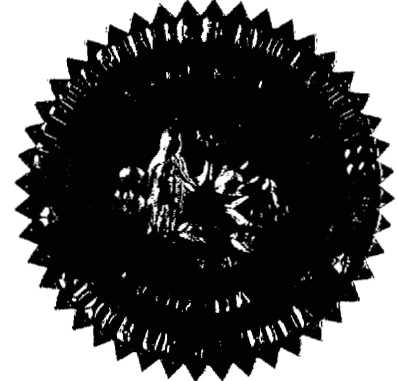


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of : DOCKET NO. 000649-TP  
:  
PETITION BY MCIMETRO ACCESS :  
TRANSMISSION SERVICES, LLC AND MCI :  
WORLD.COM COMMUNICATIONS, INC. FOR :  
ARBITRATIONS OF CERTAIN TERMS AND :  
CONDITIONS OF A PROPOSED AGREEMENT :  
WITH BELLSOUTH TELECOMMUNICATIONS, :  
INC. CONCERNING INTERCONNECTION AND :  
RESALE UNDER THE TELECOMMUNICATIONS :  
ACT OF 1996. :  
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\* AND DO NOT INCLUDE PREFILED TESTIMONY. \*  
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VOLUME 6

Pages 863 through 1047

PROCEEDINGS: HEARING  
BEFORE: COMMISSIONER E. LEON JACOBS, JR.  
COMMISSIONER LILA A. JABER  
COMMISSIONER BRAULIO L. BAEZ  
DATE: Thursday, October 5, 2000  
TIME: Commenced at 9:00 a.m.  
PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida  
REPORTED BY: JANE FAUROT, RPR  
FPSC Division of Records & Reporting  
Chief, Bureau of Reporting  
APPEARANCES: (As heretofore noted.)

DOCUMENT NUMBER-DATE  
13413 OCT 20 08

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## P R O C E E D I N G S

1  
2 (Transcript follows in sequence from  
3 Volume 5.)

4 CYNTHIA J. COX

5 continues her testimony under oath from Volume 5:

## CONTINUED CROSS EXAMINATION

6  
7 BY MR. MELSON:

8 Q Good afternoon, Ms. Cox. I am Rick Melson  
9 representing WorldCom.

10 A Good afternoon.

11 Q I think we met several weeks ago at a reciprocal  
12 compensation hearing before two of the three Commissioners  
13 who are sitting on the bench today.

14 A I believe that is right.

15 Q You are the policy witness for BellSouth in this  
16 proceeding?

17 A Yes, I am.

18 Q And is this the first arbitration proceeding in  
19 which you have testified?

20 A For MCI, yes, in the MCI arbitration.

21 Q And you are generally covering the issues that  
22 Mr. Varner covered in the MCI arbitrations in North  
23 Carolina and Georgia?

24 A Yes, that is correct.

25 Q And did you attend the portions of the North

1 Carolina and Georgia hearings where Mr. Varner testified  
2 when he was on the stand?

3 A Yes, I believe I was there for his entire  
4 testimony in both cases.

5 Q Okay. And you were also there for the  
6 multi-state deposition that was taken of Mr. Varner in the  
7 MCI/BellSouth arbitrations?

8 A Yes. I'm not sure I was there for the entire  
9 deposition, but I was there for parts of it.

10 Q You said right at the outset of your summary  
11 that BellSouth is subject to a number of obligations under  
12 the Telecom Act and the FCC's rules and that you encourage  
13 the Commission not to increase those obligations, did I  
14 hear that correctly?

15 A Yes, you did.

16 Q Would you agree that the Florida Commission does  
17 have independent state law authority to deal with some of  
18 the matters that are at issue in this docket?

19 A Oh, I certainly would agree with that. And my  
20 only point was that I would urge them to not feel the need  
21 to add to the obligations that we already have under  
22 current law.

23 Q And would you also agree with me that to the  
24 extent they have state law authority, they, as a policy  
25 matter, could add to those obligations so long as they

1 weren't requiring you to do something that was  
2 inconsistent with federal law?

3 A I believe that is a fair statement.

4 Q All right. I am going to take the issues out of  
5 order a little and try to deal first with the ones that  
6 you touched on in your summary and then maybe we can do  
7 some of the more mundane ones.

8 A Okay.

9 Q Actually, let me start sitting down. I will get  
10 up to the diagram there in a minute. Let's start with  
11 Issue 36, and the phrasing of that issue is whether  
12 WorldCom, as the requesting carrier, has the right to  
13 designate the points or points of interconnection at any  
14 technically feasible point. That is the way the issue is  
15 stated, correct?

16 A Yes, that's correct.

17 Q And the point of interconnection is essentially  
18 the point at which the WorldCom network would be linked to  
19 the BellSouth network?

20 A Yes, it would be the physical linking of the  
21 networks.

22 Q Okay. And BellSouth's position, if I understand  
23 it, is that WorldCom is entitled to choose the point of  
24 interconnection for any traffic that WorldCom originates  
25 and delivers to BellSouth, is that correct?

1 A Yes, we would agree with that.

2 Q But that point of interconnection has to either  
3 be on BellSouth's network or at a meet point that we agree  
4 on, is that correct?

5 A Yes.

6 Q Okay. We couldn't designate a point on Sprint's  
7 network as our point of interconnection with you?

8 A No, that probably wouldn't work very well.

9 Q All right. And it is BellSouth's position, if I  
10 understand it, that BellSouth can choose the point of  
11 interconnection for traffic that originates from BellSouth  
12 and goes to WorldCom, is that correct?

13 A Yes, that's correct.

14 Q Okay. And would you agree with me that whose  
15 right it is to designate the point of interconnection is  
16 essentially a legal issue that is addressed by the FCC's  
17 rules and is something the parties will in all likelihood  
18 brief in this docket?

19 A Most likely, yes.

20 Q Now I will stand up.

21 I appreciate you doing this chart. It is easier  
22 than looking, at least, at my drawing. In your diagram, I  
23 take it the point of interconnection between MCI here --  
24 MCI's switch in Orlando and BellSouth's tandem is going to  
25 be a point at the tandem, is that correct?

1           A     That is what we have assumed in this drawing,  
2     yes.

3           Q     Okay.  And in that situation, it is MCI's  
4     responsibility either to build this interconnection  
5     facility, or to obtain it from another carrier, or to  
6     lease it from BellSouth, is that correct?

7           A     Well, in that particular case, I don't think you  
8     could lease it from us because that would be an interLATA  
9     link, so you would have to get it into the LATA.

10          Q     All right.  If our switch were actually in the  
11     Jacksonville LATA, then we would be able to obtain that  
12     interconnection facility from BellSouth?

13          A     Yes.  And that would get you to that point on  
14     the network.

15          Q     All right.  Now, BellSouth's position is that  
16     for traffic that originates on BellSouth's network -- and  
17     let's use your example -- originates on BellSouth's  
18     network in the Lake City calling area, that if we have got  
19     customers in Lake City, it is WorldCom's responsibility to  
20     come to Lake City and establish a point of interconnection  
21     with BellSouth in that Lake City local calling area, is  
22     that correct?

23          A     Right.  And that is because that is where the  
24     local network is for Lake City.  When you get to the POI  
25     there, the point of interconnection in Jacksonville, that



1 is the physical linking of the networks, but it doesn't  
2 get you to the local network in Lake City.

3 Q Now, let's assume we don't have any customers in  
4 Lake City. Let's assume we have got a customer in  
5 Jacksonville and the customer in Jacksonville calls your  
6 customer in Lakeland. We are going to transport the call  
7 in this example to our switch in Orlando over a loop, we  
8 are going to deliver it to you at the point of  
9 interconnection. At that point you do tandem switching,  
10 correct?

11 A Yes.

12 Q You put it onto a facility that runs to your end  
13 office in Lakeland, correct?

14 A It would be a toll facility, yes.

15 Q And you switch it in your end office?

16 A That's right.

17 Q And WorldCom pays you for each of those  
18 functions. They pay you for the tandem switching?

19 A Well, it would be -- that is a long distance  
20 call.

21 Q Okay, bad example.

22 A I'm not sure. It wouldn't be reciprocal  
23 compensation.

24 Q This is a problem when the witness controls the  
25 drawing. Let me start over. Let me go back to my

1 original example, the one you used.

2 A Okay.

3 Q Let's make a local call from the WorldCom end  
4 user in Lakeland to the BellSouth end user in Lakeland.  
5 WorldCom takes that in your example to the switch in  
6 Orlando, we deliver it to the point of interconnection.  
7 At that point we pay you a tandem switching rate to switch  
8 that call in Jacksonville, correct?

9 A No, I don't think so.

10 Q What do you think we pay you?

11 A You would pay us for reciprocal compensation.  
12 You would pay us -- once it gets into the Lake City local  
13 calling area, because we are talking about a local call,  
14 you would pay us end office switching and that is what you  
15 would pay for purposes of reciprocal compensation.

16 Q So, your price list that you propose in this  
17 proceeding includes a tandem switching rate for local  
18 interconnection, correct?

19 A Yes.

20 Q It includes a common transport rate for local  
21 interconnection, correct?

22 A Correct.

23 Q And includes an end office switching rate,  
24 correct?

25 A Yes.

1 Q And we are using BellSouth tandem switching?

2 A Right.

3 Q We are using BellSouth common transport?

4 A For interconnection.

5 Q And we are using BellSouth end office switching?

6 A Right.

7 Q And you are saying that you are not going to  
8 charge us each of those three tariffed charges for  
9 completing that call from the point of interconnection  
10 into your customer in Lakeland?

11 A What I am saying is that for purposes of  
12 reciprocal compensation, the reciprocal compensation  
13 elements would not start until we got into the local  
14 calling area. So for reciprocal comp we would charge the  
15 end office switching rate. Now, what we are really  
16 arguing about is whether or not you will pay for those  
17 interconnection trunks, as I understand it, to get to the  
18 Lake City local calling area. And we want you to pay for  
19 those interconnection trunks, and MCI does not. That is  
20 my understanding of the dispute.

21 COMMISSIONER JABER: Ms. Cox, help me  
22 understand. Your last statement confused me. What is the  
23 tandem switch rate for if you are not using it for  
24 purposes of reciprocal compensation?

25 THE WITNESS: Well, you can have tandem

1 switching rates for purposes of interconnection. I  
2 thought he was asking about what we would be charging them  
3 for transport and termination rates and that is only for  
4 what happens in the local calling area. So perhaps I  
5 misunderstood his question.

6 MR. MELSON: No, you understood my question. I  
7 think we disagree about what the proper answer to it is.

8 THE WITNESS: Okay.

9 COMMISSIONER JABER: She controls that, too.

10 MR. MELSON: Yes, which perhaps is going to make  
11 the cross-examination longer than I had expected.

12 BY MR. MELSON:

13 Q Let's use an example here, then, of a call from  
14 the MCI WorldCom end user in Jacksonville to the BellSouth  
15 end user in Jacksonville. That is a local call, correct?

16 A Yes, it is.

17 Q In your diagram, WorldCom takes that to our  
18 switch in Orlando, we deliver it to the point of  
19 interconnection at the BellSouth tandem in Jacksonville,  
20 correct?

21 A Correct.

22 Q At that point you do tandem switching, you do  
23 local transport, and you do end office switching to  
24 terminate to your end user, correct?

25 A That's correct.

1 Q Now, in that situation you do charge the tandem  
2 switching?

3 A For reciprocal compensation.

4 Q For reciprocal compensation. You do charge the  
5 common transport for reciprocal compensation?

6 A That's correct.

7 Q And you charge the end office switching?

8 A That's right, because all of that is done within  
9 the Jacksonville local calling area.

10 Q What is there in the arrangement between  
11 WorldCom and BellSouth that would preclude exactly that  
12 same local interconnection compensation from applying in  
13 the situation where you are taking the traffic from your  
14 Jacksonville tandem to your Lakeland end office?

15 A Well, there are a couple of things. First of  
16 all, that is interconnection to get the local network, so  
17 it is not appropriate to charge reciprocal compensation on  
18 that. And, second of all, for calls that would originate  
19 from WorldCom, we would still have to go to Jacksonville  
20 to pick those up under WorldCom's proposal and we don't  
21 get reciprocal compensation -- well, I said that  
22 backwards. We would have to take our calls -- I'm sorry,  
23 our calls that originate to WorldCom, we would have to  
24 take those to Jacksonville to hand off.

25 Q All right. I understand that. And at this

1 point we will get to calls that you originate in a minute.

2 First, I want to deal with calls from us that you

3 terminate.

4 A Okay.

5 Q You are saying this is a local interconnection  
6 facility?

7 A Correct.

8 Q Does that mean that WorldCom has a point of  
9 interconnection in Lakeland?

10 A Not necessarily a physical point. There could  
11 be a point of interconnection with that local network  
12 there, but you still can have just the single physical  
13 point in Jacksonville.

14 Q So your position, if I am understanding it now,  
15 is that while WorldCom is entitled to establish a single  
16 point of interconnection in the LATA, for compensation  
17 purposes you can pretend like we have got a point of  
18 interconnection here for calls in Jacksonville and you can  
19 pretend like we have got another point of interconnection  
20 here for purposes of charging us for calls that terminate  
21 in Lakeland?

22 A I don't know if I would say it that way, but  
23 what I would agree is that for calls in Lake City that  
24 terminate in Lake City, regardless of the routing, that it  
25 is our belief that we charge reciprocal compensation for.

1 what happens within the local calling area, and would pay  
2 based on what would happen in the local calling area.

3 Q So when you route -- in Southeast Florida when  
4 you route from an access tandem to multiple local calling  
5 areas, do you have that situation in Southeast Florida?

6 A Probably. I don't know for sure.

7 Q All right. Assume you have got an access tandem  
8 in Southeast Florida that routes to multiple local calling  
9 areas, are you with me on that?

10 A Okay.

11 Q Are you saying that when a local carrier  
12 interconnects with you at that access tandem that you  
13 don't charge either tandem switching or common transport  
14 in a reciprocal compensation environment for calls that  
15 are terminated to the local calling areas that subtend  
16 that tandem? That was a long question.

17 A That was a long questions. Is what you are  
18 asking if there were a number of other circles around  
19 Jacksonville in this example?

20 Q Right.

21 A Yes, that is what we would propose is that  
22 reciprocal compensation would be applied for what happens  
23 within that local calling area.

24 Q So, do you have a copy Mr. Price's nice little  
25 color exhibit?

1 A No, I don't.

2 MR. MELSON: Okay. I will come back to that in  
3 a minute, Bennett.

4 BY MR. MELSON:

5 Q So, just to be clear, your position is that it  
6 is WorldCom's obligation to deliver the traffic into each  
7 and every local calling area?

8 A It is WorldCom's obligation to get to the local  
9 networks that they want to serve customers in, the local  
10 networks are down at the local calling area level.

11 Q Okay. You do have a network today between your  
12 Lake City end office and your Jacksonville tandem?

13 A Yes, a toll network.

14 Q A transport network?

15 A Yes. But that wouldn't ever carry, in this  
16 example, a call from one Lake City customer to another  
17 Lake City customer. It would never go over that link that  
18 we are talking about to Jacksonville.

19 Q It would never carry a BellSouth-to-BellSouth  
20 call from a Lakeland customer to a Lakeland customer?

21 A Not by way of Jacksonville.

22 Q Would you agree with me -- no, you probably  
23 wouldn't.

24 A You could try.

25 Q That's dangerous, Ms. Cox. I guess to summarize



1 it, it is your position that we are entitled to establish  
2 only a single point of interconnection per LATA for  
3 sending calls to you?

4 A A single physical point, yes.

5 Q A single physical point.

6 A We won't disagree on that.

7 Q But for purposes of taking calls that originate  
8 from your customers, we are required to establish physical  
9 points in every local calling area that we serve in that  
10 LATA?

11 A No. For purposes of getting to the individual  
12 local networks, once you are in the LATA, we believe that  
13 MCI should compensate BellSouth for the facilities that  
14 have to be used, or provide them themselves, I mean, if  
15 you choose to.

16 Q I guess the point of disconnect is -- it is my  
17 understanding that we compensate you for those facilities  
18 every time we terminate a call, just as you compensate us  
19 for our facilities every time you terminate a call to us.  
20 And, where we are having a disconnect is the applicability  
21 in your view of the tandem switching and the common  
22 transport in the situation where WorldCom terminates a  
23 call to BellSouth. Would you agree that that seems to be  
24 our area of disagreement?

25 A Well, I'm not sure. If you're talking about a .

1 call going from MCI to BellSouth, I mean, what I hear you  
2 saying is you think you would compensate us for that  
3 interconnection trunk really through reciprocal  
4 compensation.

5 Q Correct.

6 A The problem is in the reverse direction. And  
7 that might work fine in that direction. We would say  
8 really that is an interconnection trunk and what you  
9 should be paying are interconnection rates for that  
10 facility to compensate us.

11 Q Are the interconnection rates different than the  
12 reciprocal compensation rates?

13 A I don't think they are.

14 Q They are -- at least in BellSouth's current cost  
15 study and pricing proposal it almost doesn't make a  
16 difference what we call it, the charge is the same. We  
17 are going to pay the dollar equivalent of reciprocal  
18 compensation for tandem switching and local transport?

19 A For a call in that direction. But when you are  
20 talking about a BellSouth customer that is going to call a  
21 WorldCom customer, then we have a dilemma. If we pick the  
22 point of interconnection in Lake City, then MCI would want  
23 to charge us reciprocal compensation for that  
24 interconnection trunk, so we would actually be paying MCI  
25 to have to carry a Lake City call to Jacksonville, which.

1 we would never have to do. So that is where the -- so not  
2 only would we not be compensated for the facilities that  
3 we would have to put in in that direction, we would  
4 actually have to be paying WorldCom for those facilities.

5 Q Let's assume, and I know we have got another  
6 issue about one-way versus two-way, but let's assume all  
7 of these are two-way facilities.

8 A Okay.

9 Q Okay. In that situation we compensate BellSouth  
10 whenever a call goes in this direction from Jacksonville  
11 to Lakeland, we compensate you for the switching in  
12 Jacksonville and for the transport, correct?

13 A I hear you saying you are agreeable to that,  
14 yes.

15 Q And it sounds to me like our only disagreement  
16 is what label we put on it, but since the rate is the same  
17 it almost doesn't matter what label we put on it. Do you  
18 agree with that?

19 A Okay, I will accept that for traffic in that  
20 direction.

21 Q For traffic in that direction. For traffic in  
22 this direction, if this is our point of interconnection  
23 and it is your obligation to deliver traffic at the point  
24 of interconnection, we charge you reciprocal compensation  
25 only for -- actually we charge you reciprocal compensation

1 only for the part where it traverses our network, is that  
2 correct? We are not charging -- strike that. Is that  
3 correct?

4 A Well, I'm not sure. And even if you were, I  
5 have a couple of concerns with that. First of all, that  
6 still doesn't alleviate BellSouth's concern that for that  
7 link, that interconnection link between Lake City and  
8 Jacksonville that we are having to incur the cost of  
9 putting that in to carry that traffic, which we would not  
10 have done to carry a call from Lake City, one Lake City  
11 customer to another. And then a second concern I would  
12 have is the length of that. If you are talking about  
13 charging us for reciprocal comp from Jacksonville to the  
14 Orlando switch, we also would never have carried a local  
15 call those kinds of directions to incur that kind of  
16 transport cost.

17 Q Actually don't we -- regardless of how it is  
18 physically routed, don't we compensate each other on an  
19 airline mile basis?

20 A I'm not sure what you mean when you say airline  
21 miles. Do we have a proxy, is that what you are --

22 Q Yes, do you have proxy for -- you don't actually  
23 measure the length of this circuit?

24 A Okay. I thought that was what you were saying.  
25 I thought we had agreed to some sort of a proxy. I

1 thought you had just been saying we would pay for that.

2 Q Okay. I was saying it incorrectly and I  
3 apologize profusely.

4 A That's okay.

5 Q You would agree that in any of these situations  
6 it is our obligation to bring traffic to the point of  
7 interconnection?

8 A Within the LATA, yes.

9 Q Within the LATA. And it is BellSouth's position  
10 it is not your obligation to bring traffic to that same  
11 point of interconnection?

12 A No, we believe that you have also got to get  
13 interconnected to the local networks where you want to  
14 serve customers.

15 Q The next issue that you highlight in your  
16 summary was Issue 46, related to assignment of NPA-NXX  
17 codes to end users in a different rate center, is that  
18 correct?

19 A That's correct.

20 Q And does BellSouth -- I don't think we need to  
21 look at the chart for this one, yet.

22 BellSouth offers a service called FX service  
23 today, correct?

24 A Yes, that's correct.

25 Q And if, say, a clothing store in Miami thought .

1 that it could attract customers in Jupiter and wanted a  
2 local number in Jupiter, BellSouth would provide that to  
3 the Miami clothing store, correct?

4 A Yes, we would.

5 Q And that would be called an FX service, foreign  
6 exchange?

7 A It could be, right.

8 Q And in that situation if a WorldCom customer in  
9 Jupiter called that Miami clothing store, that would  
10 appear to the customer to be a local call, is that  
11 correct?

12 A Yes, I believe it would.

13 Q And as your billing systems exist today, you  
14 would charge WorldCom reciprocal compensation for  
15 terminating that call from its customer in Jupiter to your  
16 telephone number in Jupiter, is that correct?

17 A Yes, I believe we would today. And what we are  
18 asking the Commission to decide is that that -- we don't  
19 believe that is the way it should be, and we are prepared  
20 to accommodate our billing systems to accomplish that end  
21 result.

22 Q And in what kind of time frame are you prepared  
23 to accommodate your billing systems?

24 A I don't really know. You know, as soon as  
25 possible. I don't know how long it would take.

1 Q Who would know?

2 A I don't know. Maybe Mr. Scollard. We would  
3 intend to do it in a similar way we are -- for the most  
4 part we are not billing reciprocal comp on ISP calls  
5 today. And so to the extent an FX line is assigned to an  
6 ISP we would not be billing reciprocal comp. So we would  
7 envision not billing on reciprocal comp in the same way we  
8 would accomplish not billing for ISPs.

