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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REBUTTAL TESTIMONY OF

JAMES MICHAEL MAPLES

Q. Please state your name and address.

A. My name is James Michael Maples. My business address is 6450 Sprint Parkway, Overland Park, Kansas 66251.

Q. Are you the same James Maples that filed direct testimony in this docket on June 19, 2003?

A. Yes, I am.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to rebut AT&T's direct testimony presented in this case by David L. Talbott for issues 1, 2, 3, 4, 5, 6, 8, 9, 11, and 12.

Q. Have you included any exhibits with your testimony?

AUS _____
CAF _____
CMP _____
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CTR _____
ECR _____
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SEC _____
OTH _____

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1 A. Yes, I have included one exhibit with my testimony labeled J.M. Maples Exhibit No.
2 ___ (JMM-7).

3

4 **Q. Please describe the exhibit.**

5

6 A. Exhibit JMM-7 compares Verizon's VGRIP proposal with Sprint's interconnection
7 proposal related to Issue 1 and is used to demonstrate that Sprint's POI proposal
8 differs significantly from the Verizon VGRIP proposal cited to by AT&T. As I will
9 explain in my testimony regarding Issue 1, Sprint's contract language proposal does
10 not charge AT&T for transport of traffic subject to reciprocal compensation on
11 Sprint's side of the POI. AT&T's citations to the VGRIP decisions are misplaced and
12 confuse matters related to the specific contract language at issue in this arbitration.

13

14 **Rebuttal to AT&T's Summary Remarks**

15

16 **Q. AT&T's summary remarks characterize Sprint's position as asking the**
17 **Commission to apply a traditional telephone paradigm to determine how**
18 **emerging networks should be interconnected with Sprint's network (Talbot**
19 **Direct, page 5, lines 3-6). Do you agree?**

20

21 A. No, I do not. Sprint's position in this proceeding is grounded in the proper
22 interpretation of FCC and state decisions and rules and is not an attempt to force
23 AT&T to mirror Sprint's network architecture. Unlike arguments made by ILECs in
24 the past, Sprint recognizes that this Commission's Generic Reciprocal Compensation
25 Order, in Docket No. 000075-TP, does not require AT&T to establish a POI in each

1 local calling area, and that AT&T may select only a single POI on Sprint's network in
2 a LATA. In other words, Sprint's proposal does not force AT&T to replicate Sprint's
3 network. But, there is no way to discuss interconnection, or to interconnect for that
4 matter, without taking into consideration each party's existing network architecture.
5 As a practical and technical matter, the technically feasible points of interconnection
6 on Sprint's network are directly impacted by the network architecture that has been
7 deployed by Sprint.

8
9 **Q. AT&T claims that its network architecture is designed to take advantage of the**
10 **efficiencies of today's transport technology and, therefore, it has chosen to**
11 **deploy fewer switches and more transport on the end-user side of the switch**
12 **(Talbot Direct, page 8, lines 1-5). What impact should AT&T's choice of**
13 **network architecture have on the Commission's decision in this proceeding?**

14
15 **A.** AT&T claims that AT&T's switches are deployed so that it can take advantage of the
16 efficiencies of today's transport technology in order to provide service to end users.
17 Furthermore, AT&T contends that the incremental cost of transport technology is less
18 than the initial cost of deploying switches. AT&T's primary argument with the
19 network interconnection issues, such as issue 1, is that Sprint is trying to make AT&T
20 assume transport costs related to interconnecting the two parties' network. I question
21 why AT&T complains about Sprint's network interconnection proposal if AT&T can
22 take advantage of those same efficiencies in transport technology to provision
23 interconnection facilities?

