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REPLY TO:
 P.O. BOX 10095
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April 23, 1999

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

via Hand Delivery

RECEIVED-FPSC
 99 APR 23 PM 4:39
 RECORDS AND
 REPORTING

Re: Proposed Rules 25-4.300, F.A.C., Scope and Definitions; 25-4.301, F.A.C., Applicability of Fresh Look; and 25-4.302, F.A.C., Termination of LEC Contracts; Docket No. 980253-TX

Dear Ms. Bayo:

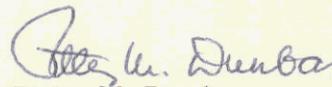
Enclosed for filing please find an original and fifteen copies of the Direct Testimony of Carolyn Marek on behalf of Time Warner Telecom of Florida, L.P. for the above-referenced docket.

You will also find enclosed a copy of this letter. Please date-stamp the copy of the letter to indicate that the original was filed and return a copy to me.

If you have any questions regarding this matter, please feel free to contact me. Thank you for your assistance in processing this filing.

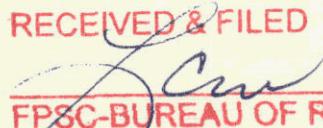
Respectfully,

PENNINGTON, MOORE, WILKINSON,
 BELL & DUNBAR, P.A.


 Peter M. Dunbar

- AFA _____
- APP Brown
- CAF _____
- CMU _____
- CTR _____
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- WAW _____
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PMD/tmz
 Enclosure

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 FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
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 FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE
Docket No. 980253-TX

I **HEREBY CERTIFY** that a true and correct copy of Time Warner Telecom of Florida, L.P.'s Direct Testimony of Carolyn M. Marek has been served by U.S. Mail on this 23rd day of April, 1999, to the following parties of record:

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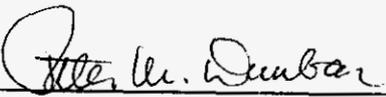
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Represented by: Pennington Law Firm
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Frank Wood
3504 Rosemont Ridge
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By: 
PETER M. DUNBAR, ESQ.

1 *DIRECT TESTIMONY OF CAROLYN M. MAREK*

2 *ON BEHALF OF*

3 *TIME WARNER TELECOM OF FLORIDA, L.P.*

4
5 **Q. Please state your name and business address**

6 A. My name is Carolyn Marek, and my business address is 233 Bramerton Court, Franklin,
7 Tennessee 37069.

8
9 **Q. By whom are you employed and in what capacity?**

10 A. I am employed by Time Warner Telecom, Inc., as the Vice President of Regulatory Affairs
11 for the Southeast Region.

12
13 **Q. Please describe your current responsibilities.**

14 A. My current responsibilities include advocating and advancing Time Warner's position before
15 various governmental bodies, managing and participating in regulatory proceedings, and
16 lobbying for necessary legislation to achieve Time Warner's regulatory and legislative
17 objectives in the nine southeast states.

18
19 **Q. Please describe your background and experience.**

20 A. I graduated in 1981 from George Mason University with a Bachelor of Science degree in
21 Business Administration, and from Marymount University in 1989 with a Masters degree in
22 Business Administration. I began my career with the Bell System in 1981 in sales. At

1 divestiture, I went to AT&T and continued to advance my sales career. In 1987, I was
2 promoted to National Account Manager. From 1989-1994, I held positions as a Senior
3 Project Manager in AT&T Federal Systems, State Manager - Kentucky in the AT&T
4 Government Affairs organization, and Executive Assistant in AT&T Network Systems. I
5 have held my current position with Time Warner for approximately four and one-half years.
6

7 **Q. What is the environment that alternative local exchange carriers (ALECs) face as they**
8 **enter the local exchange telecommunications market?**

9 A. Alternative Local Exchange Carriers (ALECs) are entering an environment characterized by
10 the overwhelming dominance of the incumbent, monopoly LEC. In each local exchange, one
11 company has nearly 100% of the market, a ubiquitous network, brand identity and customer
12 loyalty, and control over essential facilities that ALECs need in order to begin offering
13 services. Time Warner believes that this Commission should look to those ALECs who are
14 facilities-based (i.e., ALECs who will invest in, own and operate switches and networks) to
15 develop a market which has the potential to deliver innovative and cost-effective products and
16 services for customers in real competition with the large ILECs. To begin to provide service,
17 facilities-based ALECs must make large investments of time and capital.
18

19 **Q. Have you been involved in the your company's efforts to enter the local exchange**
20 **telecommunications service markets as a competing provider?**

21 A. Yes. Time Warner is providing local exchange telecommunications service in 19 markets,
22 including the Orlando and Tampa markets in Florida. Time Warner is a fiber, facilities-based

