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October 13, 2000

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Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

Re: Docket No. 000084-TP

Dear Ms. Bayo:

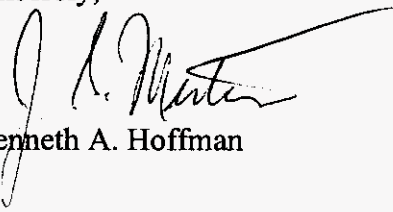
Enclosed herewith for filing in the above-referenced docket on behalf of US LEC of Florida Inc. ("US LEC") are the following documents:

1. Original and fifteen copies of the Prefiled Direct Testimony of Wanda Montano; and
2. Original and fifteen copies of the Prefiled Direct Testimony of Timothy J. Gates.

Please acknowledge receipt of these documents by stamping the extra copy of this letter with "filed" and returning the copy to me.

Thank you for your assistance with this filing.

Sincerely,


Kenneth A. Hoffman

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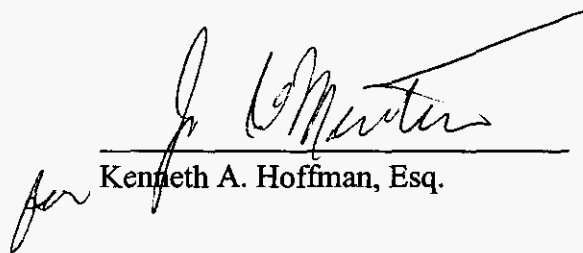
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by United States Mail to the following this 13th day of October, 2000:

Kip Edenfield, Esq.
BellSouth Telecommunications, Inc.
675 West Peachtree Street, N.E.
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for _____
Kenneth A. Hoffman, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition by BellSouth Telecommunications, Inc.)
for approval of arbitration of an interconnection)
agreement with US LEC of Florida Inc. pursuant)
to the Telecommunications Act of 1996.)
_____)

Docket No. 000084-TP

**DIRECT TESTIMONY OF
WANDA MONTANO
ON BEHALF OF
US LEC OF FLORIDA INC.
October 13, 2000**

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FPSC-RECORDS/REPORTING

1 **Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH US LEC OF**
2 **FLORIDA, INC. ("US LEC") AND BUSINESS ADDRESS?**

3 A. My name is Wanda Montano . Currently, I am Vice President of Regulatory
4 and Industry Affairs for US LEC Corp. and responsible for regulatory and
5 industry relations of its operating subsidiaries, including US LEC of Florida
6 Inc. ("US LEC"). My business address is Three Morrocroft Centre,
7 Charlotte, NC 28211.

8 **Q. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE AND**
9 **EDUCATIONAL BACKGROUND.**

10 A. Before I joined US LEC in January 2000, I had been employed in various
11 positions by Teleport Communications Group ("TCG") and then by AT&T
12 following AT&T's acquisition of TCG. In 1998-1999, I served as General
13 Manager for North and South Carolina (Sales Executive) for TCG (Charlotte,
14 N.C.). During 1997-1998, I was Vice President & Managing Executive for
15 North & South Carolina (Sales and Operations Executive) for TCG
16 (Charlotte, N.C.). During 1995-1997, I served as Vice President, CLEC
17 Services for TCG (Staten Island, N.Y.). During 1994-1995, I was Director
18 of Process Reengineering for TCG (Staten Island, N.Y.). During 1992-1994,
19 I was Director of Marketing for TCG (Staten Island, N.Y.). During 1990-
20 1992, I was Senior Product Manager for Graphnet (Teaneck, N.J.). From
21 1982-1990, I was Regulatory Manager for Sprint Communications Corp. in
22 Reston, Virginia and, from 1979-1982, I was a paralegal for GTE Service
23 Corporation in Washington, D.C. I have a B.S. from East Carolina
24 University in Greenville, N.C. (1974). I received my Paralegal Certificate
25 from the University of Maryland in 1980 and I received my M.B.A. in

1 Marketing & Governmental Affairs from Marymount University in Virginia
2 in 1986.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?**

4 A. The purpose of my testimony is to support US LEC's positions on Issues 1,
5 2 and 3 and 6b as set forth in the Order Establishing Procedure.

6 **Q. PLEASE BRIEFLY DESCRIBE US LEC.**

7 A. US LEC is a certificated local exchange carrier providing service in
8 competition with BellSouth in various localities throughout Florida. US LEC
9 is a wholly owned subsidiary of US LEC Corp.