24

1 **Q. AT&T claims that it has offered language that takes into account the fact that it**
2 **may not have a switch in each LATA. In those cases, AT&T agrees to establish**
3 **at least one physical point of presence within each LATA that will be treated as a**
4 **switch. Is this your understanding (Talbot Direct, page 8, lines 12-15)?**

5
6 **A. Sprint cannot locate where this language is included in AT&T's proposal. Sprint**
7 **agrees with that concept, and it is included in Sprint's proposed language at Part E,**
8 **section 4.1.3.2, which AT&T struck in the draft interconnection agreement attached to**
9 **its petition.**

10
11 **Q. In his comparison of AT&T and Sprint's network on page 9, lines 1-9, Mr.**
12 **Talbot notes that Sprint deploys tandem switches while AT&T deploys fewer**
13 **switches and longer transport. Based on AT&T's previous comments, it appears**
14 **that this use of tandems is part of the traditional telephony paradigm that AT&T**
15 **is urging the Commission not to consider. What benefits do Sprint's tandems**
16 **provide AT&T?**

17
18 **A. Sprint operates in seven different LATAs in the state of Florida. Sprint has tandems in**
19 **six of those LATAs, serving over 2,000,000 access lines. Sprint has three small**
20 **offices in the Jacksonville LATA subtending BellSouth's Jacksonville tandem. What**
21 **AT&T deems to be "traditional telephony paradigm" and "antiquated hierarchical**
22 **network architecture" is what allows Sprint to provide to AT&T the technically**
23 **feasible means of selecting a single POI per LATA at the Sprint tandem switch.**
24 **Interconnection by AT&T and Sprint at a Sprint tandem allows AT&T to receive**
25 **Sprint-originated traffic from every Sprint end office that subtends that tandem switch**

1 without establishing points of interconnection at each Sprint end office. This network
2 design also allows AT&T to deliver all AT&T-originated traffic to the point of
3 interconnection at the Sprint tandem for delivery to the end offices serving the
4 terminating end user.

5

6 **Q. AT&T claims that Sprint's proposal unlawfully shifts transport costs to AT&T**
7 **(Talbot Direct, page 9, lines 15-16). Is this an accurate characterization?**

8

9 **A.** No, it is not. Per Florida Commission precedent in the Generic Reciprocal
10 Compensation Order (pp. 25-26), Sprint has agreed to absorb the cost of transport on
11 its side of the POI for its originated traffic subject to reciprocal compensation. As
12 explained below in the testimony regarding issue 1, Sprint also agrees consistent with
13 FCC rules to compensate AT&T at cost-based rates for the interconnection facility
14 provided by AT&T for transport of Sprint-originated reciprocal compensation traffic
15 from the POI to AT&T's switch, on a proportionate use basis. There is absolutely no
16 legitimate basis for AT&T's claim that Sprint unlawfully proposes to shift transport
17 costs to AT&T.

18

19 **Issue 1: What are each Party's rights and obligations with respect to establishing a point**
20 **of interconnection (POI) to the other Party's network and delivery of its originating**
21 **traffic to such POI?**

22

23 **Q. One of AT&T's primary arguments against Sprint's position is that the rules do**
24 **not require that the POI selected by AT&T be used by both parties. Do the rules**
25 **justify this interpretation?**

1

2 A. No. AT&T claims that Sprint and AT&T have different interconnection obligations,
3 Sprint's under section 251(c)(2) of the Act and AT&T's under section 251(a)(1). As a
4 result, AT&T argues for the ability to establish different POIs based upon the party
5 originating the traffic. AT&T contends that it has the sole right to dictate not only
6 where its POI is on Sprint's network for the delivery of AT&T-originated traffic, but
7 also to mandate that Sprint is required to select a separate POI on AT&T's network
8 anywhere AT&T chooses for the delivery of Sprint-originated traffic. Sprint disagrees
9 with AT&T's interpretation of the interconnection responsibilities of carriers for two
10 primary reasons. First, Sprint disagrees that the interconnection requirements under
11 section 251(a)(1) apply here to allow AT&T to force Sprint to interconnect on
12 AT&T's network when delivering Sprint-originated traffic. Second, AT&T ignores
13 FCC and Florida PSC authority that the point of interconnection is for the mutual
14 exchange of traffic at the point of interconnection. The practical consequence of
15 AT&T's proposal as I stated in my Direct Testimony (Maples Direct, pp. 7-8) is that
16 Sprint is forced to provide transport to each end office serving AT&T's local
17 customers, thereby increasing Sprint's transport costs significantly.

