

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of)
)
Complaint of WorldCom)
Technologies, Inc. against)
BellSouth Telecommunications,)
Inc. for breach of terms of)
Florida partial interconnection)
agreement under Sections 251 and)
252 of the Telecommunications Act)
of 1996, and request for relief.)

DOCKET NO. 971478-TL

Filed: May 1, 1998

Complaint of Teleport)
Communications Group, Inc./TCG)
South Florida against BellSouth)
Telecommunications, Inc. for)
breach of terms of interconnection)
agreement under Section 252 of the)
Telecommunications Act of 1996,)
and request for relief.)

DOCKET NO. 980184-TP

Complaint of Intermedia)
Communications Inc. Against)
BellSouth Telecommunications Inc.)
for breach of terms of Florida)
Partial Interconnection)
Agreement under Sections 251 and)
252 of the Telecommunications Act)
of 1996, and request for relief.)

DOCKET NO. 980495-TP

Complaint by MCI Metro Access)
Transmission Services, Inc. against)
BellSouth Telecommunications, Inc.)
for breach of approved inter-)
connection agreement by failure to)
pay compensation for certain local)
traffic.)

DOCKET NO. 980499-TP

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- WFA
- WPP
- WAF
- WCMU *Strow*
- WCTR
- WEAG
- WLEG *2*
- WLIN *Strow*
- WOPC
- WRCH
- WSEC *1*
- WWAS
- WOTH

INTERMEDIA COMMUNICATIONS INC.'S
REBUTTAL TESTIMONY OF JULIA STROW

RECEIVED & FILED
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1 Q: Please state your name, employer, position, and
2 business address.

3 A: My name is Julia Strow. I am employed by Intermedia
4 Communications Inc. (Intermedia) as Assistant Vice
5 President, Strategic Planning and Industry Policy. My
6 business address is 3625 Queen Palm Drive, Tampa,
7 Florida 33619.

8 Q: What are your responsibilities in that position?

9 A: I am the primary interface between Intermedia and the
10 incumbent local exchange carriers (ILECs). In that
11 capacity, I am involved in interconnection
12 negotiations and arbitrations between Intermedia and
13 the ILECs. I am also primarily responsible for
14 strategic planning and the setting of Intermedia's
15 regulatory policy.

16 Q: Please briefly describe your educational background
17 and professional experience.

18 A: I graduated from University of Texas in 1981 with a
19 B.S. in Communications. I joined AT&T in 1983 as a
20 Sales Account Executive responsible for major market
21 accounts. I subsequently held several positions with
22 BellSouth's Marketing Department, with
23 responsibilities for Billing and Collection and Toll
24 Fraud Services. In 1987, I was promoted to Product
25 Manager for Billing Analysis Services, with

1 responsibility for the development and management of
2 BellSouth's toll fraud detection and deterrence
3 products. In 1988, I was promoted into the BellSouth
4 Federal Regulatory organization. During my tenure
5 there, I had responsibility for regulatory policy
6 development for various issues associated with Billing
7 and Collection Services, Access Services, and
8 Interconnection. In 1991, due to a restructuring of
9 the Federal Regulatory organization, my role was
10 expanded to include the development of state and
11 federal policy for the issues I mentioned above.
12 During my last two years in that organization, I
13 supported regulatory policy development for local
14 competition, interconnection, unbundling, and resale
15 issues for BellSouth. I joined Intermedia in April
16 1996 as Director of Strategic Planning and Regulatory
17 Policy. In April, 1998, I became Vice President,
18 Strategic Planning and Industry Policy.

19 **Q: Did you previously file direct testimony in this**
20 **proceeding?**

21 **A:** No, but I am adopting the direct testimony previously
22 filed by Michael A. Viren on April 17, 1998, and will
23 appear in his stead at hearing.

24 **Q: What is the purpose of your rebuttal testimony?**

25 **A:** The purpose of my rebuttal testimony is to respond to

1 the testimony of BellSouth's witness Jerry Hendrix.
2 Although he admits that all agreements in dispute in
3 this proceeding require reciprocal compensation for
4 the termination of calls on either party's network, he
5 contends that when an end-user calls an Internet
6 service provider (ISP), reciprocal compensation is not
7 due. According to Mr. Hendrix, call termination does
8 not occur at that point because the Federal
9 Communications Commission (FCC) has allegedly
10 concluded that enhanced service providers, of which
11 ISPs are a subset, use the local network to provide
12 interstate services. (Hendrix Dir., pages 2-3)

13 **Q.** How do you respond to these assertions?