10 **ISSUE 1: WHETHER US LEC'S LOGO SHOULD BE INCLUDED ON**
11 **THE COVER OF THE WHITE PAGES DIRECTORIES AND**
12 **IN ANY APPLICABLE CUSTOMER GUIDES IN THE SAME**
13 **MANNER, POSITION, AND SIZE AS BELL SOUTH'S LOGO.**
14

15 **Q. WHAT IS THE DISPUTE BETWEEN US LEC AND BELL SOUTH**
16 **CONCERNING PLACEMENT OF OUR LOGO IN THE WHITE**
17 **PAGES?**

18 A. BellSouth claims that it should not be required to include US LEC's logo on
19 the cover of BellSouth's White Pages and Yellow Pages directories and in
20 any applicable customer guides in the same manner, position, and size as
21 BellSouth's logo. In support of its position, BellSouth argues that neither the
22 1996 Act nor state law requires BellSouth to place a competitor's logo on the
23 cover of BellSouth's White Pages and Yellow Pages directories. However,
24 as BellSouth itself concedes, Section 251(b)(3) of the 1996 Act "requires
25 BellSouth to permit CLECs to have nondiscriminatory access to directory
26 listings." As such, to the extent that BellSouth or its publishing affiliate
27 places the BellSouth logo on White Pages and Yellow Pages directories,
28 BellSouth should also include US LEC's logo on such directories. In

1 addition, to the extent that BellSouth or its publishing affiliate charges US
2 LEC for access to its White Pages and Yellow Pages directories, it should
3 also charge BellSouth for such access.

4 **Q. WHAT IS US LEC REQUESTING OF THIS COMMISSION?**

5 A. In accordance with Section 251(b)(3) of the Act, US LEC's logo should be
6 included on the cover of White Pages and Yellow Pages directories and in
7 any applicable customer guides in the same manner, position, and size as
8 BellSouth's logo. Because the Act requires "nondiscriminatory" access,
9 BellSouth can charge US LEC for placement of the US LEC logo on its
10 directories only to the extent BellSouth itself pays for such placement. In
11 refusing to include US LEC's logo on its directories, BellSouth has attempted
12 to shield itself behind its unregulated affiliated, BAPCO, the publisher of
13 BellSouth's directory listings. BellSouth is free to create a corporate affiliate
14 to perform directory publishing functions, but it should not be permitted to
15 use that affiliate to avoid the non-discrimination duties imposed upon it by
16 Section 251(b)(3) of the Act. BAPCO has refused to include CLEC logos on
17 the cover of the White Pages and Yellow Pages directories unless specifically
18 ordered to do so by the Commission, but does include BellSouth's logo.
19 PAPCO's refusal to include US LEC's logo on the cover of its White Pages
20 and Yellow Pages, while including BellSouth's logo, violates Section
21 251(b)(3) of the Act, for the same reason that BellSouth itself would violate
22 the Act for the same conduct.

23 Telephone directories are likely the most fundamental and direct
24 contact that a local exchange carrier can have with a widespread customer
25 base. Currently, most consumers are unaware that they even have a choice

1 of local exchange telecommunications service providers. Significant
2 penetration into the local exchange market cannot occur without heightened
3 consumer awareness. Inclusion of US LEC's logo on the cover of the White
4 Pages and Yellow Pages directories in the same manner, position, and size
5 as BellSouth's logo is a critical first step towards educating consumers that
6 they have a competitive choice.

7 **Q. HAVE YOU HAD ANY PREVIOUS EXPERIENCE WITH**
8 **PLACEMENT OF LOGOS ON THE BELLSOUTH WHITE PAGES?**

9 A. Yes, and it has not been a good experience. Last year, we learned that the
10 Tennessee Regulatory Authority had ordered BellSouth to place CLEC logos
11 on the cover of its directories. BellSouth itself never notified us of this order
12 or offered to place our logo on the cover of any directory. When we inquired
13 about the Nashville directory, we were told by BAPCO that the directory had
14 already "closed" and that it was too late for us to have our logo on the cover.
15 Consequently, two of our competitors (ICG and Nextlink), along with
16 BellSouth, have their names and logos on the cover of the current Nashville
17 directory, but we do not.

