

ORIGINAL



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Via Hand Delivery

November 20, 2001

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

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COMMISSION
CLERK

Re: Docket No. 010795-TP: Rebuttal Testimony of Michael R. Hunsucker, Mark G. Felton, and James R. Burt.

Dear Ms. Bayó:

Enclosed for filing on behalf of Sprint Communications Company Limited Prtnership are the original and fifteen (15) copies of Rebuttal Testimony of Michael R. Hunsucker, Mark G. Felton, and James R. Burt. Service has been made this same day via overnight mail to the parties listed on the attached service list.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Sincerely,

Susan S. Masterton

Susan S. Masterton

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14787 thru 14789-01

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**CERTIFICATE OF SERVICE
DOCKET NO. 010795-TP**

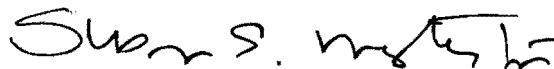
I HEREBY CERTIFY that a true and correct copy of the foregoing was served by hand delivery * or overnight mail this 20th day of November, 2001 to the following:

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Susan S. Masterton

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **REBUTTAL TESTIMONY**

3 **OF**

4 **MICHAEL R. HUNSUCKER**

5
6 **Q. Please state your name and business address.**

7 A. My name is Michael R. Hunsucker. I am Director-Regulatory Policy, for Sprint
8 Corporation. My business address is 6360 Sprint Parkway, Overland Park, Kansas
9 66251.

10
11 **Q. Are you the same Michael R. Hunsucker who filed direct testimony in this**
12 **proceeding?**

13 A. Yes.

14
15 **Q. What is the purpose of your testimony?**

16 A. The purpose of my testimony is to provide Sprint's response to the direct testimony of
17 William Munsell relating to Issues 1 and 2 as identified in Sprint's Petition for
18 Arbitration.

19
20 **Q. On page 5 of his direct testimony, Mr. Munsell asserts that Sprint is attempting**
21 **to "avoid access charges". Do you agree with his assertion?**

22 A. No, I do not agree with his assertion. Sprint has always agreed to maintain the
23 appropriate jurisdiction of the traffic for all 00- calls, both local and toll. In other
24 words, if the end user uses Sprint's Voice Activated Dialing (VAD) product in the
25 completion of a local call, Sprint expects to pay local TELRIC-based charges and if

DOCUMENT NUMBER - DATE

1 the end user uses VAD to complete a toll product, Sprint will pay Verizon the
2 appropriate access charges. Sprint has no intentions of trying to arbitrage the current
3 regulatory process as asserted by Mr. Munsell. Sprint will preserve the appropriate
4 jurisdiction of the traffic.

5
6 **Q. On page 13 of his direct testimony, Mr. Munsell asserts that “Sprint’s proposal**
7 **imposes the costs” on Verizon. Do you agree with his assertion?**

8 A. Mr. Munsell is apparently trying to paint the picture that Sprint is refusing to
9 compensate Verizon for operator service routed calls. This assertion is without merit
10 and ridiculous. Sprint has never stated that it intends to require, and clearly has no
11 intention to require, Verizon to incur costs for 00- local (and toll) calls that Sprint is
12 not willing to pay for. In fact, on page 17 of my direct testimony, I provide Sprint’s
13 proposed compensation methodology for local 00- traffic that is consistent with
14 Sprint’s agreement with BellSouth. Specifically, it provides for Sprint to compensate
15 Verizon for transport only on the originating side of the call and for tandem
16 switching, transport and end office switching on the terminating side of the call based
17 on which network elements are actually provided by Verizon in the completion of the
18 call. The real issue is that it appears Verizon wants to impose access charges on local
19 calls as a means of generating revenues in excess of their TELRIC-based costs.

20
21 **Q. Is Verizon fairly compensated at TELRIC-based rates for the origination and**
22 **completion of a local call by an end user via Sprint’s VAD?**

23 A. Yes, Sprint’s proposed compensation methodology is reasonable and fair, both to
24 Sprint and Verizon. Currently, Verizon is compensated by its end user for the ability
25 to originate and terminate local calls throughout their local calling area. If a call

1 originates from a Verizon end user and terminates to a Verizon end user in the same
2 local calling area, Verizon is compensated by each of the end users through monthly
3 local service rates for the right to originate and terminate local calls. If the
4 originating end user uses Sprint's VAD platform to originate a local call that
5 terminates within that end user's local calling area, Verizon would receive not only
6 the local service rate from the end user but Sprint would also compensate Verizon for
7 transport on the originating side and tandem switching, transport and end office
8 switching on the terminating side (if all elements were actually used in the
9 completion of the call). Thus, the practical result is that Verizon has not only
10 incurred costs but has also been compensated for these costs by Sprint. Again, it
11 appears that Verizon wants to impose access charges on local calls as a means of
12 generating revenues in excess of their TELRIC-based costs.

