point, regardless of the identity or status of the called party. An internet service provider ("ISP") that purchases local service from MCImetro is assigned a telephone number by MCImetro for local service at the ISP's premise.

1 When a BellSouth customer originates a call by dialing that number, as far as
2 MCImetro is concerned that call terminates at the ISP premise, just as any other
3 telephone call. A connection that an ISP may subsequently enable over the
4 internet is between the ISP and its other providers.

5

6 **Q. HOW DOES THE MCI AGREEMENT APPLY TO LOCAL TELEPHONE**
7 **CALLS MADE FROM BELLSOUTH'S NETWORK TO ISPs SERVED BY**
8 **MCIMETRO'S NETWORK?**

9 A. BellSouth must pay reciprocal compensation for the termination of such calls to
10 ISPs. The definition of Local Traffic in Attachment IV, Subsection 2.2.1, which
11 was included at BellSouth's request, makes no exception for telephone calls
12 terminated to ISPs. Had such an exception been intended, it would have been
13 expressly included by the parties.

14

15 **Q. HAVE OTHER PUBLIC SERVICE COMMISSIONS ADDRESSED THE**
16 **QUESTION OF WHETHER RECIPROCAL COMPENSATION MUST BE**
17 **PAID FOR LOCAL CALLS TO ISPS?**

18 A. Yes. To my knowledge, more than a dozen state commissions now have ruled that
19 telephone calls to ISPs constitute local traffic that are subject to reciprocal
20 compensation. The one state commission in the Southeast that has ruled on the
21 question -- the North Carolina Utilities Commission has -- concluded that
22 BellSouth must pay reciprocal compensation for such calls. The hearing officer for

1 the Tennessee Regulatory Authority reached the same conclusion just this week. I
2 am not aware of any state commission that has ruled to the contrary.

3

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

5 **A. Yes, it does at this time.**

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Exhibit _____ (RM-1)
Docket No. 980499-TP
Witness: Ron Martinez
Company: MCImetro

**EXCERPTS FROM MCImetro/BST INTERCONNECTION AGREEMENT
effective June 19, 1997**

ATTACHMENT I

PRICE SCHEDULE

1. General Principles

1.1 All rates provided under this Agreement are permanent unless otherwise indicated in Table I, subject to true-up, and shall remain in effect until the Commission determines otherwise or unless they are not in accordance with all applicable provisions of the Act, the Rules and Regulations of the FCC in effect, or the Commission's rules and regulations, in which case Part A, Section 2 shall apply.

1.2 Except as otherwise specified in this Agreement, the Act or any Commission order, each Party shall be responsible for all costs and expenses that it incurs to comply with its obligation under this Agreement.

2. Local Service Resale

The rates that MCI shall pay to BellSouth for Resale shall be an amount equal to BellSouth's tariffed rates for each resold service as reduced by a percentage amount equal to the wholesale discount (set forth below in section 2.1, below). If BellSouth reduces such tariffed rates during the term of this Agreement, the wholesale discount shall be applied to the reduced tariffed rates.

2.1 The following wholesale discount will apply to all Telecommunications Services available for resale in Florida:

Residential Service: 21.83 %

Business Service: 16.81 %

3. Unbundled Network Elements

The charges that MCI shall pay to BellSouth for Network Elements are set forth in Table 1 of this Attachment.

4. Ancillary Functions and Supporting Elements

The interim prices for collocation, AIN and other Ancillary Functions or Supporting Elements that MCI shall pay to BellSouth are set forth in Table 1 of this Attachment.

MCImetro-BellSouth Florida Interconnection Agreement

5. Recorded Usage Data

The prices for Recorded Usage data are set forth in Table 1 of this Attachment.

6. Inside Wire

The price of the BellSouth Inside Wire Maintenance Plan purchased by MCI for resale shall not be reduced by the wholesale discount.

7. Interconnection and Reciprocal Compensation

7.1 Compensation for the exchange of local traffic is set forth in Table 1 of this Attachment and shall be billed based on per-minutes-of-use and shall be measured in accordance with Attachment IV. *

7.2 MCI may choose to establish trunking to any given end office when there is sufficient traffic to route calls directly to such end office. If MCI leases one-way trunks from BellSouth, MCI will pay the transport charges for dedicated or common transport. For two-way trunks the charges will be shared equally by both parties.

7.3 Compensation for the termination of toll traffic and the origination of 800/888 traffic between the interconnecting parties shall be based on the applicable access charges in accordance with FCC Rules and Regulations in effect.

7.4 Where a toll call is completed through BellSouth Florida's INP arrangement (e.g., remote call forwarding, flexible DID, etc.) to MCI's subscriber, MCI shall be entitled to applicable access charges in accordance with FCC Rules and Regulations.

