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December 19, 2000

HAND DELIVERY

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RECORDS AND REPORTING

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

Re: Docket No. 000075-TP

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of A&T Communications of the Southern Inc. ("AT&T") are the following documents:

1. Original and fifteen copies of AT&T's Motion to Compel and Request for Expedited Order; and
2. A disk in Word Perfect 6.0 containing a copy of the Motion to Compel.

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

Thank you for your assistance with this filing.

Sincerely,

Martin P. McDonnell

Martin P. McDonnell

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Enclosures

cc: All Parties of Record

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

18166 DEC 19 2000

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into appropriate methods to compensate carriers for exchange of traffic subject to Section 251 of the Telecommunications Act of 1996.

Docket No. 000075-TP

Filed: December 19, 2000

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.'S MOTION TO COMPEL AND REQUEST FOR EXPEDITED ORDER

AT&T Communications of the Southern States, Inc. ("AT&T"), by and through its undersigned counsel, and pursuant to Rule 28-106.204(1) and 28-106.206, Florida Administrative Code, and Rule 1.380(a), Florida Rules of Civil Procedure, hereby moves to compel BellSouth Telecommunications, Inc. ("BellSouth"), Verizon Florida, Incorporated ("Verizon") and Sprint-Florida Incorporated ("Sprint") to respond to AT&T's First Set of Interrogatories and First Set of Requests for Production of Documents on an expedited basis to allow AT&T a reasonable amount of time to review the responses and documents for purposes of preparation of its prefiled rebuttal testimony in this proceeding. In support of this Motion, AT&T states as follows:

1. On November 27, 2000, AT&T served it First Set of Interrogatories and First Set of Requests for Production of Documents on BellSouth, Verizon and Sprint. BellSouth filed objections to all of the foregoing discovery requests on December 12, 2000. Verizon served notice of its intent to object to Interrogatory Nos. 2, 3, 4, 5 and 6 by letter dated December 13, 2000 and subsequently filed objections to these interrogatories and all of the document requests on December 18, 2001. Sprint filed objections to Interrogatory Nos. 2, 3, 4, 5 and 6 on December 13, 2000.

2. AT&T's discovery requests are reasonably calculated to lead to the discovery of admissible evidence concerning the issues in this proceeding. See Rule 1.280(b)(1), Florida Rules

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FPSC-RECORDS/REPORTING

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of Civil Procedure. AT&T is willing to promptly execute a Non-Disclosure Agreement for any information that it has requested that is viewed by BellSouth, Verizon and/or Sprint to be "proprietary confidential business information" as defined by Section 364.183(3), Florida Statutes (1999).

BACKGROUND

3. Pursuant to Order Nos. PSC-00-2229-PC-TP and PSC-00-2350-PCO-TP, the Commission has established issues concerning Internet Service Provider ("ISP")-bound traffic for deliberation and resolution in this docket. Among those issues are:

Issue 3: What actions should the Commission take, if any, with respect to establishing an appropriate compensation mechanism for ISP-bound traffic in light of current decisions and activities of the courts and the FCC?

Issue 4: What policy considerations should inform the Commission's decision in this docket?

Issue 5: Is the Commission required to set a cost-based mechanism for delivery of ISP-bound traffic?

Issue 6: What factors should the Commission consider in setting the compensation mechanisms for delivery of ISP-bound traffic?

* * *

Issue 8: Should ISP-bound traffic be separated from non-ISP-bound traffic for purposes of assessing any reciprocal compensation payments? If so, how?

4. As explained below, AT&T's discovery requests are well within the scope of and reasonably calculated to lead to admissible evidence concerning Issues 3, 4, 5, 6 and/or 8.

AT&T'S FIRST SET OF INTERROGATORIES

5. Interrogatory No. 2 states as follows:

2. Please provide the following data for your retail access lines for the end of each year, 1996 through 1999. If the monthly rates for a given service listed below vary by exchange (e.g., due to rate group classifications), please break down the access line count for the service by each such distinct rate.

- a. Primary residence lines – flat-rate.
- b. Primary residence lines - measured rate.
- c. Additional (non-primary) residence lines. Please break down by type of service (e.g., measured rate).
- d. Single-line business lines – measured rate (untimed).
- e. Single-line business lines – measured rate (timed).

The information requested in Interrogatory No. 2 is relevant to Issue Nos. 3, 4, 5, 6 and 8.

The monthly rate and annual revenue information requested above is relevant to policy, rate, and rate structure issues and analyses focusing on the overall profitability of each Incumbent Local Exchange Company's ("ILEC") local exchange services and whether payments for reciprocal compensation by ILECs, including payments made for ISP-bound traffic, exceed local service revenues. The significance of the discovery requested above is highlighted in the prefiled direct testimony of Verizon witness Beauvais who takes the position that it is inappropriate to pay usage-based reciprocal compensation to ALECs for the termination of ISP-bound traffic without a required usage-based retail local service rate structure.¹

6. Interrogatory No. 3 states as follows:

3. Provide the following usage and revenue data for each year from 1996-1999 for your Florida service territory.

¹Beauvais direct testimony, at 11, 24.

