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Via Hand Delivery

June 28, 2002

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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. 020099-TP Rebuttal Testimony of Jeffrey P. Caswell &
Talmage O. Cox, III

Dear Ms. Bayó:

Enclosed for filing on behalf of Sprint-Florida, Incorporated (Sprint) is the original and 15 copies of Rebuttal Testimony of.

- 1 Jeffrey P Caswell
- 2 Talmage O Cox, III

Copies have been served pursuant to the attached Certificate of Service.

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

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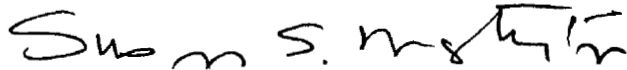
I HEREBY CERTIFY that a true and correct copy of the foregoing was served by hand delivery*, overnight mail** or U.S. Mail this 28th day of June 2002 to the following:

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Susan S. Masterton

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **REBUTTAL TESTIMONY**

3 **OF**

4 **Jeffrey P. Caswell**

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

7
8 A. My name is Jeffrey P. Caswell. I am Group Manager -- Wholesale Markets, for Sprint
9 Corporation. My business address is 6480 Sprint Parkway, Overland Park, Kansas
10 66251.

11
12 **Q. Are you the same Jeffrey P. Caswell that filed direct testimony in this proceeding?**

13
14 A. Yes, I am.

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

17
18 A. The purpose of my testimony is to rebut the assertions made by ALEC witness D.
19 Richard McDaniel concerning the recurring and non-recurring charges billed by ALEC to
20 Sprint for transport services.

21
22 **Q. ALEC witness McDaniel testifies that Sprint has refused to pay ALEC the complete**
23 **amounts invoiced for recurring charges for dedicated transport facilities. Is this**
24 **correct?**

25 DOCUMENT NUMBER 020099-TP

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20 Richard McDaniel concerning the recurring and non-recurring charges billed by
21 ALEC to Sprint for transport services.

22
23 **Q. ALEC witness McDaniel testifies that Sprint has refused to pay ALEC the**
24 **complete amounts invoiced for recurring charges for dedicated transport**
25 **facilities. Is this correct?**

1

2 A. Yes. Sprint has appropriately refused to pay a significant portion of the monthly
3 recurring charges invoiced by ALEC because they contain duplicate charges for the
4 same dedicated transport facilities. More specifically, ALEC has billed Sprint
5 recurring charges for three DS3 dedicated transport facilities while simultaneously
6 billing recurring charges for each of the individual DS1s that are aggregated onto the
7 DS3 facilities by ALEC. This billing by ALEC results in charges for each of the 28
8 DS1s that make up the DS3 facility as well as a separate charge for the DS3 facility
9 itself. Sprint witness Talmage Cox provides further discussion from a technical
10 perspective concerning the inappropriateness of billing both DS1 and DS3 charges for
11 the same facility. There is no justification for ALEC billing Sprint twice for the same
12 services. As such, Sprint has appropriately disputed these charges.

13

14 **Q. Is there another issue associated with monthly recurring charges that Sprint is**
15 **disputing of the charges invoiced by ALEC?**

16

17 A. Yes. In reviewing the bills submitted to Sprint by ALEC in preparation for this
18 dispute, Sprint discovered that ALEC has incorrectly billed Sprint recurring charges
19 for interLATA transport between Tallahassee and its switch in Valdosta, Georgia, and
20 between the Ocala access tandem in the Gainesville LATA and its switch in Maitland
21 (in the Orlando LATA). Sprint's Interconnection Agreement with ALEC is applicable
22 only for interconnection for local traffic. Where ALEC's switch is located outside the
23 LATA, transport becomes interLATA. Sprint is not responsible for interLATA
24 transport, therefore transport charges are only applicable for the intraLATA Winter

1 Park to Maitland route. Sprint is disputing the monthly recurring charges for these
2 interLATA facilities billed by ALEC.

3
4 **Q. Has Sprint remitted payment for any of the monthly recurring charges invoiced**
5 **by ALEC?**

6
7 A. Yes. Sprint has remitted payment to ALEC for all of the dedicated DS1 recurring
8 charges invoiced by ALEC. These DS1 charges invoiced by ALEC were billed at the
9 correct rate and represent charges for the DS1 facilities actually ordered by Sprint.
10 Conversely, Sprint has not paid any of the inappropriate DS3 charges invoiced by
11 ALEC. First, these charges are not valid since charges for the underlying DS1s that
12 are aggregated onto the DS3 by ALEC have been billed by ALEC and paid by Sprint.
13 Second, Sprint has never ordered any DS3 facilities from ALEC. Sprint interconnects
14 with ALEC at the DS1 level and Sprint has not ordered DS3s from ALEC. This is
15 further evidence that the DS3 charges billed by ALEC are not appropriate and Sprint
16 is justified in disputing these charges.

17
18 **Q. ALEC witness McDaniel also provides his perspective on the correctly**
19 **methodology for ALEC's calculation of non-recurring charges billed to Sprint.**
20 **What non-recurring charges has ALEC billed to Sprint?**

21
22 A. ALEC's non-recurring charge billings to Sprint can be summarized into three specific
23 categories:

24 1. ALEC billed Sprint at ALEC's tariff rate for DS1 installations - \$866.97 for
25 the first DS1 installed and \$486.83 for each additional DS1.