9 Q Do you today pay WorldCom -- would you pay  
10 originating access to WorldCom when its Jupiter customer  
11 called your Jupiter number and made a call that was  
12 answered at the telephone in Miami?

13 A I don't think so, but I'm not certain.

14 Q Well, if you would charge us reciprocal  
15 compensation it would sort of be unfair if you were  
16 charging us originating access, as well?

17 A Yes.

18 Q Your testimony then goes to what the arrangement  
19 should be tomorrow once BellSouth's billing systems have  
20 been changed?

21 A Well, my -- yes. Our position is that these  
22 calls should not be considered local and reciprocal  
23 compensation should not be charged on these calls.

24 Q But you charge it today?

25 A We are charging it today to a customer that is .

1 not an ISP.

2 Q And your position is that WorldCom should not be  
3 permitted to offer a comparable type of dialing  
4 arrangement until it is prepared not to bill BellSouth  
5 reciprocal compensation, is that my understanding of your  
6 testimony?

7 A No. Our position is that you should also  
8 accommodate your billing systems so that you will not be  
9 billing us reciprocal compensation, if you are.

10 Q At some point in the future?

11 A Yes. But we are not trying to restrict you from  
12 doing this kind of service.

13 Q There was a similar issue in one of the other  
14 arbitrations you have completed recently, is that correct?  
15 I believe it was Intermedia.

16 A Yes, this is an issue in Intermedia.

17 Q And if I understand the Commission's decision in  
18 Intermedia, it was essentially that Intermedia should not  
19 be allowed to assign out of area NPA-NXXs until they were  
20 in a position to exchange the proper billing information,  
21 is that correct?

22 A Yes, and I was not in that arbitration here in  
23 Florida. My understanding is there were some concerns  
24 about end user billing. And what I think we have decided  
25 or resolved in the interim is that the end user billing is



1 really going to be uneffected. The end users will still  
2 be billed as if these are local calls.

3 Q I guess I'm not concerned about anything you may  
4 have worked out with Intermedia, I am concerned about what  
5 the Commission ordered. Is it your understanding of the  
6 Commission order that Intermedia was not allowed to use  
7 this -- to assign the NPA-NXX out of the home area until  
8 they were able to bill in accordance with the  
9 forward-looking compensation methodology you have  
10 described?

11 A No, not necessarily. I think the Commission was  
12 looking at the end user billing aspect.

13 Q So it is your understanding, then, under the  
14 Intermedia order that Intermedia is permitted to assign  
15 NPA-NXXs outside of the home area?

16 A I believe they are.

17 Q Okay. And that is -- if Intermedia is allowed  
18 to do it, would you agree that WorldCom should be allowed  
19 to do it, as well?

20 A Yes, and we have never disputed that you should  
21 be able to do it. But, again, we are urging the  
22 Commission to specify that for these calls that are not  
23 local that we should not be charging each other reciprocal  
24 compensation.

25 Q But today, putting the ISPs aside, you would

1 charge reciprocal compensation?

2 A Yes, I believe it is being billed.

3 Q So you are urging the Commission to require you  
4 to do something differently?

5 A Yes, because we think that is -- to urge us both  
6 to do something differently, I believe.

7 Q All right. On Issue 40 on IP Telephony?

8 A Yes.

9 Q I'm trying to understand how much of a  
10 disagreement we have left. Are you aware that WorldCom  
11 has proposed language that says that designation as  
12 switched access traffic shall not be dependent on the  
13 switching or transport technology used, including packet  
14 switching and Internet protocol?

15 A I'm not sure if that is the exact language, but  
16 I am aware you have made some proposals, and I think we  
17 have made some proposals back.

18 Q Do you know what proposal you have made back?

19 A I think we added clarification as to the  
20 originating -- if the originating and terminating points  
21 of the call were in different local calling areas that  
22 those calls would not be subject to reciprocal  
23 compensation, something along those lines.

24 Q And do you know whether WorldCom made a counter  
25 proposal?

1 A That I don't know.

2 Q Would you accept subject to check that WorldCom  
3 did make a counter proposal that said -- that focused on  
4 the NPA-NXXs of the two ends of the calls rather than the  
5 physical location?

6 A Well, if they did that we would have the same  
7 problem that we have in this issue, I think.

8 Q Okay. So we have got sort of an underlying  
9 problem about how to treat -- whether or not NPA-NXXs  
10 should be used to determine the jurisdiction of traffic?

11 A Yes, I think so. I mean, from what I heard from  
12 Mr. Price, it seems like we agree that a call that  
13 originates and terminates in a different local calling  
14 area that would not have an NPA-NXX that would look it is  
15 local, I guess, for example, that those would be long  
16 distance and subject to switched access.

17 I think we agree that a call that would  
18 originate and terminate within the local calling area,  
19 whether or not it uses IP Telephony, would be subject to  
20 reciprocal compensation. I think our only disagreement as  
21 I hear it is really the disagreement over this NPA-NXX  
22 issue we are talking about here.

23 Q So for purposes -- if that is the disagreement  
24 and that is going to be resolved in some other issue, for  
25 purposes of putting Issue 40 to bed, would the simple

1 unadulterated language that says whether you are using IP  
2 protocol or some other protocol doesn't affect the  
3 jurisdictional decision, should that put that piece of the  
4 issue behind us?

5 A I think so after hearing Mr. Price's  
6 clarification as to what MCI's intent was.

7 Q Now, let me turn to some of the more mundane  
8 issues.

9 A Okay.

10 Q Not unimportant. Issue 1 primarily concerns  
11 whether WorldCom has to pay a manual nonrecurring charge  
12 or an electronic nonrecurring charge for ordering when in  
13 a situation where BellSouth does not provide an electronic  
14 interface, do you understand that as being the issue?

15 A Yes, that is what I understand.

16 Q Okay. And that is because when WorldCom submits  
17 a local service request you charge us under the rate  
18 structure incorporated in your price list, a charge for  
19 processing the order?

20 A That is correct.

21 Q And the nonrecurring charge for a manually  
22 placed order is higher than the nonrecurring charge for an  
23 electronically placed order?

24 A That's correct, because the costs are higher.

25 Q And I believe yesterday Mr. Ross, in talking to

1 Mr. Price, may have said a couple of dollars more. Do you  
2 recall him saying that?

3 A No, I don't recall that.

4 Q Okay. Well, let me ask you is it correct that  
5 the proposed electronic service ordering rate is \$2.75 and  
6 the manual ordering rate is \$21.56?

7 A That sounds right. Let me just check. 2.75 for  
8 electronic, 21.56 for manual, is that what you said?

9 Q Right. And that is at Page 10 of your revised  
10 CKC-1?

11 A Let me check the page number.

12 Q It is rate element N.1.1 and N.1.2?

13 A Yes, that's right.

14 Q Now, assume that BellSouth has an electronic  
15 interface for itself for a certain type of order, but  
16 provides WorldCom only a manual interface. In that  
17 situation if BellSouth is in the process of developing an  
18 electronic interface that will be available in the future,  
19 it is BellSouth's position that until it is available you  
20 charge the manual charge, is that right?

21 A That's correct.

22 Q And there is no outside time limit on how long  
23 it might take you to develop that electronic ordering  
24 capability for WorldCom or the other ALECs, is that  
25 correct?

1           A     I don't know the time frames that would be  
2 required to develop it. Your assumption was that we have  
3 the electronic interface for ourself, so therefore it is  
4 an obligation and we would need to develop the electronic  
5 interface, so we would do it diligently because it is an  
6 obligation. So I don't think it would drag on and on.

7           Q     Okay. But this is the year 2000, correct?

8           A     Yes, it is.

9           Q     And you had obligations under the Telecom Act  
10 since 1996, is that correct?

11          A     Certain obligations, that's correct.

12          Q     And is it fair to say that not all of the  
13 electronic interfaces are yet complete?

14          A     Well, I don't know of any instance where we have  
15 an electronic interface for ourself and the ALECs do not  
16 have one.

17          Q     But if that situation existed under your  
18 contract language, you would impose a manual charge, a  
19 manual ordering charge when the ALEC used the manual  
20 interface?

21          A     Well, our position is that that situation won't  
22 exist, that we will meet our obligations. But our  
23 position is if you use the manual system you will pay the  
24 manual charge; and if you use the electronic, you pay  
25 electronic.

1           COMMISSIONER JABER: Ms. Cox, what incentive --  
2 what should the Commission do to give you an incentive to  
3 create a complete electronic interface system? How do we  
4 get you there, in other words?

5           THE WITNESS: Well, I'm not sure that we need  
6 any additional incentive. I mean, when you look at, for  
7 example, the cost, the cost of a manual order are higher  
8 than an electronic order. We already have an incentive to  
9 lower our costs to the extent we can. And we have  
10 electronic interfaces for the vast majority, really, of  
11 the services. It's things that are complex, that just are  
12 very difficult to convert to an electronic kind of a  
13 system that is really where we are right now. So I  
14 don't -- I really can't give you anything that you could  
15 do that is not already an incentive for us, which is cost  
16 reduction.

17           COMMISSIONER JABER: Then why isn't -- from a  
18 company standpoint, why isn't BellSouth moving quickly to  
19 complete an electronic system throughout the company?

20           THE WITNESS: Well, I don't know that we are not  
21 moving quickly. As I said, we have developed a number of  
22 electronic interfaces, and Mr. Pate could discuss them in  
23 great detail. Again, we are down to parts that just are  
24 very difficult to put into that, and we are working as  
25 hard as we can. But we face the same dilemma. We have to

1 use manual systems ourselves in these cases.

2 COMMISSIONER JACOBS: In your preordering  
3 process for your retail systems that is a manual process?

4 THE WITNESS: It depends on the service. For  
5 example, complex business orders are done through a manual  
6 system. Now, residential services, we have electronic  
7 interfaces for the ALECs as we do for ourselves.

8 COMMISSIONER JABER: Is it fair to say that  
9 everywhere you have electronic preordering ability the  
10 ALECs do?

11 THE WITNESS: Yes, that is our obligation.

12 COMMISSIONER JABER: There isn't a single  
13 circumstance where you, BellSouth, would have an  
14 electronic preordering option that you don't allow the  
15 ALECs the same sort of service?

16 THE WITNESS: Not that I am aware of.

17 BY MR. MELSON:

18 Q Do today you have electronic access to loop  
19 qualification data for ALECs?

20 A I believe we do have an option for that. Mr.  
21 Pate could really go into the details of those systems,  
22 that is covered in his testimony.

23 Q If you have it, would it be very, very recent or  
24 do we need to ask Mr. Pate?

25 A I don't know. I would ask Mr. Pate.



1           Q     All right.  On Issue 2, regarding prices.  If I  
2 understand correctly we are down to a dispute as to  
3 whether prices for line sharing and for certain  
4 collocation elements should be interim subject to true-up  
5 or should be fixed in this proceeding, is that your  
6 understanding of where we now are?

7           A     Yes, I believe that is where we are.

8           Q     And most of the rates that BellSouth is  
9 proposing outside of the collocation line sharing area, in  
10 fact, all of them are interim subject to true-up, correct?

11          A     Yes, because there are currently dockets  
12 underway where those rates are going to be established in  
13 the near future.

14          Q     Okay.  So there is nothing illegal or immoral  
15 about setting rates that are interim subject to true-up?

16          A     No, we do it quite often.  Our only distinction  
17 on the ones where we have suggested they not be interim  
18 subject to true-up are, for example, in the collocations,  
19 they are already permanent rates or they are from a  
20 tariff.  And in the line sharing there is just no real  
21 proceeding underway, so we don't see why we would wait and  
22 do them interim subject to true-up.  So that is the  
23 distinction.

24          Q     Are you aware that the Commission in the  
25 collocation -- generic collocation proceeding has

1 indicated an intention to set permanent cost-based rates  
2 in a future phase of that proceeding?

3 A I heard Mr. Price, I think, read from that  
4 order. I just don't know that anything is imminent. And  
5 the rates that we are proposing here are already permanent  
6 rates, they are from a tariff and they are from other  
7 arbitrations.

8 Q Are all of them from arbitrations?

9 A No, some of them are from the tariff.

10 Q And BellSouth has an obligation to offer  
11 cost-based rates for UNEs, correct?

12 A Yes, that is correct.

13 Q And there are at least some of those collocation  
14 rates that the Commission has not reviewed in a post-act  
15 arbitration proceeding?

16 A I don't know that for sure.

17 Q And with respect to line sharing, you would  
18 agree with me that in the UNE cost docket that BellSouth  
19 joined a stipulation with other parties that line sharing  
20 issues would be dealt with in a future proceeding?

21 A Yes. There is not a proceeding that has been  
22 opened yet, though, as far as I know.

23 Q All right. On Issue 3, that relates to whether  
24 the resale discount, wholesale discount applies to all  
25 telecommunications services that BellSouth offers to end .

1 users regardless of the tariff in which the service is  
2 contained. It is my understanding that BellSouth's  
3 position is that the -- it will offer the wholesale  
4 discount on services that are contained in its general  
5 subscriber service tariff and in its private line tariff,  
6 is that correct?

7 A Yes, that is correct.

8 Q And it is BellSouth's position that services  
9 offered in either your intrastate or federal access  
10 tariffs will not carry a discounted rate, is that correct?

11 A That is correct. They would be available for  
12 resale, but would not have the wholesale discount or  
13 however it is phrased.

14 Q All right. The services offered in the  
15 intrastate and federal access service tariff are available  
16 to customers other than telecommunications carriers, is  
17 that correct?

18 A I'm not sure about the intrastate access tariff,  
19 but the federal tariff is available. There are no user  
20 restrictions in that tariff, I do know that.

21 Q Okay. Which means not only can a carrier order  
22 those services, but an end user customer can order those  
23 services, as well?

24 A Yes, that is correct. And the FCC recognized  
25 that when they determined that access service would not be

1 available for the wholesale discount. They acknowledged  
2 that, but recognized that it is primarily carriers that  
3 are buying from this and these are really wholesale type  
4 services.

5 Q All right. In fact, let's look at that, because  
6 that is where my next question was going. Let's turn to  
7 Page 16 of your direct testimony at Line 17?

8 A I'm sorry, what page?

9 Q I'm sorry, I've got a wrong page here, because  
10 that is Page 6.

11 A Okay.

12 Q And that is where, in fact, beginning at Line 21  
13 you include a pretty extensive quote from the original  
14 local competition order, is that right?

15 A Yes, that is correct.

16 Q And the first sentence of that reads, "Exchange  
17 access services are not subject to the resale requirements  
18 of Section 251(c) (4)"?

19 A Correct.

20 Q And that is the -- that is the underlying basis  
21 on which you say that services in your access service  
22 tariff are not subject to resale, that and the ensuing  
23 reasoning that you quote, I'm not trying to let you just  
24 say --

25 A Our position is the FCC has determined that ...

1 these services are not subject to this requirement.

2 Q Is it BellSouth's position that every service  
3 that is contained in your access service tariff is an  
4 exchange access service as that term is used by the FCC?

5 A Yes.

6 Q Are you aware that the term exchange access is  
7 defined in the Telecommunications Act of 1996?

8 A I'm sure it is.

9 Q Do you know how it is defined?

10 A I can't cite it offhand, no.

11 Q Well, let me ask you this. Are there services  
12 in your access service tariff that can be used as  
13 components of a private line service?

14 A Probably. I don't know for sure, but probably.

15 Q Do you know whether SmartRing is available to  
16 form the basis for a point-to-point private line service?

17 A I don't know specifically, no.

18 Q Ms. Cox, I am going to hand you a page out of  
19 the definitions contained in the Telecommunications Act of  
20 1996. Before we get to the definition, let me ask you  
21 this. Would you agree with me that private line service  
22 is not a toll service?

23 A I guess it could be. I don't know. It depends  
24 on the originating and terminating point of the call, I  
25 guess. Are you saying is it only going to be within a

1 local calling area?

2 Q No. I guess I'm asking what you understand toll  
3 service to be, or do you not have an understanding of toll  
4 service?

5 A Well, I think of long distance, when you make a  
6 long distance call that could be toll service, for  
7 example.

8 Q Do you think of anything else that is toll  
9 service? I mean, that is all I think of when I think of  
10 toll service.

11 A Well, I sort of think of anything that  
12 originates and terminates in different local calling areas  
13 could be considered a toll type service. I guess I just  
14 never thought about it in the context of private line.

15 Q Let me ask you this: Would you expect there to  
16 be services in your intrastate access service tariff that  
17 are capable of being put together to form a local private  
18 line?

19 A I don't know. It could be.

20 Q Okay. Would you agree with me that a local  
21 private line at least would not involve toll service?

22 A Probably not.

23 Q Why the probably? What is there about a local  
24 private line, private line from a bank downtown to its  
25 branch out in the suburbs that would be toll?

1           A     Well, I guess if there was some traffic that  
2 went over that private line and then went on to some other  
3 distant point was the only thing I was thinking of.

4           Q     Would you look at Subsection 40?

5           COMMISSIONER JABER: Mr. Melson, hang on a  
6 second. What situation would exist in the hypothetical  
7 bank? SunTrust on Apalachee Parkway has a private line  
8 service with SunTrust downtown. That is a private line  
9 local -- is that toll service?

10          THE WITNESS: Probably not. But that is a  
11 service that MCI could get from the private line tariff  
12 and resell. That is not -- there is no dispute that they  
13 can resell that service and get the wholesale discount on  
14 that service. But, no, that would probably not -- that  
15 would not be a toll service.

16          COMMISSIONER JABER: Okay. But with the  
17 additional testimony you just had, that they could get it  
18 as resale, how does that go toward the definition of toll  
19 service? What difference does that make?

20          THE WITNESS: I'm not sure what the  
21 difference -- about toll service and how it relates to  
22 this issue. I think Mr. Melson is probably going to get  
23 to that.

24          MR. MELSON: She anticipates me. Would you read  
25 for the Commission the definition of exchange access?

1           And, Commissioners, you have taken official  
2 recognition of the Telecom Act. I don't intend to mark  
3 this. I would just like the witness to read the  
4 definition.

5           THE WITNESS: Yes. It says exchange access.  
6 The term exchange access means the offering of access to  
7 telephone exchange services or facilities for the purpose  
8 of the origination or termination of telephone toll  
9 services.

10 BY MR. MELSON:

11           Q     So that if you were accessing telephone  
12 facilities for the purpose of origination or termination  
13 of private line services, local private line services,  
14 that would not, to your understanding, fit this definition  
15 of exchange access?

16           A     In that one particular example, perhaps not.

17           Q     And the FCC's exemption from the wholesale  
18 discount requirement was an exemption for exchange access  
19 services, is that correct?

20           A     That's correct. And the FCC looks at every  
21 service that is filed to make sure that it comports with  
22 what should be in the access tariff.

23           Q     Well, I guess that is where I am having the  
24 disconnect, because you could have a -- isn't it possible  
25 to have a service that is appropriate for inclusion in the



1 access tariff that does not meet the exchange access  
2 service definition of the Telecom Act?

3 A No, I don't think so.

4 Q How long has BellSouth had a federal access  
5 tariff?

6 A I guess since 1984.

7 Q And how long has the definition of exchange  
8 access been in the federal law, do you know?

9 A That I don't know.

10 Q Will you accept, subject to check, that this was  
11 an act that was part of the Telecommunications Act of  
12 1996?

13 A Yes, I will.

14 Q So it is your testimony that services that may  
15 have been in the federal access tariff in 1984 or 1990  
16 would necessarily by definition be exchange access  
17 services as that term was later defined in the statute?

18 A Yes, I believe they would meet this definition.  
19 I mean, the FCC has been looking at access service for  
20 time. Just because it just got defined in the  
21 Telecommunications Act or was defined there, I think that  
22 the services in that tariff would comport with this  
23 definition.

24 Q Okay. Now let's focus on the intrastate tariff.  
25 In the example Commissioner Jaber was using of a private.

1 line from SunTrust branch bank to SunTrust downtown, do  
2 you see any origination or termination of toll services in  
3 that factual situation?

4 A No, and that could be purchased out of the  
5 private line tariff for resale.

6 Q Could it also be purchased out of the access  
7 tariff for resale?

8 A No, we don't believe it could.

9 Q Why not?

10 A Because the FCC has exempted exchange access  
11 services, those services that are generally exchange  
12 access from that requirement.

13 Q And I guess you just told me that in this  
14 example that was not exchange access service?

15 A In that particular example it might not have  
16 been. But the services that are in the access tariff,  
17 this is what they are generally designed for. Now,  
18 somebody might put them together in a different way, but I  
19 don't think that changes the FCC's conclusion.

20 COMMISSIONER JACOBS: I'm lost in these tariffs.  
21 The foreign exchange tariff, would that be when it is  
22 within the same calling area and the access would be when  
23 it is outside?

24 THE WITNESS: Well, the foreign exchange tariff  
25 would also be outside the local calling area.

1           COMMISSIONER JACOBS: Well, could you help me  
2 understand, I'm having a terrible time with that one.

3           THE WITNESS: Foreign exchange service is really  
4 sort of a specific example, and that is when a customer,  
5 and I forget the example that you used, but -- a clothing  
6 store I think it was, who might be in Miami in this case,  
7 but wanted to look like they were in Jupiter. They would  
8 get a number that was really assigned to the Jupiter rate  
9 center.

10          COMMISSIONER JACOBS: And access would be --

11          THE WITNESS: And access is if I were to call my  
12 parents in Ohio, what BellSouth would do at the  
13 originating end with Ameritech, I guess, would be at the  
14 terminating end, that is the access service.

15          COMMISSIONER JACOBS: Okay. While I have broken  
16 in here, why don't we take -- this time the break is ten  
17 minutes.

18          MR. MELSON: Commissioner Jacobs, I have got  
19 about two more questions on this issue and then I will be  
20 ready to move to a different issue. Could I do those  
21 first?

22          COMMISSIONER JACOBS: Very briefly.

23          MR. MELSON: Very quickly.

24 BY MR. MELSON:

25          Q     You said we could purchase those out of -- the .

1 same service essentially out of the private line tariff  
2 and resell it at a discount, is that correct?