- a. Total local minutes. For any year in which you have excluded minutes associated with ISP-bound calls from "total local minutes", please so state and separately provide the quantity of (non-toll) minutes associated with ISP-bound calls.
- b. Total local messages (associated with, e.g., untimed business measured rate service). For any year in which you have excluded messages associated with ISP-bound calls from "total local messages", please so state and separately provide the quantity of messages associated with ISP-bound calls.

AT&T adopts and incorporates by reference herein its argument concerning Interrogatory No. 2 above. In Interrogatory No. 3, AT&T seeks total annual usage and revenue data broken down into two basic classifications for the years 1996-1999: (1) total local minutes and (2) total local messages. For each classification, AT&T also seeks separate information for ISP-bound calls if BellSouth, Verizon and/or Sprint separately track such calls. The information is relevant to any determination the Commission may make regarding a prospective rate structure for reciprocal compensation for ISP-bound traffic whether that be through a per minute rate structure, a blended rate structure or some other form of rate structure. The information sought by AT&T is also relevant to prefiled direct testimony of BellSouth witness Shiroishi, Verizon witness Beauvais and Sprint witness Hunsucker regarding potential alternative rate structures for reciprocal compensation for ISP-bound traffic². Finally, the information is also relevant to statements made by a number of witnesses in this proceeding in direct testimony concerning the duration of local voice versus local ISP-bound calls.³

²See Shiroishi direct testimony, at 19-22; Beauvais direct testimony, at 28; and Hunsucker direct testimony, at 14-18.

³See Shiroishi direct testimony, at 23-24; Beauvais direct testimony, at 11-18 (e.g., Mr. Beauvais summarizes this portion of his testimony on page 18, line 10 with the contention that "both the individual call duration and the aggregate minutes of traffic per customer per month are

7. Interrogatory No. 4 states as follows:

4. Provide the following usage and revenue information for the year 1999 (or most recent year available), for primary residence lines – measured rate.

- a. Total billed local minutes.
- b. Total unbilled local minutes (i.e., minutes included within end users' call allowances so that no per-call or per-minute charges apply).
- c. Total revenues generated from billed minutes (i.e., generated by local usage charges applied on a per-call or per-minute basis).

AT&T adopts and incorporates by reference herein its argument concerning Interrogatory No. 3 above.

8. Interrogatory No. 5 states as follows:

5. Provide the following usage and revenue information for the year 1999 (or most recent year available), for additional residence lines – measured rate.

- a. Total billed local minutes.
- b. Total unbilled local minutes (i.e., minutes included within end users' call allowances so that no per-call or per-minute charges apply).
- c. Total revenues generated from billed minutes (i.e., generated by local usage charges applied on a per-call or per-minute basis).

AT&T adopts and incorporates by reference herein its argument concerning Interrogatory No. 3 above.

9. Interrogatory No. 6 states as follows:

6. Provide the following usage and revenue information for the year 1999 (or most recent year available), for single-line business lines – measured rate (timed).

- a. Total billed local minutes.

vastly higher for ISP-bound traffic than for traditional voice traffic."

- b. Total unbilled local minutes (i.e., minutes included within end users' call allowances so that no per-call or per-minute charges apply), if any.
- c. Total revenues generated from billed minutes (i.e., generated by local usage charges applied on a per-call or per-minute basis).

AT&T adopts and incorporates by reference herein its argument concerning Interrogatory No. 3 above.

10. Interrogatory No. 7 states as follows:

7. At any time since January 1996, has BellSouth (Verizon, Sprint) attempted to separately identify and track ISP-bound calls originated over its end users' access lines? If the answer is yes, describe all such monitoring which BellSouth has performed, and provide all traffic statistics which BellSouth compiled therein concerning ISP-bound traffic.

The information is relevant to Issue No. 8 and is addressed in the direct testimony of BellSouth witness Scollard, Verizon witness Beauvais and Sprint witness Hunsucker concerning alleged methods for and/or the accuracy and feasibility of separately tracking and billing calls terminated to ISPs.⁴

AT&T'S FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS

11. Document Request No. 1 states as follows:

1. Please provide the most recent cost study that you have filed with the Florida Public Service Commission in support of your retail basic exchange service rates. Please indicate the Florida Public Service Commission proceeding in which the study was submitted and the filing date.