18 Regarding the first issue, AT&T argues on pages 17 and 18 of Mr. Talbott's
19 Direct Testimony that AT&T is not bound by section 251(c)(2), but only section
20 251(a)(1) of the Act and that Sprint's assertion that the POI must be used for the
21 mutual exchange of traffic is somehow an attempt to bind AT&T to section 251(c)(2)
22 duties. While Sprint agrees that section 251(c)(2) delineates an ILEC's duties, Sprint
23 also believes that an ILEC's interconnection duties necessarily impact a CLEC's rights
24 to interconnect with the ILEC. AT&T, as a CLEC, has the right to select a POI on
25 Sprint's network at any technically feasible point. That right contains within it certain

1 limitations or boundaries established in the rules. First, the POI has to be on Sprint's
2 network. (See Maples Direct, p. 8 citing Generic Reciprocal Compensation Order, p.
3 26) Second, the selected POI has to be technically feasible, meaning that the actual
4 interconnection will work, will not affect network reliability, and will not cause Sprint
5 to give up control of its network. (See 47 C.F.R. §51.305) And finally, the POI is to be
6 used for the "mutual" exchange of traffic. (See Maples Direct, p. 8 citing Generic
7 Reciprocal Compensation Order, p. 25). Consequently, the ILEC's duties to
8 interconnect under section 251(c)(2) include the cooperation of CLECs like AT&T to
9 mutually exchange traffic at a point on Sprint's network. AT&T's rights under section
10 251(a)(1) to interconnect directly or indirectly with the facilities and equipment of
11 other carriers thus do not affect AT&T's responsibilities resulting from its
12 interconnection with Sprint under section 251(c)(2).

13 With respect to the second issue regarding the requirement of a mutual
14 exchange of traffic on the ILEC's network, there is abundant authority supporting
15 Sprint's position. In fact, Mr. Talbott cites numerous authorities describing the POI as
16 where parties **mutually** exchange traffic, yet still insists that AT&T can choose a POI
17 for Sprint-originated traffic that is different from the POI for AT&T-originated traffic.
18 (Talbot Direct, p. 18, lines 12-17) Examples of where the authorities cited by Mr.
19 Talbot mandate a **mutual** exchange of traffic at the POI include page 8, footnote 4 of
20 Mr. Talbot's Direct Testimony which states that the "POI means the point at which
21 the two networks are interconnected for the mutual exchange of traffic." Moreover,
22 the definition of interconnection provided by AT&T on page 11 of Mr. Talbot's direct
23 testimony correctly cites paragraphs 172 and 176 in the First Report and Order
24 regarding the point of interconnection, but conveniently leaves out the word "mutual".
25 The exact wording in paragraph 176 is, "We conclude that the term "interconnection"

1 under section 251(c)(2) of the Act refers only to the physical linking of two networks
2 for the **mutual** exchange of traffic” (emphasis added). The mutual exchange of traffic
3 is also consistent with the definition of interconnection in section 51.5 of the Code of
4 Federal Regulations.

5 Reference in these authorities to the “mutual” exchange of traffic is clear. The
6 word “mutual” is defined in the American Heritage Dictionary to mean “directed and
7 received in equal amounts, reciprocal.” Similarly, the word “exchange” is defined in
8 the American Heritage Dictionary to mean “to give something in return for something
9 received, trade.”