7.5 MCI shall pay a transit rate as set forth in Table 1 of this Attachment when MCI uses an BellSouth access tandem to terminate a call to a third party LEC or another local service provider. BellSouth shall pay MCI a transit rate equal to the BellSouth rate referenced above when BellSouth uses an MCI switch to terminate a call to a third party LEC or another local service provider.

8. The recurring and non-recurring prices for Unbundled Network Elements (UNEs) in Table 1 of this Attachment are appropriate for UNEs on an individual, stand-alone basis. When two or more UNEs are combined, these prices may lead to duplicate charges. BellSouth shall provide recurring and non-recurring charges that do not include duplicate charges for functions or activities that MCI does not need when two or more network elements are combined in a single order. MCI and BellSouth shall work together to establish the recurring

MCImetro-BellSouth Florida Interconnection Agreement

and non-recurring charges in situations where MCI is ordering multiple network elements. Where the parties cannot agree to these charges, either party may petition the Florida Public Service Commission to settle the disputed charge or charges. BellSouth must notify the Commission when a rate is set that excludes duplicated charges by filing a report within 30 days of the rate being established. This report must specify the elements being combined and the charges for that particular combination.

MCImemo/BellSouth Florida Interconnection Agreement

Table 1 (all items/rates not included)

NETWORK ELEMENT	COMMISSION APPROVED RECURRING RATES FOR UNBUNDLED NETWORK ELEMENTS
NETWORK INTERFACE DEVICE	*\$0.76
LOOPS	
2 - WIRE ANALOG	\$17.00
4 - WIRE ANALOG	\$30.00
2 - WIRE ISDN	\$40.00
4 - WIRE DS1	\$80.00
LOOP DISTRIBUTION	*\$7.00
END OFFICE SWITCHING	
PORTS	
2 - WIRE ANALOG	\$2.00
4 - WIRE ANALOG	*\$10.00
2 - WIRE ISDN	\$13.00
4 - WIRE DS1	\$125.00
USAGE	
INITIAL MIN.	\$0.0175
ADD'L MIN.	\$0.005
SIGNALING	
LINK	\$5.00
TERMINATION	\$113.00
USAGE	
- CALL SETUP MSG	\$0.00001
- TCAP MESSAGE	\$0.00004
USAGE SURROGATE	\$64.00
UNBUNDLED LOOP CHANNELIZATION SYSTEM (DS1)	
- PER SYSTEM	\$480.00
- CENTRAL OFFICE CHANNEL INTERFACE - VOICE	\$1.50

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NETWORK ELEMENT	COMMISSION APPROVED RECURRING RATES FOR UNBUNDLED NETWORK ELEMENTS
COMMON TRANSPORT	
PER MILE	\$0.000012
FACILITIES TERMINATION PER MOU	\$0.0005
DEDICATED TRANSPORT (DS1)	
PER MILE	\$1.60
PER FAC. TERM.	\$59.75
TANDEM SWITCHING	\$0.00029
CALL TRANSPORT AND TERMINATION (Compensation for Exchange of Local Traffic)	
END OFFICE INTERCONNECTION INCLUDING TRANSPORT (PER MOU)	\$0.002
TANDEM INTERCONNECTION INCLUDING TRANSPORT (PER A51MOU)	\$0.00125
OPERATOR SYSTEMS	
OPERATOR CALL HANDLING	\$1.00
AUTOMATED CALL HANDLING	\$0.10
BUSY LINE VERIF.	\$0.80
EMERGENCY INTER.	\$1.00
NUMBER SERVICE INTERCEPT	
- PER QUERY	\$0.01
DIRECTORY ASSISTANCE (DA)	\$0.25
DA DABABASE	
- PER LISTING	\$0.001
- MONTHLY	\$100.00
DIRECT ACCESS TO DA SERVICE	
- MONTHLY	\$5,000.00
- PER QUERY	\$0.01
DA CALL COMPLETION	\$0.03
DA TRANSPORT	
- SWITCHED LOCAL CHANNEL	*\$133.81
- SWITCHED DEDICATED	
TRANSPORT DS1 LEVEL	
- PER MILE	*\$16.75
- PER FACILITY TERM.	\$59.75

*

MCImetro/BellSouth Florida Interconnection Agreement

- SW COMM. / DA CALL	\$0.0003
- SW COMM. / DA CALL/MILE	\$0.00001
- TANDEM SW/DA CALL	\$0.00055

* Interim Rates

MCIr. BellSouth Florida Interconnection Agreement

1.2.1 BellSouth "Interconnection Point" or "IP" means the physical point that establishes the technical interface, the test point, and the operational responsibility hand-off between MCIr and BellSouth for the local interconnection of their networks. MCIr will separate traffic destined for different tandems onto separate trunk groups at the IP.

1.2.2 MCIr shall designate at least one IP in the LATA in which MCIr originates local traffic and interconnects with BellSouth. MCIr will be responsible for engineering and maintaining its network on its side of the IP. BellSouth will be responsible for engineering and maintaining its network on its side of the IP. If and when the parties choose to interconnect at a mid-span meet, MCIr and BellSouth will jointly provision the fiber optic facilities that connect the two networks and shall share the financial and other responsibilities for that facility.