3 A No, I said you could purchase a private line out  
4 of the private line tariff.

5 Q Would you agree that the rates to assemble that  
6 private line service in the access tariff might be less  
7 expensive than what are in the private line tariff?

8 A I don't really know.

9 Q Assume hypothetically that they are in the  
10 access tariff less than the private line tariff minus the  
11 wholesale discount. Are you with me on the assumption?

12 A Yes.

13 Q In that situation, if an end use customer could  
14 purchase out of the access tariff and assemble this  
15 private line, and WorldCom wanted to offer a competing  
16 service by buying it on a resale basis out of the private  
17 line tariff, WorldCom could not compete on price with what  
18 the customer could do itself, is that right?

19 A Well, I don't know. I don't know what would be  
20 involved with the customer having to pull the service  
21 together.

22 MR. MELSON: That's all I've got on this issue,  
23 Commissioner.

24 COMMISSIONER JACOBS: We will take a ten-minute  
25 break.

1 (Brief recess.)

2 COMMISSIONER JACOBS: Okay. We will go back on  
3 the record.

4 Mr. Melson, you may continue.

5 MR. MELSON: Thank you.

6 BY MR. MELSON:

7 Q Ms. Cox, let's turn to Issue 6, and this is the  
8 UNE combination issue. And is your understanding of the  
9 issue that it concerns whether BellSouth is required to  
10 combine elements that are not ordinary or typically --  
11 that are ordinarily or typically combined in this network,  
12 whether or not those amendments are actually combined  
13 today to serve a particular customer?

14 A Yes, that is my understanding.

15 Q All right. And at this point there is no Eighth  
16 Circuit interpretation of the term currently combined in  
17 the FCC's rule, would you agree with that?

18 A I'm not sure what you mean by your question.  
19 Could you rephrase it?

20 Q Okay. Are you familiar with FCC Rule 315(b)?

21 A Yes.

22 Q And that rule uses the phrase currently  
23 combines, are you familiar with that phrase?

24 A Yes.

25 Q The Eighth Circuit has not yet given a

1 definitive interpretation of that phrase currently  
2 combines, would you agree with me on that?

3 A Well, not necessarily. They have vacated the  
4 subsequent rules, which talked about us having to combine.  
5 So I believe that the rule you cited does mean, in fact,  
6 that the things are, in fact, combined; which I think is  
7 how the FCC described it.

8 Q But the Eighth Circuit has not specifically  
9 addressed the phrase currently combines, do you agree with  
10 that, or do you know?

11 A Well, what they have said is that it is not the  
12 ILEC that has to do the combining.

13 Q They have vacated Rules C through F, they have  
14 left in place Rule B. Have they interpreted -- given an  
15 independent interpretation of Rule B, do you know?

16 A I don't know if they have given an independent  
17 interpretation of that particular rule. But my reading of  
18 their decision was that they have determined that the act  
19 does not require the ILECs to do the combining of the  
20 elements.

21 Q Has your counsel shared with you or has anyone  
22 shared with you the order last week from Judge Hinkle in  
23 the Northern District of Florida in the AT&T versus  
24 BellSouth arbitration?

25 A No, I have not seen that order.

1 Q All right. Let me use an example. Would you  
2 agree that loops and ports are typically combined in  
3 BellSouth's network?

4 A Yes, I would agree.

5 Q Okay. And if I understand BellSouth's position  
6 it is that if a specific loop and specific port are  
7 combined today to serve a particular customer, those would  
8 be provided to WorldCom on a combined basis, is that  
9 right?

10 A That's correct.

11 Q But in BellSouth's position is that -- those  
12 would not be provided to WorldCom on a combined basis if  
13 they were not physically combined today to serve a  
14 particular customer?

15 A Not at TELRIC prices. I think we have offered  
16 to do the combining under a separate negotiation, but we  
17 do not believe we are required to do that at TELRIC  
18 prices.

19 Q Okay. I am going to ask a few questions to try  
20 to understand how this would work in the real world. And  
21 for purposes of this question let's either imagine that  
22 BellSouth's serves Tallahassee or let's imagine that  
23 Commissioner Jacobs lives in Jacksonville, your choice?

24 A I don't care, maybe we can let him choose.

25 COMMISSIONER JACOBS: They have a barbecue place

1 in Jacksonville I like. I can live there.

2 MR. MELSON: Is that Cotton's (phonetic), by any  
3 chance?

4 COMMISSIONER JACOBS: No, Jenkins (phonetic).

5 BY MR. MELSON:

6 Q Assume that Commissioner Jacobs is a single line  
7 residential customer of BellSouth. If he says, "I want to  
8 move my service to WorldCom," and WorldCom says, "I want  
9 to serve that using the loop/port combination," BellSouth  
10 will sell that UNE combination to us, right?

11 A Yes, it is already combined.

12 Q All right. Now, if Commissioner Jacobs decides  
13 his kids are getting old enough that he wants to add a  
14 second line, he doesn't have one today and he says, "Well,  
15 I'm going to try WorldCom for the second line." And he  
16 comes to WorldCom and says, "I would like to buy that from  
17 you." And we are providing service in Jacksonville using  
18 loop/port combinations. BellSouth would not sell us that  
19 loop/port combination because he doesn't already have a  
20 second line today, is that right?

21 A That's correct. We would not combine that at  
22 TELRIC prices.

23 Q Okay. Well, Commissioner Jacobs at this point  
24 has got sort of frustrated with WorldCom, so he says,  
25 "Well, if I can't get it from you I'm going to get it from



1 BellSouth." So he calls you that afternoon and says, "I  
2 would like to order up that second line." You will  
3 install a second line for him, won't you?

4 A Yes. If the facilities are there, we would.

5 Q Okay. He says, you know, something must have  
6 been wrong with WorldCom not wanting to serve me. Let me  
7 call them again and see if they will serve me. So he  
8 calls us the next day and says, "Can you serve me, and let  
9 me transfer this second line from BellSouth to you?" And  
10 we say, "Sure." And you will sell that to us on a  
11 combined basis, right?

12 A It would then be combined. But the point -- in  
13 the first example, you could have combined, MCI could have  
14 combined the loop and port for Commissioner Jacobs, or we  
15 would have agreed to do it for you, just not at TELRIC  
16 prices.

17 Q And for us to combine it we would have had to go  
18 into the end office serving Commissioner Jacobs and order  
19 up some collocation space, is that correct?

20 A I don't know what all would be involved.

21 Q You don't know the options available to WorldCom  
22 for combining?

23 A I probably don't know all of them, no.

24 Q Okay. Do you know collocation would be an  
25 option?

1 A Yes, that is my understanding.

2 Q So at least we could go in and order collocation  
3 space in your office and order the loop and the port and  
4 combine them in our collo space?

5 A Yes. You might already have collocation space  
6 there.

7 Q But if we didn't, do you know of any other way  
8 that we could do that physical combination?

9 A I don't know of one offhand, but there could be.  
10 But, again, we would be amenable to doing that. We are  
11 just not obligated to do this at TELRIC prices.

12 Q Well, that is your interpretation of the effect  
13 of the FCC rule that remains in effect, would you agree  
14 with me on that?

15 A Yes, that is our interpretation. And I think it  
16 is the Eighth Circuit's interpretation at least as I read  
17 it.

18 Q Would you agree that that is not WorldCom's  
19 interpretation of Rule 315(b) that remains in effect?

20 A I would, because we probably wouldn't have an  
21 issue otherwise.

22 Q All right. And I assume your lawyers will  
23 probably address that in their brief, just as we will  
24 address it in ours?

25 A Most likely.

1 Q Are you aware also that in the recent Intermedia  
2 order, the Commission -- the Florida Commission declined  
3 to define currently combines?

4 A I am not aware of that specifically, no.

5 Q Okay. Are you aware -- well, strike that if you  
6 are not aware.

7 I believe you told me in response to some of my  
8 very early questions that the Commission may very well  
9 have some state law authority that is independent of the  
10 Telecom Act, do you recall that?

11 A Yes.

12 Q If the Commission were to decide that it is not  
13 good policy to make Commissioner Jacobs jump through the  
14 hoop of ordering line number two from you on Thursday and  
15 then calling WorldCom on Friday and asking that it be  
16 transferred to us, is there any reason that you are aware  
17 of as a matter of Florida policy they could not say,  
18 BellSouth, we are going to require you to combine elements  
19 that are typically combined in your network?

20 A Well, we believe that would be inconsistent with  
21 the Telecommunications Act, and I think we have discussed  
22 to the extent a law would not be inconsistent with federal  
23 law. We believe that is inconsistent. My reading of the  
24 Eighth Circuit opinion seems to indicate the same thing.  
25 And I would say that I don't think Commissioner Jacobs

1 would necessarily have to jump through hoops. Again, MCI  
2 could combine the loop and port and we have offered to do  
3 it under separate negotiation, but current law does not  
4 obligate us to do it at TELRIC prices.

5 Q Let me ask this. You say that would be  
6 inconsistent with federal law. Federal law -- is it your  
7 understanding that federal law does not place an  
8 obligation on you to combine?

9 A Where elements are not currently, in fact,  
10 combined.

11 Q All right. And you believe it is inconsistent  
12 with that to impose an additional obligation under state  
13 law?

14 A Yes, I do.

15 Q There is nothing in -- are you saying then that  
16 federal law would make it unlawful for BellSouth to  
17 combine elements that are not currently actually combined  
18 today?

19 A Well, I'm not a lawyer, but what I'm saying is I  
20 believe the federal law does not place that obligation on  
21 us. So to the extent a state would place that obligation,  
22 I would just see that as being inconsistent.

23 Q Are you aware that in the collocation arena  
24 states can and do place additional obligations above those  
25 imposed by the FCC?

1 A Yes, I believe that there are those.

2 Q Let's turn now to Issue 7A, which is an issue  
3 about -- it has actually got two parts. The first part is  
4 BellSouth charging WorldCom for UNEs that it orders and  
5 uses, and the second part is whether those UNEs are then  
6 considered part of WorldCom's network for reciprocal  
7 compensation and switched access purposes. Are you  
8 familiar with that issue?

9 A Yes.

10 Q Were you here when Mr. Price addressed that  
11 issue either late this morning or early this afternoon?

12 A Yes, I was.

13 Q And did you hear him say that WorldCom will pay  
14 for what it orders whether it uses it or not?

15 A Yes, I did hear that.

16 Q And you also heard him say, did you not, that  
17 WorldCom will pay for what it uses in the sense of common  
18 transport or tandem switching even though it has not  
19 specifically -- does not have to specifically order those?

20 A Yes, I heard that, as well.

21 Q With that understanding of WorldCom's position,  
22 is there any remaining dispute that you are aware of on  
23 the first part of this issue?

24 A No, I don't believe there is.

25 Q On the second part of the issue, whether the --

1 and let's take a loop/port combination. WorldCom  
2 purchases a loop/port combination from BellSouth. Did you  
3 hear Mr. Price -- well, let me ask this. When a call from  
4 a BellSouth customer to that WorldCom customer served by  
5 the loop/port combination terminates, in the abstract  
6 WorldCom is required to pay BellSouth for the switching  
7 and common transport at UNE rates, correct?

8 A That is correct.

9 Q And in principle it is then entitled to receive  
10 reciprocal compensation from BellSouth for the transport  
11 and switching, correct?

12 A That's correct.

13 Q And because those rates are the same, that is a  
14 wash?

15 A Right.

16 Q And so, I believe, in fact, you say in your  
17 rebuttal -- either your director or your rebuttal, that  
18 would be a wash and there would be no need for the parties  
19 to bill, is that correct?

20 A That's correct.

21 Q Okay. Do you also agree that in that situation  
22 where WorldCom is serving a customer using a loop/port  
23 combination that when that customer receives a long  
24 distance call that WorldCom owes BellSouth the switching  
25 rate and the common transport rate, and WorldCom is

1 entitled to bill the long distance carrier switched access  
2 charges?

3 A Okay. I'm not sure I followed that. It is a  
4 long distance call coming into MCI? Let's see if I've got  
5 this right.

6 Q You have got a WorldCom end user that is served  
7 by a loop and a port in a BellSouth switch that has been  
8 purchased a combination because it happened to be  
9 Commissioner Jacobs first line, and so you would sell it  
10 to us. An AT&T customer in New York calls the WorldCom  
11 customer; AT&T has a point of presence and connects to  
12 BellSouth at the access tandem, are you with me on that  
13 assumption?

14 A Yes.

15 Q And between the access tandem and the BellSouth  
16 end office that terminating access calls travels over  
17 common transport, are you with me on that?

18 A Yes.

19 Q In that situation, WorldCom owes BellSouth a per  
20 mile per minute charge for the use of the common  
21 transport, and we owe you for the use of the switching  
22 element that we have purchased, correct?

23 A You are talking about a long distance call.

24 Q Long distance call, yes.

25 A Well, the local UNE rates are for local calls..

1 I am not sure what you are --

2 Q Let's do it this way. Somebody is entitled to  
3 receive terminating access charges from AT&T, correct?

4 A Yes.

5 Q In this situation is it BellSouth's position  
6 that it is entitled to the terminating access charges or  
7 WorldCom is entitled to the terminating access charges?

8 A You know, I'm not certain. I have been thinking  
9 about local calls and I hadn't really thought of it in  
10 that context. You might ask Mr. Scollard.

11 Q Okay. But to the extent your testimony  
12 addresses this issue on the right to compensation for  
13 reciprocal compensation access charges, you are really not  
14 dealing with the access charge piece of it?

15 A No, I was just focusing on reciprocal comp.

16 Q Let's turn to Issue 9 with regard to special  
17 construction. And the issue concerns whether BellSouth  
18 can charge a special construction charge when WorldCom  
19 orders facilities of the type normally used at a location  
20 but that aren't available at the time of the order. Did  
21 you make a change to your direct testimony in this regard  
22 this morning?

23 A Yes, I did.

24 Q And what page was that on, again?

25 A It was on Page 15, Line 4. And after the word.



1 yes, added "for loops only."

2 Q And when a BellSouth customer orders a new line,  
3 if loop facilities were not available to fulfill that  
4 order, would BellSouth always charge its customer a  
5 special construction charge to provide the additional loop  
6 facilities?

7 A No, not always.

8 Q And, in fact, if I understand your rebuttal  
9 correctly, you say that as a general rule you would not  
10 charge WorldCom special construction charges in a  
11 situation where you would not charge your own end user  
12 special construction, is that right?

13 A That's correct.

14 Q I guess because your rebuttal says that is the  
15 general rule, I am curious what the exceptions are. When  
16 would you charge WorldCom special construction in a  
17 situation where you would not charge special construction  
18 to your own end user?

19 A I can't think of a case where we ever would.

20 Q So your rebuttal would be equally correct if it  
21 said that BellSouth will not charge, if you struck the as  
22 a general rule language, that would be your position as  
23 you sit here today?

24 A What page are you on in the rebuttal?

25 Q Page 10 at Lines 4 through 7.

1 A Yes, I would agree.

2 Q I am going to hop forward just a bit, but not  
3 very far. Issue 23 relates to WorldCom's right to  
4 purchase dedicated transport as an unbundled network  
5 element and whether that right includes SONET rings. Are  
6 you familiar with that issue?

7 A Yes.

8 Q And were you here when Mr. Price testified about  
9 that issue this morning?

10 A Yes, I was.

11 Q And did you understand him to say -- well,  
12 first, let me -- first, let me show you some language.  
13 Ms. Cox, the piece of this, I guess, I would like you to  
14 focus on is in the top of the page in 10.1, the last  
15 sentence that begins "nothing herein."

16 A I'm sorry, the top Section 10 where it says the  
17 dedicated transport?

18 Q Right. Then in Section 10.1, definition -- I'm  
19 sorry, I'm in the wrong half of the page.

20 A Okay. 10.2.3?

21 Q 10.2.3.

22 A Okay.

23 Q Would you agree that under that language  
24 WorldCom is asking BellSouth to provide SONET transmission  
25 only where there are existing SONET rings and is not

1 asking BellSouth to construct SONET rings where they do  
2 not exist?

3 A Not exactly. Because the last phrase reads,  
4 "But BellSouth shall provide the electronics necessary to  
5 provide capacity to MCImetro on an existing system." So  
6 that still involves construction and us having to --

7 Q Okay. So that is the part of the language that  
8 really would still be an issue at this point?

9 A That would be part. The first sentence which  
10 says a dedicated SONET subsystem on an existing SONET  
11 ring, we don't agree that we have to provide the entire  
12 SONET ring on an unbundled basis. We recognize that we  
13 need to provide transport. And to the extent transport is  
14 going over that ring, we are willing to do that, and you  
15 would get the functionality of the ring. But we don't  
16 agree that we have to unbundle the entire ring. And I  
17 think you could probably read this language to require  
18 that.

19 Q What does it mean to unbundle the entire ring?  
20 What is it that unbundling the entire ring means to you  
21 beyond providing SONET functionality between two points?

22 A Because there can be more than two points on the  
23 ring. We have no problem providing the transport between  
24 two points on the ring, and you can get the redundancy and  
25 all of that of the ring. But that doesn't also give you .

1 all the other points on the ring necessarily.

2 Q All right. With that caveat, let's focus for a  
3 minute on the provision about electronics at the end. Did  
4 you understand Mr. Price this morning to say that WorldCom  
5 was willing to pay special construction if electronics  
6 were required to upgrade the ring, for example, from an  
7 OC-3 to an OC-48?

8 A Yes, I believe I heard him say that.

9 Q Okay. With that understanding, do you continue  
10 to have a concern about the language regarding  
11 electronics?

12 A I think that could address our concern about  
13 electronics. We would have the same concern at the end of  
14 the Paragraph 10 that we started off talking about. But I  
15 think that if MCI is willing to pay special construction  
16 that that could alleviate the concern about the  
17 electronics.

18 Q And just to be clear, we were talking in that  
19 context about the electronics necessary to, for example,  
20 add another OC-3 over an OC-48 facility or to upgrade an  
21 OC-3 facility to an OC-48. Would you agree that anytime  
22 you provide dedicated transport over a SONET ring that  
23 electronics in the form at least of line cards are  
24 required?

25 A I don't know specifically if they are or they

1 aren't.

2 Q Okay. You are not -- you would not require  
3 WorldCom to incur special construction simply to add line  
4 cards in order to provision dedicated transport over an  
5 existing SONET ring, would you?

6 A Well, not knowing exactly what all of that  
7 entails, I really can't say one way or the other.

8 Q All right. Let's move back then to Issue 18,  
9 which is related and which probably is the top half of  
10 this page.

11 A I think you're right.

12 Q Would you agree that the last sentence at the  
13 top of the page, the nothing herein is language that  
14 WorldCom has proposed since the time that its petition was  
15 filed in this docket?

16 A Yes, that is my understanding.

17 Q And with the understanding that electronic  
18 equipment in this context does not require BellSouth to  
19 provide electronic equipment to update a SONET facility,  
20 does this language resolve BellSouth's concern regarding  
21 the provision of dedicated transport?

22 A Well, it could address the concern about having  
23 to provide the electronics. However, further up in the  
24 paragraph -- actually where the bold starts, the end  
25 points of dedicated transport need not be wire centers or

1 switch locations and may be at facilities of other  
2 requesting telecommunications carriers besides MCImetro.  
3 BellSouth shall provide local channel, dedicated, and/or  
4 interoffice transport dedicated between MCImetro and a  
5 third-party carrier. We still have concerns with that.  
6 We still believe that for dedicated transport we need to  
7 be on one end; that we are not obligated to put dedicated  
8 transport in between two switches, for example, of two  
9 other carriers.

10 MR. MELSON: Mr. Chairman, if I could have this  
11 Paragraph 10 that I just handed out marked as the next  
12 exhibit.

13 COMMISSIONER JACOBS: Show Section 10 -- I  
14 assume this is of the draft arbitration agreement?

15 MR. MELSON: Yes, this is additional proposed  
16 language for arbitration agreement. For interconnection  
17 agreement, I'm sorry.

18 COMMISSIONER JACOBS: Okay. And that is marked  
19 as Exhibit 27.

20 MR. MELSON: I'm sorry, which number?

21 COMMISSIONER JACOBS: 27.

22 (Exhibit Number 27 marked for identification.)

23 MR. MELSON: I am now going to hand out another  
24 dedicated transport exhibit. Have you seen this one  
25 before, Ms. Cox?

1 THE WITNESS: No, I haven't seen this before.

2 MR. MELSON: Mr. Chairman, if I could have this  
3 marked as Exhibit 28.

4 COMMISSIONER JACOBS: Very well. Show this  
5 marked as Exhibit 28.

6 (Exhibit Number 28 marked for identification.)

7 BY MR. MELSON:

8 Q Let me see if using this diagram I can try to  
9 understand the disagreement between the parties. You have  
10 got a WorldCom Switch Number 1 located here in the lower  
11 left-hand corner, and then you have got a BellSouth Wire  
12 Center Number 2 located in the upper right-hand corner, do  
13 you see those two?

14 A Yes.

15 Q Would BellSouth under its position provide  
16 unbundled dedicated transport to WorldCom between those  
17 two locations?

18 A Yes. It would be in the form from the WorldCom  
19 switch to BellSouth Wire Center Number 1, that would be a  
20 local channel and then there would be the dedicated  
21 interoffice transport between the two BellSouth wire  
22 centers.

23 Q And there would be some sort of cross-connect in  
24 Wire Center Number 1 so that those two pieces were joined  
25 together?

1 A Yes, MCI would need to connect them.

2 Q So it is your testimony that BellSouth would not  
3 provide dedicated transport as a UNE between the WorldCom  
4 Switch Number 1 and the BellSouth Wire Center Number 2?

5 A We would; it would be two UNEs. We don't have a  
6 dedicated transport facility that goes all the way. What  
7 we have is a local channel that would go from the WorldCom  
8 switch to the BellSouth wire center, and then we would  
9 have the interoffice piece that would go between our  
10 two-wire centers.

11 Q So even though one end point is a WorldCom  
12 switch and the other end point is a BellSouth wire center,  
13 you would not provide a single UNE that joins those two  
14 locations?