10

11 **Q. Mr. Talbott cites to several Florida PSC orders on page 31 of his Direct**
12 **Testimony as support for AT&T’s position in this arbitration. Do those citations**
13 **support AT&T’s position?**

14

15 **A.** No. AT&T uses the citation to the Generic Reciprocal Compensation Order and the
16 AT&T/BellSouth Arbitration Order to support its claim that each party has a financial
17 responsibility to bring their traffic to the POI. Sprint agrees and its proposed language
18 is consistent with this principle. As I have stated previously, Sprint will allow AT&T
19 to establish a POI at any technically feasible point on Sprint’s network for the mutual
20 exchange of traffic. Sprint does not dispute that position and its language reflects that
21 requirement. While not supporting AT&T’s two POI concept, the references to the
22 orders from the Commission included on pages 31 and 32 of Mr. Talbott’s Direct
23 Testimony do support Sprint’s position on this issue that the POI selected by AT&T
24 must be on Sprint’s network and be for the mutual exchange of traffic. Despite the
25 Commission’s clarity on this issue, Mr. Talbott claims on page 33 of his Direct

1 Testimony that there is no requirement under applicable law that the POI for AT&T's
2 originating traffic be the same as Sprint's POI for Sprint's originating traffic. Sprint
3 believes that authority from the FCC and this Commission proves Mr. Talbott wrong
4 and mandate that the parties mutually exchange traffic at a POI located on Sprint's
5 network.

6

7 **Q. Does the fact that AT&T and Sprint have agreed to use one-way trunks alter the**
8 **requirements of the FCC or state rules as AT&T asserts (Talbott Direct, page 11,**
9 **page 19, page 89, and pages 99-100)?**

10

11 **A.** No, it does not. As explained above, the POI selected by AT&T on Sprint's network is
12 to be used for the mutual exchange of traffic. That requirement does not specify or
13 mandate the technical arrangement by which that occurs. The mutual exchange of
14 traffic simply means that at the POI (where the networks are physically linked) Sprint-
15 originated traffic is handed off to AT&T (transferred from Sprint's network to
16 AT&T's network) and AT&T-originated traffic is handed off to Sprint (transferred
17 from AT&T's network to Sprint's network). This handing off of traffic between the
18 two networks can occur at a single point of interconnection even if the parties use one-
19 way trunks to get the traffic to that point of interconnection. Use of one-way trunking
20 by each interconnecting carrier does not require separate POIs as suggested by Mr.
21 Talbott. The trunks between the parties (whether one-way or two-way) are
22 provisioned over the same transport (interconnection facility), and it is compensation
23 for that single facility that is being disputed. In addition, sections 2.2.2 and 2.2.7 of
24 Part E of the contract (which are not being disputed) provide for the use of two-way
25 instead of one-way trunks. When these sections were negotiated, Sprint was told that

1 not every AT&T CLEC entity would be using one-way trunks but that two-way trunks
2 could be required.

3

4 **Q. Did Sprint agree to use one-way trunks so that it would have the ability to select**
5 **its own POI and manage its interconnection costs as AT&T implies (Talbot**
6 **Direct, page 19, lines 18-22)?**

7

8 **A.** No. The primary reason that Sprint agrees to use one-way trunks is that it simplifies
9 usage measurement and billing for reciprocal compensation.

10

11 **Q. On page 12, lines 9-12, of Mr. Talbot's Direct Testimony, AT&T defines the**
12 **interconnection facility as the transport between the originating customer and**
13 **the POI. Do you agree with this definition of interconnection facility?**

14

15 **A.** No. Where the POI is established on Sprint's network as shown in Exhibit JMM-1,
16 the interconnection facility is the dedicated transport between the POI located at
17 Sprint's tandem and AT&T's switch. AT&T's explanation on page 12 of Mr.
18 Talbot's Direct Testimony includes all transport from the end office serving the end
19 user to the POI. In cases where the POI is located at a Sprint tandem, this definition
20 would inappropriately incorporate shared or common transport from the end office to
21 the tandem with the interconnection facility. See Exhibit JMM-1. This mistaken
22 definition allows Mr. Talbot to apply the authority that the originating carrier bears
23 the cost of transporting its traffic to the POI to the interconnection facility. (See
24 Talbot Direct, p. 17, footnote 14 citing InterCarrier Compensation NPRM) As I have
25 stated, Sprint has no objection to bearing the financial responsibility for the transport