- 1 2. ALEC billed Sprint at ALEC's tariffed rates for DS3 installations - \$870.50
2 for the first DS3 installed and \$427.88 for each additional DS3. -
- 3 3. ALEC billed Sprint at ALEC's tariffed rates for DS0 trunk activations - \$915
4 for the first DS0 trunk and \$263 for each additional DS0 trunk.

5

6 **Q. Does Sprint have disputes with each of the non-recurring charge categories**
7 **invoiced by ALEC?**

8

9 A. Yes. There are significant issues associated with each of these non-recurring charge
10 categories that have been billed by ALEC. These issues serve to significantly inflate
11 the non-recurring charges billed by ALEC and form the basis for the majority of the
12 billing dispute between ALEC and Sprint.

13

14 **Q. Please describe Sprint's dispute with the amounts billed by ALEC for DS1**
15 **installations.**

16

17 A. The issue associated with ALEC's non-recurring billing to Sprint for DS1 installations
18 involves use by ALEC of their tariffed non-recurring rate of \$866.97 for the first DS1
19 and \$486.83 for each additional DS1. ALEC's use of this rate is not in compliance
20 with the terms of the Interconnection Agreement between Sprint and ALEC. The
21 provisions from Paragraph 2.2.3 of Attachment IV of the Agreement state:

22 2.2.3 If CLEC provides one-hundred percent (100%) of the interconnection
23 facility via lease of meet-point circuits between Sprint and a third-party
24 lease of third party facilities, or construction of its own facilities, CLEC

1 may charge Sprint for proportionate amount based on relative usage using
2 the lesser of:

3 2.2.3.1 Sprint's dedicated interconnection rate;

4 2.2.3.2 Its own costs if filed and approved by a commission of appropriate
5 jurisdiction; and

6 2.2.3.3 The actual lease cost of the interconnecting facility.

7 ALEC has ignored the very important terms ". . . **the lesser of.** . ." and has incorrectly
8 billed Sprint non-recurring rates for DS1 installations which are not the lower of the
9 billing options available under the contract terms. Under the three payment options,
10 the qualifier "the lesser of" means that Sprint's non-recurring charge rate of \$79.80 is
11 the highest rate that ALEC can charge Sprint for installation of the DS1 transport
12 facilities. ALEC has billed Sprint using ALEC's tariffed rates of \$866.97 for the first
13 DS1 and \$486.83 for each additional DS1 installed. Clearly these rates are not "the
14 lesser of" and Sprint has appropriately disputed the amounts billed by ALEC for DS1
15 installations. However, Sprint has remitted payment to ALEC based on application of
16 the correct \$79.80 for each DS1 dedicated transport facility it has ordered.

17

18 **Q. Has ALEC acknowledged the applicability of these contract provisions to the**
19 **billing of dedicated transport charges?**

20

21 A. Yes. Mr. McDaniel actually quotes this same section of the Interconnection
22 Agreement in his testimony regarding the application of recurring charges. However,
23 he does make a totally incorrect assertion that the language would allow ALEC to
24 charge either Sprint's dedicated rates or ALEC's tariffed rate **plus** the actual lease cost
25 incurred by ALEC from a third-party supplier. It is ridiculous to assume that parties

1 would agree to a contract provision that establishes multiple charges for the same
2 service. Clearly the contract was intended to provide for billing of the lesser of the
3 three options and not some combination of the elements.

4

5 **Q. What justification did Mr. McDaniel offer concerning how ALEC arrived at the**
6 **non-recurring rate to be charged for DS1 installations?**

7

8 A. Mr. McDaniel makes a passing reference in his testimony on this issue:

9 "Because an applicable DS0 charge was not supplied for reciprocal
10 compensation installation, ALEC instead elected another option under
11 the Agreement and billed Sprint at its installation prices listed in its tariff.
12 For FGD (DS0), this amounted to \$915.00 for the first line, and \$263 for
13 each additional line. For purposes of consistency, ALEC also billed
14 Sprint the ALEC-tariffed rate for DS1 installation, \$866.97 for the first
15 trunk installed, and \$483.83 for each additional trunk." (McDaniel
16 testimony; page 11, lines 1-7).

17 It is instructive to note that ALEC did bill Sprint in compliance with the
18 contract provisions for the recurring charges for the DS1 transport facilities
19 (i.e. based on the rate in the Interconnection Agreement), but has chosen to
20 ignore those contract provisions in its application of non-recurring charges.
21 Per the Interconnection Agreement, ALEC does not have the "option" to bill
22 its tariffed installation prices unless they are the lesser of the options listed in
23 the agreement. ALEC has arbitrarily applied its rates to inflate the amount of
24 non-recurring charges it has billed to Sprint.

