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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF DAVID P. SCOLLARD
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 000649-TP

August 17, 2000

Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH
BELLSOUTH TELECOMMUNICATIONS, INC.

A. I am David P. Scollard, Room 26D3, 600 N. 19th St., Birmingham, AL 35203.
My current position is Manager, Wholesale Billing at BellSouth Billing, Inc., a
wholly owned subsidiary of BellSouth Telecommunications, Inc. In that role, I
am responsible for overseeing the implementation of various changes to
BellSouth's Customer Records Information System ("CRIS") and Carrier
Access Billing System ("CABS").

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Auburn University with a Bachelor of Science Degree in
Mathematics in 1983. I began my career at BellSouth as a Systems Analyst
within the Information Technology Department with responsibility for
developing applications supporting the Finance organization. I have served in a
number of billing system design and billing operations roles within the billing
organization. Since I assumed my present responsibilities, I have overseen the
progress of a number of billing system revision projects such as the

1 implementation of the 1997 Federal Communications Commission (“FCC”)
2 access reform provisions, billing of unbundled network elements (“UNEs”), as
3 well as the development of billing solutions in support of new products offered
4 to end user customers. I am familiar with the billing provided by BellSouth to
5 local competitors, interexchange carriers and retail end user customers.

6

7 Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC
8 SERVICE COMMISSION? IF SO, BRIEFLY DESCRIBE THE SUBJECT
9 OF YOUR TESTIMONY.

10

11 A. I have testified before the state Public Service Commissions in Alabama,
12 Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina, the
13 Tennessee Regulatory Authority, and the Utilities Commission in North
14 Carolina on issues regarding the capabilities of the systems used by BellSouth
15 to bill for services provided to retail customers, Interexchange Carriers (IXCs)
16 as well as Alternative Local Exchange Carriers (ALECs).

17

18 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
19 PROCEEDING?

20

21 A. The purpose of my testimony is to address issues raised in this arbitration
22 relating to BellSouth’s billing for services provided to MCImetro Access
23 Transmission Services, Inc. and MCI WorldCom Communications, Inc.
24 (“MCI”). Specifically, I will address issues 43, 53, 75, 93, 95 and 111.

25

1 *Issue 43: When the ANI, CPN and BTN are not available, should the parties be*
2 *required to include in the information transmitted with the call the NPA/NXX*
3 *associated with the trunk group or the telephone number associated with the trunk*
4 *group?*

5

6 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

7

8 A. BellSouth's position is that the NPA/NXX of the number assigned to the trunk
9 group is the only significant information necessary for MCI to bill other
10 carriers using the records provided by BellSouth. Therefore, the NPA/NXX is
11 the only information that should be required. However, if a carrier provides a
12 full telephone number to associate with the trunk group, then it will be
13 provided to MCI.

14

15 Q. EXPLAIN THE BASIS FOR BELLSOUTH'S POSITION ON THIS ISSUE.

16

17 A. BellSouth provides MCI with usage records for billing third parties that are in
18 compliance with the industry-developed meet point billing guidelines. These
19 guidelines provide that the records should have enough information for MCI to
20 determine which carrier to bill. In most cases, the Carrier Identification Code
21 (or CIC) is used to make this determination. Where the third party does not
22 have a CIC, as is the case with Independent Telephone Companies (ICOs), the
23 guidelines call for the records to contain other information with which to
24 identify the third party. If the Automated Number Identification (ANI)
25 information is provided in the call signal from the third party, it is recorded by

1 BellSouth and provided to MCI. Since the ANI contains the NPA/NXX of the
2 third party, MCI can use this to determine who to bill. If the ANI is not
3 signaled by the third party, then information which has been built in the
4 BellSouth switch for each trunk group being used by the third party is provided
5 to MCI. The third party determines what information is built in the switch but
6 it must contain the NPA/NXX of the third party. BellSouth will provide to
7 MCI whatever the third party has determined should be associated with its
8 trunk group whether that is a full telephone number or just the NPA/NXX.
9 MCI can then use this information in lieu of the ANI to determine who to bill.

10

11 Q. WHAT ACTION DOES BELLSOUTH WANT THIS COMMISSION TO
12 TAKE REGARDING THIS ISSUE?

13

14 A. BellSouth asks the Commission to find that the parties exchange only that data
15 which is provided for in the meet point billing guidelines developed by the
16 industry and find that a telephone number be required only when that
17 information is provided by the third party involved in a meet point billing
18 arrangement.