The requested cost study is relevant to Issue Nos. 3, 5, 6 and 8. It is imperative that AT&T be provided the most recent cost study in support of each ILEC's retail basic exchange service rates

⁴See Scollard direct testimony, at 3-5; Beauvais direct testimony, at 12-14; Hunsucker direct testimony, at 19-20.

to allow AT&T to evaluate such cost components as end office switching, tandem switching, and interoffice transport in order to have the necessary information available to support or oppose any number of alternative rate structures for reciprocal compensation for all local traffic or only ISP-bound traffic which may be offered in this proceeding. AT&T respectfully suggests that the Commission Staff and the Commission will want this same information to evaluate alternative symmetrical reciprocal compensation rate structures placed at issue in this proceeding. The prefiled direct testimony of BellSouth witness Shiroishi and Sprint witness Hunsucker address potential symmetrical rate structures for reciprocal compensation for local (including ISP-bound) traffic and the cost components thereof⁵ which can only be accurately evaluated and tested through underlying actual cost studies for retail basic exchange service. Witness Selwyn⁶ and Verizon witness Jones also offered direct testimony regarding local network design and the costs of transporting and terminating ISP-bound calls including issues affecting the levels of those costs for ILECs and ALECs.⁷ Witness Jones confirms that cost studies are necessary to evaluate and verify potential cost differences that carriers may incur in transporting and terminating ISP-bound traffic.⁸

As explained by witness Selwyn, under 47 U.S.C. §252(d)(2), the FCC's Local Competition

⁵See Shiroishi direct testimony, at 22-23; Hunsucker direct testimony, at 12-17.

⁶Witness Selwyn filed prefiled direct testimony on behalf of AT&T of the Southern States, Inc., TCG of South Florida, Global NAPS, Inc., MediaOne Florida Telecommunications, Inc., Time Warner Telecom of Florida, LP, Allegiance Telecom of Florida, Inc., Florida Cable Telecommunications Association, Inc. and the Florida Competitive Carriers Association.

⁷See Selwyn direct testimony, at 54-62; Jones direct testimony, at 4-6.

⁸See Jones direct testimony, at page 6, lines 20-22.

Order,⁹ and 47 C.F.R. 51.711(b), reciprocal compensation rates for the exchange of local traffic shall be presumptively symmetric and based upon the total element long-run incremental ("TELRIC") cost of the ILEC unless an ALEC demonstrates that its TELRIC-based transport and termination costs are higher than the ILEC's.¹⁰ The cost studies requested by AT&T are relevant and necessary to the establishment of a cost-based rate structure by this Commission which complies with the requirements of 47 U.S.C. §252(d)(2) and the applicable orders and rules of the FCC.

12. Document Request No. 2 states as follows:

2. If you have any other cost studies for the provision of retail basic exchange service within your service territory that are more recent than that provided in response to Document Request No.1, please provide all such studies.

AT&T adopts and incorporates by reference herein its argument in support of Document Request No. 1.

13. Document Request No. 3 states as follows:

3. Provide a copy of each study, report, analysis or memorandum prepared by you or on your behalf which estimates or otherwise quantifies the costs of terminating ISP-bound traffic.

AT&T adopts and incorporates by reference herein its argument in support of Document Request No. 1. In addition, this Document Request goes to the very heart of this proceeding.

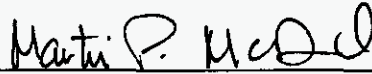
⁹Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499 (1996) ("Local Competition Order"), aff'd in part and vacated in part sub nom., Competitive Telecommunications Ass'n v. FCC, 177 F.3d 1068 (8th Cir. 1997), and Iowa Utils. Bd. v. FCC, 120 F.3d 753 (8th Cir. 1997), aff'd in part and remanded, AT&T v. Iowa Utils. Bd., 119 S. Ct. 721 (1999).

¹⁰See Selwyn direct testimony, at 35, 63-64.

Obviously, any study, report, analysis or memorandum prepared by or on behalf of BellSouth, Verizon and/or Sprint which estimates or otherwise quantifies the cost of terminating ISP-bound traffic is relevant to the potential establishment in this proceeding of a cost-based mechanism for delivery of ISP-bound traffic.

WHEREFORE, for the foregoing reasons, AT&T respectfully requests that the Prehearing Officer issue an order granting this Motion and compelling BellSouth, Verizon and Sprint to fully respond to AT&T Interrogatory Nos. 1-7 and AT&T's First Set of Requests for Production of Documents Nos. 1-3 on an expedited basis to allow AT&T a reasonable amount of time to review and analyze the interrogatory responses and documents produced prior to the preparation and filing of prefiled rebuttal testimony.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by U. S. Mail and by facsimile (*) to the following this 19th day of December, 2000:

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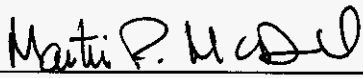
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