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

19 A. As I mentioned, BellSouth has absolutely refused to offer us any opportunity
20 to have our logo on the cover of the White Pages under any conditions
21 whatsoever. They have advised us that they are appealing the Tennessee
22 decision and oppose any requirement to place competitors' logos on their
23 directories. We then asked them to promise that, *if* they did place another
24 company's logo on a future directory (whether voluntary or pursuant to a
25 regulatory order), they would at least offer us the same opportunity on the

1 same terms. BellSouth refused to agree even to this limited request for
2 parity.

3 **ISSUE 2: WHETHER BELLSOUTH SHOULD BE REQUIRED TO PAY**
4 **US LEC A PROPORTIONATE SHARE OF NET REVENUES**
5 **IT RECEIVES FROM THIRD PARTY PUBLISHERS OF**
6 **DIRECTORY LISTINGS FOR PROVIDING US LEC'S**
7 **LISTING INFORMATION TO THEM.**

8
9 **Q. COULD YOU PLEASE DESCRIBE THE DISPUTE THAT US LEC**
10 **AND BELLSOUTH ARE HAVING WITH REGARD TO THE**
11 **RELEASE OF US LEC'S SUBSCRIBER LISTING INFORMATION**
12 **("SLI") TO THIRD PARTIES?**

13 **A.** The issue in dispute between US LEC and BellSouth with regard to the
14 release of US LEC's SLI to third parties is one of compensation. BellSouth
15 does not want to compensate US LEC for the sale of US LEC listings to third
16 parties on the same terms that BellSouth pays other carriers compensation or
17 sharing of revenues derived from the sale of subscriber lists to third parties.
18 US LEC agrees that the revenues payable to it should be net of any
19 reasonable costs that BellSouth incurs in distributing subscriber lists to third
20 parties.

21 In its Arbitration Petition, BellSouth inaccurately states that the
22 disputed issue in Section 5.6 of the General Terms and Conditions of the
23 Interconnection Agreement is whether "BellSouth [is] required to provide US
24 LEC's subscriber listing information ("SLI") to third party publishers."
25 Apparently BellSouth is not familiar with its own proposed language, which
26 states that "[i]f BellSouth makes its directory listing information available to
27 any third party, BellSouth will also make available US LEC's directory listing
28 information with no distinction between BellSouth and US LEC subscribers."

1 BellSouth has already conceded, in the course of negotiating its
2 interconnection agreement with US LEC, that such an obligation exists. US
3 LEC's proposal includes identical language.

4 **Q. COULD YOU PLEASE EXPLAIN THE CONCERN THAT US LEC**
5 **HAS WITH REGARD TO BELL SOUTH'S RELEASE OF**
6 **DIRECTORY LISTINGS TO INDEPENDENT PUBLISHERS?**

7 A. US LEC believes that to the extent that BellSouth pays other carriers any
8 compensation or sharing of revenues derived from the sale of subscriber lists
9 to third parties, BellSouth should compensate US LEC for the sale of US
10 LEC listings to third parties on the same terms. US LEC agrees that the
11 revenues payable to it should be net of any reasonable costs that BellSouth
12 incurs in distributing subscriber lists to third parties. However, as long as US
13 LEC is required to reimburse BellSouth for costs associated with providing
14 US LEC customer lists to third parties, BellSouth should be required to pay
15 US LEC a proportionate share of any revenues BellSouth receives for
16 providing US LEC customer lists to third parties. BellSouth, on the other
17 hand, is proposing that US LEC reimburse BellSouth for any costs associated
18 with providing directory listings to independent publishers. At the same
19 time, BellSouth refuses to pass on revenues to US LEC for the sale of US
20 LEC customer listings to independent publishers. Thus, BellSouth would
21 double recover costs associated with the provision of US LEC customer lists
22 to independent publishers. This proposal is commercially unreasonable - -
23 no rational person would agree to share the costs of a business venture
24 without also sharing in the revenues. As long as US LEC is required to
25 reimburse BellSouth for costs associated with providing US LEC customer

1 lists to third parties, BellSouth should also be required to pay US LEC a
2 proportionate share of any revenues BellSouth receives for providing such
3 customer lists to third parties.