19

20 *Issue 53: Should call jurisdiction be based on the calling party number or on*
21 *jurisdictional factors that represent averages?*

22

23 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

24

25

1 A. While using recorded data, where available, to more accurately bill for calls
2 between the networks of both companies is desirable, a number of limitations
3 preclude BellSouth from using recorded usage data to determine which rates to
4 apply for billing. Until these limitations can be resolved, the parties should
5 continue to use industry defined factors such as the Percent Interstate Usage
6 (PIU) factor and the Percent Local Usage (PLU) factor for billing.

7

8 Q. WHAT ARE USAGE BILLING FACTORS?

9

10 A. The concept of using a factor to apply to billing was initially created in the
11 switched access world to segregate switched access traffic into interstate and
12 intrastate jurisdictions. This was accomplished by the creation of the Percent
13 Interstate Usage (PIU) factor. The PIU is currently part of all Local Exchange
14 Carrier billing systems and switched access tariffs and is widely used by many
15 carriers, including MCI. BellSouth's proposed contract language builds on the
16 PIU factor concepts and process, and addresses the need by both parties to
17 exchange Percent Local Usage (PLU) factors. The PLU is a factor that
18 represents the percentage of originating traffic that is local for purposes of
19 applying reciprocal compensation versus switched access rates. BellSouth
20 calculates a PLU for traffic originated by BellSouth's end user customers, and
21 MCI calculates a PLU for traffic originated by its end user customers. The
22 originating company has the necessary information to determine whether or not
23 its originating traffic is local. BellSouth and MCI are currently exchanging
24 PLU factors for local traffic billing purposes. The use of billing factors has

25

1 been and continues to be viewed in the industry as an accurate method of
2 billing for traffic exchanged between carriers.

3

4 Q. WHY CAN'T THE CALLING PARTY NUMBER BE USED FOR BILLING
5 PURPOSES IN LIEU OF THE FACTORS?

6

7 A. The Calling Party Number (CPN) is a data field that is provided in the
8 Signaling System 7 (SS7) data stream. This data field is populated with the
9 ten-digit (10D) number of the originating end user. It is important to note that,
10 at present, some companies do not populate the CPN in the SS7 signaling data
11 stream and therefore it is not available for use. If a terminating company can
12 record the CPN, and also record the called number (when provided), then the
13 terminating company has both the originating and terminating ten digit
14 numbers. If the numbers are representative of the originating and terminating
15 locations of the call, then the call jurisdiction can be determined from the
16 recordings produced in the switching equipment.

17

18 However, there are three key problems surrounding the use of CPN to
19 determine the call jurisdiction for the purpose of billing local traffic. First,
20 BellSouth uses industry-defined standards to record when a call either
21 originates or terminates within its switches. These standards presently do **not**
22 allow for the recording of CPN in the terminating switch records. To alter the
23 standard would require industry agreement and subsequent switch vendor
24 modifications. Switch recordings, in turn, are used to provide data to the
25 billing systems used by BellSouth to perform the billing function. The lack of

1 CPN on the record makes it impossible to implement MCI's proposal and
2 necessitates the need to use the billing factors to determine the jurisdiction of
3 the calls.

4
5 Second, even if CPN is eventually captured by switch recordings, it is of
6 limited use to the extent that some interconnection agreements define local
7 traffic as traffic that is billed to the end user of the originating company as a
8 local call. Since BellSouth would have no way of keeping up with what
9 another company bills its end users, the CPN would be of no use at all in these
10 instances. In this case, the only way to bill for these calls would be to continue
11 using billing factors as proposed by BellSouth.

12
13 Finally, there are many examples where CPN is not passed between the
14 originating company and BellSouth at all. In other cases, CPN is provided on
15 some calls but not all calls. In the case of traffic sent to BellSouth from MCI,
16 the CPN information is missing on approximately 50% of the calls. Given its
17 experience to date, BellSouth should not be required to make the substantial
18 investment that would be necessary to begin changing all of its switches to
19 record CPN since it would be of limited value.

20
21 Q. WHAT ACTION DOES BELLSOUTH WANT THIS COMMISSION TO
22 TAKE REGARDING THIS ISSUE?

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25

1 A. BellSouth asks the Commission to find that billing factors be included in the
2 Agreement for use in determining the jurisdiction of traffic for billing
3 purposes.

