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October 9, 2000

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

Re: Docket No. 000636-TP (Sprint Complaint)

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s rebuttal testimony of Jerry Hendrix and Richard McIntire, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

E. Earl Edenfield Jr.
E. Earl Edenfield Jr.

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey
Nancy B. White

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Hendrix
DOCUMENT NUMBER-DATE
12885 OCT-98
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McIntire
DOCUMENT NUMBER-DATE
12886 OCT-98
FPSC RECORDS/REPORTING

CERTIFICATE OF SERVICE
Docket No. 000636-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

U.S. Mail this 9th day of October, 2000 to the following:

Timothy Vaccaro
Staff Counsel
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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E. Earl Edenfield, Jr.

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BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF JERRY HENDRIX
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 000636-TP
OCTOBER 9, 2000

ORIGINAL

Q. PLEASE STATE YOUR NAME AND COMPANY NAME AND ADDRESS.

A. My name is Jerry Hendrix. I am employed by BellSouth Telecommunications, Inc. as Senior Director - Customer Markets, Wholesale Pricing Operations. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. ARE YOU THE SAME JERRY HENDRIX WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to rebut several assertions in the testimony of Sprint's witness Melissa L. Closz.

1 Q. DOES THE DEFINITION OF LOCAL TRAFFIC IN THE
2 INTERCONNECTION AGREEMENT BETWEEN THE PARTIES
3 INCLUDE ISP TRAFFIC?
4

5 A. No. Contrary to Ms. Closz' assertion on page 5 of her testimony, ISP-
6 bound traffic is excluded from the definition of Local Traffic. The
7 definition of Local Traffic clearly states that the telephone call must
8 originate and terminate in the same LATA. ISP traffic does not
9 terminate at the ISP as required by this definition.
10

11 Q. PLEASE COMMENT ON MS. CLOSZ' COMMENT ABOUT
12 BELLSOUTH BILLING FOR CALLS TO AN ISP.
13

14 A. Pursuant to FCC rules, BellSouth is required to allow ISPs to purchase
15 services out of the Local Tariffs. This mechanism, however, was
16 created for the sole purpose of accommodating the exemption of access
17 charges.
18

19 Q. DOES BELLSOUTH BILL SPRINT RECIPROCAL COMPENSATION
20 FOR ISP-BOUND CALLS?
21

22 A. No. Understanding that calls to ISPs are not local, BellSouth does not
23 bill Sprint reciprocal compensation on such calls. Mr. Scollard will
24 discuss this issue in more detail.
25

1 Q. PLEASE COMMENT ON MS. CLOSZ' STATEMENT THAT
2 BELLSOUTH'S ORIGINATED ISP-BOUND TRAFFIC FITS THE
3 DEFINITION OF LOCAL TRAFFIC AS SET FORTH IN THE PARTIES'
4 INTERCONNECTION AGREEMENT.

5

6 A. Ms. Closz fails to mention a key criterion for a call to fit within the
7 definition of Local Traffic. Although she addresses the later part of the
8 definition, the entire definition must be read.

9 "Local Traffic" means any telephone call that originates and
10 terminates in the same LATA and is billed by the originating
11 Party as a local call, including any call terminating in an
12 exchange outside of BellSouth's service area with respect to
13 which BellSouth has a local interconnection agreement with a
14 LEC, with which Sprint is not directly interconnected.

15 The definition requires three criteria be met before reciprocal
16 compensation is due:

- 17 1. The call must originate in the same LATA, and
- 18 2. The call must terminate in the same LATA, and
- 19 3. The call must be billed by the originating Party as a local call.

20

21 As I stated in my direct testimony and the FCC has confirmed, a call to
22 an ISP does not terminate at the ISP but rather at the ultimate
23 destination of the call. Therefore, it is clear that IPS-bound traffic does
24 not satisfy the Local Traffic definition in the agreement.

25

1 Q. IN LIGHT OF THE FACT THAT ISP-BOUND TRAFFIC IS NOT LOCAL
2 TRAFFIC, WOULD THERE HAVE BEEN ANY REASON FOR
3 BELL SOUTH TO HAVE SPECIFICALLY EXCLUDED IT FROM THE
4 RECIPROCAL COMPENSATION REQUIREMENTS OF THE
5 AGREEMENT?

6
7 A. No. As I explained in detail in my direct testimony, ISP-bound traffic, by
8 nature, is excluded from the definition of local traffic. Sprint had the
9 benefit of the FCC's decisions that addressed the jurisdictional nature of
10 ISP-bound traffic, just as BellSouth and the rest of the industry did. If
11 Sprint wished to include ISP-bound traffic as traffic eligible for reciprocal
12 compensation, it should have raised the issue with BellSouth during
13 negotiations, which Sprint did not do when the parties negotiated the
14 first interconnection agreement. Ms. Closz statement on page 8 that
15 "Nothing in the Negotiations or in the agreement indicates to the
16 contrary," that Sprint's intent was that ISP-Bound calls be treated as
17 local is incorrect. Sprint had the opportunity to negotiate ISP Bound
18 calls with BellSouth, and failed to mention this issue until now, when it is
19 profitable to their company.

20
21 Q. PLEASE COMMENT ON MS. CLOSZ' STATEMENT ON PAGE 7-8 IN
22 REGARDS TO THE PAYMENT OF RECIPROCAL COMPENSATION
23 AMONGST THE PARTIES.

24
25

1 A. Since the agreement is clear that the Parties do not compensate each
2 other for ISP-bound traffic, no rate is needed.

3

4 Q. MS. CLOSZ DISCUSSES HER AND SPRINT'S "UNDERSTANDING"
5 THAT ISP-BOUND TRAFFIC FIT WITHIN THE DEFINITION OF LOCAL
6 TRAFFIC UNDER THE PARTIES' INTERCONNECTION AGREEMENT
7 (PAGE 6). DID MS. CLOSZ EVER SHARE THIS "UNDERSTANDING"
8 WITH BELL SOUTH WHEN THE FIRST INTERCONNECTION
9 AGREEMENT WAS NEGOTIATED?

10

11 A. Absolutely not. Had Ms. Closz mentioned her purported
12 "understanding," the parties would have discussed the ISP issue at
13 length. Ms. Closz' silence during negotiations is ironic given her
14 apparent criticism of BellSouth for not expressing its views about the
15 interstate nature of ISP-traffic. In any event, by the summer of 1997,
16 the parties clearly knew their differences on the issue of ISP-bound
17 traffic.

18

19 Q. MS. CLOSZ DISCUSSES THE RULINGS IN SEVERAL OTHER CASES
20 INVOLVING ISP-BOUND TRAFFIC. PLEASE COMMENT.

21

22 A. Each Interconnection Agreement is defined by specific terms, rates, and
23 conditions that were developed through individual negotiations between
24 the Parties. With this understanding, the underlining provisions in each
25 agreement are applicable specifically to the Carrier who has signed that

1 agreement. For Ms. Closz to assume that the rulings of this
2 Commission will automatically affect Sprint's Interconnection Agreement
3 with BellSouth is ludicrous. Ms. Closz sites that the Agreements of
4 other carriers defined Local Traffic "in such a way that ISP traffic clearly
5 fits the definition." However, Ms. Closz fails to mention what definition
6 she is referring to in these cases. Sprint was not a party in any of those
7 cases, and this Commission has not ruled on the agreements between
8 BellSouth and Sprint.

9

10 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

11

12 A. Yes, it does. Thank you.

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