15 A Right. We don't have a UNE that would do that.

16 Q And to connect those two facilities and  
17 BellSouth Wire Center Number 1, I assume WorldCom would  
18 have to purchase collocation space in order to place a  
19 jumper between one facility and the other?

20 A Yes, that would be a way they could do that.

21 Q Now, assume that WorldCom wants dedicated  
22 transport not from its Switch Number 1 to your Wire Center  
23 Number 2, but from its Node Number 1 to your Wire Center  
24 Number 2. And assume that facilities are in place, that  
25 you have facilities at the building where the WorldCom



1 Node 1 is located. Will BellSouth provide that as either  
2 a single UNE or as two UNES?

3 A From the node to the Wire Center 2?

4 Q Yes.

5 A That would be two.

6 Q But you will provide it? You would not require  
7 that the WorldCom end of that be a WorldCom switch?

8 A I think we would provide that as a local  
9 channel.

10 Q All right.

11 COMMISSIONER JABER: Then what is the difference  
12 between WorldCom Node 1 to BellSouth Wire Center 2 from  
13 WorldCom Switch 1 to Wire Center 1? Why would you provide  
14 two UNES from Node Number 1 to Wire Center Number 2  
15 without a WorldCom switch?

16 THE WITNESS: We would be providing two UNES in  
17 either case. When we went from WorldCom Switch Number 1  
18 to our wire center that would be a local channel, and then  
19 over to the BellSouth Wire Center Number 2 that would be  
20 another UNE, an it would be the same coming from the  
21 WorldCom node. It would still be two UNES.

22 BY MR. MELSON:

23 Q Now, on this diagram -- I'm sorry, are you  
24 finished, Commissioner?

25 COMMISSIONER JABER: Uh-huh.

1 BY MR. MELSON:

2 Q On this diagram if WorldCom wanted dedicated  
3 transport between its Switch Number 1 and its Switch  
4 Number 2, I take it on the same principle you have been  
5 describing BellSouth would regard that as three separate  
6 UNEs?

7 A I'm sorry, could you repeat your question.

8 Q For dedicated transport from WorldCom Switch 1  
9 to WorldCom Switch 2, first, would you provide -- would  
10 you provide us facilities necessity to put that circuit  
11 together, that transport?

12 A I don't know that we would have those. That is  
13 two WorldCom locations. We would not be on one end of  
14 that.

15 Q Well, your BellSouth Wire Center Number 2 is on  
16 the other end from Switch Number 2? Your BellSouth --

17 A I'm sorry, I must not be following you.

18 Q Okay, I'm sorry. WorldCom Switch Number 1 to  
19 BellSouth Wire Center Number 1 to BellSouth Wire Center  
20 Number 2 to WorldCom Switch Number 2?

21 A Okay. I wasn't following you, I'm sorry.

22 Q I'm sorry. Would you provide that as a  
23 dedicated transport UNE?

24 A Not a single UNE. You would have a local  
25 channel from the WorldCom switch to the BellSouth Wire

1 Center Number 1, you would have the interoffice transport  
2 between the two BellSouth wire centers, you would have a  
3 local channel between the BellSouth Wire Center Number 2  
4 and the WorldCom Switch Number 2.

5 Q And BellSouth would -- BellSouth's position is  
6 that it would not at UNE rates put the cross-connects in  
7 Wire Center Number 1 and Wire Center Number 2 in order to  
8 make that a complete end-to-end transport UNE, is that  
9 correct?

10 A That's correct.

11 Q It is your position that that would be  
12 WorldCom's obligation to establish a collocation in each  
13 of those two-wire centers to run the cross-connect jumper?

14 A That's correct. WorldCom would need to combine.

15 Q And let me take one more example. Assume that  
16 what is labelled WorldCom Switch Number 2 down in the  
17 lower right-hand corner is actually an AT&T switch and  
18 WorldCom wants to purchase dedicated transport from its  
19 switch to the AT&T switch. Would BellSouth offer that to  
20 WorldCom as the three separate transport UNEs you have  
21 been describing?

22 A No, because that would then be WorldCom  
23 interconnecting with AT&T, it wouldn't be dedicated  
24 transport between us and WorldCom.

25 Q Now, if WorldCom were to put a collocation cage

1 at AT&T's switch, would you connect from our switch to the  
2 BellSouth wire center, to the second BellSouth wire  
3 center, to our collocation cage?

4 A So the WorldCom Switch Number 2, which is AT&T  
5 now would have --

6 Q It is an AT&T switch with a WorldCom  
7 collocation.

8 A WorldCom would have a premise there, a presence  
9 there?

10 Q Correct.

11 A I believe we would provide the local channel in  
12 that case.

13 Q Okay. And the distinction between when you  
14 would provide the pieceparts and when you would combine  
15 them or not combine them is based on BellSouth's reading  
16 of the definition of dedicated transport as transport  
17 connecting premises of the LEC to those of requesting  
18 carriers, is that the principle that you were applying  
19 when you come up with these results we have described?

20 A Yes.

21 Q And would you agree that this is the proper  
22 interpretation of that definition of dedicated transport  
23 is at issue between WorldCom and BellSouth?

24 A Yes, I would agree.

25 Q And it is WorldCom's position, is it not, that

1 in any of the circumstances that I have described that  
2 WorldCom is entitled to purchase from BellSouth a single  
3 dedicated transport UNE from one location to the other  
4 where BellSouth does any necessary intermediate  
5 cross-connects?

6 A That is my understanding of MCI's position.

7 Q And it is technically feasible for BellSouth to  
8 do the cross-connects, is that correct? It is not a  
9 technical feasibility limitation?

10 A No, it is not a limitation.

11 Q And whether or not the Commission were to --  
12 assume the Commission adopted BellSouth's position that it  
13 is not required by the FCC rule to do the combining, but  
14 felt that there was no Florida public policy to require  
15 WorldCom to go and establish collocation spaces to run  
16 cross-connects, do you have an opinion as to whether  
17 Florida as a matter of state law could require BellSouth  
18 to provide that dedicated transport from one location to  
19 another on a complete circuit basis?

20 A I can't really speak to Florida law. I mean,  
21 what I would say is I believe the FCC order is clear as to  
22 what dedicated transport is. BellSouth should be on one  
23 end of it. And the FCC has said, you know, we are not  
24 required to construct transport facilities. So I think  
25 that our reading of the FCC's decision is completely

1 consistent.

2 Q And in this situation the construction is the  
3 placing of the jumper between the local channel and the  
4 interoffice channel?

5 A It could be. My understanding is MCI was even  
6 asking that we provide facilities between two locations  
7 not on our network, so that could also have required  
8 construction of facilities.

9 Q Well, if you look back at Exhibit 27, would you  
10 agree with me that WorldCom's proposed language says,  
11 "Nothing herein shall be construed to require BellSouth to  
12 construct facilities to provide dedicated transport where  
13 such facilities do not currently exist"?

14 A Yes, with the caveat that we have agreed on the  
15 electronics issue.

16 Q So that would take care at least of that piece  
17 of the problem?

18 A Yes, that should.

19 Q All right.

20 A That is just, again, the issue of us having to  
21 construct facilities. We still will have the disagreement  
22 on really what dedicated transport entails.

23 Q And it is your position that in this situation  
24 if WorldCom wanted to go from switch one to switch two on  
25 this diagram we would have to buy three UNEs, and it is .

1 WorldCom's position we are entitled to buy one UNE?

2 A From your switch one to your switch two?

3 Q Correct.

4 A Yes, I believe that is the area of disagreement.

5 Q Okay. Let's turn to Issue 22 for a moment,  
6 which regards line sharing. And I believe Mr. Price  
7 included as Exhibit DP-1 to his testimony WorldCom's line  
8 sharing language proposal to BellSouth. Are you familiar  
9 with that?

10 A Yes, I am. I don't have his testimony up here,  
11 though.

12 Q Okay. Well, let's see if we can do it without  
13 the exhibit. And if we need to hand it out, we will do  
14 that.

15 A Okay.

16 Q And let's talk -- what I want to focus on is  
17 line sharing in a UNE-P or UNE platform environment, and  
18 by that I mean a situation in which WorldCom provides  
19 local service by buying loop/port combinations from  
20 BellSouth. Are you with me on the arena we are operating  
21 in?

22 A Yes, I think so.

23 Q Okay. Let's assume, Commissioner Jaber, I am  
24 going to pick on somebody different this time. Assume  
25 that today she is at another barbecue place in .

1 Jacksonville and has voice service from BellSouth and DSL  
2 service from Rhythms, another one of my clients, via line  
3 sharing.

4           And can you describe just in a general way what  
5 line sharing means in that context and how that service is  
6 provided by BellSouth and Rhythms, or BellSouth and any  
7 DSL provider?

8           A     Yes. Generally line sharing is the case where  
9 in this case Commissioner Jaber has her voice service from  
10 BellSouth, line sharing is then where the high frequency  
11 portion of the loop is made available to data providers  
12 and DSL type services can be provided in a sense over the  
13 same loop using the two different frequency levels.

14          Q     And so a voice call that went over that loop  
15 would go to BellSouth on the low frequency portion and be  
16 handled by BellSouth?

17          A     That's correct.

18          Q     And an Internet connection, for example, would  
19 go over the high frequency portion of the loop and be  
20 handled by the DSL provider?

21          A     That's correct.

22          Q     And does that require some sort of line splitter  
23 to send part of the frequency to BellSouth and part to the  
24 DSL provider?

25          A     Yes, it would require a splitter.



1 Q And, in fact, that is one of the elements for  
2 which BellSouth has proposed a rate in this arbitration?

3 A That is correct. The charges for the splitter  
4 are one of the rate elements for line sharing since it is  
5 required to provide it.

6 Q So in this situation there is a line splitter on  
7 Commission Jaber's line today?

8 A That's right.

9 Q Okay. Now, Commissioner Jaber decides she wants  
10 to try WorldCom's voice service, and WorldCom is entitled  
11 to purchase that loop/port combination from BellSouth  
12 because it is -- under BellSouth's view because it is in  
13 place today?

14 A Well, are you talking about on Commission  
15 Jaber's existing line?

16 Q Yes.

17 A Well, actually there is a splitter in the middle  
18 of that, so it is not really a UNE-P as we think of it,  
19 but you could buy a loop/port.

20 Q Well, let me ask this. Can we buy that loop and  
21 port or do we have to buy another loop and port?

22 A You could buy that one, but the splitter would  
23 not go with it. It would be disconnected from the  
24 splitter.

25 Q You would pull the splitter out?

1           A     Right.  And the reason for that is in the line  
2 sharing order the FCC determined that the requirement is  
3 where BellSouth is providing the voice service that we  
4 must accommodate line sharing, and that the is what  
5 splitter is done for, it specifically declined to put that  
6 obligation on us in the case where somebody else is the  
7 voice provider, in this case using UNE-P.

8           Q     So if Commissioner Jaber were foolish enough to  
9 order service from WorldCom, and since that is the only  
10 existing line to her premises, the only way we could offer  
11 UNE-P under BellSouth's position is to take that loop and  
12 port, you would go ahead and migrate her voice service to  
13 us, and in the process pull the line splitter out and  
14 disconnect her DSL service, is that correct?

15          A     No, actually what we would do in that case is we  
16 would go to Rhythms and see if they wanted to purchase the  
17 entire loop.  If they wanted to do that, she could  
18 continue her DSL service and then if we could accommodate  
19 MCI with another loop/port.  She could get her voice that  
20 way.

21          Q     Well, how could you accommodate us with another  
22 loop/port if there is not one actually combined serving  
23 her today?  I thought you wouldn't do that for us?

24          A     Oh, I didn't know that was your assumption, I'm  
25 sorry.  But you could put a loop and port together.

1 Q Well, would you or would you not offer us that  
2 second loop/port on a combined basis?

3 A If it is currently combined.

4 Q No. She has got one line today that has got  
5 voice and DSL on it, and we want to migrate that to  
6 WorldCom, what happens?

7 A First, we go check with Rhythms. And if Rhythms  
8 want to purchase the entire loop, then that is what would  
9 happen.

10 Q And so we have ordered it and you sort of give  
11 Rhythms first dibs on it?

12 A Yes. We would go to the data provider first.

13 Q And then if WorldCom wants to provide service to  
14 Commissioner Jaber, we then have got to go negotiate with  
15 Rhythms?

16 A Well, you can do that or you could buy a loop  
17 and port.

18 Q Assuming she only had one line to begin with,  
19 will you sell us that second loop and port as a  
20 combination?

21 A No.

22 Q Okay. So if we don't have a collocation space  
23 in your end office, she is not going to be able to get the  
24 WorldCom voice service she wants?

25 A I don't know if that is the case or not.

1           Q     To the extent the Commission has -- to the  
2 extent the Commission wants to make good policy for the  
3 State of Florida, does it sound like good policy to go  
4 around pulling splitters out to prevent a WorldCom  
5 stepping into a voice service on an existing line that is  
6 line shared? Does that sound like good policy to you?

7           A     Well, the policy is, the premise was that we, as  
8 an ILEC, were able to do this, we were able to provide  
9 voice and data over the same line. In the line sharing  
10 order that is what the FCC required. They specifically  
11 did not require that in cases where we are not the voice  
12 provider, and they looked at this carefully, that this  
13 would be an obligation on us to accommodate this.

14                     Now, MCI could certainly put in a splitter and  
15 accommodate this with Rhythms to the extent they can work  
16 this out, or any other DSL provider. We are not going to  
17 prevent you from doing this, it is just not an obligation  
18 on us to enable this to happen.

19           Q     It is not an obligation on you under your  
20 interpretation of federal law?

21           A     Well, yes.

22           Q     Okay. If the Commission, the Florida Commission  
23 put that obligation on you, would you honor it?

24           A     Well, yes. But the FCC has not put that  
25 obligation on us, and so we would encourage the Commission

1 to rule consistent with the federal rules on this.

2 Q I hesitate to suggest that you are asking the  
3 Commission to act as the field office of the FCC. You  
4 wouldn't ask that, would you?

5 A No.

6 COMMISSIONER JACOBS: Good response.

7 BY MR. MELSON:

8 Q Other than the fact that WorldCom's proposed  
9 line sharing language would require BellSouth to make  
10 provision for line sharing in this type of UNE-P  
11 situation, does BellSouth have any other problem with the  
12 line sharing language contained on Mr. Price's Exhibit  
13 DP-1?

14 A You know, I can't remember all the language. I  
15 believe that was our primary concern once we resolved the  
16 issue of zero interim rates, that was also a concern. I  
17 do believe that was our primary concern.

18 Q All right. Let's turn to Issue 28. It relates  
19 to the calling name database. And if I understand the  
20 issue, it is whether BellSouth should be required to  
21 provide WorldCom a download of that database or whether it  
22 should only be -- BellSouth should only be required to  
23 provide access to that on a dip-by-dip  
24 transaction-by-transaction basis, is that our dispute?

25 A Yes, that is my understanding of our dispute.

1 Q And that database, which is the C-N-A-M, CNAM  
2 database, contains the caller name information for  
3 BellSouth's end users and for any other carrier that  
4 stored its information in your database, is that right?

5 A Correct.

6 Q And do you understand -- well, let me ask this,  
7 do you understand that MCI has a concern that if it is  
8 required to do dips into your database on a  
9 transaction-by-transaction basis and also potentially dips  
10 into its database on the same transaction that that is  
11 going to introduce delay, a time delay that is going to  
12 impact its ability to provide, for example, Caller ID?

13 A That is what I understand MCI's concern is.

14 Q Would you agree with me that if BellSouth's SS-7  
15 signaling system went down that on a dip-by-dip basis  
16 WorldCom would not be able to dip into the BellSouth CNAM  
17 database?

18 A That would be true, and neither would BellSouth.

19 Q Now, WorldCom has asked that BellSouth provide a  
20 download of the entire database to WorldCom so that  
21 WorldCom essentially can maintain that on its own computer  
22 and can dip into its copy of the BellSouth database, is  
23 that correct?

24 A Yes, that is what they have asked for.

25 Q And it is my understanding that BellSouth

1 refuses to provide that download even if WorldCom pays for  
2 it, is that correct?

3 A Yes. We do not believe we are obligated to do  
4 that. The FCC when they addressed calling databases, they  
5 specifically said that these were for switched query and  
6 database response type functions, and that just does not  
7 require us to provide a download.

8 Q Are you aware whether in the existing  
9 MCImetro/BellSouth interconnection agreement BellSouth  
10 agreed to provide a download of the RSAG database?

11 A I believe we did. I'm not certain about that.

12 Q Do you know whether BellSouth will provide  
13 carriers with a download of its DA database?

14 A I believe we are providing access to the DA  
15 database, I don't believe it is a download.

16 Q So you don't believe you have got a download  
17 option today?

18 A I'm not certain.

19 Q All right. And, again, I gather BellSouth's  
20 position on this issue comes back to the theme we don't  
21 believe the FCC has required it, and, Florida Commission,  
22 you shouldn't impose any additional obligations on us  
23 because we have got enough already?

24 A Yes. And I want to stress that there are a  
25 number of obligations on us, and they were developed with

1 a lot of thought and a lot of public policy concerns laid  
2 on top of them. And I believe that the obligations that  
3 we are operating under fully allow MCI to compete. And,  
4 for example, in this particular example we are talking  
5 about, the CNAM database is designed to allow other  
6 carriers to provide the Caller ID and name service. There  
7 is nothing about accessing CNAM on a per query basis that  
8 prevents MCI from doing that.

9 Q Would you agree with me that it would be odd for  
10 WorldCom to request a download of the database unless it  
11 felt that was a more efficient way for it to conduct its  
12 business?

13 A I don't know.

14 Q Fair enough. Issue 34, and the issue stated is  
15 BellSouth obligated to provide and use two-way trunks that  
16 carry each parties traffic. And if I understand  
17 BellSouth's position, it is that WorldCom is free to order  
18 two-way trunks any time it wants, correct?

19 A Correct.

20 Q And BellSouth is free not to put any traffic on  
21 those trunks, but to put traffic going to WorldCom on  
22 separate one-way trunks, is that correct?

23 A We believe that we should have that option, yes.

24 Q And if you have got a two-way trunk with traffic  
25 on it going only in one direction, would you agree with me



1 that is not serving the function that a two-way trunk is  
2 designed to serve?

3 A Well, it would still allow for testing and so on  
4 and so forth. So to the extent that that is a function of  
5 a two-way trunk, it is doing that.

6 Q But it certainly is not carrying two-way  
7 traffic?

8 A It would not be in that case, no.

9 Q So it's like a one-way two-way trunk?

10 A I don't know if that is what it is like or not.

11 Q I will withdraw that.

12 A And I do want to point out we are not saying we  
13 won't participate with WorldCom in providing two-way  
14 trunks. We have some two-way trunking principles that Mr.  
15 Milner discusses. We are certainly open to negotiating  
16 and working out these things, we just don't believe that  
17 MCI should be left with the final say.

18 Q And, again, there is an FCC Rule 51.305(f) that  
19 deals with the trunking issue, is that correct?

20 A Yes.

21 Q And would you accept subject to check that it  
22 says if technically feasible an incumbent LEC shall  
23 provide two-way trunking upon request?

24 A Yes, and we have agreed to do that.

25 Q And it is your position that providing two-way .

1 trunking but not using it for two-way traffic satisfies  
2 that obligation?

3 A Yes.

4 Q And that is an interpretation point on which  
5 WorldCom and BellSouth disagree?

6 A Yes, it is.

7 Q And if we didn't have so many disagreements this  
8 hearing wouldn't be so long?

9 A We wouldn't have any disagreements, right.

10 Q It is technically feasible to provide two-way  
11 trunks, we agree on that?

12 A Yes, and we have agreed to provide them.

13 Q Do you agree that two-way trunking is never less  
14 sufficient than one-way trunking?

15 A Well, there are additional administrative things  
16 that have to be done when you looking at two-way trunks  
17 versus one-way. But as far as the -- if you are looking  
18 at the number of trunks, I would agree.

19 Q So, if you are using two-way trunks -- you are  
20 interconnecting with two carriers who had exactly the same  
21 traffic patterns, traffic volumes back and forth between  
22 BellSouth. One of them you used only one-way trunks, one  
23 you used only two-way trunks and exchanged traffic  
24 bi-directionally on those trunks. Are you with the  
25 assumption?

1 A I think so.

2 Q Okay. The two-way trunks -- the one-way trunks  
3 may be as efficient as the two-way, but they may be less  
4 efficient?

5 A Yes, I guess that is true.

6 Q Okay. The two-way trunks will be at least as  
7 efficient as the one-way trunks and maybe more efficient?

8 A Yes, but they will bring the additional  
9 administrative issues along with them that the one-way  
10 would not, necessarily.

11 Q When we say more efficient we mean you have got  
12 to put in fewer trunks to exchange the same amount and  
13 pattern of traffic, is that essentially what we are saying  
14 by efficiency?

15 A Well, I was thinking of overall, but we can talk  
16 about it in those terms if you want.

17 Q Okay. And when you install a trunk that uses  
18 ports on a switch, is that correct?

19 A Yes.

20 Q And in some areas of Florida are ports on  
21 switches a scarce resource?

22 A I don't really know for sure if they are or not.  
23 I imagine they could be.

24 Q Are you familiar with the term tandem exhaust?

25 A Yes.

1 Q What does that mean?

2 A Well, to me it means you don't have enough room  
3 for all the traffic to get through the tandem.

4 Q And that would usually be a limitation on all  
5 the ports are used?

6 A Yes, it probably would.

7 Q So as a general matter the Commission ought to  
8 encourage efficiency in the use of trunk ports, would you  
9 agree with that?

10 A Yes, and we agree. We would want to work with  
11 MCI for those very same efficiencies. Again, our position  
12 is to the extent we can't agree, we don't believe MCI  
13 should have the final say as to what BellSouth does with  
14 its traffic.

15 Q Let's turn to Issue 39, which relates to  
16 wireless Type 1 and 2A traffic. Is it wise men go or  
17 don't go where angels fear to tread? A Type 1 wireless  
18 carrier uses telephone numbers from a BellSouth NNX, is  
19 that right?