1 of its originated reciprocal compensation traffic to a POI on Sprint's network and then
2 paying a proportionate share of the dedicated transport interconnection facility
3 between the networks within the LATA. Sprint does, however, object to AT&T
4 mandating that Sprint establish a POI on AT&T's network and provision the
5 interconnection facility between Sprint's tandem and AT&T's switch. The FCC
6 discussed pricing for the interconnection facility in paragraph 1062 of the First Report
7 and Order and clearly refers to it as the dedicated facility connecting the two networks.
8 Furthermore, the order states that pricing for the facility should be consistent with the
9 prices adopted for the dedicated transport network element, which is at TELRIC.
10 AT&T refers to this paragraph 1062 on page 16, lines 9-26, of Mr. Talbott's Direct
11 Testimony in support of a carrier's obligation to pay for the transport of its own
12 traffic. Sprint agrees that this language in the First Report and Order is the support for
13 47 C.F.R. §51.709(b), which describes a carrier's obligation to pay its proportionate
14 share of the dedicated interconnection facility provided by another carrier. This is
15 exactly what Sprint's contract language in Part E section 4.1.3 addresses and what
16 AT&T has omitted from its proposal. The Commission should not be confused by
17 AT&T's misleading definition of the interconnection facility as being on the
18 originating carrier's side of the POI.

19
20 **Q. AT&T states that Sprint's proposal gives Sprint the unilateral right to specify**
21 **points of interconnection for its traffic (Talbott Direct, page 15, lines 8-13). Does**
22 **Sprint's POI position provide Sprint with the unilateral right to specify points of**
23 **interconnection for its traffic?**

24

1 A. No. Sprint agrees that AT&T has the right to select a POI at any technically feasible
2 point on Sprint's network. That right is not in dispute in this proceeding. Sprint
3 recognizes that the Commission thoroughly addressed this issue in the Generic
4 Reciprocal Compensation Order. AT&T is simply ignoring that this decision provides
5 that the POI AT&T selects is for the mutual exchange of traffic, which means that
6 both parties' traffic is exchanged at that point. Mr. Talbott's Direct Testimony simply
7 is inconsistent with the Generic Reciprocal Compensation Order and FCC rules and
8 orders.

9
10 **Q. Is Sprint's POI proposal an attempt to escape its financial obligation of paying**
11 **for the transport of Sprint-originated traffic as Mr. Talbott hypothesizes on page**
12 **20, lines 3-5, of his Direct Testimony?**

13
14 A. No, it is not. Sprint's proposed language at Part E, section 4.1.3 describes the method
15 by which Sprint would compensate AT&T for the transport in question and is entirely
16 consistent with 47 C.F.R. §51.709(b). Sprint will compensate AT&T for Sprint's
17 proportionate share, based on usage of the interconnection facility, at either Sprint's
18 TELRIC-based rate or at AT&T's rate established in accordance with 47 C.F.R.
19 §51.711(b). Sprint's compensation proposal correctly reflects the symmetrical
20 reciprocal compensation provisions delineated in 47 C.F.R. §51.711. The heart of the
21 matter is the discussion included in Mr. Talbott's Direct Testimony on pages 24 and
22 25. Essentially, AT&T states that there may be situations where its cost of
23 provisioning transport to the POI is greater than Sprint's TELRIC-based dedicated
24 transport rate at which it would be compensated. AT&T's argument appears to be
25 with the symmetrical compensation requirements of the FCC rules. This

1 dissatisfaction with the law is the thrust behind AT&T's POI proposal. That proposal
2 moves dedicated transport from the AT&T side of the POI to the Sprint side of the
3 POI, removing it from reciprocal compensation and the symmetrical compensation
4 provisions. In essence, AT&T is attempting to circumvent the reciprocal
5 compensation provisions of the Act and FCC rules.

