

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Joint Petition of US LEC of Florida )  
Inc., Time Warner Telecom of Florida, and )  
ITC^DeltaCom Communications )  
objecting to and requesting )  
suspension of proposed CCS7 ) Docket No: 020129-TP  
Access Arrangement Tariff filed by )  
BellSouth Telecommunications, Inc. ) Filed: August 27, 2002  
)  
)  
\_\_\_\_\_)

**ITC^DELTA COM COMMUNICATION, INC.'S RESPONSES TO  
STAFF'S FIRST SET OF INTERROGATORIES**

ITC^DeltaCom Communications, Inc. (ITC^DeltaCom) hereby submits its responses to those Interrogatories set forth in First Set of Interrogatories (Nos. 1-7) served by Commission Staff:

- 1(a) Does BellSouth access/query ITC^DeltaCom's SS7 network for traffic that is delivered to an ITC^DeltaCom end user from BellSouth's network?

**Response:**

Yes. BellSouth does initiate queries for ISUP messages on calls originated from BellSouth end users. Further, BellSouth initiates queries to ITC^DeltaCom on all carriers connected to BellSouth's access tandem for traffic that originates or is transferred from BellSouth's access tandem.

ITC^DeltaCom performed a traffic study in Florida, for June and July of 2002. This study was based on number of calls, not minutes. This study showed that 75.2% of June calls and 73.4% of July calls were originated in BellSouth's network. BellSouth does not initiate TCAP messages into the ITC^DeltaCom networks.

Response provided by: Steve Brownworth and Billy Adkinson

- 1(b) If the response to interrogatory (1) (a) is yes, does BellSouth compensate ITC^DeltaCom for SS7 messages provided to BellSouth?

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**Response:**

No. ITC^DeltaCom has billed the default surrogate usage rates pursuant to our local interconnection agreement with BellSouth after BellSouth began billing ITC^DeltaCom for SS7. BellSouth has not paid or disputed any amount.

Response provided by: Steve Brownworth and Billy Adkinson

1(c) If the response to 1 (b) is yes, how?

**Response:**

Pursuant to our local interconnection agreement. See attached pages from our local interconnection agreement.

Response provided by: Nanette Edwards

1(d) Does ITC^Deltacom have a tariff for access to its SS7 network?

**Response:**

Yes. We filed a tariff effective February 26, 2002, in reaction to Bellsouth's proposed tariff filing. We have a surrogate usage rate of \$400.00 per month per Link per LATA as well as a port charge and connection charge. However, we have not issued any billing under this tariff because (1) we only filed in reaction to BellSouth's tariff filing and (2) we fundamentally believe that a bill and keep mechanism for SS7 usage is more appropriate. Historically, we have not billed any usage rates for SS7 to anyone, although we permit other carriers to use our SS7 network.

Response provided by: Steve Brownworth, Billy Adkinson, and Nanette Edwards.

2(a) Does/did ITC^DeltaCom incur additional costs, above normal switching costs, to establish and maintain its SS7 network?

**Response:**

Yes.

2(b) If the response to interrogatory 1(a) is yes, please explain what these costs are:

**Response:**

We pay for the capital costs of the STPs themselves. We pay annual costs for the software upgrades and vendor maintenance of the STPs. We have dedicated head count and others that have SS7 responsibilities on less than a full-time basis.

We have the transport costs from our STPs to the BellSouth Gateways.

We have agreements with xxxxxxxxxxxxxxxxxxxxxx and we pay for the costs of the links and services associated with these agreements.

Response provided by: Steve Brownworth and Billy Adkinson

- 2(c) Has ITC^DeltaCom estimated what charge it would need to levy for the analogous functionality to that in BellSouth's tariff filing?

**Response:**

No. We do not have reliable estimate at this time. By "analogous" we assume that you are referring to billing SS7 on a per message basis for ISUP and TCAP messages and we would bill both terminating and originating messages just as BellSouth has proposed in its tariff. First, we fundamentally disagree that we should be billing both originating and terminating messages. We do not believe that is a sound or fair billing practice. Second, we are not currently capable of counting ISUP and TCAP messages; storing the recording/billing detail; and billing on a per message basis. Based on conversations with outside vendors, a rough estimate would be approximately \$xxxxxxxx to upgrade our STP infrastructure (regionwide) and another \$xxxxxxxx for hardware and software associated with modifying our billing systems and obtaining additional storage. We believe this is a conservative estimate of the cost.

Response provided by: Steve Brownworth and Billy Adkinson

- 2(d) If the response to interrogatory 2(c ) is yes, please identify what your estimated rate would be.

**Response:**

Not applicable; see Response to Interrogatory No. 2(c), above.

3. For each LATA in Florida, please identify how many Signal Transfer Points (STPs) and Service Control Points (SCPs) your company employs.

**Response:**

We have 2 STPs and 2 SCPs that are used for SS7 signalling for the state of Florida; all are physically located in either Anniston, Alabama or Atlanta, Georgia.