20 A That is right.

21 Q And BellSouth's proposal is to treat traffic to  
22 and from a Type 1 wireless carrier as BellSouth's own  
23 traffic, correct?

24 A Right, because we really can't distinguish it as  
25 wireless traffic.

1 Q So that means when you send a call originated  
2 over that Type 1 wireless connection to WorldCom you pay  
3 us reciprocal compensation, correct?

4 A That's correct.

5 Q And when we send it to that number we pay you  
6 reciprocal compensation, correct?

7 A That's correct.

8 Q And yet in that situation it is actually the  
9 wireless carrier, not BellSouth, that is terminating the  
10 traffic, would you agree with that?

11 A I would agree with that.

12 Q Okay. Does BellSouth share that compensation  
13 that it gets -- that reciprocal compensation it gets from  
14 WorldCom with the wireless carrier?

15 A I don't believe we do in that case. Again, I'm  
16 not sure we can distinguish it.

17 Q If the wireless carrier came to WorldCom and  
18 said we are awfully upset with you people, you are  
19 terminating traffic to us and you are not paying us. And  
20 we said, well, we are paying BellSouth. And the wireless  
21 carrier says, well, we are not getting any money from  
22 BellSouth. Would BellSouth object to indemnifying  
23 WorldCom against a claim that we are being required to pay  
24 you money that somebody else thinks belongs to them?

25 A Well, we certainly would not expect in that case

1 MCI to have to pay that wireless carrier the reciprocal  
2 compensation. Obviously we had received the payment. I  
3 don't know if that is indemnify or not, but --

4 Q Well, if a wireless carrier came to us and we  
5 pointed at you, you would deal with them and it would be  
6 your problem, not mine?

7 A Yes, I believe that is the case.

8 Q Okay. And today wireless -- 2A, a Type 2A  
9 wireless carrier is one that has its own NPA-NXX, correct?

10 A That's correct.

11 Q Today that is treated the same way that the  
12 wireless Type 1A traffic is treated, is that correct?

13 A That's right. Now we are planning probably by  
14 the end of the year to implement a meet point billing  
15 system where in that case that would allow MCI and the  
16 wireless carrier to interact directly on the billing.

17 Q And in that case is it BellSouth's position that  
18 it would require WorldCom to deal directly with the  
19 wireless carrier, you would not continue to treat that  
20 traffic the way you treat it today?

21 A That's correct. We would not treat it as Type 1  
22 anymore.

23 Q And so that effectively would place a burden on  
24 WorldCom to go out and enter into some sort of arrangement  
25 with every Type 2 wireless carrier that interconnects with

1 BellSouth?

2 A Yes. You all would be dealing directly on the  
3 billing issues. So, yes, I guess you would have to make  
4 those arrangements.

5 Q And today you are the only one who deals with  
6 them on the billing issues?

7 A Well, I don't know if we are the only one that  
8 deals with them, but in the --

9 Q In the context of traffic that comes across  
10 BellSouth's network, you are the only one that deals with  
11 them?

12 A Yes, we are the one that has been dealing with  
13 them. We have been sort of the banker.

14 Q Bankers sometime make money off the float, don't  
15 they?

16 A We're not, I don't think.

17 Q Let's talk about Issue 42. This concerns  
18 whether -- the way the issue is phrased is should WorldCom  
19 be permitted to route access traffic directly to BellSouth  
20 end offices or must it route such traffic to BellSouth's  
21 access tandem. What is your understanding of the current  
22 disagreement between the parties?

23 A Well, I'm not exactly sure. I believe our  
24 disagreement, the basic disagreement is whether or not MCI  
25 can send us access traffic, local traffic, everything over

1 local interconnection trunks, or whether that switched  
2 access traffic needs to go over access trunks.

3 Q So in a situation where if WorldCom were to put  
4 in a Class 4/5 switch, and by that I mean a switch that  
5 performs both traditional end office switching and serves  
6 a tandem function, and were to hold itself out as a  
7 provider of access services, it is BellSouth's position  
8 that traffic delivered from that switch to a BellSouth end  
9 office if it was access traffic would have to come over  
10 one set of trunks, and if it was other traffic would have  
11 to come over a second set of trunks?

12 A Yes, although I do believe the super group  
13 architecture would let you send it all over one set of  
14 trunks, but it wouldn't be a local interconnection trunk.

15 Q Are super group trunks ubiquitously available  
16 today?

17 A I don't know.

18 Q Are they available at all today?

19 A I believe they are.

20 Q What is your understanding of the extent of  
21 their availability?

22 A I don't know. I just believe they are  
23 available.

24 Q Do you know if they are available in Florida?

25 A It is my understanding that they are.



1 Q Okay. Does BellSouth today interconnect with  
2 any independent telephone companies?

3 A Yes.

4 Q Do you have any independent telephone companies  
5 with whom you share a local calling area in Florida?

6 A I don't know specifically if we do or not. I  
7 don't know the local calling areas well enough, sorry.

8 Q Okay. Would you agree with me that it is not  
9 uncommon to have a situation where BellSouth and an  
10 independent share a local calling area?

11 A Yes, I think that's right. I would agree.

12 Q And is it also not uncommon for BellSouth to  
13 provide access tandem functionality to an independent  
14 company?

15 A Yes, we would provide that functionality.

16 Q So, in essence, you would have an independent  
17 company's end office switch in the same local calling area  
18 with one or more BellSouth end office switches, and all of  
19 those switches are connected to a BellSouth access tandem  
20 that gets long distance traffic out to interexchange  
21 carriers in the world, that is not an uncommon situation?

22 A No, it is not.

23 Q Okay. Would you agree with me that where that  
24 situation exists and BellSouth is providing the access  
25 tandem function, you route all the traffic to the

1 independent company, local traffic, access traffic,  
2 intraLATA toll traffic, over a single set of trunks. You  
3 don't require separate trunks for access traffic?

4 A I don't know specifically if we do or not. Mr.  
5 Scollard might be able to answer that.

6 Q So you don't know whether your proposal to  
7 require MCI to use a separate trunk for access traffic is  
8 or isn't different from what you do when you deal with  
9 this independent company we have described?

10 A I don't know.

11 Q And I believe, as I understand it, the basis of  
12 BellSouth's concern is that if the switched access  
13 terminating traffic coming from the MCI access tandem down  
14 to the BellSouth end office doesn't come over a specially  
15 designated switched access trunk group that BellSouth  
16 won't be able to properly bill the long distance carriers  
17 for its piece of the switched access charge, is that  
18 correct?

19 A That's correct.

20 Q If WorldCom is providing BellSouth the call  
21 detail records out of that access tandem, doesn't that  
22 provide BellSouth the necessary information to bill the  
23 long distance carriers?

24 A Well, it would depend on what the detail  
25 involved. Our concerns have been -- and I heard this

1 discussed some with Mr. Price, I'm not really sure how it  
2 got resolved. But things like to the extent that you have  
3 other carriers that you are sending their traffic to, I'm  
4 not sure that we would get the carrier identification code  
5 that would really let us get the billing to the proper  
6 carrier.

7           We also have concerns that we have obligations  
8 with other companies that interact with us. So to the  
9 extent this would be transitting traffic that we need to  
10 be able to provide call records to those carriers, as  
11 well. So we still have concerns about whether or not we  
12 can really accomplish the billing we need to.

13           Q     Well, when you provide the tandem function to  
14 the independent local company, you give them the call  
15 detail records that they need to bill switched access  
16 charges, correct?

17           A     Yes, we do.

18           Q     And there is -- would you agree me there is an  
19 industry standard for what goes in those tandem switching  
20 records?

21           A     Yes, there probably is.

22           Q     And if WorldCom were living by the same industry  
23 standard and giving that same information to you, then  
24 shouldn't you be equally as capable of billing long  
25 distance carriers as the independent would be when the

1 roles were reversed?

2 A Yes. But our concern -- and Mr. Scollard  
3 elaborates on this in his rebuttal, is that we don't  
4 believe we can get that over local interconnection trunks,  
5 we believe that we need to get that over switched access  
6 trunks.

7 COMMISSIONER JACOBS: Mr. Melson, would it be a  
8 good time to take a break?

9 MR. MELSON: Yes, that was my last question on  
10 that issue. And I don't have a lot more issues, but I've  
11 got a few.

12 COMMISSIONER JACOBS: Okay. Why don't we take a  
13 break. We will come back in ten minutes. Before we  
14 leave, it looks like we have not moved quite so far today.  
15 I'm thinking it would be a good idea to go a little bit  
16 late. Can we get through Mr. Scollard this evening? Mr.  
17 Scollard.

18 MR. MELSON: The next witness?

19 COMMISSIONER JACOBS: Yes.

20 MR. MELSON: I guess that depends in part on how  
21 much I've got, doesn't it?

22 MR. ROSS: Yes, it does.

23 MR. MELSON: I would guess I have got less than  
24 half an hour more and someone else here is handling Mr.  
25 Scollard.

1 MS. McNULTY: And I probably only have about --  
2 probably about 15 minutes worth.

3 COMMISSIONER JACOBS: Staff?

4 MS. CHRISTENSEN: Mr. Scollard, I don't think we  
5 have any. For Ms. Cox we have probably about 20 minutes.

6 COMMISSIONER JACOBS: Okay. We will go for  
7 bringing Mr. Scollard on this evening, then. We'll come  
8 back in ten minutes.

9 (Recess.)

10 COMMISSIONER JACOBS: Let's go back on the  
11 record. Mr. Melson.

12 BY MR. MELSON:

13 Q Issue 47, reciprocal compensation for calls to  
14 ISPs. Would you agree with me that in the most recent  
15 BellSouth's arbitration in Florida, that being with Global  
16 NAPS, the Commission said that regardless of the  
17 jurisdiction of the traffic which may be up in the air at  
18 the federal level, for purposes of compensation under the  
19 arbitration -- under the local interconnection agreement  
20 it is going to be entitled reciprocal compensation?

21 A Yes, I think they have said that in a number of  
22 cases.

23 Q Well, isn't the difference that in earlier cases  
24 the Commission had said continue under the existing  
25 agreement until the FCC rules, whereas when they got to .

1 Global NAPS they essentially said we are not waiting, for  
2 purposes of this agreement ISP-bound traffic is entitled  
3 to reciprocal compensation?

4 A You know, I just can't recall whether or not  
5 they referred to the pending FCC proceeding or not in that  
6 decision.

7 Q Okay. Well, the order will speak for itself.  
8 BellSouth has not in this arbitration nor in the UNE cost  
9 docket proposed different reciprocal compensation rates  
10 depending on the party to whom the traffic is directed, is  
11 that correct?

12 A Correct.

13 Q Let's turn to Issue 51, and this is the issue  
14 that involves the two colored exhibits from Mr. Price. In  
15 fact, you and I spent about three-quarters of a day here a  
16 couple of weeks ago devoting an entire day to this issue,  
17 correct?

18 A Yes, we did.

19 Q Would you agree that we shouldn't spend another  
20 entire day?

21 A I would certainly agree to that.

22 Q Would you agree the issue hasn't changed?

23 A I would agree to that.

24 Q The same legal issue, same factual issue?

25 A Yes, same disagreements.

1 Q Same disagreement. So, if the Commission rules  
2 in that docket it would be unusual for them to rule  
3 differently in this one?

4 A Well, that docket was dealing with an agreement  
5 sort of going back. So they could reach a different  
6 decision, I suppose.

7 Q Well, let me ask this. The disagreement in that  
8 docket was whether that agreement must be amended going  
9 forward?

10 A That's correct.

11 Q And we sort of said if it must be amend going  
12 forward then we sort of agree on an effective date?

13 A Right.

14 Q So the going-forward issue in that docket is the  
15 same as the going-forward issue here?

16 A Right. I just wouldn't want to -- I mean, we  
17 would still argue that if they reached a decision we  
18 didn't necessarily agree with, we would still want to  
19 argue that they could reach a different decision here.

20 Q So you could appeal that case and we could  
21 appeal this one?

22 A Well, I hate to plant that seed.

23 Q Issue 67. When WorldCom has a license to use  
24 BellSouth rights-of-way and BellSouth wants to convey the  
25 right-of-way to a third party, the issue is whether

1 BellSouth is required to convey the property subject to  
2 WorldCom's license, is that the issue?

3 A Yes, that is the issue.

4 Q And if we have got a license to use BellSouth's  
5 right-of-way that means we are going to have some conduit  
6 in it or some overhead cable or something of that nature,  
7 correct?

8 A Yes, most likely.

9 Q And if BellSouth were to convey that  
10 right-of-way to a third party and not convey it subject to  
11 WorldCom's license, then WorldCom under the new owner  
12 could potentially have no license and have stranded  
13 facilities, is that correct?

14 A I guess there is that potential if they couldn't  
15 reach an agreement with the new owner.

16 Q But BellSouth's position is if you decide to  
17 dispose of that right-of-way, at that point it is our  
18 obligation to deal with the new owner, you are not going  
19 to make the transfer subject to our license?

20 A That's correct.

21 Q Issue 94, should BellSouth be permitted to  
22 disconnect service to MCI WorldCom for nonpayment. My  
23 understanding is BellSouth wants the right to disconnect  
24 if there is a two-pronged test met. I think we agree here  
25 BellSouth is proposing a two-pronged test. We fail to pay



1 and there is no good faith billing dispute, is that what  
2 BellSouth's language proposes?

3 A Yes.

4 Q And BellSouth in that situation is the judge of  
5 what is a good faith billing dispute, is that right?

6 A Well, initially I guess if we were to -- if MCI  
7 brought up a dispute and we disconnected them anyway, I'm  
8 sure that we would -- and it ended up that it was, in  
9 fact, a good faith billing dispute, we could probably be  
10 in some trouble. So I don't think that we are going to  
11 take a hard line on what is a good faith billing dispute.

12 Q Let me ask two questions. If WorldCom refused  
13 to pay and had a billing dispute and BellSouth said, well,  
14 we don't think that is a good faith dispute. If you don't  
15 pay us by this afternoon at 5:00 o'clock we are going to  
16 disconnect your customers. WorldCom is faced with either  
17 accepting BellSouth's assertion that our dispute is not  
18 good faith and paying you, or we are faced with having our  
19 customers cut off. In that situation we have got no  
20 choice, it is seven minutes of 5:00?

21 A Well, we would not do that. We would not say  
22 you have seven minutes to either pay or not to pay.

23 Q You have got two weeks. You have got two weeks.  
24 We don't regard this billing dispute as good faith, you  
25 have got two weeks to pay and if you don't pay we are . . .

1 going to cut off your customers?

2 A I guess that could occur. On the other hand,  
3 under MCI's proposed language we could never hear there  
4 was a dispute at all, never get paid, and still not be  
5 able to disconnect service. So the big distinction, I  
6 think, here is do you even have to have a dispute or not.  
7 And we believe there needs to be some sort of dispute on  
8 the charges.

9 Q So you would be willing to take out the good  
10 faith language and say that -- limit your right to  
11 disconnect to the extent where MCI fails to pay and there  
12 is no dispute?

13 A Well, that would depend on -- what if the  
14 dispute is that we are not going to pay. Does that  
15 qualify as a dispute? I mean, I think that is sort of  
16 where the good faith idea comes in, and that is we need to  
17 have some reason as to what the dispute is about.

18 Q Assume BellSouth has sent us a bill, we dispute  
19 it, we give you our reasons. You say that is not good  
20 faith, we say yes, it is. You cut our customers off. We  
21 come to the Commission, we ultimately prevail, our  
22 customers were still cut off, correct?

23 A I just don't foresee that happening.

24 Q It could happen. Under BellSouth's language  
25 that could happen?

1 A Well, and conversely under MCI's language we  
2 could never get paid and you would continue to get  
3 service.

4 Q Under WorldCom's language if we didn't pay you  
5 and you thought there was a problem, you would come to the  
6 Commission to enforce that, isn't that right? That it  
7 kicks into Commission dispute resolution, so the  
8 Commission is going to tell us whether we are acting in  
9 good faith or not?

10 A But we don't know there is a dispute. It's sort  
11 of --

12 Q You are concerned about a situation where you  
13 send us a bill for a million dollars and we never pay and  
14 you never hear from us?

15 A Yes.

16 Q And you never call us to ask, hey, is the check  
17 in the mail?

18 A Well, we might call you and you might say --

19 Q I would hope you would. I'm sorry.

20 A But you might just say, well, no. I mean, if  
21 there is -- the whole purpose that we are trying to  
22 distinguish here is that we are not saying that we are  
23 going to disconnect you for services when you have a  
24 dispute with us over the billing. But, likewise, there  
25 needs to be some reason for the dispute, we believe, in .

1 order for us not to have the right to disconnect service.  
2 That is consistent with what we do with our other  
3 customers.

4 Q You said in the situation -- and I recognize  
5 probably none of these extremes are likely situations, but  
6 we are trying to enter into a commercial transaction we  
7 both can live with and do business for a period of years.  
8 Assume we didn't pay, we wrote you a letter, we said we  
9 dispute the bill for reasons X,Y, and Z. You say that is  
10 not good faith. We say, yes, it is. You say, we are  
11 going to disconnect. We say, we don't think you will.  
12 You disconnect. Customers go out of service. We come to  
13 the Commission, the Commission sides with us and says,  
14 yes, MCI, that was a good faith dispute, BellSouth  
15 improperly disconnected your service. Under the  
16 limitation of liability provision in the agreement, you  
17 have got no liability to WorldCom for having terminated  
18 that service unless you acted willfully or in gross  
19 negligence, is that correct?

20 A That is my understanding of the limitation of  
21 liability language. But, again, I just don't see this  
22 situation happening.

23 Q So even if the Commission found that you are  
24 calling that dispute nongood faith, was a material breach  
25 of the agreement and resulted in material damage, under

1 your limitation of liability you are not responsible,  
2 financially responsible?

3 A We don't believe there should be an exception in  
4 the limitation of liability for material breach. Now,  
5 what I would really probably foresee happening in this  
6 case is I imagine that the dispute would be brought to the  
7 Commission before any customers would be cut off.

8 Q But the agreement doesn't say that?

9 A No, it does not. But, again, the proposed  
10 language from MCI doesn't even require there to be a  
11 dispute.

12 Q Issue 109, and this relates to the FCC --  
13 essentially, the FCC's pick and choose rule, where if  
14 BellSouth enters into an interconnection agreement with  
15 another carrier, we are entitled to take provisions out of  
16 that agreement, is that correct?

17 A Yes, that is one part of it.

18 Q Okay. And there is really two parts of it,  
19 you're right, the first part is if we choose, what is the  
20 effective date of our choice?

21 A Right.

22 Q And would you agree with me that is a legal  
23 issue?

24 A Yes. Okay, I will agree with that.

25 Q That means I don't have to ask you a question .

1 about it?

2 A If that means there are no more questions.

3 Q The witness is well trained. The second part of  
4 it is whether to facilitate pick and choose, BellSouth  
5 should be required to post its interconnection agreements  
6 on its website within 15 days after it files the  
7 agreements with the Commission, is that correct?

8 A Yes, that's correct.

9 Q Would you agree with me that the current  
10 interconnection agreement that WorldCom has with BellSouth  
11 requires you to provide us paper copies of those  
12 agreements?

13 A Yes, I am aware of that. We would like to stop  
14 that.

15 Q And our position is let's move to a middle  
16 ground, and you post on the website. And your position  
17 is, WorldCom, go to the PSC Clerk's Office; and, AT&T, go  
18 to the PSC Clerk's Office; and, Supra, go to the PSC  
19 Clerk's Office, because they are on file there and you can  
20 get them from the PSC Clerk. Which I should have said  
21 Division of Records and Reporting. Is that BellSouth's  
22 position?

23 A That is our position in this case, and this is  
24 another one where this is not an obligation that is on us  
25 under the Act and we are just not prepared to be able to.

1 accommodate this at this time.

2 Q It would be easier than what you are doing  
3 today, sending us the paper?

4 A I don't know. There would be some up-front  
5 work. Probably once it got up an going it could be  
6 easier, I guess.

7 MR. MELSON: All right. That's all I've got,  
8 thank you.

9 COMMISSIONER JACOBS: Staff.

10 CROSS EXAMINATION

11 BY MS. CHRISTENSEN:

12 Q Good afternoon. Let me draw you back to  
13 Issue 3.

14 A Okay.

15 Q In your direct testimony, Page 6, Line 23  
16 through Line 3 on Page 7, you testified that it is true  
17 that an incumbent LEC's interstate access tariffs do not  
18 contain any limitation that prevents end users from buying  
19 these services, and that end users do occasionally  
20 purchase some of these access services, including special  
21 services. Is that a correct summary of that testimony?

22 A Yes, that is correct.

23 Q In that above scenario, assume that the end user  
24 is buying intrastate access service from BellSouth which  
25 is converted to an ALEC on a resale basis. What resale

1 discounts are applicable in this resale arrangement?

2 A If the service is purchased out of the access  
3 tariff, then there is no resale discount. The service  
4 could certainly be resold, but there would be no resale  
5 discount for those services.

6 Q In Witness Price's rebuttal testimony he  
7 testified that BellSouth offers its SmartRing services to  
8 its end users under its private line tariff, its federal  
9 access tariff, and its state access tariff. These  
10 services offered in each of these three tariffs is  
11 virtually identical, but the pricing in each case is  
12 different. The pricing of the SmartRing in the federal  
13 access tariff generally is lower than the pricing in the  
14 other two tariffs. Do you know whether this is true?

15 A I don't know all the specific prices. I do know  
16 the services are similar, which I believe I heard Mr.  
17 Price say. I don't know that they are identical, so it  
18 could be true what he is saying there.

19 Q Do you know how BellSouth determines which  
20 tariffs to put a service such as SmartRing, which tariff  
21 that it would appear under and how it determines the cost  
22 associated with the various tariffs?

23 A I don't know the specifics of how we determine  
24 the cost in those tariffs that you mentioned. We would  
25 put a service in the access tariff to the extent it is



1 predominantly designed to be provided for carriers, we  
2 would put one in the interstate tariff if it is an  
3 interstate type service. The intrastate services would go  
4 in the intrastate access tariff. And then those services  
5 that are really designed for end users would go in the  
6 private line tariff.