6

7 **Q. AT&T claims that Sprint's proposal constitutes a price squeeze since there may**
8 **be cases where AT&T chooses to purchase special access to provision the**
9 **interconnection facility and the symmetrical rates under reciprocal compensation**
10 **are less than the special access rates. Is AT&T's price squeeze claim valid?**

11

12 **A.** No. Sprint's pricing proposal is in compliance with existing law and rules and does
13 not constitute a price squeeze, since it is in AT&T's sole discretion how to provision
14 its network on its side of the POI, and AT&T has several options available as set forth
15 in section 3.1 of Part E of the agreement. FCC rules clearly state that the rates for
16 transport and termination, of which the interconnection facility is a part, are
17 determined using TELRIC methodology. In paragraph 1085 of the First Report and
18 Order, the FCC concluded that, "it is reasonable to adopt the incumbent LEC's
19 transport and termination prices as a presumptive proxy for other telecommunications
20 carrier's additional costs of transport and termination." If AT&T does not want to use
21 Sprint's TELRIC-based rates it can develop its own cost-based rates in accordance
22 with 47 C.F.R. §51.711(b). In addition, special access is only one of the means that
23 AT&T may select for interconnection with Sprint (see Agreement, Part E, section 3.1),
24 it is at AT&T's option, and not mandated by Sprint.

25

1 **Q. On pages 22 and 23 of its testimony, AT&T states that its collocation spaces are**
2 **designed for the purpose of accessing network elements and not the mutual**
3 **exchange of traffic and that it would incur cost if it had to accept Sprint traffic at**
4 **that point. Does Sprint's position require AT&T to use its collocation space as**
5 **the POI?**

6
7 **A. No. AT&T has the choice of selecting the POI at any technically feasible point on**
8 **Sprint's network for the mutual exchange of traffic, as well as the method of transport**
9 **on its side of the POI, so that the use of its collocation space is not mandated. AT&T**
10 **could utilize its collocation for UNE access and establish a separate meet point facility**
11 **for traffic exchange. However, if AT&T elects to use the collocation space for the**
12 **purpose of traffic exchange, it is entirely appropriate for Sprint to deliver its traffic to**
13 **that point. In fact, the FCC recognized that the points of interconnection for traffic**
14 **exchange and access to network elements could be the same (First Report and Order**
15 **¶212, 47 C.F.R. §51.305(a)(vi)).**

16
17 **Q. Is it appropriate for AT&T to incur cost to terminate Sprint traffic?**

18
19 **A. Yes. Each carrier is responsible for the network on its side of the POI. When AT&T**
20 **secures facilities whether via collocation, unbundled network elements, self-**
21 **provisioning, or third parties, those facilities become its network. AT&T is essentially**
22 **saying that it is willing to use its network for loop facilities and terminating its traffic,**
23 **but it is not willing to use its network to terminate Sprint-originated traffic. That**
24 **position is contrary to the requirements of the Act and FCC rules relating to**
25 **interconnection and the transport and termination of traffic. The charges for reciprocal**

1 compensation, which AT&T bills Sprint for these facilities, enable each carrier to
2 recover its cost of providing transport and termination. Sprint's TELRIC cost studies,
3 which are the basis for the reciprocal compensation rates, take into account overheads
4 such as land, buildings, and power and therefore provide recovery for collocation
5 costs. Also, it is important to note that while AT&T's testimony mentions
6 collocations in end offices, implying that it would incur costs at each collocation for
7 traffic exchange, AT&T is not required to establish POIs at every Sprint end office,
8 but only at one point in the LATA. If an AT&T collocation were involved for traffic
9 exchange it is likely that it would only be one per LATA.