4 **Q. ON WHAT DO YOU BASE YOUR POSITION?**

5 A. US LEC's position is supported by the Telecommunications Act and the
6 FCC's rules, which require incumbent LECs to provide competing providers
7 of telephone exchange services nondiscriminatory access to directory listing
8 services. Fundamental fairness and the FCC's nondiscriminatory access
9 requirements dictate that, to the extent that BellSouth receives any
10 compensation from the sale of subscriber lists that include US LEC listings
11 to third parties, BellSouth should share that revenue with US LEC on a
12 proportionate basis. In accordance with Section 251(b)(3) of the
13 Telecommunications Act, 47 U.S.C. §251(b)(3), Section 51.217 of the FCC's
14 rules requires local exchange carriers ("LECs") to provide competing
15 providers of telephone exchange services nondiscriminatory access to
16 directory listing services. *See* 47 C.F.R. §51.217(c)93)(i) of the FCC's rules
17 requires LECs to accept the listing of those customers served by competing
18 providers, such as US LEC, for inclusion in its directory assistance/operator
19 services databases. In addition, Section 222(e) of the Telecommunications
20 Act, 47 U.S.C. §222(e), requires telecommunications carriers that provide
21 telephone exchange services to provide subscriber list information (SLI) "on
22 a timely and unbundled basis, under nondiscriminatory and reasonable rates,
23 terms, and conditions, to any person upon request for the purpose of
24 publishing directories in any format."

1 **ISSUE 3: WHETHER BELLSOUTH CAN DESIGNATE MORE THAN**
2 **ONE POINT OF INTERFACE IN A LATA IF TRAFFIC**
3 **VOLUME DOES NOT WARRANT IT.**

4
5 **Q. COULD YOU PLEASE DESCRIBE THE DISPUTE THAT US LEC**
6 **AND BELLSOUTH ARE HAVING WITH REGARD TO THE**
7 **DESIGNATION OF POINTS OF INTERFACE.**

8 A. In its Arbitration Petition, BellSouth alleges that it should be permitted to
9 designate more than one Point of Interface so that it can "construct and
10 maintain its network in the most efficient manner possible." *See BellSouth*
11 *Petition* at 8. However, the flexibility that BellSouth seeks would enable it
12 to impose network inefficiencies on US LEC. Under its proposal, BellSouth
13 could designate additional Points of Interface, thereby imposing additional
14 costs on US LEC, even when network utilization levels do not justify the
15 designation of additional Points of Interface.

16 **Q. SHOULD BELLSOUTH BE ABLE TO DESIGNATE MORE THAN**
17 **ONE POINT OF INTERFACE IN A LATA IF TRAFFIC VOLUME**
18 **DOES NOT WARRANT IT?**

19 A. BellSouth should only be able to designate more than one Point of Interface
20 per LATA if it has sufficient traffic terminating to US LEC at each Point of
21 Interface to utilize at least 75% of the interconnection facility's capacity.

22 **Q. CAN YOU BRIEFLY DESCRIBE WHAT A POINT OF INTERFACE**
23 **IS?**

24 A. The Point of Interface is the point at which the facilities of the party
25 originating a call end and the facilities of the terminating party begin. The
26 Agreement provides (and US LEC does not dispute) that BellSouth may
27 designate a Point of Interface for the delivery of the local and intraLATA toll

1 traffic it originates for transport and termination by US LEC. BellSouth also
2 proposes that it be able to designate a Point of Interface in each BellSouth
3 flat-rated local calling area. US LEC is willing to accept this proposal
4 subject to certain limitations.

5 **Q. WHAT MUST US LEC DO TO ACCOMMODATE BELLSOUTH'S**
6 **DESIGNATION OF A POINT OF INTERFACE?**

7 A. When BellSouth designates Point of Interface, US LEC must construct or
8 lease interconnection facilities between its central office and the designated
9 Point of Interface for the transport and termination of BellSouth originated
10 traffic. Under the terms of the Agreement, US LEC has an obligation to
11 provide such facilities to at least one BellSouth designated Point of Interface,
12 and has already done so in each LATA where it operates. However, if
13 BellSouth wishes to designate more than one Point of Interface in a LATA,
14 US LEC needs some assurance that BellSouth's request will not result in an
15 inefficient network architecture. Specifically, US LEC seeks to add language
16 stating that BellSouth shall only designate more than one Point of Interface
17 per LATA if it has sufficient traffic terminating to US LEC at each Point of
18 Interface to utilize at least 75% of the interconnection facility's capacity. US
19 LEC's proposal will not, as BellSouth claims, limit BellSouth to one Point of
20 Interface. US LEC's proposal merely seeks to ensure that Points of Interface
21 are designated in an efficient manner.