7 Q Let's move to Issue 9, and this is regarding the  
8 normal use of a location. Is BellSouth the party that  
9 determines whether a facility type is normally used at a  
10 location?

11 A I believe in my rebuttal testimony that was one  
12 point that I said could be difficult to determine whether  
13 something is normally used at a location. Basically what  
14 we are saying is to the extent a loop was going to be  
15 provided to an end user, we were going to use the special  
16 construction process. We are willing to do that same  
17 thing for MCI at that location. We are not really  
18 limiting it to this type normally used at a location  
19 necessarily. Now, that could determine whether or not  
20 something is special construction, but we are not drawing  
21 that distinction as to whether or not we will provide it.

22 Q Well, let me repeat the question again. I guess  
23 the question is who makes the determination of whether or  
24 not the facility type is a type that is normally used at a  
25 location, who would be making that determination?

1           A     Well, under our proposal I'm not sure anyone  
2 would. Basically, what we are saying is that we would  
3 abide by the terms of the special construction tariff, so  
4 we would follow those terms and conditions, and that would  
5 be the same as to whether or not that is for an end user  
6 or for MCI. So what I'm saying is I don't really know  
7 that we would feel that we would make that distinction at  
8 all.

9           Q     Let's say ultimately there is a dispute as to  
10 whether or not these types of services are normally  
11 provided at that facility. Who ultimately would have the  
12 right to make that determination?

13           MR. ROSS: Just for the record, Commissioner  
14 Jacobs, this language that counsel is questioning  
15 BellSouth about is language proposed by MCI. So in case  
16 is any confusion there, those questions probably should  
17 have been directed to MCI.

18 BY MS. CHRISTENSEN:

19           Q     We believe that -- this is in the statement of  
20 the issue and we are trying to get clarification as to  
21 BellSouth's position on which party would have that  
22 ability to make the final determination.

23           A     I guess I don't know because we haven't really  
24 anticipated making that determination. Our determination  
25 on the issue was really just going to be whether or not .

1 special construction charges would be applicable.

2 Q If BellSouth and an ALEC encountered the  
3 situation of a facility constraint, i.e., the facility  
4 type normally used at that location is exhausted or  
5 otherwise not available at the time an ALEC order is  
6 placed, does BellSouth pursue all cable relief measures  
7 short of new construction as it presumably would for a  
8 BellSouth retail unit to resolve the facility constraint?

9 A Yes. It is our proposal under this issue that  
10 we would treat MCI and the end user in the same way. So  
11 to the extent that in investigating this if the result  
12 would have been an end user would have needed to pay  
13 special construction, then those are the cases where MCI  
14 would pay. There would not be a difference.

15 Q Let me refer you to Issue 11. Referring to  
16 Witness Milner's rebuttal testimony, Page 7.

17 A I'm sorry, this isn't my issue. I probably  
18 won't be able to answer your question.

19 Q Okay. Although I recognize that this may not be  
20 your issue, there is a question that is related to this  
21 that we want to make sure whether or not you are the  
22 appropriate witness to ask or if we should refer it to  
23 somebody else.

24 A Okay.

25 Q Has BellSouth addressed cost recovery for the .

1    prewired access terminal with WorldCom, is that something  
2    that you would have addressed?

3           A     No, sorry.

4           Q     Do you know which witness might be able to  
5    address that from BellSouth?

6           A     Mr. Milner most likely.

7           Q     Thank you. We will move to a different issue.  
8    Issue 23. In your direct testimony, Page 21, Lines 23  
9    through 25, you testified that the basis for the FCC's  
10   rejection of Sprint's proposal is that the unbundling  
11   SONET rings necessarily involves constructing facilities.  
12   Is that a correct summary of that testimony?

13          A     Yes, it is.

14          Q     Does the process of unbundling SONET rings  
15   involve constructing facilities?

16          A     My understanding is that generally it will.  
17   There will be some sort of construction required. We  
18   talked about things like electronics and that type of  
19   thing. So, yes, I believe it generally is going to  
20   require some sort of construction.

21          Q     But not in every circumstance, just most of the  
22   time is what we are hearing you say?

23          A     I guess there could be cases where it wouldn't,  
24   but I don't --

25          Q     Let me refer you to Issue 40. In Mr. Price's

1 deposition at Page 11, beginning at Line 17, do you have  
2 that available?

3 A No, sorry. If you want to read it to me.

4 Q I think probably you could get it if I summarize  
5 it for you. You were present during Mr. Price's  
6 testimony, correct?

7 A Yes, I was.

8 Q And you were present when he was asked whether  
9 or not the access charges applied to long distance calls  
10 whether the call is carried via IP Telephony and in a  
11 local context reciprocal comp should apply, do you recall  
12 that?

13 A Yes, I do.

14 Q Is it your understanding the parties agree that  
15 regardless of the technology used to transmit a call,  
16 including Internet protocol, compensation for local calls  
17 should be reciprocal compensation, while compensation for  
18 long distance calls should be access charges?

19 A Yes. But the one exception I believe we still  
20 have a disagreement as to whether or not a call with these  
21 sort of out of area NPA-NXXs, the FX-like issue, I believe  
22 it is MCI's issue that those would be treated as local  
23 calls based on the rate center. And it is BellSouth's  
24 position that it is the originating and terminating point  
25 of the call that would determine the jurisdiction.

1           But generally I do believe we agree that local  
2 calls, even if they use IP Telephony, would be subject to  
3 reciprocal compensation. Likewise, long distance calls  
4 would be subject to access charges.

5           Q     So, for clarification, you would agree that the  
6 unresolved portion of this issue is whether the traffic  
7 type, local or long distance should be determined by the  
8 NPA-NXX or the originating and terminating exchanges?

9           A     Yes, I would agree.

10          Q     Is it BellSouth's position that the originating  
11 and terminating exchanges should determine what  
12 compensation applies? That is the same question that --  
13 that appears to be what you just said, is that true?

14          A     Yes, that is true.

15          Q     What is BellSouth's position on how compensation  
16 should be applied to Phone-to-Phone calls using IP  
17 Telephony over the Internet?

18          A     Let's see. So it is a long distance call using  
19 IP Telephony, a telephone on each end, but over the  
20 Internet for some piece of that call?

21          Q     Correct.

22          A     I think if it is long distance in that case that  
23 switched access would apply. That would still basically  
24 be a Phone-to-Phone call.

25          Q     Let me refer you to Issue 47, the reciprocal .

1 compensation issue. In your direct and rebuttal testimony  
2 you refer to the Commission's decisions regarding  
3 ISP-bound traffic in the ITC/DeltaCom arbitration and the  
4 ICG arbitration and the Intermedia arbitration, is that  
5 correct?

6 A That's correct.

7 Q And is it your understanding that those  
8 decisions basically stated that the parties should  
9 continue under the terms of the existing agreement until  
10 the FCC makes a final decision regarding ISP-bound  
11 traffic?

12 A Yes, that is my understanding.

13 Q And is it BellSouth's position, and as you  
14 stated in your testimony, that BellSouth is willing to  
15 abide by the Commission's previous decisions until the FCC  
16 establishes final rules regarding ISP-bound traffic,  
17 correct?

18 A Yes, we are willing to do that.

19 Q I know this was brought up during the original  
20 line of questioning, are you familiar with the recent  
21 Global NAPS/BellSouth arbitration decision?

22 A I am familiar with it. I am not going to be  
23 able to cite from it.

24 Q Regarding ISP-bound traffic, are you familiar  
25 with what the Commission determined how that should be

1 treated?

2 A My understanding is they decided that it would  
3 be treated as local for purposes of the reciprocal  
4 compensation, but it would have a different rate.

5 Q And what rate did the Commission apply in the  
6 Global NAPS' petition? Not specific rate, was it the same  
7 or was it lower or higher than --

8 A Oh, the rate for calls to ISPs was lower than  
9 the other reciprocal comp rate.

10 Q And do you know why the Commission determined  
11 that lower rates were appropriate for the ISP-bound  
12 traffic in Global NAPS?

13 A It is my understanding that the Commission felt  
14 that the nature of the traffic could result in it having  
15 different cost characteristics and that was the  
16 consideration.

17 Q Do you believe that lower reciprocal  
18 compensation rates should be applied to ISP-bound traffic  
19 if the Commission determines that such compensation is  
20 appropriate in this arbitration?

21 A Well, we haven't proposed that. What I would  
22 say, first off, is no surprise; we wouldn't believe that  
23 reciprocal compensation should apply for calls to ISPs at  
24 all. If the determination is made that it should be, then  
25 certainly moving in the direction the Commission has moved



1 better reflects those costs. An alternative would also to  
2 be put all of the traffic that reciprocal comp is going to  
3 be paid on and see what the cost of that traffic is  
4 combined, and then you could have a single rate. The  
5 problem with the rate that we have been proposing before  
6 is it doesn't reflect the nature of the ISP traffic and  
7 that, I believe, is what the Commission was rightly  
8 attempting to do in their Global NAPS decision.

9 Q Do you include the Global NAPS decision when you  
10 state that BellSouth is willing to abide by the  
11 Commission's past decisions regarding the ISP-bound  
12 traffic?

13 A I hadn't put it in my testimony. I don't know  
14 that it was out actually at the time I filed testimony.

15 COMMISSIONER JABER: Ms. Cox. Educate me on  
16 when it was that companies or this Commission, I really  
17 don't know, started treating reciprocal compensation for  
18 Internet traffic separately. Was it ever -- did this  
19 agency ever consider reciprocal compensation as a total  
20 amount?

21 THE WITNESS: My understanding is up until the  
22 Global NAPS decision that there had been just a single  
23 rate for reciprocal compensation. And there has been this  
24 on-going dispute as to whether or not that should apply to  
25 ISP calls at all. When we developed the costs for

1 reciprocal compensation we didn't have that traffic in the  
2 mix when we determined the cost. So I think that it is  
3 just the Global NAPS decision was the first time the  
4 Commission bifurcated those two and developed two  
5 different rates.

6 COMMISSIONER JABER: So for purposes of your  
7 interconnection agreements, BellSouth always envisioned  
8 reciprocal compensation as a single rate?

9 THE WITNESS: Yes, I believe we did initially,  
10 because we believed it would just apply to traditional  
11 local calls, that it wouldn't be applicable to these calls  
12 to ISPs.

13 BY MS. CHRISTENSEN:

14 Q Let me refer you to Issue 67. In your direct  
15 testimony at Page 93, Lines 14 through 18, you state that  
16 as reflected in the right-of-way agreements such licenses  
17 to MCI does not constitute an easement, does not give MCI  
18 ownership rights to the property, and does not give MCI  
19 the right to restrict BellSouth's sale, or covenant, or  
20 conveyance, excuse me, of its own property. Is this a  
21 correct statement of your testimony?

22 A Yes, it is.

23 Q Is it BellSouth's position that the licensing  
24 agreements do not give MCI the right to use the property?

25 A No, they have the right to use the property

1 while we own it during the course of the licensing  
2 agreement. The dispute is what happens should we sell the  
3 property. And we would say in that case their license  
4 does not also convey on to the new owner or obligate the  
5 new owner with regard to the license.

6 Q Do those license agreements usually have a time  
7 period or an expiration period?

8 A That I am not sure of. Probably some do and I  
9 guess there could be some that don't.

10 Q Well, assuming that there are specific time  
11 periods specified in these licensing agreements, and  
12 assume that MCI still has a valid licensing agreement at  
13 the time that BellSouth wants to convey a piece of  
14 property, is it BellSouth's position that it should just  
15 be able to convey the property without regard to the  
16 length of time or the agreement?

17 A Yes, that is our position is that the license  
18 would not convey.

19 Q And I understand in your testimony you make a  
20 distinction between having an ownership right and some  
21 other type of right, is that correct?

22 A That's correct.

23 Q And it is your position that unless it is an  
24 ownership right there is no other way that there could be  
25 a restriction on the transfer of property?

1           A     Yes. My understanding is in the case of  
2 something like an easement that that, in effect, is tied  
3 to the property. A license agreement that we are talking  
4 about here is for use of our property, and we would say  
5 that to the extent we sell the property the license does  
6 not necessarily go along with that.

7           Q     Could you conceive of a situation where this  
8 might lead to or could potentially lead to some  
9 anticompetitive practices, such as BellSouth selling its  
10 poles to another carrier, making a license agreement with  
11 that carrier for an extended period of time and leaving  
12 the other parties without a way of getting onto those  
13 poles?

14          A     No, not really. I don't think that would occur.

15          Q     Let me move to Issue 107. In your direct  
16 testimony, assuming for purposes of this question that the  
17 Commission determines not only that it has to arbitrate  
18 this issue, but must come to a resolution on this issue.  
19 In your direct testimony, Page 102, Lines 13 through 15,  
20 you indicate that the Commission should -- if the  
21 Commission should adopt MCI's proposed language, that  
22 BellSouth would request that additional language be added.  
23 What is the additional language that BellSouth wants  
24 adopted?

25          A     I think I have it here, I'm not sure. There are

1 two rather lengthy paragraphs. I don't know if you want  
2 me to read them or I can provide it to you. It basically  
3 gets -- our first view was the language, we believe we had  
4 an agreement that there would not be a limitation of  
5 liability, then there was an exception put in for material  
6 breach. So we had some additional language added to, I  
7 guess, sort of clarifies what that would mean.

8 Q And is that language available in any of the  
9 testimony that has been filed or exhibits?

10 A I don't believe it is. MCI has received it, but  
11 I don't know that we have provided it. I would be glad to  
12 do that.

13 Q If it is possible, if you could make copies and  
14 provide that for us.

15 A No problem.

16 Q Can you briefly explain why under that scenario  
17 the Commission should adopt this additional language?

18 A Well, what I would really urge the Commission to  
19 do is adopt the original language which just discusses  
20 that there is not -- there is a limitation of liability,  
21 explains what it would be, and not have the exception for  
22 the material breach. So that is really what I would  
23 encourage the Commission to do. I think that is the  
24 simplest and the cleanest decision.

25 Q If the Commission chooses to grant an exception.

1 and you want this additional language, why should we add  
2 that additional language on there?

3 A Because it would bring clarity to exactly what  
4 does it mean. Our concern is without this additional  
5 language there really is no limitation of liability in the  
6 case if you have an exception for a material breach.

7 Q And you believe this would clarify that position  
8 further?

9 A Yes, we believe that would.

10 Q Can you explain why BellSouth believes that the  
11 MCI proposed language would result in greater liability to  
12 MCI customers than to BellSouth customers?

13 A Yes, that gets at the limitation of liability  
14 that we have in our tariffs and how that is structured.  
15 We believe it should be the same for MCI as it is for our  
16 customers.

17 Q Let me refer you to Issue 110. Would you agree  
18 that all reasonable measures and all actions necessary to  
19 keep MCI's information confidential are two separate  
20 standards?

21 A I believe they could be interpreted to be two  
22 different standards, yes.

23 Q Would BellSouth agree to add language that would  
24 require BellSouth to take all reasonably necessary actions  
25 to keep MCI's information confidential?

1 A Yes.

2 Q And one last question. I'm going to refer back  
3 to Issue 47. And I'm not sure whether or not I got an  
4 answer to this question, but when we were talking about  
5 the Global NAPS decision, and when you stated that  
6 BellSouth is willing to abide by the Commission's past  
7 decisions regarding ISP traffic, ISP-bound traffic, would  
8 that also include the Global NAPS decision?

9 A Well, certainly if that is what the Commission  
10 decides in this case, yes.

11 MS. CHRISTENSEN: Thank you. I have no further  
12 questions.

13 COMMISSIONER JACOBS: Commissioners? One  
14 question. In this discussion regarding dedicated  
15 transport, I'm trying to get a full understanding of it.  
16 If I understand your position, where you have provided  
17 transport your position is that you would offer it as a  
18 UNE?

19 THE WITNESS: Yes, where we have dedicated  
20 transport, interoffice transport, local channels, those  
21 things we are, yes, obligated to offer it, in fact.

22 COMMISSIONER JACOBS: Now, would the primary  
23 instance where you would not offer it would be in  
24 interLATA routes?

25 THE WITNESS: Well, we couldn't offer it in that

1 case. Another case we don't feel we are obligated to  
2 provide it is if it is between two points, neither of  
3 which are on our network. So between switches of two  
4 other carriers, or two MCI switches, for example.

5 COMMISSIONER JACOBS: Okay. If those two  
6 switches happen to traverse a route that you already had  
7 an end, though, would that fall within your -- albeit not  
8 directly connecting those switches, but over a route that  
9 you already covered, does that fall within your definition  
10 of --

11 THE WITNESS: Yes. And I have said to the  
12 extent that we would happen to have facilities in those  
13 cases we are willing to make those available.

14 COMMISSIONER JACOBS: Thank you.

15 MR. ROSS: Thank you, Commissioner Jacobs. Just  
16 to follow-up Ms. Christensen --

17 MS. CHRISTENSEN: Excuse me, I'm sorry. If I  
18 could interrupt for one moment. I have a set of questions  
19 that I did not ask and if I could take the opportunity  
20 now?

21 MR. ROSS: No problem.

22 MS. CHRISTENSEN: No problem.

23 BY MS. CHRISTENSEN:

24 Q And this is referring to Issue 34. Does  
25 BellSouth object to using two-way trunking from MCI's



1 switch to BellSouth's local tandem?

2 A Not if we can mutually agree that that is the  
3 way the traffic should be handled. Our only objection  
4 really on Issue 34 is leaving MCI with the final decision.

5 Q So it would be the same response if the two-way  
6 trunking was from an MCI switch to a BellSouth central  
7 office subtending the local tandem, it would be the same  
8 response that you just gave?

9 A Yes.

10 Q For clarification, let me ask you a  
11 hypothetical. Assume that BellSouth has three central  
12 offices connected to a local tandem. MCI is  
13 interconnected at BellSouth's local tandem and at one of  
14 BellSouth's central offices, which it would also be  
15 connected to that tandem via two-way trunking.

16 If MCI originates a call from its switch  
17 destined to a BellSouth customer routed through the  
18 BellSouth local tandem, what costs are associated with the  
19 transport and termination of that call?

20 A Let me make sure I have the diagram right. We  
21 have a local tandem.

22 Q Correct.

23 A And then we have got three offices, is that  
24 right?

25 Q Correct.

1 A Those are all three BellSouth offices?

2 Q Yes.

3 A And then an MCI office comes into the tandem?

4 Q Correct.

5 A If that MCI customer were to call one of  
6 BellSouth customers going through the local tandem, and  
7 this is all in the local calling area?

8 Q Correct.

9 A They would pay local tandem, switching, and end  
10 office switching.

11 Q Now, what would be the difference in cost to  
12 BellSouth to route a call through the tandem  
13 interconnection versus through the central office  
14 interconnection? Assume the same scenario and MCI is  
15 connected directly to one of the central offices and also  
16 to the tandem that serves that central office. Can you  
17 differentiate the cost associated with transporting a call  
18 via those two different routes, one through the tandem and  
19 one through --

20 A One directly to the central office?

21 Q Yes.

22 A The real difference would be the tandem  
23 switching. We would have two switchings. If it went  
24 through the tandem you would have the tandem and the end  
25 office, if they go directly to the end office you just

1 have the end office switching, and that is what the FCC  
2 was looking at when they determined there could be an  
3 extra cost there.

4 Q If BellSouth originates a call from its central  
5 office destined to a WorldCom customer routed through the  
6 BellSouth tandem, what costs are associated with that  
7 transport and the termination of that call?

8 A Well, in that case the transport and termination  
9 wouldn't pick up until MCI started carrying the call. So  
10 in that case they would have end office switching, because  
11 we would be doing the tandem switching, it would be going  
12 through our tandem.

13 Q Who pays for the tandem switch in that scenario?

14 A If we are routing our local calls through our  
15 local tandem --

16 Q Uh-huh.

17 A -- nobody really pays for it. I mean, we are  
18 incurring that cost, but it is not something that MCI  
19 would then charge us reciprocal compensation for. And  
20 because the call would be going from us to WorldCom, the  
21 reciprocal compensation would be billed from WorldCom to  
22 us. And it would not cover the tandem because that would  
23 be our tandem in that circumstance.

24 MS. CHRISTENSEN: Okay. I think that is the end  
25 of my questions. We had discussed earlier the additional

1 language, I would request that that could be filed as a  
2 late exhibit?

3 MR. ROSS: Actually, Commissioner and counsel, I  
4 believe it is included as part of Exhibit 10, which is the  
5 proposed interconnection agreement that is attached to the  
6 petition. And I will ask Ms. Cox to confirm that to make  
7 that what she is looking at is what is already in the  
8 exhibit.

9 COMMISSIONER JACOBS: I'm sorry, go ahead.

10 MS. CHRISTENSEN: As long as it is already an  
11 exhibit, I would have no objection. But I thought I  
12 understood Ms. Cox to say that it was not part of that  
13 exhibit. So to the extent that it is not part of the  
14 exhibit, could we have that as a late-filed exhibit?

15 COMMISSIONER JACOBS: Well, it is my  
16 understanding that Exhibit 10 was only Exhibit A to the  
17 petition, which was a letter.

18 MR. ROSS: Oh, I'm sorry. I'm sorry, you're  
19 right. It is Exhibit 11, which is the actual proposed  
20 interconnection agreement as I have it.

21 COMMISSIONER JACOBS: Let me make sure. I have  
22 Exhibit 10 as Exhibit A to the petition.

23 MS. McNULTY: Chairman Jacobs, I believe it may  
24 be Exhibit 12 that we are talking about. I have that  
25 Exhibit C, the draft Florida interconnection agreement.

1 COMMISSIONER JACOBS: I think you're right.

2 MR. ROSS: I apologize. If I could just have  
3 Mr. Cox confirm that the language is the language she is  
4 referring to, I think that will -- it is in the record.

5 COMMISSIONER JACOBS: Right, that is. If I  
6 could read my own handwriting I would have known that.

7 MR. ROSS: Ms. Cox, I have handed you a portion  
8 of --

9 COMMISSIONER JACOBS: I'm sorry, I had a couple  
10 of real quick questions. You were going into redirect?

11 MR. ROSS: Yes.

12 COMMISSIONER JACOBS: Okay. One quick question.  
13 Line sharing. I understanding your testimony to be that  
14 what you have proposed in this agreement is the result of  
15 meetings and discussions you have had with the ALEC  
16 community. Do I take that to mean that you now will offer  
17 line sharing generally?

