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Via Hand Delivery

March 25, 2002

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

Re: Docket No. 000075-TP, Phase II: Rebuttal Testimony of Julie L. Ward

Dear Ms. Bayó:

Enclosed for filing on behalf of Sprint-Florida, Incorporated and Sprint Communications Company Limited Partnership (collectively, "Sprint") is the original and 15 copies of the Rebuttal Testimony of Julie L. Ward.

Service has been made this same day via hand delivery and U.S. 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

SSM/tk

Enclosures

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE  
DOCKET NO. 000075-TP (Phase II)**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by hand delivery\* or U.S. Mail this 25th day of March, 2002 to the following:

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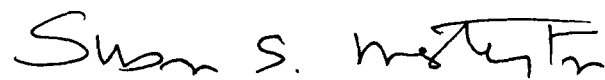
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Susan S. Masterton

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
**REBUTTAL TESTIMONY**  
**OF**  
**JULIE L. WARD**

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

A. My name is Julie L. Ward. I am Manager-Regulatory Policy, for Sprint Corporation. My business address is 6450 Sprint Parkway, Overland Park, Kansas 66251.

**Q. Are you the same Julie L. Ward that filed direct testimony earlier in this proceeding?**

A. Yes, I am.

**Q. What is the purpose of your rebuttal testimony?**

A. The purpose of my testimony is to rebut the testimony of Paul E. Cain, representing AT&T Communications of the Southern States, LLC, AT&T Broadband Phone of Florida, LLC, and TCG, as well

1 as Joseph Gillan, representing MCI Metro Access Transmission  
2 Services, LLC and WorldCom Communications, Inc.

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5 **Q. On page 3, Mr. Gillan states that “the Commission has**  
6 **already established the Local Access and Transport Area**  
7 **(LATA) as the de facto local calling area”. Do you agree?**

8

9 A. No. If the LATAs have already been de facto established as Local  
10 Calling Areas (LCAs), the Commission would not need to take  
11 action on the issue. Mr. Gillan bases his conclusion on the fact  
12 that BellSouth and GTE (Verizon), in the mid-1990s, converted  
13 some of their intraLATA toll service to local service by  
14 implementing extended calling scope (ECS) Plans. Sprint  
15 questions how Mr. Gillan can reach the conclusion that the Florida  
16 Commission has already established the LATA as the “de facto  
17 local calling area” based on the simple fact that Incumbent Local  
18 Exchange Company (ILECs) have converted some toll routes to  
19 local routes for *retail purposes*. By merely ordering and/or  
20 approving the ECS routes, the Commission did not adopt the LATA  
21 as the definition for local calling area for *intercarrier compensation*  
22 *purposes*. The Commission has also ordered implementation of  
23 ECS on interLATA routes as well; however, this does not convert  
24 interLATA toll to local. Furthermore, Sprint does not offer the  
25 LATA as the local calling scope for their retail services. Sprint’s

1 service area, as compared to BellSouth's and Verizon's, is  
2 significantly more rural, geographically more widely dispersed, and  
3 has a significant number of intraLATA toll routes. This is another  
4 reason why the default local calling area should be based on the  
5 ILEC's local calling areas.

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8 **Q. On page 6, Mr. Gillan states, as support for using the LATA**  
9 **as the definition of the local calling area, that there is no**  
10 **reason to create two interconnection regimes within the**  
11 **LATA. What is Sprint's reaction to this argument?**

12

13 A. As stated in his testimony, Mr. Gillan believes that the LATA is the  
14 best approach in defining the local calling area since any other  
15 definition would cause two different interconnection regimes within  
16 the LATA. However, implementing the LATA as the definition of  
17 the local calling area, in an effort to create *one interconnection*  
18 *regime* within the LATA as Mr. Gillan proposes, creates an  
19 inequitable competitive situation by creating two different  
20 *compensation regimes* within the LATA. In other words, if the  
21 LATA were defined as the local calling area for reciprocal  
22 compensation purposes between ILECs and Alternative Local  
23 Exchange Company (ALECs), this would allow LECs to  
24 compensate each other at lower rates, while IXCs would pay  
25 higher access rates for the same call. Sprint questions how the

1           need for one interconnection regime is an acceptable argument  
2           when it creates two different compensation regimes depending on  
3           the type of carriers involved in the call.

4

5

6           **Q.    On page 7 of his testimony, Paul Cain states that “In a LATA-**  
7           **wide local calling area, the NPA-NXX of the calling and called**  
8           **parties would be used to determine the points of origination**  
9           **and termination. The dialing patterns (whether seven digits,**  
10           **ten digits or eleven (1+) digits) would be irrelevant, as would**  
11           **the path the call took to reach its point of termination”. Do**  
12           **you agree with Mr. Cain’s proposition?**

13

14           **A.    No.    Mr. Cain’s position is inconsistent with the Staff**  
15           **Recommendation and Commission vote on Issue 15 in this docket**  
16           **regarding Virtual NXXs.    At the December 5, 2001 Agenda**  
17           **Conference the Commission approved Staff’s recommendation**  
18           **that intercarrier compensation be based upon the *end points* of**  
19           **the call, not the NPA-NXX of the calling and called parties.**  
20           **Therefore, even if the Commission were to establish LATA-wide**  
21           **local calling areas for intercarrier compensation purposes as the**  
22           **default, reciprocal compensation rates should not apply unless the**  
23           **calling and called parties are both *physically located* within the**  
24           **local calling area. Contrary to Mr. Cain’s testimony, the NPA-NXX**  
25           **of the calling and called parties should have nothing to do with**

1 determining the jurisdiction of the call for intercarrier  
2 compensation purposes.