4
5 *Issue 75: For end users served by INP should the end user or the end-user's local*
6 *carrier be responsible for paying the terminating carrier for collect calls, third party*
7 *billed calls or other operator assisted calls?*

8

9 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

10

11 A. BellSouth's position is that the local carrier (such as MCI) serving the end user
12 via Interim Number Portability facilities is responsible for paying for collect
13 calls, third number calls or other operator handled calls incurred by the end
14 user. MCI is BellSouth's customer of record when INP is used, has all of the
15 information necessary to bill the end user and can put a block on such calls
16 thereby avoiding the issue entirely. Any issue MCI has with billing its end
17 users for collect and third party calls should be short lived since the INP
18 process has effectively been replaced by the Local Number Portability (LNP)
19 service.

20

21 Q. WHAT TYPES OF CALLS ARE INVOLVED IN THIS ISSUE?

22

23 A. Third number billed calls are at issue. For example, suppose a BellSouth end
24 user ports to MCI using INP. That same end user then goes to her uncle's
25 house (who is a BellSouth local and toll end user) to place an intra-LATA toll

1 call. Since the end user does not want her uncle to pay for the call she asks the
2 operator to bill that call to her long-standing BellSouth telephone number (the
3 ported number). This issue deals with how BellSouth should recover its
4 revenue for those types of calls.

5
6 Q. WHY SHOULD THE LOCAL CARRIER, SUCH AS MCI, PAY FOR SUCH
7 CALLS?

8
9 A. There are at least three reasons. First, INP is unique in that the end user
10 customer is actually provided two telephone numbers. The BellSouth provided
11 number from which portability occurs and the second number provided by
12 MCI to which calls are routed. When MCI elects to provide service to an end
13 user via an INP arrangement, MCI becomes BellSouth's customer of record for
14 all services connected with the telephone number provided by BellSouth.
15 Therefore, it is MCI which should be held accountable for the charges which
16 are to be billed against that number. The proposal made by BellSouth is
17 identical to the processes used when MCI serves an end user via resold services
18 and unbundled network elements.

19
20 Second, the industry supported mechanisms by which these types of calls are
21 settled between carriers is based on the NPA/NXX of the end user to be billed.
22 In the example listed above, the niece's call from her uncle's house that is
23 charged to her long-standing BellSouth telephone number looks like it is to be
24 billed to a BellSouth end user since the "bill to" number contains a BellSouth
25 NPA/NXX. The industry bodies, rightly so, decided to forego the expense of

1 revising the systems for INP since it was only an interim offering and to
2 concentrate their efforts to support LNP. Therefore, all of the existing carrier-
3 to-carrier settlements systems only support BellSouth billing its customer of
4 record for the call. In this case, that is MCI. BellSouth then provides MCI with
5 a copy of the call record so it can perform the needed billing to its end user.
6 Again, this is identical to the way these calls are handled in the resale and UNE
7 environments.

8
9 Third, the proposed BellSouth language provides that MCI can limit its
10 potential liability for these charges by placing blocks on the telephone number
11 provided by BellSouth such that third number or collect calls or both are
12 blocked. The end user would then have the option of having these types of
13 calls charged to the telephone number provided by MCI which would avoid the
14 issue entirely. It is not clear why this approach is unacceptable to MCI.

15

16 Q. ARE THERE OTHER WAYS MCI CAN AVOID THIS ISSUE OTHER
17 THAN BLOCKING THESE TYPES OF CALLS.?

18

19 A. Yes. In Florida, MCI can elect to serve its end users using Local Number
20 Portability in all Florida central offices. Therefore, this issue is isolated to
21 those cases where INP customers have not yet been converted to LNP.

22

23 Q. IS BELLSOUTH'S PROPOSAL CONSISTENT WITH INDUSTRY
24 PRACTICE?

25

1 A. Yes. BellSouth uses the industry billing mechanisms every day to provide
2 ALECs, including MCI, with records to bill for collect and third number billed
3 calls placed by the ALECs end users, carried by BellSouth so that the ALEC
4 can bill the end user on the bills provided to the end user. These mechanisms
5 hold the ALECs liable for the non-payment of these calls. The Agreement
6 language proposed by BellSouth for MCI's end users served by INP describes
7 the same usage exchange functions and responsibilities as in the process used
8 to bill MCI's other end users.