18 THE WITNESS: Yes, we were obligated in offering  
19 line sharing. But, again, line sharing is where we are  
20 the voice provider. So I would distinguish that from the  
21 discussion I was having with Mr. Melson over UNE-P.

22 COMMISSIONER JACOBS: Okay. And the other, in  
23 your testimony, this is on Page -- I'm sorry, I lost my  
24 place, Page 22 of your rebuttal. You indicated that  
25 BellSouth would only send this traffic over two-way trunks

1 when traffic volumes between BellSouth and MCI are  
2 insufficient to justify one-way trunks. And then I  
3 understand that -- who makes that determination? Is there  
4 some magical information that you know that and that can  
5 be made at a point in time?

6 THE WITNESS: As to whether there would be  
7 enough traffic?

8 COMMISSIONER JACOBS: Right. Is that  
9 instantaneous, or is that a snapshot, or is it over time?

10 THE WITNESS: Well, I imagine the engineers  
11 would look at it initially and then would probably look  
12 some out in the future to project so that they wouldn't  
13 have themselves locked in.

14 COMMISSIONER JACOBS: So you would be do a  
15 projection over some period of time?

16 THE WITNESS: I believe so, yes.

17 COMMISSIONER JACOBS: Okay. Thank you.

18 MR. ROSS: Thank you.

19 REDIRECT EXAMINATION

20 BY MR. ROSS:

21 Q Ms. Cox, I have handed you three pages from what  
22 has been marked as Exhibit 12, which is the proposed  
23 interconnection agreement, specifically the language that  
24 deals with the liability cap. And in that exhibit  
25 includes BellSouth proposed language. Is that the

1 language that you were referring to in response to  
2 questions from Ms. Christensen that BellSouth has proposed  
3 to MCI?

4 A Yes, it is. I'm sorry for the confusion. It  
5 was in the agreement.

6 Q Ms. Christensen also asked you a question about  
7 a hypothetical with an MCI customer being routed through  
8 the BellSouth access tandem to several offices subtending  
9 that access tandem, do you recall those questions?

10 A Yes.

11 Q And I believe that you testified when the MCI  
12 customer calls BellSouth that BellSouth would charge  
13 reciprocal compensation, including tandem switching and  
14 end office switching, correct?

15 A Yes.

16 Q What about transport?

17 A Oh, yes, there would be transport in that case  
18 between the MCI switch and the BellSouth switch would be a  
19 local channel, for example. It is not a per minute  
20 charge, but it is --

21 Q If I could make use of your diagrams again.  
22 There was a lot of discussion between you and Mr. Melson  
23 about the points of interconnection. In the diagram that  
24 you have used where MCI has a single point of  
25 interconnection in the LATA, does BellSouth object to MCI

1 using this type or form of interconnection?

2 A No, not at all.

3 Q Is it fair to say that if MCI does, in fact,  
4 decide to use a single point of interconnection in the  
5 LATA, that the only issue is who pays for the  
6 interconnection facilities between the local calling  
7 areas?

8 A Yes, that is my understanding.

9 Q Why is it that BellSouth treats local calling  
10 areas sort of as distinct networks?

11 A Well, the reason for that would be in the case  
12 of Lake City, for example, when we carry local calls today  
13 over our local network, the calls are originated,  
14 terminated, transported between the customers without ever  
15 leaving that local network, or that local calling area. A  
16 call that would go outside of that local calling area  
17 would be a toll call, it would not be a local call. So  
18 the local network is there, it is self-contained, the  
19 local rates that those customers pay for local service are  
20 really to just cover calls on that local network. If they  
21 leave that local network they pay toll charges, for  
22 example.

23 COMMISSIONER JABER: Mr. Ross, the diagram you  
24 just asked the witness questions of and the diagram that  
25 Mr. Melson used, that is Exhibit 15?



1 MR. ROSS: Yes, ma'am.

2 BY MR. ROSS:

3 Q And looking at, I believe, what we have now  
4 marked as Exhibit 20, which is Diagram 2, which is the FX  
5 issue, do you recall Mr. Melson asking you questions about  
6 this?

7 A Yes.

8 Q Now, I believe Mr. Melson asked you questions  
9 about BellSouth's foreign exchange service and where a  
10 BellSouth customer in Jupiter, for example, is calling a  
11 BellSouth customer in New York City using foreign  
12 exchange, do you recall those questions?

13 A Something like that, yes.

14 Q And Mr. Melson asked what happens if an MCI  
15 customer calls the BellSouth foreign exchange service  
16 customer, does reciprocal compensation apply, and I  
17 believe you testified that BellSouth charges that now, but  
18 is willing to stop, is that correct?

19 A That's correct.

20 Q Now, my question is how prevalent is the  
21 situation where an MCI customer is calling a BellSouth  
22 foreign exchange service customer who is not an ISP?

23 A Well, I don't know exactly how prevalent it is,  
24 but with not having a whole lot of customers to originate  
25 calls to this very specific group of FX customers, I don't

1 think it would be all that prevalent.

2 Q Mr. Melson also asked you whether or not you  
3 agree that the NPA-NXX determines the jurisdiction of a  
4 call, do you recall those questions?

5 A Yes, I do.

6 Q Now, is it your understanding that BellSouth can  
7 handle a call today from the Jupiter local calling area to  
8 New York City?

9 A No, we could not. That would be an interLATA  
10 call.

11 Q And even though the NPA-NXXs of those particular  
12 calls may both be assigned to Jupiter, can BellSouth  
13 handle that call from the Jupiter local calling area to  
14 New York City?

15 A No, we could not.

16 Q You were also asked about Issue 40 in the IP  
17 Telephony issue. Has BellSouth proposed language that  
18 deals with the issue of switched access consistent with  
19 the decision of the Commission in the Intermedia  
20 arbitration?

21 A Yes. We have said we would be amenable to that  
22 same language.

23 Q And to your knowledge has MCI accepted that  
24 language?

25 A I don't know. I heard you discussing it with

1 Mr. Price. I don't remember if that was accepted or not.

2 Q And if MCI would accept that language, would  
3 BellSouth accept MCI's proposed language on this issue, as  
4 well?

5 A Yes.

6 Q With respect to Issue 3 and the rates for access  
7 services that may appear in BellSouth's intrastate tariffs  
8 and its interstate tariffs, Ms. Christensen asked you  
9 about that issue. Do you recall that?

10 A Yes, I do.

11 Q Is it fair to say that whatever rate is  
12 contained in those specific tariffs must comply with  
13 whatever legal requirements there are either at the FCC or  
14 the state for the price of BellSouth's services?

15 A Yes, they would. Because they are all subject  
16 to Commission approval here and FCC approval.

17 Q And would that possibly explain differences in  
18 rates contained within those tariffs?

19 A It could.

20 Q Looking at Issue 9, I believe in response to  
21 questions from Ms. Christensen on the issue of special  
22 construction, I believe you testified that BellSouth has  
23 proposed to treat MCI just like it treats its retail  
24 customers with respect to the special construction  
25 process, is that correct?

1 A That's correct.

2 Q And to your knowledge has BellSouth proposed  
3 language to that effect to MCI?

4 A I don't know if we have specifically proposed  
5 language, but we certainly can if we haven't.

6 Q Looking in response to Issue 23, which deals  
7 with the SONET ring. Exhibit 28, which was the diagram  
8 that Mr. Melson presented to you that had the WorldCom  
9 switches and the BellSouth wire centers, do you have that  
10 in front of you?

11 A Yes, I do.

12 Q To your knowledge is there anything that  
13 prevents WorldCom from building its own transport  
14 facilities from its Switch Number 1 on the bottom  
15 left-hand to Switch Number 2 on the bottom right-hand side  
16 of the page?

17 A Nothing that I am aware of.

18 Q With respect to Issue 94, which deals with the  
19 disconnect for nonpayment, Mr. Melson went through a  
20 hypothetical about a good faith dispute and a disagreement  
21 as to whether or not it was a good faith dispute. Under  
22 those circumstances which I thought you said were likely  
23 to be rare, could MCI, in fact, pay the disputed sums and  
24 complain to the Commission and gets its money back if  
25 BellSouth were wrong?

1 A Yes, I'm sure they could.

2 Q So it's fair to say that there is at least a  
3 step that has to happen before or could happen before  
4 customers were ever affected?

5 A Yes, certainly.

6 Q On Issue 109, which deals with the -- one aspect  
7 deals with the posting of BellSouth's interconnection  
8 agreements on the website, do you understand that MCI is  
9 proposing that BellSouth post on websites agreements that  
10 have not even been approved by this Commission?

11 A Yes, that is my understanding.

12 Q And to your knowledge is MCI entitled to opt  
13 into or elect to take terms from an interconnection  
14 agreement that has not even been approved by this  
15 Commission?

16 A No, I believe the agreement has to be approved  
17 before they can opt in.

18 MR. ROSS: Mr. Chairman, BellSouth has no  
19 further questions and would ask that Exhibit 25 and  
20 Exhibit 26 be introduced into the record.

21 COMMISSIONER JACOBS: Show 25 and 26 admitted.

22 (Exhibit Number 25 and 26 received in evidence.)

23 MR. MELSON: WorldCom moves Exhibit 27 and 28.

24 COMMISSIONER JACOBS: Show 27 and 28 admitted.

25 (Exhibit Number 27 and 28 received in evidence..)

1           COMMISSIONER JACOBS:   And I wasn't sure, but  
2 just to make sure that we had moved -- you requested, but  
3 I wasn't sure that we actually moved the testimonies into  
4 the record.  But just to be sure, let's make sure that the  
5 rebuttal and direct are moved into the record as though  
6 read.

7           MR. ROSS:  Thank you, Mr. Chairman.

8           MR. MELSON:  And, Commissioner Jacobs, I will  
9 confess I lost track.  Were Exhibits 19 through 23  
10 admitted?

11          COMMISSIONER JACOBS:  Yes.

12          MR. MELSON:  Thank you.

13          COMMISSIONER JACOBS:  Thank you.  You are  
14 excused, Ms. Cox.

15          THE WITNESS:  Thank you.

16          COMMISSIONER JACOBS:  We were going to take Mr.  
17 Scollard.  Let me make everyone aware, I have just been  
18 informed that the cooling system has failed.  I am told it  
19 is in the whole complex, so govern yourselves accordingly.

20          MR. MELSON:  Does governing ourselves  
21 accordingly include taking our jackets off?

22          COMMISSIONER JACOBS:  You may.

23          MR. MELSON:  Thank you.  But I won't, I will  
24 tough it out with everybody else.

25                                   DAVID P. SCOLLARD

1 was called as a witness on behalf of BellSouth  
2 Telecommunications, Inc., and, having been duly sworn,  
3 testified as follows:

4 DIRECT EXAMINATION

5 BY MR. ROSS:

6 Q Could you state your full name and business  
7 address for the record, please?

8 A Yes. David Scollard, the business address is  
9 600 North 19th Street, Birmingham, Alabama.

10 Q By whom are you employed, Mr. Scollard?

11 A BellSouth Billing, Incorporated.

12 Q Mr. Scollard, did you cause to be filed direct  
13 testimony in this case consisting of 21 pages dated August  
14 17, 2000?

15 A Yes.

16 Q Do you have any changes or corrections to that  
17 testimony?

18 A No, I don't.

19 Q If I were to ask you the same question would  
20 your answers be the same as if read from the stand?

21 A Yes.

22 Q Did you also cause to be filed rebuttal  
23 testimony consisting of 9 pages dated September 7, 2000?

24 A Yes.

25 Q Do you have any changes or corrections to the

1 rebuttal testimony?

2 A No, I don't.

3 Q If I were to ask you the same questions, would  
4 your answers be the same as if read from the stand today?

5 A Yes.

6 Q And you had no exhibits attached to either your  
7 direct or rebuttal testimony?

8 A I did not.

9 MR. ROSS: Commissioner Jacobs, BellSouth would  
10 ask that Mr. Scollard's direct and rebuttal testimony be  
11 incorporated into the record in this case.

12 COMMISSIONER JACOBS: Very well. Show his  
13 rebuttal and direct testimony inserted as though read.

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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?

23

24

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 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 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
- 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 PIU;

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, IXCs and ILECs) 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

15

16

17

18

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25

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

1

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

4

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

8

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

15

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

18

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

25

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

19

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BELLSOUTH TELECOMMUNICATIONS, INC.  
REBUTTAL TESTIMONY OF DAVID P. SCOLLARD  
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 000649-TP  
SEPTEMBER 7, 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.

Q. ARE YOU THE SAME DAVID SCOLLARD THAT FILED DIRECT  
TESTIMONY IN THIS PROCEEDING?

A. Yes.

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

My rebuttal testimony will respond to the direct testimony of MCI witnesses  
on issues 42, 45, 53, 75, 93 and 111.

***Issue 42: Should MCI WorldCom be permitted to offer tandem services for switched***

1 *access service?*

2

3 Q. ON PAGE 46 OF HIS DIRECT TESTIMONY MCI WITNESS MR. PRICE,  
4 STATES THAT BELLSOUTH'S POSITION ON THIS ISSUE IS THAT ALL  
5 ACCESS TRAFFIC MUST BE PROVIDED OVER ACCESS TRUNKS AND  
6 FACILITIES. WHAT BILLING PROBLEMS WOULD RESULT IF MCI  
7 INCLUDED ITS ACCESS TRAFFIC OVER LOCAL INTERCONNECTION  
8 FACILITIES RATHER THAN ACCESS FACILITIES?

9

10 A. Generally, the result would be that BellSouth would be unable to accurately  
11 bill MCI for the access traffic. Each type of interconnection facility carries  
12 with it unique characteristics with regard to the recording of billing data for  
13 calls going across that facility. In the case of access facilities, the usage records  
14 that are generated at the switch include the Carrier Identification Code (CIC) of  
15 the IXC. The CIC is used in the BellSouth billing systems to determine the  
16 carrier which is to be billed. If this traffic were sent across MCI's local  
17 trunking arrangements, BellSouth is forced to rely on internal billing tables to  
18 manufacture the needed information which is less accurate than the CIC  
19 information provided in an access switch recording. MCI's proposal on this  
20 issue clearly leads to inaccuracies in billing for this traffic.

21

22 Q. WOULD THERE BE ADDITIONAL BILLING PROBLEMS IF MCI  
23 INCLUDED NOT ONLY ITS TRAFFIC BUT ALSO THE TRAFFIC OF  
24 OTHER IXCs ON LOCAL INTERCONNECTION FACILITIES?

25

1 A. Yes. If MCI were to perform the tandem and transport functions for a number  
2 of carriers and send that traffic to BellSouth via MCI's local interconnection  
3 facilities, BellSouth would lose all ability to determine which entity it would  
4 be billing for the traffic. The reason for this is that the CIC, which identifies  
5 the carrier to be billed, is not available when a call is sent via local  
6 interconnection trunks and facilities. Therefore, since the CIC is not known,  
7 the correct carrier to be billed is not known and therefore bills created for MCI  
8 would not be accurate. The plain truth is that when MCI sends a call across its  
9 local interconnection trunks, it is recorded in BellSouth's network as just that –  
10 a call originated from MCI's local customer and sent to BellSouth. To mix  
11 other types of traffic on these same facilities produces inaccurate billing results  
12 because the facilities were never designed to adequately record for any other  
13 type of call.

14

15 Q. ARE THESE SAME BILLING PROBLEMS SEEN WHEN ACCESS AND  
16 LOCAL TRAFFIC ARE MIXED ON AN ACCESS TRUNK SOMETIMES  
17 REFERRED TO AS A SUPERGROUP?

18

19 A. Not entirely. The supergroup is an access facility used to carry traffic  
20 originating from or terminating to MCI's local customers. The usage  
21 recordings provide the appropriate CIC, when needed, to determine the  
22 appropriate carrier to bill for access traffic going across the trunk group.  
23 However, the supergroup does not carry aggregated access traffic as proposed  
24 by MCI and, therefore, the issue described above with determining the

25



1 appropriate carrier to bill for this aggregated access traffic would still be  
2 present.

3

4 *Issue 45: How should third party local transit traffic be routed and billed by the*  
5 *parties?*

6

7 Q. ON PAGE 49 OF HIS DIRECT TESTIMONY MR. PRICE STATES THAT  
8 MCI SHOULD BE ALLOWED TO ROUTE TRANSIT TRAFFIC TO THIRD  
9 PARTIES VIA ITS LOCAL INTERCONNECTION FACILITIES. WOULD  
10 THIS TYPE OF TRAFFIC ROUTING CAUSE BILLING ISSUES SIMILAR  
11 TO THOSE YOU DESCRIBED FOR ISSUE #42.

12

13 A. Yes. However in this case the issue is worse. In order to route the traffic in the  
14 manner proposed by MCI would require the use of facilities which would not  
15 produce any call records. The lack of a call record would not only preclude  
16 BellSouth from billing MCI for this traffic but would also keep BellSouth from  
17 providing meet point billing records to the third party as required in contracts  
18 with those carriers. If another CLEC were to propose this same traffic mix and  
19 MCI were the third party, I am confident that MCI would be complaining that  
20 BellSouth was not providing it with needed data to bill the originating carrier.  
21 As I stated earlier, when a local interconnection trunk or facility is used to  
22 route traffic from MCI to BellSouth, the usage records that result are designed  
23 to relay only that information – MCI routed a call from one of its end users to  
24 one of BellSouth's end users.

25

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

3

4 Q. ON PAGE 77 OF HIS DIRECT TESTIMONY, MR. PRICE STATES THAT  
5 BELLSOUTH'S POSITION ON THIS ISSUE IS THAT FACTORS  
6 SHOULD BE USED IN LIEU OF CPN TO DETERMINE THE  
7 JURISDICTION OF A CALL. IS THIS A COMPLETE DESCRIPTION OF  
8 BELLSOUTH'S POSITION?

9

10 A. No. Like MCI, BellSouth is interested in insuring that billing between the  
11 parties is as accurate as possible. However, at this time, for a number of  
12 reasons, local carriers cannot eliminate the development and exchange of  
13 factors by using the CPN. First, many providers, including MCI, many times  
14 do not provide CPN when calls are routed to BellSouth . Second, even when  
15 the information is provided the switch software employed by BellSouth and  
16 other providers does not record this information. Therefore, it is impossible to  
17 use the CPN to bill each call to MCI. What BellSouth feels the CPN can be  
18 used for, however, is as an audit tool to verify that the factors supplied by MCI  
19 fairly represent the traffic sent by MCI. While the data is not present on billing  
20 records in the switch, the SS7 messages which are generated as calls are sent to  
21 BellSouth can be studied and a factor audit could be performed.

22

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

1

2 Q. ON PAGE 82 OF HIS DIRECT TESTIMONY MCI WITNESS PRICE  
3 STATES THAT INDUSTRY PRACTICE IS FOR TOLL CARRIERS TO  
4 BILL INP END USERS DIRECTLY FOR COLLECT OR THIRD NUMBER  
5 BILLED CALLS. IS THIS TRUE?

6

7 A. No. As stated in my direct testimony, the industry mechanisms that support the  
8 billing of collect and third number billed calls were not redesigned to handle  
9 billing in the manner claimed by MCI. One of the reasons for this is that INP is  
10 a short term product. The fact that MCI can serve these types of customers  
11 using LNP, the permanent portability service, from all BellSouth switches in  
12 the entire state of Florida is testimony to the wisdom the industry used in  
13 deciding to leave the existing mechanisms unchanged. While it may be true, as  
14 Mr. Price states, that IXCs bill end users directly at times, it is not relevant to  
15 the types of calls addressed by this issue. The calls at issue here are calls that a  
16 local exchange company has carried on behalf of a customer of another local  
17 exchange company. In the industry, these calls are billed via message exchange  
18 processes between the companies and not directly to the end user. BellSouth's  
19 proposal complies with the arrangements and infrastructures designed by the  
20 industry.

21

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

24

25

1 Q. ON PAGE 85 OF HIS DIRECT TESTIMONY, MR. PRICE STATES THAT  
2 LIMITING THE BILLING OF PREVIOUSLY UNBILLED AMOUNTS TO  
3 ONE YEAR IS REASONABLE. DOES BELLSOUTH AGREE WITH THAT  
4 STATEMENT?

5  
6 A. Not entirely. BellSouth is committed to billing all charges in an accurate and  
7 timely manner. For the vast majority of cases, a one year limit is very  
8 reasonable. However, there are situations in which billing of charges that are  
9 more than one year old is also reasonable. For example, BellSouth is required  
10 to rely on usage records from a third party to bill MCI for jointly provided  
11 services. In these cases, there may be a substantial amount of time required to  
12 get these records and produce bills based on them. Additionally, there are cases  
13 where MCI provides information used as billing inputs. For example, MCI  
14 provides PIU and PLU factors and service order information that is used to bill  
15 for services provided. The MCI language does not make allowances for  
16 correcting past inaccuracies in this data or, for that matter, make allowances for  
17 any exceptional circumstances that may come up that would give rise to  
18 delayed billing. Finally, the proposed MCI language is silent on how long a  
19 previously billed charge can be disputed. This is the other side of the coin  
20 which BellSouth believes should be addressed if artificial limits such as the  
21 ones proposed by MCI are to be included in the agreement.

22

23 *Issue 111: What procedures should be followed for audits of billing records?*

24

25

1 Q. ON PAGE 108 OF HIS DIRECT TESTIMONY, MR. PRICE STATES THAT  
2 BELLSOUTH'S POSITION ON THIS ISSUE DOES NOT REQUIRE THAT  
3 CPN BE USED TO DEVELOP PLU FACTORS. IS THAT REQUIREMENT  
4 NECESSARY?