14 **A.** Mr. Hendrix is wrong for two straightforward and
15 unavoidable reasons. First, the BellSouth-Intermedia
16 interconnection agreement and its subsequent
17 reciprocal compensation amendment (collectively
18 "Agreement") are clear as written and require such
19 compensation. The essence of the Agreement requires
20 that parties owe each other reciprocal compensation
21 for any "Local Traffic" terminated on the other's
22 network and that a local telephone call from an end-
23 user to an ISP qualifies as Local Traffic under the
24 terms of the agreement.

25 The second reason Mr. Hendrix is wrong is that he

1 attempts to ignore the reality that within the context
2 of the Agreement an Internet communication consists of
3 two segments: (1) a local telephone call from an end-
4 user to an ISP; and (2) an enhanced transmission from
5 the ISP over the Internet.

6 Third, BellSouth has raised these same arguments
7 in North Carolina and Tennessee that were summarily
8 rejected by those Commissions.

9 Thus, Mr. Hendrix ignores that under this
10 scenario the ISP does not serve as a
11 telecommunications carrier. The call ends when it is
12 delivered to the ISP. The information service
13 provided by the ISP is not a call, because it is not
14 a telecommunications service.

15 It is only by ignoring the clear meaning of the
16 Agreement and the clear distinction between
17 telecommunications and information service that
18 BellSouth can attempt to avoid its contractual
19 obligation.

20 **Q. Under the scenario you just described, why isn't the**
21 **ISP classified as a telecommunications carrier?**

22 **A.** First, the Act defines "telecommunications" as
23 the "transmission, between or among points specified
24 by the user, of information of the user's choosing,
25 without change in the form or content of the

1 information as sent and received." (47 U.S.C.
2 153(43)) The local telephone call from an end-user to
3 an ISP clearly meets the definition of
4 telecommunications.

5 The second segment, however, does not meet the
6 definition of telecommunications under the Act.
7 Moreover, the enhanced transmission from the ISP over
8 the Internet is not regulated under title II of the
9 Act. BellSouth acknowledges that ISPs are a subset of
10 enhanced service providers. Specifically, "enhanced
11 service" refers to

12 services, offered over common carrier
13 transmission facilities, which employ
14 computer processing applications that
15 act of the format, content, code,
16 protocol or similar aspects of the
17 subscriber's transmitted information;
18 provide the subscriber additional,
19 different, or restructured
20 information; or involve subscriber
21 interaction with stored information.

22 Enhanced services are not regulated
23 under title II of the Act. (47 CFR
24 64.702(a), emphasis added)

25 Once a call is sent to an ISP, the ISP performs

1 Internet protocol conversion and also directly
2 involves the subscriber direct access to stored
3 information. Therefore, the ISP segment of call meets
4 the enhanced services definition.

5 In conclusion, an ISP, whether served by
6 BellSouth or Intermedia, is not a carrier: an ISP is
7 an end-user that buys local service from a
8 telecommunications carrier.

9 Q. If ISPs are classified as end-users and not
10 telecommunications carriers, why in your opinion
11 doesn't BellSouth recognize that calls to ISPs qualify
12 as local calls?

13 A. Because BellSouth rejects the Act's fundamental
14 distinction between electronic transmissions that are
15 telecommunications services and those that are
16 enhanced services. It is only by treating the second
17 segment, enhanced service, as a continuation of a
18 telecommunications service that BellSouth can confuse
19 the otherwise clear application of the Agreement, the
20 tariff, the FCC orders, and the Commission orders
21 pursuant to the Act.

22 Q. Mr. Hendrix also remarks that if Intermedia's intent
23 was to assume that the traditional local calling area
24 definition in Section A3 were to include ISP traffic,
25 Intermedia should have made it clear. How do you

1 respond?

2 **A.** Intermedia was not assuming anything; it was relying
3 on the clear language of the Agreement and the clear
4 distinction between telecommunications and enhanced
5 services. Moreover, the Agreement and BellSouth's
6 various tariff provisions, such as Section A3,
7 dovetail nicely until BellSouth begins ignoring the
8 distinction between telecommunications and enhanced
9 services. For example, Section I(D) of the Agreement
10 defines "Local Traffic" as "any telephone call that
11 originates in one exchange and terminates in either
12 the same exchange, or a corresponding Extended Area
13 Service exchange," which are also defined and
14 specified in Section A3 of the GSST. Thus calls to
15 ISPs bearing the same central office designation as
16 the end-user meet the definition of local calls under
17 the Agreement. This simple and straightforward
18 application of the Agreement requires no
19 clarification.