13
14 **Q. On page 11, Mr. Munsell states that "there is no basis to redefine them [operator**
15 **service routed calls] as "local" for compensation purposes". Has the FCC**
16 **provided any guidance on defining calls as "local" for compensation purposes?**

17 **A.** Yes. On January 23, 2001, the FCC released Order No. 01-27 in CC Docket No. 99-
18 273. In that Order, the FCC addressed the jurisdictional classification of call
19 completion services associated with directory assistance. Sprint's 00- product is
20 provided in an analogous manner to the end user customer. Specifically, the FCC
21 Order states that call completion falls within the definition of telephone exchange
22 service not exchange access service. In paragraph 16, the FCC specifically states
23 that: "The call completion service of competitive DA providers for intra-exchange
24 traffic is unquestionably local in nature, and the charge for it, generally imposed on
25 an end user, qualifies as an "exchange service charge". While the FCC Order was

1 specifically directed at call completion service via a directory assistance call, the
2 Sprint 00- product provides call completion service via the dialing of 00- in a manner
3 analogous to directory assistance. This decision is equally applicable to Sprint's 00-
4 product when used for the completion of local calls and should provide an additional
5 basis to guide the Commission in its decision. In short, the call completion service
6 associated with 00- local calls is, in the FCC words, "unquestionably local in nature"
7 and an "exchange service", not exchange access subject to access charges.

8
9 **Q. Does Verizon provide a retail service to end users similar to the VAD product**
10 **that Sprint seeks to provide?**

11 A. Yes. According to Verizon's website, Verizon offers a service in Maryland called
12 Voice Dialing Service in their General Services Tariff No. 203, Section 22, attached
13 to my testimony as Exhibit _____, MRH-1. Based upon my review of the tariff
14 language, the service appears to be the same service that Sprint is attempting to roll
15 out in Florida. Verizon charges \$3.75 a month for the service that allows the end user
16 customer to place calls via voice commands. It appears that the customers would
17 pay for an optional vertical feature to originate both local and long distance calls.
18 While the tariff does not specifically address any add-on charges for the service, I
19 believe that the end user can originate a local call with no additional charge and the
20 end user can originate a toll call to which toll charges would apply. In addition, if the
21 customer originates a voice-dialed toll call from Verizon to a customer of another
22 local exchange carrier, access charges would be appropriate. Likewise, if the end
23 user originates a voice-dialed local call from Verizon to a customer of another local
24 exchange carrier, TELRIC-based compensation rates would apply.

1 **Q. Is this compensation methodology consistent with the Verizon proposed**
2 **methodology if Sprint provides its VAD product to end users in Florida?**

3 **A.** No, it is not. If Verizon provides the service and the end user completes a local call,
4 Verizon will settle on the basis of TELRIC-based compensation. However, if Sprint
5 provides the optional service (VAD) and the end user completes a local call, Verizon
6 expects Sprint to pay them access charges on the terminating side of the call. This is
7 hardly an equitable situation and certainly not at parity with how Verizon treats the
8 compensation on the call if they provide the retail service. Verizon should not be
9 allowed to get away with such discriminatory treatment that places Sprint at a
10 competitive disadvantage in providing local services to end users in Florida.

11

12 **Q. Does that conclude your testimony?**

13 **A.** Yes.

GENERAL SERVICES TARIFF
P.S.C.-Md.-No. 203

Verizon Maryland Inc.

Section 22
Original Page 1

SPEECH RECOGNITION SERVICE

VOICE DIALING SERVICE

A. GENERAL

Speech Recognition Services consist of optional service features for use in connection with a residential customer's exchange service.

B. REGULATIONS

1. Description of Service

Voice Dialing Service enables residence customers to activate Verizon Services via voice commands. Up to 50 names/destinations can be added to a customer's personal directory. Calls to these destinations can be placed by merely picking up the phone and saying "Call" followed by a name/destination from the customer's personal directory. The system will repeat the name/destination to the customer, for confirmation, and will then place the call to the selected destination.

2. Use of Service

Once the customer utters a name/destination, the speech recognition computer will activate and dial the appropriate telephone number. The customer will, however, retain the capability of placing calls via touch tone or rotary dialing. In the event the customer begins to dial via touch tone or rotary pulses, the voice activated dialing connection to the computer is disconnected.

3. Restrictions

Voice Dialing Service is not compatible with the following features: Home Intercom, Home Intercom Extra, Residence Service Variety Package, Remote Call Forwarding and terminal lines of a multi-line hunt group. In addition, Voice Dialing Service is not available on the dependent number of Distinctive Ring Custom Calling Service.

4. Thirty-day Waiver

Verizon Maryland will waive the monthly charge for Voice Dialing for one month for customers who subscribe to this service for the first time.

C. RATES

| | <u>Per</u> <u>Month</u> | <u>USOC</u> |
|--|----------------------------|-------------|
| Voice Dialing Service, per line equipped..... | \$3.75 | |