5  
6 A. No. As stated in my direct testimony on this issue and in my testimony on  
7 Issue 53, there are many occasions where originating carriers do not provide  
8 the CPN for calls that their end users originate. For example, MCI does not  
9 provide this information for roughly half of the calls it originates in Florida.  
10 For this reason, BellSouth must rely on any and all techniques available to  
11 determine when a particular call sent from MCI is local or non-local. To  
12 restrict the wording to CPN would provide less accurate, not more accurate,  
13 factors. BellSouth's wording merely states that where the capability exists, any  
14 recording technology that can be used to determine the jurisdiction of the call  
15 could be used .

16  
17 Q. ON PAGE 108 OF HIS TESTIMONY MR. PRICE GOES ON TO  
18 COMPLAIN THAT BELLSOUTH'S PROPOSAL COPIES THE AUDIT  
19 LANGUAGE IN EXISTANCE IN THE BELLSOUTH TARIFF AND  
20 ADAPTS IT FOR USE WITH THE PLU. WHAT IS BELLSOUTH'S  
21 REPLY?

22  
23 A. It is incredible that MCI would complain about the use of processes that have  
24 been established and have worked well for a number of years and propose that  
25 a separate and distinct process be developed for use between the parties. If

1 MCI's proposal were actually adopted then two differing audit processes  
2 would be required adding complexity and cost to the operations of both  
3 companies. This does not make good business sense. BellSouth's proposal  
4 merely avoids the establishment of parallel audit processes and keeps both  
5 parties from performing multiple audits for the same purpose.

6

7 Q. ON PAGE 109 OF HIS TESTIMONY, MR. PRICE COMPLAINS THAT  
8 BELLSOUTH'S PROPOSAL INCLUDES LANGUAGE PERTAINING TO  
9 THE PERCENT INTERSTATE USAGE FACTORS. IS THIS IN ANY WAY  
10 SURPRISING?

11

12 A. No. Since MCI sends interstate toll, intrastate toll and local traffic across the  
13 facilities that it orders from BellSouth under the terms of this agreement all of  
14 the processes which impact what is to be billed for that traffic should be  
15 included. The PIU and PLU factors can not be applied separately. The PIU  
16 factor is applied to usage totals to determine the portion to which the PLU  
17 factor is applied. As such each should be described in the agreement.

18

19 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

20

21 A. Yes.

22

23

24

25

1 BY MR. ROSS:

2 Q Mr. Scollard, do you have summary of your  
3 testimony?

4 A Yes, I do.

5 Q Can you please it at this time?

6 A Good evening, Commissioners. My testimony  
7 addresses unresolved Issues 75, 95, and certain billing  
8 aspects of Issues 42 and 45.

9 Issues 42 and 45 involve MCI's proposal to  
10 include access traffic and transit traffic on the local  
11 trunk groups provided by BellSouth. If MCI's proposal is  
12 adopted, a number of billing problems will result. First,  
13 let me state that all calls which are sent across MCI's  
14 local trunks record the same way. The switch recording  
15 basically reflects that MCI, the local entity, sent  
16 BellSouth a local call to complete. So if an access call  
17 is sent across the same trunk or if a transit call is  
18 sent, the result is the same, that is BellSouth produces a  
19 call record that shows MCI and the local entity sent a  
20 local call to BellSouth to complete.

21 What the records for access calls would be  
22 missing is which IXC has sent the call to BellSouth and,  
23 therefore, who should be billed by BellSouth. The factors  
24 and rates set up for MCI, the local carrier, would  
25 mistakenly be used to bill for these access calls and this

1 would not be correct.

2 MCI has offered to provide usage records to  
3 BellSouth to perform these needed billing processes. What  
4 MCI fails to understand is that if traffic were mixed in  
5 the local trunks, then all calls that go across those  
6 trunks, the recordings for which are, in effect, tainted.  
7 So BellSouth would have to rely on MCI's information for  
8 local calls as well as access calls. It is not reasonable  
9 to expect BellSouth to rely on its customer to self-report  
10 usage for billing.

11 In the case of transit traffic mixed on local  
12 trunks, the issues are even more severe. In some cases  
13 transit traffic coming into the BellSouth tandem on a  
14 local trunk cannot be routed to the destination carrier.  
15 This is the reason that the transit trunks were developed  
16 in the first place. Other types of trunks that provide  
17 for all transit traffic to be routed do not create usage  
18 records. It is not probable that MCI could provide the  
19 records in this case because in the case of most transit  
20 traffic it would have recorded a retail record on its  
21 switch which cannot be used to bill interconnection. The  
22 interconnection billing is what BellSouth would be  
23 required to do in these cases.

24 Finally, BellSouth has a commitment to provide  
25 third-party carriers with usage records for the purpose of



1 billing MCI or an IXC for appropriate usage charges.  
2 Under MCI's proposal, these carriers which rely on  
3 BellSouth's records to provide billing, would also suffer  
4 from the same problems as BellSouth trying to determine  
5 who should be billed and which charges should be applied.  
6 Issue 75 is a disagreement between the parties over how  
7 each party should handle collect and third number billed  
8 calls when an end user is being served via interim number  
9 portability, or INP service.

10           BellSouth's position is that these costs should  
11 be treated in the same manner as collect calls and third  
12 number billed calls are treated when an end user is being  
13 served by an ALEC using resold facilities or unbundled  
14 network elements. That is the ALEC should pay for the  
15 calls, accept the usage record from BellSouth, and then  
16 bill the end user as the local provider. As in the case  
17 with resale and unbundled network elements, MCImetro is  
18 BellSouth's customer of record when INP is used, has all  
19 the information necessary to bill the end user and can put  
20 a block on such calls thereby avoiding the issue entirely  
21 if it so chooses. This means of handling these calls is  
22 consistent with industry billing mechanisms and should be  
23 adopted by the parties. BellSouth asks the Commission to  
24 direct the parties to adopt the language proposed by  
25 BellSouth on this issue.

1           Issue 95 deals with usage records BellSouth is  
2 obligated to provide MCI for various types of calls.  
3 These records are different than the records that were  
4 discussed in 42 and 45 in that they really relate to  
5 resold services or unbundled switching. BellSouth's  
6 understanding of the issue is quite different than that of  
7 MCI. During negotiations on the agreement with MCI,  
8 BellSouth proposed language clarifying and fully  
9 specifying what BellSouth will provide to MCI for each  
10 type of call. The language commits BellSouth to provide  
11 up to four different usage records interfaces, depending  
12 on what MCI requests.

13           Each of these interfaces is compliant with the  
14 industry guidelines, called the Electronic Message  
15 Interexchange Guidelines, or EMI, as you have heard  
16 mentioned today, set forth by the ordering and billing  
17 forum. The goal of BellSouth is to clarify the confusing  
18 language that currently exists in the agreement between  
19 the parties so that no misunderstanding is left between  
20 BellSouth and MCI as to what records will be provided and  
21 how these records will be sent.

22           MCI's position is that the effort by BellSouth  
23 to clarify the language is an attempt to provide usage  
24 records in a way that is not compliant with the EMI  
25 guidelines. This is simply not true. BellSouth is asking

1 the Commission to direct the parties to adopt BellSouth's  
2 proposed language in the agreement.

3 Thank you. That concludes my summary.

4 MR. ROSS: Commissioner Jacobs, the witness is  
5 available for cross.

6 COMMISSIONER JACOBS: Ms. McNulty, you may  
7 proceed.

8 CROSS EXAMINATION

9 BY MS. McNULTY:

10 Q Good afternoon, Mr. Scollard.

11 A Good afternoon.

12 Q I am Donna McNulty representing WorldCom. How  
13 are you doing?

14 A A little warm, but doing fine otherwise.

15 Q Hopefully this won't take too long. I'm going  
16 to ask you some questions regarding Issue 42, which  
17 concerns whether WorldCom should be permitted to route  
18 access traffic to BellSouth end offices, or whether it  
19 must route traffic solely to BellSouth's access tandem.

20 Were you present during Mr. Melson's  
21 cross-examination of Ms. Cox?

22 A Yes, I was.

23 Q And do you recall his example where he said  
24 BellSouth would provide the tandem function for  
25 independents in the same local calling area and the

1 independent end office would subtend to the BellSouth  
2 tandem?

3 A Yes, I did.

4 Q And do you recall Ms. Cox's response that that  
5 is not an uncommon situation?

6 A I believe so.

7 Q And do you know whether or not that situation  
8 exists in Florida?

9 A I don't know specifically about Florida, no.

10 Q In that situation, what would BellSouth provide  
11 the independent so that the independent LEC could render a  
12 bill?

13 A We need to talk about the call flow, because I  
14 don't quite understand the direction of the call because  
15 it is different depending on which direction the call is  
16 going. If you could clarify from where to where and --

17 Q It would be going from BellSouth to the  
18 independent.

19 A From BellSouth to the independent?

20 Q Yes.

21 A And those are the only two entities involved?

22 Q Well, no, BellSouth would be receiving, say,  
23 access information or an access call.

24 A Okay. So an interexchange carrier has routed a  
25 call through our tandem to an independent?

1 Q Correct.

2 A My understanding is that BellSouth, since the  
3 interexchange carrier is using an access trunk, would  
4 record an access record. And based on our  
5 responsibilities and our obligations with the ICO, would  
6 either bill on behalf of that ICO in a minority of cases,  
7 or we would provide the ICO with a call record for them to  
8 bill.

9 Q Now, when you say you would provide the ICO with  
10 a call record, is it correct to assume you would not be  
11 providing that call record instantaneously when you  
12 transfer that traffic?

13 A That is true. It would need to be recorded in  
14 the switch, collected, accumulated, and then sent to the  
15 ICO.

16 Q And what specific information is recorded?

17 A Well, I don't know exactly every indicator. But  
18 there is information as to which carrier sent us the call.

19 Q So, in other words, the CIC code would be  
20 recorded?

21 A Yes.

22 Q And you would provide the CIC code to the ICO?

23 A Yes. If we provide them the record in that  
24 case, yes.

25 Q And you indicated that the majority of the time

1 you would do that?

2 A Many times, yes.

3 Q Okay. And what information is recorded in a  
4 call set up? I mean, what is in the call set up when it  
5 is transferred?

6 A I'm not sure I understand the question.

7 Q Well, let me ask it differently. Sorry about  
8 that. Is the only information you provide to the ICO the  
9 information that is recorded, and is that all of the  
10 information the ICO needs to render a bill?

11 A The only information we have at our disposal to  
12 send to the ICO is what is recorded in our switch. And,  
13 yes, that is the information that they would need to bill  
14 the interexchange carrier for.

15 Q Now, if WorldCom were to provide the same type  
16 of records, including the CIC code of the IXC to BellSouth  
17 that BellSouth would provide to WorldCom when BellSouth  
18 routes access traffic to WorldCom's end offices, wouldn't  
19 that information be sufficient for BellSouth to accurately  
20 bill access traffic that is sent to BellSouth via  
21 WorldCom's local interconnection facilities?

22 A No.

23 Q Why not?

24 A Let me explain. As I mentioned in my summary,  
25 if MCI were to start mixing traffic on the local trunk .

1 group, everything gets tainted; local calls, access calls,  
2 everything, because BellSouth, all we know is that MCI  
3 provided us a call. So, therefore, MCI would have to  
4 replace all of those records, not just the access.

5           Now, in the case of a local record, I don't  
6 think it is possible for MCI to provide us the  
7 information. And the reason is that MCI will record a  
8 retail call record. There is a lot of interconnection  
9 billing type data elements that are not present on a  
10 retail type of record. For example, carrier connect time  
11 is not recorded. That is a different timing of the call  
12 than the conversation time in a retail call, so that would  
13 be missing. There are other indicators, I can't really  
14 describe them right now, but at least the carrier connect  
15 time would be missing and so they really could not replace  
16 those records for us.

17           Q     If WorldCom could provide the carrier connect  
18 time and the CIC code to BellSouth via its records, would  
19 that be acceptable to BellSouth?

20           A     No. Why would BellSouth be willing to accept as  
21 a business solution to interconnection to allow MCI to  
22 control that entirely, the customer? Do they have an  
23 incentive to send us every record? Well, I would hope  
24 they would. However, why would BellSouth want to be  
25 relying on the customer to tell us what to bill? It just

1 doesn't make good business sense.

2 Q But BellSouth does that for other carriers?

3 A No.

4 Q What does BellSouth provide ICOs?

5 A In the case of the ICOs, we are not talking  
6 about a mix of local and interconnection traffic.

7 Q But is it correct that the ICO has --

8 A If I could --

9 Q I'm sorry, I will let you finish. I apologize.

10 A In the case of the access traffic, what the ICO  
11 has agreed to is that they would say everything you send  
12 me across this trunk we won't record because you are going  
13 to send us that record, and that is a business decision  
14 that they made. And the reason is that the ICO cannot  
15 record every piece of information it needs. So in the  
16 industry it is very prevalent that the tandem provider  
17 records the information because they have it all and they  
18 send it to the ICO. It is not a situation where there is  
19 a mix of different types of traffic.

20 Q Is it fair to say that the ICO is relying on  
21 BellSouth to provide it that information?

22 A Absolutely.

23 Q And in your opinion is that good business sense  
24 for the ICO?

25 A Yes, it is. And the reason is they can't record



1 everything that we have in the tandem. If we were to have  
2 our end office subtending a tandem of another company,  
3 then we would have to get the same information.

4 Q And in a situation where because of trunking you  
5 are not -- where BellSouth is not able to get all of the  
6 information, for example, CIC code and the carrier connect  
7 time that you said that you needed, why is it  
8 inappropriate for Bell then to rely on WorldCom to provide  
9 that information to it?

10 A Again, in the case of a jointly provided service  
11 like we were describing between us and the ICO, we are not  
12 the customer in that case. You know, we are a jointly --  
13 we provide the service with the carrier. What we do is we  
14 team up to bill the customer, who is the interexchange  
15 carrier. In the case of MCI, MCI is the customer. So we  
16 are saying, hey, customer, send us the records then we  
17 will go ahead and bill you for it. That is an entirely  
18 scenario than meet point billing, which is what you are  
19 describing with the ICO.

20 MS. McNULTY: WorldCom has no further questions.

21 COMMISSIONER JACOBS: Staff.

22 MS. CHRISTENSEN: Staff has no questions.

23 COMMISSIONER JACOBS: Commissioners.

24 MR. ROSS: BellSouth has no questions.

25 COMMISSIONER JACOBS: I'm sorry, I should have .

1 asked you. Very well. And we had no exhibits?

2 MR. ROSS: No, sir.

3 COMMISSIONER JACOBS: Very well. That was  
4 relatively painless. Thank you, Mr. Scollard, you are  
5 excused. Should we try for one more?

6 MR. ROSS: I wish I could, but unfortunately my  
7 witnesses are gone.

8 COMMISSIONER JACOBS: Thank you. It looks like  
9 we have two witnesses tomorrow that will take us a bit of  
10 time. I would suggest we start again at 9:00 a.m. So we  
11 will recess and come back at 9:00 a.m. in the morning.

12 COMMISSIONER JABER: Mr. Chairman, remind me,  
13 did we put Ms. Caldwell's testimony in? Did we do that?

14 COMMISSIONER JACOBS: No, we held off, I'm  
15 sorry. Thank you very much for reminding us. We were  
16 going to do it and then we held off. So would you like to  
17 move that?

18 MR. ROSS: Yes, if we can go ahead and introduce  
19 into the record Ms. Caldwell's testimony, and it consists  
20 of four pages, and it was direct testimony only. So we  
21 ask that that testimony be included in the record.

22 There was one exhibit. Commissioner Jacobs,  
23 there is a nonproprietary version of the exhibit and then  
24 a proprietary version. What BellSouth would ask is that  
25 the public version be marked as the next exhibit, which .

1 would be 29.

2 COMMISSIONER JACOBS: The public version or the  
3 nonpublic?

4 MR. ROSS: The public version is 29 and the  
5 proprietary version is Exhibit 30.

6 COMMISSIONER JACOBS: Very well. So Exhibit 29  
7 will be the nonconfidential exhibit for Ms. Caldwell and  
8 Exhibit 30 would be the confidential.

9 MR. ROSS: Thank you. And BellSouth would move  
10 those exhibits into evidence.

11 COMMISSIONER JACOBS: Without objection, show  
12 Exhibits 29 and 30 admitted.

13 (Exhibit Number 29 and 30 marked for  
14 identification and entered into the record.)

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**BELLSOUTH TELECOMMUNICATIONS, INC.**  
**DIRECT TESTIMONY OF D. DAONNE CALDWELL**  
**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
**DOCKET NO. 000649-TP**  
**AUGUST 17, 2000**

**Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.**

A. My name is D. Daonne Caldwell. My business address is 675 W. Peachtree St., N.E., Atlanta, Georgia. I am a Director in the Finance Department of BellSouth Telecommunications, Inc. (hereinafter referred to as "BellSouth"). My area of responsibility relates to the development of economic cost.

**Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.**

A. I attended the University of Mississippi, graduating with a Master of Science Degree in mathematics. I have attended numerous Bell Communications Research, Inc. ("Bellcore") courses and outside seminars relating to service cost studies and economic principles.

My initial employment was with South Central Bell in 1976 in the Tupelo, Mississippi, Engineering Department where I was responsible for Outside Plant Planning. In 1983, I transferred to BellSouth Services, Inc. in Birmingham, Alabama, and was responsible for the Centralized Results System Database. I

1 moved to the Pricing and Economics Department in 1984 where I developed  
2 methodology for service cost studies until 1986 when I accepted a rotational  
3 assignment with Bellcore. While at Bellcore, I was responsible for development  
4 and instruction of the Service Cost Studies Curriculum including courses such as  
5 "Concepts of Service Cost Studies", "Network Service Costs", "Nonrecurring  
6 Costs", and "Cost Studies for New Technologies". In 1990, I returned to  
7 BellSouth and accepted a position in the cost organization, now part of the Finance  
8 Department, with the responsibility of managing the development of cost studies  
9 for transport facilities, both loop and interoffice. My current responsibilities  
10 encompass cost methodology development and the overall coordination of cost  
11 study and interrogatory response filings. Additionally, I participate in cost-related  
12 dockets as an expert witness on cost issues.

13

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15

16 A. The purpose of my testimony is to describe the methodology BellSouth utilized in  
17 developing the costs that support the proposed rates offered to MCI WorldCom.

18

19 **Q. WHAT ARBITRATION ISSUE DOES YOUR TESTIMONY ADDRESS?**

20

21 A. My testimony addresses Issue 2, which concerns the prices that should be included  
22 in the interconnection agreement for various Unbundled Network Elements  
23 ("UNEs").

24

25

1 **Q. WHAT COSTS SHOULD THE COMMISSION CONSIDER WHEN**  
2 **DETERMINING THE RATES FOR THE UNES IN THIS ARBITRATION?**

3

4 A. In Docket 990649-TP, BellSouth submitted cost studies that support all of the  
5 UNE rates BellSouth has proposed in this arbitration, with the exception of line  
6 sharing. These costs reflect the costs BellSouth expects to incur in providing  
7 unbundled network elements and combinations to competitors on a going-forward  
8 basis in the state of Florida. These costs were based on an efficient network,  
9 designed to incorporate currently available forward-looking technology, but  
10 recognizing BellSouth's provisioning practices and network guidelines, as well.  
11 Additionally, shared and common costs were considered.

12

13 In this arbitration I am filing, in both paper form and on CD-ROM, the cost study  
14 results for line sharing. Attached as Exhibit DDC-1 is BellSouth's cost study. The  
15 Commission should consider the cost studies filed in Docket No. 990649-TP and  
16 the cost studies filed in this arbitration in setting the rates in the interconnection  
17 agreement.

18

19 **Q. WHY ARE LINE SHARING COSTS NOT INCLUDED IN DOCKET**  
20 **990649-TP?**

21

22 A. The stipulation entered in Docket 990649-TP excluded line sharing. Thus,  
23 although BellSouth originally filed line sharing cost studies in Docket 990649-TP,  
24 those studies have been revised to remove line sharing.

25

1 **Q. IS THE COST METHODOLOGY BELLSOUTH USED FOR LINE**  
2 **SHARING THE SAME AS THE COST METHODOLOGY FILED IN**  
3 **DOCKET 990649-TP?**

4

5 A. Yes. The cost development followed the same cost methodology used in Docket  
6 990649-TP. Therefore, the Commission should set rates in this docket for line  
7 sharing with the understanding that any adjustments ordered in Docket 990649-TP  
8 can be incorporated into the line sharing cost study at a later date.

9

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

11

12 A. Yes.

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1           COMMISSIONER JACOBS: Very well. That takes  
2 care of it, thank you. We will see you at 9:00. Just so  
3 we -- do we anticipate -- well, we won't worry about that  
4 until midmorning. We will see where we are by midmorning  
5 in terms of how long we think we will be with Mr. Pate and  
6 Mr. Milner. We can talk about it in the morning.

7           MR. O'ROARK: Fair enough.

8           (The hearing adjourned at 6:00 p.m.).

9           (Transcript continues in sequence in Volume 7.)

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON )

4

5 I, JANE FAUROT, RPR, Chief, FPSC Bureau of Reporting  
6 FPSC Commission Reporter, do hereby certify that the  
7 Hearing in Docket No. 000649-TP was heard by the Florida  
8 Public Service Commission at the time and place herein  
9 stated.

7

8 It is further certified that I stenographically  
9 reported the said proceedings; that the same has been  
10 transcribed under my direct supervision; and that this  
11 transcript, consisting of 185 pages, Volume 6 constitutes  
12 a true transcription of my notes of said proceedings and  
13 the and the insertion of the prescribed prefilled testimony  
14 of the witnesses.

11

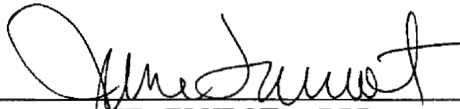
12 I FURTHER CERTIFY that I am not a relative, employee,  
13 attorney or counsel of any of the parties, nor am I a  
14 relative or employee of any of the parties' attorney or  
15 counsel connected with the action, nor am I financially  
16 interested in the action.

14

15 DATED this THIS 20TH DAY OF OCTOBER, 2000.

15

16



17

JANE FAUROT, RPR  
FPSC Division of Records & Reporting  
Chief, Bureau of Reporting  
(850) 413-6732

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