1 integrated communications carrier offering broadband data services, local switched services,
2 long distance and integrated communications solutions for medium and large business
3 customers. As previously stated, I am responsible for supporting and advancing Time
4 Warner's efforts and objectives in the southeast region on regulatory and legislative matters.
5

6 **Q. Briefly explain the purpose of a "fresh look" rule.**

7 **A.** The purpose of a "fresh look" rule is to enable customers to cancel their existing service
8 contracts with the ILEC and avoid exorbitant termination liabilities if they elect an ALEC
9 provider offering competing local telecommunications services offered over the public
10 switched network.
11

12 **Q. What is Time Warner's position on the FPSC's proposed rule as stated in their Order**
13 **dated March 26, 1999?**

14 **A.** Time Warner supports the rule as adopted and believes it will foster competition in the local
15 exchange market.
16

17 **Q. Is the FPSC's proposed Fresh Look rule the same as the rule originally proposed by**
18 **Time Warner?**

19 **A.** No. However, Time Warner completely supports the proposed FPSC rule and believes that
20 the positions of all the parties were carefully considered before the FPSC adopted the
21 proposed rule.
22

1 Q. How will the adoption of the FPSC's proposed "fresh look" rule impact ILEC
2
3 revenues?
4

5 A. It is important to note that this rule provides the customer a choice of staying with the ILEC
6 or choosing an ALEC who offers a more competitive alternative solution. The customer will
7 only opt to switch to an ALEC if it offers the customer some important reason to switch such
8 as better service, better prices, or more innovative solutions. Certainly, some customers will
9 make a conscious decision to remain with their current ILEC provider. Therefore, the ILEC
10 will only lose revenues if their offer is not as competitive as the ALECs's offer. Additionally,
11 the FPSC has limited the circumstances under which a customer may terminate an ILEC
12 contract service arrangement or tariffed term plan, which will in turn limit ILEC financial
13 exposure.
14

15 Q. How does the proposed "fresh look" rule benefit consumers?

16 A. This rule allows the consumer to have a choice of providers not available at the time they
17 assumed their long-term contractual obligation. In fact, this rule is very consumer oriented,
18 and , as the PSC of Wisconsin concluded, with the abolition of termination penalties, serves
19 the public interest by promoting competition. Fresh Look will afford consumers the benefits
20 of competitive alternatives from the outset of competition. The benefits of competition would
21 otherwise be delayed for several years for many customers. Thus, Fresh Look will materially
22 advance the Commission's objectives to enhance competition in the State of Florida.
23
24

1 Q. Specifically, how will the proposed "fresh look" rule promote competition?

2 A. If customers are contractually obligated to the ILEC before effective competition exists, it will
3 take much longer for competition to develop. The proposed rule does not require the ILEC's
4 existing customers to change. A customer exercising the choice to switch to another local
5 carrier will merely be provided relief from termination liability which exceeds actual costs and
6 represents a penalty. The adoption of state and federal legislation allowing competition did
7 not immediately create an effectively competitive market. To the contrary, competition in the
8 local exchange markets is only beginning to emerge. Many of the ILEC contracts were made
9 effective prior to the existence of any viable competitive alternatives. Most importantly, the
10 proposed rule creates an opportunity for customers to take advantage of competitive
11 alternatives when they become available without being penalized. Additionally, for the new
12 entrant, the proposed rule affords an opportunity to sell its services to potential customers
13 when the new entrant is actually operational and in a position to provide a comprehensive
14 alternative to the ILEC services. Absent this opportunity, ALECs will not have an
15 opportunity to market their services to many of these potential customers in some instances
16 for up to five (5) years. Obviously, this adversely impacts the ALECs' ability to gain market
17 share and, thus, seriously delays the development and benefits of a competitive market.

18

19 Q. Does this conclude your testimony?

20 A. Yes.

FLORIDA PUBLIC SERVICE COMMISSION

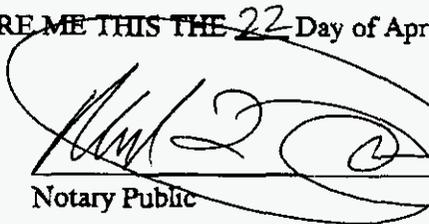
STATE OF FLORIDA

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State of Florida, personally came and appeared Carolyn M. Marek, who being by me first duly sworn depose and said that:

She is appearing as a witness on behalf of Time Warner Telecom, Inc. in the "Fresh Look" proceeding before the Florida Public Service Commission, and duly sworn, her testimony would be set forth in the annexed testimony consisting of five (5) pages.


Carolyn M. Marek

SWORN TO AND SUBSCRIBED BEFORE ME THIS THE 22 Day of April, 1999


Notary Public