20 **Q.** On page 11, lines 4-7, Mr. Hendrix states that it was
21 not BellSouth's intent for ISP traffic to be subject
22 to reciprocal compensation and that the main concern
23 was the balance of traffic which led to the cap
24 provision being included in the Agreement. How do you
25 respond?

1 **A.** In February, 1997, we renegotiated that provision to
2 a pure usage-based reciprocal compensation
3 arrangement. Even as late as February, 1997,
4 BellSouth agreed to usage-based reciprocal
5 compensation and made no mention of any exclusions
6 whatsoever. Even at this late date, during these
7 negotiations, BellSouth had every opportunity to
8 negotiate a means of identifying and separating ISP
9 traffic and did not do so. Had BellSouth's intent
10 been to exclude ISP traffic, a system to identify and
11 measure ISP traffic would have had to been discussed
12 by the parties. To date, no such discussions have
13 taken place. Thus, the entire record of this
14 proceeding and the history of discussions demonstrate
15 that there have never been any intention by either
16 party to exclude ISP traffic.

17 **Q.** To your knowledge, does BellSouth's system distinguish
18 between a local call placed to an ISP from any other
19 local call?

20 **A.** No. Without a system in place, neither company
21 can distinguish these types of calls. If BellSouth
22 intended to exclude traffic terminated to ISPs from
23 other local traffic, BellSouth would have needed to
24 develop a way to measure traffic that distinguishes
25 such calls from all other types of local calls with

1 long-holding traffic, such as calls to airline and
2 hotel reservations.

3 BellSouth is a sophisticated company. BellSouth
4 knew or should have known that its customers could
5 dial a 7-digit number (as well as other locally dialed
6 calls) to call an ISP. Given BellSouth's current
7 position that it never intended to include traffic to
8 ISPs for purposes of reciprocal compensation, it is
9 inconceivable that BellSouth would not have made
10 arrangements to distinguish that type of traffic from
11 other local calls at the time of the Agreement,
12 knowing that the parties must pay for the termination
13 of local traffic on the other party's network.

14 **Q. Mr. Hendrix speaks at length to characterize calls**
15 **from an end-user to an ISP as only transiting through**
16 **the ISP's local point of presence and not terminating**
17 **there. (Hendrix, pages 11-17) Do you agree with Mr.**
18 **Hendrix's characterization?**

19 **A.** No. To reiterate, an Internet communication consists
20 of two segments: (1) a local telephone call from an
21 end-user to an ISP; and (2) an enhanced transmission
22 from the ISP over the Internet. The ISP does not
23 serve as a telecommunications carrier. The call ends
24 when it is delivered to the ISP. The information
25 service provided by the ISP is not a call, because it

1 is not a telecommunications service.

2 This is consistent with numerous FCC orders, the
3 Florida Public Service Commission's decisions in
4 Docket No. 880423-TP, Orders Nos. 21815, issued
5 September 5, 1989, and 23183, issued July 13, 1990,
6 and all of the state decisions decided to date.

7 **Q. Why isn't the word "terminate" specifically defined in**
8 **the Agreement?**

9 **A.** It is my understanding that the word "terminate" is
10 not defined for the same reason that the word
11 "originate" is not defined: both are commonly
12 understood and are used consistently by carriers and
13 regulators alike. To "terminate" means to deliver the
14 call to the user associated with the dialed number.

15 **Q. Please summarize your testimony.**

16 **A.** The language of the Agreement is clear and the
17 distinction between telecommunications and enhanced
18 services is clear, thus so is BellSouth's obligation.
19 The Commission should enforce the Agreement as written
20 to require BellSouth to compensate for local traffic
21 terminated to ISPs served by Intermedia.

22 **Q. Does this complete your testimony?**

23 **A.** Yes.

24

25

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished by hand delivery(*) or U.S. Mail this 1st day of May, 1998, to the following:

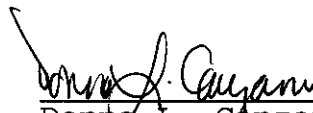
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