3  
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5 **Q. On page 7 of his testimony, Paul Cain states intercarrier**  
6 **billing would be simplified in that “All IntraLATA calls would**  
7 **be treated the same for reciprocal compensation purposes,**  
8 **with each minute billed the same way.” Do you agree?**

9

10 A. No. In fact, it appears to be just the opposite. If the Commission  
11 determines that reciprocal compensation rates apply between  
12 ILECs and ALECs for calls that originate and terminate within the  
13 LATA, Interexchange Carriers (IXCs) must still pay access rates  
14 for the very same call. Intercarrier compensation for the same  
15 calls will vary depending on the types of carriers involved in  
16 completing the calls. Therefore, contrary to Mr. Cain’s assertion,  
17 each minute will not be billed the same way.

18

19

20 **Q. On page 9 of his testimony, Paul Cain claims that a new**  
21 **billing system will not be necessary for implementation of a**  
22 **default LATA-wide local calling area. Does Sprint agree?**

23

24 A. No. Sprint’s billing systems must be changed if the Commission  
25 determines that reciprocal compensation rates now apply between



1 ILECs and ALECs for calls that originate and terminate within the  
2 LATA, yet IXC's must still pay access rates for the very same call.  
3 Currently, Sprint's systems bill both ALECs and IXC's based on  
4 the same local calling scope. For example, Sprint applies the  
5 same access rates to both classes of carriers when an  
6 Intrastate/IntraLATA call originates and terminates outside the  
7 local calling area. In addition, ILECs compensate each other for  
8 IntraLATA toll calls through tariffed modified access based  
9 compensation rates that would remain in place for price-regulated  
10 ILECs, even if the Commission were to establish the LATA as the  
11 default local calling area in this docket. Commission approval of  
12 the LATA as the default local calling area between ILECs and  
13 ALECs will require Sprint to make billing system enhancements in  
14 order to apply this new LATA-wide definition to ALECs only.  
15 Furthermore, no other state in which Sprint LTD operates has  
16 defined the LATA as the local calling area for intercarrier  
17 compensation purposes. Thus, it would be necessary to maintain  
18 two separate billing systems – one for Florida and one for the  
19 other seventeen states in which Sprint LTD operates.

20  
21

22 **Q. Please reiterate Sprint's position regarding the establishment**  
23 **of the LATA as the local calling area for intercarrier**  
24 **compensation purposes**

25

1           A.     Sprint firmly believes that the ILEC's local calling scope, as  
2                    defined by tariff, should define the appropriate local calling scope  
3                    for reciprocal compensation purposes for wireline carriers. The  
4                    local calling scope of the ILEC establishes a logical boundary  
5                    upon which reciprocal compensation can be determined and is  
6                    both fair and practical because ILECs generally have well-  
7                    established local calling scopes, with tariffed access charges  
8                    applicable outside the local calling scope. Furthermore, there is a  
9                    longstanding history of utilizing the ILEC local calling scope for  
10                   purposes of reciprocal compensation for ILEC to ILEC local calling  
11                   and there are no compelling reasons for changing this definition of  
12                   "local" that has successfully been applied over the years for  
13                   intercarrier compensation purposes.     Additionally, use of the  
14                   ILEC's LCA for reciprocal compensation purposes does not  
15                   require ALECs to offer the same LCA to their customers. In fact,  
16                   many ALECs already offer services with local calling areas that do  
17                   not coincide with the ILEC's LCAs.

18

19

20           **Q.     What are Sprint's concerns with using the originating**  
21                   **carrier's local calling area to determine the intercarrier**  
22                   **compensation between the parties?**

23

24           A.     It is critical to recognize the inequitable competitive environment  
25                   that is created when the originating carrier's local calling area

1 determines the intercarrier compensation between carriers. The  
2 result of this approach would allow ALECs to pay lower reciprocal  
3 compensation rates for their traffic terminated within the LATA by  
4 ILECs (assuming the ALEC defines the LATA as the local calling  
5 area for retail purposes) while ILECs are forced to change their  
6 LCAs or to pay ALECs higher access rates for terminating ILEC-  
7 originated traffic. Sprint agrees with Verizon witness Trimble in  
8 that the "direction of the call should play no part in the determining  
9 how intercarrier compensation should be assessed" (page 17).  
10 Furthermore, it would be administratively burdensome for all  
11 carriers, not just ILECs, to change their billing systems to maintain  
12 the varying local calling areas of each ALEC. BellSouth also  
13 recognizes and appreciates the concerns raised as to the  
14 implementation of different calling areas, as indicated on page 5  
15 of Beth Shiroishi's testimony.

16

17

18 **Q. Most, if not all, parties believe that the preferred approach to**  
19 **defining the local calling area for intercarrier compensation**  
20 **purposes is through negotiation between the contracting**  
21 **parties. Does Sprint agree?**

22

23 **A.** Yes, however, it is Sprint's position that a Commission-  
24 established default definition will facilitate negotiation.

25

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

3

4       **A.     Yes.**

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