



ORIGINAL

Florida Cable Telecommunications Association

Steve Wilkerson, President

**VIA HAND DELIVERY**

April 17, 2002

Ms. Blanca S. Bayo, Director  
Director, Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

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CLERK

**RE: Docket No. 000075-TP (Phase IIA)**

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and one copy of the Notice of Service of Florida Cable Telecommunications Association's Answers to Staff's First Set of Interrogatories (1).

Copies of the Notice and Answers and Objections have been served on the parties of record pursuant to the attached certificate of service. Please acknowledge receipt of filing of the above by stamping the duplicate copy of this letter and returning the same to me.

Thank you for your assistance in processing this filing. Please contact me with any questions.

Sincerely,

Michael A. Gross  
Vice President, Regulatory Affairs &  
Regulatory Counsel

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
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Enclosure

cc: All Parties of Record

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Florida Cable Telecommunications Association's Notice of Service and Answers and Objections to Staff's First Set of Interrogatories (1) in Docket 000075-TP (Phase IIA) has been served upon Staff by hand delivery and the other parties by U.S. Mail delivery this 17th day of April, 2002:

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\_\_\_\_\_  
Michael A. Gross

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. )  
\_\_\_\_\_ )

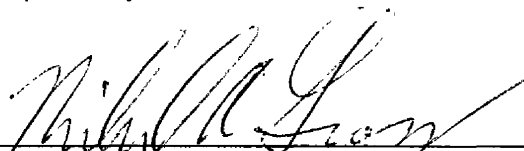
Docket No. 000075-TP  
(Phase IIA)

Filed: April 17, 2002

**NOTICE OF SERVICE OF FLORIDA CABLE TELECOMMUNICATIONS  
ASSOCIATION'S ANSWERS AND OBJECTIONS TO STAFF'S FIRST  
SET OF INTERROGATORIES (1)**

The Florida Cable Telecommunications Association, Inc. (FCTA) hereby files and serves Notice that it has served its Answers and Objections to Staff's First Set of Interrogatories (1) by hand delivery on Felicia Banks, Staff Counsel, Florida Public Service Commission, Gerald L. Gunter Bldg, 2540 Shumard Oak Blvd, Tallahassee, FL 32399, and by U.S. Mail Delivery to the parties on this 17<sup>th</sup> day of April, 2002.

Respectfully submitted.



Michael A. Gross  
Vice President, Regulatory Affairs,  
and Regulatory Counsel  
Florida Cable Telecommunications Association  
246 E. 6<sup>th</sup> Avenue  
Tallahassee, FL 32303  
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Attorney for FCTA

**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.**

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**Docket No. 000075-TP (Phase IIA)  
Filed: April 17, 2002**

**FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION'S ANSWERS  
AND OBJECTIONS TO STAFF'S FIRST SET OF INTERROGATORIES (1)**

The Florida Cable Telecommunications Association, Inc. ("FCTA"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.340 and 1.280(b), Florida Rules of Civil Procedure, and the procedural order in this case (Order No. PSC-02-0139-PCO-TP), hereby submits the following Answers and Objections to Staff's First Set of Interrogatories served on March 28, 2002:

The FCTA affirms and realleges its objections as contained in its Objections to Staff's First Set of Interrogatories filed on April 8, 2002, as if fully stated herein. The FCTA states that it is a non-profit trade association representing the cable telecommunications industry in Florida, including certificated alternative local exchange carriers (ALECs) providing local exchange telecommunications service in Florida. The FCTA is not itself an ALEC and therefore as an entity does not own networks or provide telecommunications service. Thus, some of the answers to interrogatories herein must be construed in this context.

**ANSWERS AND OBJECTIONS TO INTERROGATORIES**

**INTERROGATORY 1**

For the following questions, please refer to the direct testimony of FCTA witness William J. Barta,

filed March 1, 2002.

**INTERROGATORY 1(a)**

**Please identify the discrete elements that make up the “transaction costs” referred to in the testimony on page 4, line 9.**

**ANSWER**

The costs associated with preparing, processing, and accounting for invoices and payments between the interconnecting carriers are considered transaction costs.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

**INTERROGATORY 1(b)**

Please identify the anticipated amount of transaction costs referred to in the testimony on page 4, line 9.

**OBJECTION**

This interrogatory seeks carrier-specific details that are irrelevant to the resolution of the policy issues being addressed in Issue 17 of this docket. Further, this interrogatory seeks an opinion based upon an insufficient hypothetical. This is a Generic Reciprocal Compensation proceeding as opposed to an arbitration. This interrogatory will be answered regarding policy issues raised in this generic proceeding and limited to the subject matter of Mr. Barta’s

prefiled testimony, the substance of the facts and opinions contained in his prefiled testimony, and a summary of the grounds for each opinion.