1.2.2.1 Upon MCIr's request for additional points of interconnection, BellSouth will interconnect with MCIr at any Technically Feasible point on BellSouth's network of MCIr's choosing using the same technical configuration or using other arrangements, including but not limited to mutually agreed upon mid-span fiber meets, entrance facilities, telco closets, and physical or virtual collocation.

1.2.2.2 Within three (3) business days of MCIr's written request for IP, BellSouth shall identify any known Environmental Hazard or Hazardous Materials existing in the IP route or location.

1.2.2.3 BellSouth shall allow MCIr to perform any environmental site investigations, including, but not limited to, asbestos surveys, MCIr deems to be necessary in support of its collocation needs, at MCIr's request.

1.2.2.4 If interconnection is complicated by the presence of Environmental Hazards or Hazardous Materials, and an alternative route is available, BellSouth shall make such alternative route available for MCIr's consideration.

Section 2. Compensation Mechanisms

2.1 Interconnection Point

2.1.1 Each party is responsible for bringing their facilities to the IP.

MCI-BellSouth Florida Interconnection Agreement

2.2 Compensation for Call Traffic Transport and Termination

2.2.1 The Parties shall bill each other reciprocal compensation at the rates set forth for Local Interconnection in this Agreement and the Order of the FPSC. Local Traffic is defined as any telephone call that originates in one exchange and terminates in either the same exchange, or a corresponding Extended Area (EAS) exchange. The terms Exchange and EAS exchanges are defined and specified in Section A3. Of BellSouth's General Subscriber Service Tariff. *

2.2.1.1 BellSouth shall provide to MCI, on diskette(s) or in any other manner that the parties agree to, on a one-time basis when requested by MCI, an all-inclusive list (BellSouth, LEC, CLEC and EAS NXX's) of NXX's pertaining to section 2.2.1, above, that creates parity with that which BellSouth provides to itself. MCI may require, upon request, updates to this list.

2.2.2 The IP determines the point at which the originating carrier shall pay the terminating carrier for the completion of that traffic. The following compensation elements shall apply:

2.2.2.1 "Transport", which includes the transmission and any necessary tandem switching of local telecommunications traffic from the interconnection point between the two carriers to the terminating carrier's end-office switch that directly serves the called end-user.

2.2.2.2 "Termination", which includes the switching of Local Traffic at the terminating carrier's end office switch.

2.3 When an MCI subscriber places a call to BellSouth's subscriber, MCI will hand off that call to BellSouth at the IP. Conversely, when BellSouth hands over local traffic to MCI for MCI to transport and terminate, BellSouth must use the established IP.

2.4 MCI may designate an IP at any Technically Feasible point including but not limited to any electronic or manual cross-connect points, collocations, telco closets, entrance facilities, and mid-span meets where mutually agreed upon. The transport and termination charges for local traffic flowing through an IP shall be as follows:

2.4.1 When calls from MCI are terminating on BellSouth's network through the BellSouth tandem, MCI will pay to BellSouth the tandem switching rate.

2.4.2 When BellSouth terminates calls to MCI's subscribers using MCI's switch, BellSouth shall pay to MCI the appropriate interconnection rate(s). BellSouth shall not compensate MCI for transport and tandem switching unless MCI actually performs each function.

2.4.3 MCI may choose to establish direct trunking to any given end office. If MCI leases trunks from BellSouth, it shall pay charges for dedicated or common transport. For calls terminating from MCI to subscribers served by these directly trunked end offices, MCI shall also pay BellSouth the end office switching rate. For BellSouth traffic terminating to MCI over the direct end office trunking, BellSouth shall pay the same rate.

Section 3. Signaling

3.1 Signaling protocol. The parties will interconnect their networks using SS7 signaling as defined in GR-317 and GR-394 including ISDN User Part ("ISUP") for trunk signaling and Transaction Capabilities Application Part ("TCAP") for CCS-based features in the interconnection of their networks. All Network Operations Forum (NOF) adopted standards shall be adhered to.

3.2 The parties will provide CCS to each other in conjunction with all trunk groups supporting local, transit, and toll traffic. The parties will cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full inter-operability of CCS-based features between their respective networks, including all CLASS features and functions. All CCS signaling parameters will be provided including automatic number identification (ANI), originating line information (OLI), calling party category, charge number, etc. All privacy indicators will be honored.

3.2.1 OSS7, while planned by BellSouth, is not presently available.

3.3 Refer to Attachment III, Section 15.5 for detailed terms of SS7 Network Interconnection.

3.4 Both parties agree that the standard interconnection facilities shall be Extended Superframe (ESF) with B8ZS line code. Where ESF/B8ZS is not available, MCI will agree to using other interconnection protocols on