9

10 Q. WHAT ACTION DOES BELLSOUTH WANT THIS COMMISSION TO
11 TAKE REGARDING THIS ISSUE?

12

13 A. BellSouth asks the Commission to direct the parties to adopt the language
14 proposed by BellSouth on this issue.

15

16 *Issue 93: By when must the parties bill for previously unbilled amounts? By when*
17 *must they submit bills to one another?*

18

19 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

20

21 A. Because BellSouth relies on billing information from third parties at times to
22 bill MCI, BellSouth should be permitted to bill charges to the full extent
23 allowed by law rather than the artificial time limits proposed by MCI.

24

25 Q. EXPLAIN THE BASIS FOR BELLSOUTH'S POSITION ON THIS ISSUE.

1

2 A. BellSouth is committed to providing all ALECs, including MCI, with accurate
3 and timely invoices for services provided under the interconnection
4 agreements. From time to time, however, there are instances when this billing
5 may be delayed. For example, BellSouth often relies on usage records from a
6 third party to bill MCI for services jointly provided by that third party (via
7 meet point billing procedures) – records that BellSouth may not receive for an
8 extended period of time after the date of the usage in question. In these and
9 other situations it may be necessary to bill for services many months after the
10 date of the calls being placed. BellSouth’s position is that the only limiting
11 factor should be the applicable laws and commission rules set out in each state.
12 MCI states that the limit should be set at 1 year from the date the charge was
13 incurred. While this would be sufficient in the vast majority of cases,
14 BellSouth should be permitted to bill charges to the full extent allowed by law.

15

16 Q. IS THERE ANY OTHER WAY THIS ISSUE COULD BE RESOLVED?

17

18 A. Yes. BellSouth is willing to agree to a bill certification process between the
19 two companies. Under such an arrangement, BellSouth and MCI can come to
20 terms on what types of processes will be established to show the accuracy and
21 timeliness of BellSouth’s billing systems. This process is known as a Bill
22 Certification process. One of the parameters which is set when negotiating this
23 type of process is how “old” a billed charge can be and still be allowed on the
24 bill between the parties. This same negotiated timeframe is also used in the
25 “Bill Closure” provisions of the process. The bill closure period dictates how

1 long MCI has to dispute charges on the bills received from BellSouth. For
2 example, if a 6-month timeframe is agreed upon, BellSouth would have this
3 amount of time in which to bill MCI for the charges covered by the Bill
4 Certification agreement. In return, MCI would have 6 months to dispute
5 charges which are on the bills that are sent. Absent this type of agreement,
6 BellSouth should be given the full amount of time permitted by the Florida law
7 in which to bill MCI for charges incurred under the agreement.

8

9 *Issue 95: Should BellSouth be required to provide MCI with billing records with all*
10 *EMI standard fields?*

11

12 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

13

14 A. BellSouth provides and is willing to continue to provide MCI with billing
15 records consistent with EMI guidelines. However, the agreement should make
16 clear how these records will be provided, which MCI's proposal does not do.

17

18 Q. WHAT IS BELLSOUTH'S UNDERSTANDING OF THE ISSUE?

19

20 A. BellSouth's understanding of the issue is much different than that put forth in
21 the testimony of MCI in other states. BellSouth does provide ALECs with
22 usage records created using the EMI guidelines. BellSouth has a number of
23 interfaces that allow MCI to receive these usage records. Each interface has
24 been created using the guidelines contained in the EMI documents. BellSouth's
25 proposed language dealing with usage recordings is to clarify the exact nature

1 of how these records will be provided. The EMI guidelines call for differing
2 types of records, record fields and data formats depending on the type of usage
3 being recorded. For example, the EMI standards for usage record associated
4 with meet point billing are far different than a usage record exchanged between
5 companies to be used to bill for a toll call reverse billed to the terminating
6 number. The language proposed by BellSouth clearly defines which types of
7 records will be included on the different interfaces and the processes used to
8 create each.

9

10 Q. DOES BELLSOUTH PROVIDE MCI WITH ALL EMI STANDARD
11 FIELDS ON THE USAGE RECORDS IT PROVIDES TO ALECs ?

12

13 A. Yes. The fact is that BellSouth does provide the EMI fields that are required
14 for the types of records included on the usage interfaces. BellSouth is not
15 seeking to move away from the industry guidelines and develop proprietary
16 records. However, the wording in the contract should be revised to clearly
17 reflect how these industry guidelines will be used by the systems to support
18 MCI. BellSouth's proposed language does just that.

19

20 Q. WHAT ACTION DOES BELLSOUTH WANT THIS COMMISSION TO
21 TAKE REGARDING THIS ISSUE?

22

23 A. BellSouth asks the Commission to direct the parties to adopt the language
24 proposed by BellSouth in resolving this issue.