**ANSWER**

The “anticipated amount of transaction costs” would need to be measured on an individual carrier basis. One would expect the transaction costs to vary among carriers based upon the differences in billing and accounting systems as well as the number of personnel assigned to such responsibilities within the firms.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

**INTERROGATORY 1(c)**

**Please identify the “new administrative costs” that will be incurred through the imposition of bill and keep referred to on page 4, lines 17 and 18.**

**ANSWER**

The new administrative costs are the costs associated with modifying billing and accounting systems as well as the costs incurred for studies to be undertaken in order to estimate the charges that must now be recovered from the carriers’ subscribers instead of the interconnecting carrier. Other “new administrative costs” are likely to include the costs to educate customers about any billing changes, the costs for the retraining of the carriers’ customer service representatives and any other departments that management believes is necessary, and the additional expense of coordinating the activities of the accounts payable and accounts receivable departments in order to monitor the balance of traffic.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

**INTERROGATORY 1(d)**

Please identify the anticipated amount of “new administrative costs” referred to in the testimony on page 4, lines 17 and 18.

**OBJECTION**

See objection to 1(b) above.

**ANSWER**

The “anticipated amount” of new administrative costs would likely vary from one carrier to another due to differences in billing and accounting systems as well as the firm’s organizational structure. The level of costs may also differ as a result of the amount of resources available to management to seamlessly execute a changeover in the billing compensation mechanism.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association



**INTERROGATORY 1(e)**

**Please describe the causal relationship between each “new administrative cost” that is anticipated to be incurred and the imposition of a bill and keep reciprocal compensation regime.**

**ANSWER**

Most interconnection agreements at the present time are based upon the billing of actual minutes-of-use. The change to a bill and keep compensation regime is expected to require some modifications to a carrier’s billing system. The revisions to a billing system typically trigger modifications to the accounting system in the form of chart of accounts editing, general ledger module revisions, and financial transaction processing changes.

The changeover to a bill and keep arrangement implies that the carrier must now recover the costs of transporting and terminating traffic from its own subscribers rather than the interconnecting carrier whose customer originated the call. Thus, it may be necessary to educate the carrier’s subscribers about pending billing changes as well as providing additional training for its own employees.

Under the present billing regime, it is not necessary for the accounts payable and accounts receivable departments to coordinate activities in order to monitor the flow of traffic between its firm and other interconnecting carriers. In the event the change to a bill and keep regime requires a threshold, the accounts payable and accounts receivable departments will have to monitor the flow of traffic between interconnecting carriers in order to determine whether a threshold has been exceeded.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

**INTERROGATORY 1(f)**

**Please identify the number of “arm’s length negotiations” (page 5, line 6) between incumbent local exchange companies and competitive local exchange companies in which you have participated in Florida since 1996.**

**ANSWER**

One.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

**INTERROGATORY 1(g)**

Please identify the companies involved in the negotiations referred to in response to (f).

**ANSWER**

Sprint, Verizon, BellSouth, a host of competitive local exchange companies, and the Florida Cable Telecommunications Association.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

**INTERROGATORY 1(h)**

**Please identify the party that was represented in any “arm’s length negotiations” between an incumbent local exchange company and a competitive local exchange company in Florida since 1996.**

**ANSWER**

The Florida Cable Telecommunications Association.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

**INTERROGATORY 1(i)**

**Please describe the causal relationship between the “marketing costs” referred to on page 8, line 6, and the imposition of a bill and keep reciprocal compensation regime.**

**ANSWER**

A carrier may incur additional marketing costs to inform its customers of a new set of billing rates in the likely event that the change to a bill and keep arrangement will result in higher subscriber rates. The marketing department will probably work with the accounting department to determine the extent of the additional cost recovery to be imposed on the carrier’s subscribers in order to temper feasibility with necessity. The marketing department may also have input into any planned modifications to bill format and content. In addition, sales compensation structures may be affected by a change in the amounts billed to end-users.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

**INTERROGATORY 1(j)**

Please identify the jurisdictions in which a “dollar threshold” described on page 10, lines 4-9, has been imposed.

**ANSWER**

The reference cited in Mr. Barta’s prefiled testimony was discussed because it has been used as an alternative approach in some interconnection agreements. Mr. Barta is not aware of any jurisdictions that have imposed a dollar threshold and furthermore, believes that the imposition of a threshold causes cost and administrative burdens to the carriers.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

**INTERROGATORY 1(k)**

**Please identify the ILECs and ALECs referenced in the testimony on page 10, lines 11-16.**

**ANSWER**

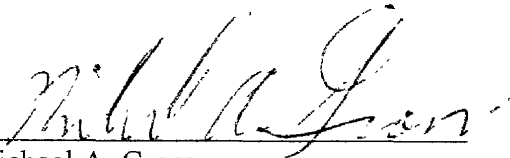
The Time Warner Telecomm entities operating in Florida, North Carolina, and Tennessee have entered into interconnection agreements with BellSouth, Verizon, and Alltel based on a threshold arrangement. According to Time Warner Telecom, it was a much greater

administrative burden to involve the accounts receivable and accounts payable departments in the monitoring of traffic flows to determine if thresholds were met rather than simply billing the actual of minutes-of-use.

**Answer prepared by:**

William Barta  
7170 Meadow Brook Court  
Cumming, Georgia 30040  
Consultant to the Florida Cable Telecommunications Association

Respectfully submitted this 17th day of April, 2002.

  
Michael A. Gross  
Vice President, Regulatory Affairs  
and Regulatory Counsel  
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