22 **Q. CAN YOU GIVE US AN EXAMPLE OF THE PROBLEMS YOU ARE**
23 **SEEKING TO AVOID?**

24 A. Certainly. By way of illustration, if BellSouth requests that US LEC provide
25 a DS-3 to its designated Point of Interface, US LEC will do so. However, if

1 BellSouth wishes to designate a second Point of Interface in the same LATA
2 (also at DS-3 capacity), US LEC will only do so if each facility will be
3 efficiently utilized; *i.e.*, 75% or more of each DS-3's capacity will be utilized.
4 Otherwise, BellSouth could simply decide that it wants to interconnect at a
5 different point, thereby leaving the original facility underutilized.

6 **ISSUE 6b: IF ELEMENTAL RATES APPLY FOR RECIPROCAL**
7 **COMPENSATION IN FLORIDA, SHOULD US LEC BE**
8 **COMPENSATED AT THE TANDEM RATE OR THE END**
9 **OFFICE RATE?**

10
11 **Q. IF ELEMENTAL RATES APPLY FOR RECIPROCAL**
12 **COMPENSATION IN FLORIDA, SHOULD US LEC BE**
13 **COMPENSATED AT THE TANDEM RATE OR THE END OFFICE**
14 **RATE?**

15 A. As I understand the current FCC regulations governing this issue, US LEC
16 should be compensated at the tandem rate. The only requirement that US
17 LEC must meet in order to be eligible for compensation at the tandem rate is
18 based on the geographic area covered by the switch. As noted in the FCC
19 final regulation 47 C.F.R./ 51.711(a)(3):

20 Where the switch of a carrier other than an incumbent
21 LEC serves a geographic area comparable to the to the
22 area served by the incumbent LEC tandem switch, the
23 appropriate rate for the carrier other than the
24 incumbent LEC is the incumbent LEC 's tandem
25 interconnection rate.

26
27 There is nothing in the federal rules that requires US LEC's switches
28 to perform the same or similar functions as BellSouth's tandems although
29 that was the subject of some discussion in the FCC's First Report and Order.

30 **Q. DO US LEC'S SWITCHES IN FLORIDA SERVE GEOGRAPHIC**
31 **AREAS COMPARABLE TO BELLSOUTH'S TANDEM SWITCHES?**

1 A. Yes. US LEC has five switches in Florida: four are in BellSouth's service
2 territory and one is in GTE's service territory in Tampa. The four switches
3 in BellSouth's territory are located in Jacksonville, Orlando, West Palm
4 Beach and Miami. Each is a Lucent 5ESS switch. In Jacksonville, US
5 LEC's switch currently serves 129 customers throughout 23 rate centers in
6 BellSouth's territory. In Orlando, US LEC's switch currently serves 337
7 customers throughout 12 rate centers in BellSouth's territory. West Palm
8 Beach is US LEC's newest switch. To date, we have only 9 customers
9 signed up in West Palm Beach, but the switch is capable of serving customers
10 throughout 14 rate centers in that area. Finally, in Miami, US LEC's switch
11 currently serves 164 customers throughout 16 rate centers in BellSouth's
12 territory. In my opinion, this satisfies the only requirement imposed by the
13 federal rules.

14 **Q. IF THE COMMISSION CHOOSES TO IMPOSE A FUNCTIONALITY**
15 **REQUIREMENT AS WELL AS THE GEOGRAPHIC, DO US LEC'S**
16 **SWITCHES PERFORM FUNCTIONS THAT ARE SIMILAR TO THE**
17 **FUNCTIONS PERFORMED BY BELLSOUTH'S TANDEM**
18 **SWITCHES?**

19 A. Yes. The configuration of the US LEC network provides similar
20 functionality. For example, in the Jacksonville market, our network is
21 designed to facilitate traffic termination to the same market area as 2
22 BellSouth tandem switches. Our central switch acts as a tandem switch and
23 an end office switch for the same 19 rate centers served by the two BellSouth
24 switches.

1 If a BellSouth customer calls a US LEC customer in the Jacksonville
2 market, the BellSouth end office either hands the call off to US LEC through
3 direct end office trunking or from their tandem interconnection. Our switch
4 then transfers the call to the internal end office function, which in turn,
5 terminates to the customer location. These functions are similar to the
6 functions provided by BellSouth's tandem switches.

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

8 A. Yes, it does.

9