Response provided by: Steve Brownworth and Billy Adkinson



6. Will Bellsouth's tariff discourage ALECs from using third-party SS7 networks? If yes, please explain.

**Response:**

Yes, in our opinion, we believe that BellSouth's current proposed tariff structure discourages ALECs from using third-party SS7 networks.

BellSouth states in its tariff that it will bill the entity that has a direct connection to BellSouth's STPs; furthermore, BellSouth has admitted that if an entity such as Illuminet or SNET (well-known third party SS7 providers used by ICOs and ALECs) does not have an interconnection agreement with BellSouth, all traffic (including local traffic) will be rated at the higher tariffed rates. The tariffed rates are as follows:

ISUP	TCAP
\$0.000035	\$0.000123

The PSC ordered rates for SS7 messages for local traffic are as follows:

ISUP	TCAP
\$0.0000148	\$0.0000592

As shown above, there is a substantial difference in rates, especially considering the volume of messages which includes both originating and terminating messages on all calls (i.e. calls originated by BellSouth subscribers and calls originated by ALEC subscribers). Again, Bellsouth intends to bill for all ISUP and TCAP messages that cross the gateway regardless of who originated the call or the directionality of the message.

ALECs will have a fair amount of local traffic and will want to be billed at the PSC-ordered rates for local traffic. If that ALEC cannot afford its own SS7 network and relies or purchases from an entity such as Illuminet (which is not a carrier and does not have an interconnection agreement with BellSouth), that ALEC will end up paying Illuminet higher rates because Illuminet is being charged the higher tariffed rates for traffic that is actually local.

Given the difference in charges, it is only natural that the ALEC will, upon termination of its contract with the third party provider of SS7, purchase SS7 from BellSouth in order to obtain the PSC-ordered rates for its local traffic.

BellSouth's position is that a third party provider of SS7 such as Illuminet can always obtain a certificate for local service and obtain an interconnection agreement in order to receive the PSC-ordered rates. It should not be necessary for a third party provider of SS7 seek a certificate to provide local service when in fact, it will never sell local service.

Today neither SNET nor Illuminet have local certificates in Florida (or in any other Bellsouth state to the best of our knowledge).

BellSouth may argue that ITC^DeltaCom as both an ALEC and a third party provider of SS7 will be able to obtain the lower PSC-ordered rates for local traffic for its SS7 customers. However, we cannot bill our SS7 customers appropriately because BellSouth does not provide the necessary billing detail. In fact, as of January 2002, we have turned away potential customers for our SS7 network due to our concern that we will have to pay for the SS7 messages for ITC^DeltaCom's originated traffic as well as that of our SS7 customers.

In summary, we believe that the most well known third party SS7 providers such as Illuminet, TSI and SNET will not seek approval for local service and will not obtain an interconnection agreement, and thus it will be more attractive to purchase BellSouth SS7 services as opposed to a third party SS7 provider.

Response provided by: Steve Brownworth

- 7(a) Is ITC^DeltaCom aware of any relevant decisions by the FCC, the courts, and/or state Commission that addresses the appropriate form of compensation for non-local intrastate SS7 messages?

**Response:**

ITC^DeltaCom is unaware of any decisions by the FCC or state commissions that directly address the appropriate form of compensation for non-local intrastate SS7 messages.

The Company is aware that the FCC issued an order allowing Ameritech to restructure its interstate tariff to bill SS7 messages. However, the FCC's Ameritech decision required that the charges apply to access customers only (See paragraphs 2, 10, and 36); that access SS7 costs are embedded in access charges (See paragraph 10); that Ameritech has the requirement for full SS7 measurement (See Paragraph 13 and 20); that Ameritech must impute the SS7 costs to their own services (See Paragraph 17); and that the SS7 cost support is required as part of the filing (See Paragraph 40).

Historically in Florida, SS7 costs have been recovered in the local switching rate within the existing switched access rate structure. Adding a new separate billing element to BellSouth's existing switched access rate structure raises the question of whether BellSouth's proposed SS7 access rate element will constitute a violation of Section 364.163, Florida Statutes.

Finally, it is clear that there is not an effectively competitive market in Florida for switched access service that places any pressure on the ILECs to maintain or reduce switched access rates. In the absence of a competitive market for switched access service, the Commission must continue to act as a surrogate for competition as directed by

Section 364.01(4) until such time as switched access service is an effectively competitive service. This means that the Commission cannot, consistent with Chapter 364, allow BellSouth to create an additional switched access element to recover SS7 costs that will generate additional switched access revenues in violation of 364.163 and would frustrate the clear direction of the legislature that switched access revenues be reduced towards costs and at a level with interstate switched access.

Response provided by: Nanette Edwards

7(b) If the response to interrogatory 7 (a) is yes, please identify all such relevant documents.

**Response:**

1. Florida Statute referenced above
2. Tennessee Regulatory Authority Order in Docket No. 02-00024
3. FCC Ameritech Order

Response provided by: Nanette Edwards