25

1 *Issue 111: Should MCI WorldCom's proposed procedures be followed for audits of*
2 *billing records?*

3

4 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

5

6 A. BellSouth's position is that the wording in the contract for how audits are to be
7 performed on the billing factors used by both parties should clearly state the
8 scope of the audit, the responsibilities of the parties in preparing for the audit,
9 how the results will be used to improve the accuracy of the factors going
10 forward and who will be responsible for paying for the audit. BellSouth's
11 proposed language provides a number of details missing from the language
12 proposed by MCI.

13

14 Q. IN WHAT SPECIFIC AREAS IS THE LANGUAGE PROPOSED BY MCI
15 DEFICIENT?

16

17 A. First, MCI's language is confusing as to the scope of the audit. The language
18 states that usage transmitted via the Carrier Access Billing System (CABS) is
19 included. Since CABS is a system used to create invoices for MCI, any audit of
20 that system would be covered in Attachment 8 and should not be included in
21 this part of the agreement. BellSouth's language include wording specifically
22 stating that the audit deals with the calculation of the billing factors and even
23 includes a definition of the factors to be audited. Second, MCI's language does
24 not specifically state the responsibilities of the parties in preparing for the
25 audit. By contrast, BellSouth's language includes requirements for retaining

1 reports, records, etc. which will be used in the audit. Third, while MCI's
2 proposal explains how inaccurate billing resulting from inaccurate factors will
3 be adjusted, it does not provide any proposal on how the factors themselves
4 will be adjusted going forward as a result of any audit findings. BellSouth's
5 language does. Finally, BellSouth's proposed language specifically states
6 which party will be responsible for paying for the audit – an issue on which
7 MCI's proposal is completely silent.

8

9 Q. IS THE DISPUTE BETWEEN BELLSOUTH AND MCI WITH RESPECT TO
10 ISSUE 111 LIMITED SOLELY TO AUDITS OF BILLING FACTORS?

11

12 A. No. During ongoing meetings with MCI to the negotiate contract, a number of
13 other factor-related issues have been raised. These issues are:

- 14 • Factor reporting frequency;
- 15 • Inclusion of transient traffic into the PLU development process;
- 16 • and
- 17 • Development and Reporting of a new factor, the PIIU;

18

19 Q. PLEASE DESCRIBE THE ISSUE ON FACTOR REPORTING
20 FREQUENCY?

21

22 A. MCI has proposed that the billing factors used to bill reciprocal compensation
23 and access charges be reported monthly. MCI contends that quarterly reporting
24 of the PLU is inadequate to address variances in traffic flow. BellSouth's
25 position is that, in the majority of cases, quarterly reporting of the PLU by both

1 parties is both reasonable and efficient. However, in an effort to address
2 MCI's concerns, BellSouth has offered a very reasonable proposal to MCI,
3 which I will discuss below.

4
5 Q. WHAT IS THE PLU AND HOW IS IT USED?

6
7 A. The PLU - Percent Local Usage - is a factor that determines the amount of
8 local terminating minutes for use in reciprocal compensation billing between
9 the Parties. Both BellSouth and MCI can mix local and long distance traffic on
10 the same trunks between BellSouth's Access tandem and MCI's end office
11 switch. The terminating carrier has no way to determine how much traffic is
12 local versus long distance; however, it must know this in order to bill
13 reciprocal compensation. Consequently, the originating carrier must tell the
14 terminating carrier what percent of the traffic is local. That percentage is the
15 PLU.

16
17 In other words, BellSouth reports to MCI what percent of the total traffic that
18 BellSouth originates to MCI constitutes local traffic. Likewise, MCI reports
19 the same information to BellSouth for traffic MCI originates to BellSouth. The
20 PLU is typically calculated and reported quarterly as outlined in BellSouth's
21 "Percent Local Use (PLU) Reporting Guidebook" and in the "ALEC
22 Activation Requirements" posted on the Internet.

23
24 Q. WHAT IS THE BASIS FOR BELLSOUTH'S POSITION?

25

1 A. BellSouth contends that quarterly reporting of the PLU is a reasonable balance
2 of: 1) the effort required by all companies (ALECs, IXC's and ILEC's) to gather
3 the data to calculate the PLU; 2) the effort required by companies to manually
4 update their billing systems to include those factors for all other companies;
5 and 3) the degree of variability of the factors within the reporting period, such
6 as adds, disconnects, seasonal peaks, etc. MCI's reporting of the PLU on a
7 monthly basis would require additional manpower and expense on BellSouth's
8 part, and would not improve the current methodology. In fact, the majority of
9 ALECs with which BellSouth has interconnection agreements concur that
10 quarterly reporting is adequate.