25

26 **Q. Concerning the next category of non-recurring charges related to DS3 transport**
27 **facilities, please describe Sprint's dispute with the amounts billed by ALEC.**

1

2 A. Sprint's dispute with the DS3 non-recurring charges are essentially the same-as those
3 previously discussed concerning the DS3 recurring charges. More specifically,
4 ALEC's billing for DS3 installation charges represent duplicate billing for the same
5 functions since ALEC has also billed Sprint non-recurring charges for each individual
6 DS1. Furthermore,
7 Sprint has never ordered DS3 facilities from ALEC and should not be responsible for
8 non-recurring charges for services it did not even order.

9

10 **Q. Concerning the final category of non-recurring charges related to DS0 trunk**
11 **installation charges, please describe Sprint's disputes with the amounts billed by**
12 **ALEC.**

13

14 A. The single largest issue in this dispute is ALEC's application of separate installation
15 charges for each individual trunk in a dedicated transport facility. ALEC justifies this
16 charge by stating "[a] separate installation charge is warranted for FGD trunks, as well
17 as DS1 trunks, because separate identification and signaling continuity tests are
18 required for each of the 28 FGD trunks within each DS1 trunk." (McDaniel testimony,
19 page 7, line 22). However, a separate charge is not warranted for these functions
20 because the costs for these switch-related functions are included in Sprint's end office
21 switching rate element, not in the non-recurring charge associated with transport
22 facilities that ALEC has attempted to apply. Sprint witness Talmage Cox explains in
23 greater detail the costing methodology which results in recovery of the trunk
24 activation costs in the end office switching rate element.

25

1 **Q. ALEC indicates that since Sprint did not have a charge for DS0 activations, it**
2 **was entitled to seek another option for this rate element. How do you respond?**

3
4 A. As previously discussed and as further described by Sprint witness Cox, ALEC is
5 being compensated for the functions associated with activating individual trunks on a
6 dedicated transport facility through the per minute reciprocal compensation rate Sprint
7 pays to ALEC. As such, there is no need for ALEC to seek another option for an
8 equivalent charge. However, it is instructive to understand that in seeking an
9 equivalent charge, ALEC selected BellSouth's intrastate access tariff rate of \$263,
10 when the BellSouth interstate access rate for the same function is only \$36 per trunk.
11 ALEC appears to have selectively chosen the higher BellSouth intrastate access rate,
12 rather than the interstate rate which is likely much closer to BellSouth's actual costs.

13
14 **Q. ALEC justifies their application of non-recurring charges for DS0 installation by**
15 **claiming that it charges BellSouth utilizing the same approach as it has applied to**
16 **Sprint. How do you respond to this claim?**

17
18 A. Because I do not have knowledge of the interconnection agreement between ALEC
19 and BellSouth, I cannot comment on whether ALEC's arrangement with BellSouth has
20 any similarity to Sprint's arrangement with ALEC. I would simply reiterate that the
21 Interconnection Agreement between ALEC and Sprint is the controlling document at
22 issue in this dispute, and arrangements that ALEC may have with other carriers is not
23 relevant.

24
25 **Q. Is it appropriate for ALEC, Inc to go outside of the Interconnection**

1 **Agreement between Sprint and ALEC and select NRCs to use?**

2

3 A. No. Sprint ordered and received dedicated DS1 services for local interconnection.
4 Based on the terms of the Interconnection Agreement, Sprint was expecting to pay no
5 more than the \$79.80 NRC (per DS1), as agreed to by the parties. Section 27.1' of the
6 Parties' Interconnection Agreement states:

7 This Agreement, including all Parts and Attachments and
8 subordinate documents attached hereto or referenced herein, all
9 of which are hereby incorporated by reference herein, constitute
10 the entire matter thereof, and supersede all prior oral or written
11 agreements, representations, statements, negotiations,
12 understandings, proposals, and undertakings with respect to the
13 subject matter thereof.

14 ALEC is not entitled to create unilaterally additional terms or rates not contained
15 within the agreement and agreed to by the parties. Sprint has demonstrated that
16 ALEC's billing for both recurring and non-recurring charges is not consistent with the
17 contract terms, and as such, Sprint has rightly taken the position that it will not pay
18 ALEC's inflated and incorrect recurring and non-recurring charges for dedicated
19 transport.

20

21 **Q. ALEC witness McDaniel claims that Sprint has not followed the proper**
22 **procedures for disputing ALEC's invoices. How do you respond?**

23

24 A. Sprint has initiated significant communications (both oral and written) with ALEC on
25 each of the disputes outlined in my testimony. As I outlined in my direct testimony,

1 Sprint initiated written correspondence with ALEC as early as August 2001 disputing
2 both the rates and rate application for both recurring and non-recurring charges.
3 Subsequent discussions (via e-mails and phone calls) continued in September and
4 October 2001. In November 2001, ALEC associate Richard McDaniel visited
5 Sprint's offices in Kansas City to discuss the billing issues. Based on these
6 communications, Sprint believed the parties were on a practical path towards
7 resolution of the billing issues. However, ALEC's filing of a complaint with the
8 Florida Commission has derailed further attempts to resolve the billing disputes
9 between the parties.

10

11 **Q. Does this conclude your rebuttal testimony?**

12

13 A. Yes.