11

12 However, as a compromise, BellSouth would agree to the following, if it were
13 acceptable to the Commission and to MCI:

14 BellSouth will accept and implement a monthly PLU, for a period of
15 twelve (12) months, whenever MCI gains an end user whose calling
16 pattern and traffic would likely have an impact on the PLU reported by
17 MCI or whenever MCI opens a new calling area or begins marketing
18 local services in a new area. After reporting the PLU monthly for a
19 twelve (12) month period, the PLU reporting will revert to quarterly.
20 Unless the monthly reporting demonstrates that the PLU has stabilized,
21 the reporting party will continue to report a monthly PLU for an
22 additional six (6) month period or until the Parties agree that the PLU
23 has stabilized, whichever occurs first. In all other instances, the PLU
24 reporting shall be quarterly.

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BellSouth believes that this language addresses the situations wherein it is possible that the PLU could vary significantly on a monthly basis.

Q. UNDER THIS COMPROMISE PROPOSAL WOULD BELLSOUTH CONTINUE TO REPORT ITS PLU FACTOR TO MCI ON A QUARTERLY BASIS?

A. Generally, yes. BellSouth believes that for the vast majority of cases the traffic patterns for calls originating from its end users do not vary to the degree that would justify the added expense of creating a new study more frequently than once per quarter. However, if such a situation were to arise, BellSouth could, at its option, use the same process described above to account for any traffic changes.

Q. WHAT ARE THE PARTIES' POSITIONS ON THE ISSUE OF INCLUDING TRANSIT TRAFFIC IN THE PLU DEVELOPMENT?

A. MCI has proposed that minutes of use pertaining to transit traffic (traffic flowing from MCI through the BellSouth tandem destined for another carrier) be included in the studies underlying the calculation of the Percent Local Usage (PLU) factor. BellSouth's position is that including this type of traffic will skew the results and should not be included in the PLU factor that either party reports to the other.

1 Q. WHAT IS THE BASIS FOR BELLSOUTH'S POSITION?

2

3 A. Transit traffic is treated, for the purposes of billing, as jointly provided traffic
4 between MCI, BellSouth and the third carrier. For the purposes of billing
5 reciprocal compensation, BellSouth will not apply the PLU that MCI provides
6 to BellSouth to any transit traffic. As Mr. Varner explains, BellSouth should
7 not be required to pay reciprocal compensation for transit traffic. As a result,
8 transit traffic should not be used in the PLU provided to BellSouth but to the
9 PLU provided to the third carrier.

10

11 Q. PLEASE DESCRIBE THE ISSUE SURROUNDING THE DEVELOPMENT
12 OF A NEW FACTOR, THE PERCENT INTRASTATE, INTERLATA
13 USAGE FACTOR (PIIU)?

14

15 A. MCI has proposed that a factor be developed to determine when calls
16 originating from either parties' network are terminated by the other party
17 where the call crosses a LATA boundary but not a state boundary. BellSouth is
18 adamantly opposed to the creation of yet another factor.

19 Q. WHAT IS THE BASIS FOR BELLSOUTH'S POSITION?

20

21 A. First, the MCI agreement does not contain any language which would create
22 the need for this factor. The agreement calls for the billing of only two types of
23 intrastate traffic; local and all other. Therefore, the two existing factors
24 developed by the parties; the percent interstate factor and the percent local
25 factor are sufficient to bill in all cases. To arbitrarily create a new factor is both

1 expensive and unnecessary. Second, BellSouth does not use a PIU factor for
2 any other carrier, ALEC, IXC or Independent Telephone Company and has not
3 had any request to do so.

4

5

6 Q. WHAT ACTION DOES BELLSOUTH WANT THIS COMMISSION TO
7 TAKE REGARDING THESE ISSUES?

8

9 A. BellSouth asks the Commission to direct the parties to include BellSouth's
10 proposed language on the PIU and PLU processes. Additionally, BellSouth
11 requests this Commission to find that BellSouth's proposed compromise
12 language sufficiently addresses any concerns that the PLU factor being
13 reported by MCI might fluctuate on a monthly basis.

14

15 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

16

17 A. Yes.

18

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