10

11

12 **Q. Mr. Talbott, on page 27 of his direct, cites to a Texas arbitration decision and**
13 **subsequent federal court decision as support for AT&T's two POI proposal.**
14 **Does the federal court decision impact the issues here?**

15

16 **A.** No. I am not an attorney, but my reading of *SWBT v. Texas PUC and AT&T*, 2002
17 U.S. Dist. Lexis 26002, No. MO-01-CA-045 (December 26, 2002) (which I assume is
18 the decision referred to in Mr. Talbott's testimony) is that it stands for the proposition
19 that an ILEC may not charge a CLEC for delivering local traffic to the point of
20 interconnection selected by the CLEC if the POI is outside of the local calling area of
21 the originating caller. Sprint's contract language for voice traffic is in full compliance
22 with that decision.

23

24 **Q. Is the Indiana case cited by AT&T on pages 28, footnote 23 of Mr Talbott's**
25 **Direct Testimony pertinent to this proceeding?**

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A. No. The Florida Public Service Commission thoroughly considered all of the relevant rules regarding POI selection in its Generic Reciprocal Compensation Order. AT&T's points present no new evidence, only that another state commission came to a different conclusion, not in a generic proceeding designed to consider all issues, but in an arbitration between two specific parties based on the specific evidence and respective proposals in that case.

Q. Do you agree with AT&T that Sprint's POI proposal is similar to Verizon's "Virtually Geographically Relevant Interconnection Points" or "VGRIP" proposal in the Virginia Arbitration Order? (Talbot Direct, page 29)

A. No. Sprint's proposed contract language here does not incorporate the notion of AT&T paying for transport on Sprint's side of the POI for traffic subject to reciprocal compensation, which is what VGRIP does. In Verizon's VGRIP proposal, the physical POI is where the networks meet and the IP is "the point of demarcation of financial responsibility for the further transport of traffic delivered to its network". (Virginia Arbitration Order, ¶37) This Commission rejected that concept in the Generic Reciprocal Compensation Order. Maples Exhibit JMM-7 contrasts Verizon's VGRIP proposal for a single-tandem LATA and Sprint's POI proposal in this proceeding and clearly shows the differences. The Wireline Competition Bureau selected AT&T's POI proposal over Verizon's in the Virginia Arbitration Order because the "petitioners' language more closely conforms to the Commission's current rules governing points of interconnection and reciprocal compensation than do Verizon's proposals." (Virginia Arbitration Order, ¶51) The FCC's Wireline

1 Competition Bureau was not considering Sprint's POI proposal in that proceeding, and
2 therefore has not rendered an opinion on its level of conformity with existing law.

3
4
5 Once again, AT&T presents a ruling regarding a CLEC's right to choose a POI on the
6 ILEC's network for the mutual exchange of traffic to support the very different
7 proposition that Sprint must select a POI on AT&T's network to terminate Sprint-
8 originated traffic. The quote from the Virginia Arbitration Order included in AT&T's
9 testimony on pages 29-30 supports the fact that an ILEC cannot bill a CLEC for
10 transport on the ILEC side of the POI for ILEC-originated traffic.

11
12 "Under the Commission's rules, competitive LECs may request
13 interconnection at any technically feasible point. This includes the right to
14 request a single point of interconnection in a LATA. The Commission's rules
15 implementing the reciprocal compensation provisions in Section 252(d)(2)(A)
16 prevent any LEC from assessing charges on another telecommunications
17 carrier for telecommunications traffic subject to reciprocal compensation that
18 originates on the LEC's network. Furthermore, under these rules, to the extent
19 an incumbent LEC delivers to the point of interconnection its own originating
20 traffic that is subject to reciprocal compensation, the incumbent LEC is
21 required to bear financial responsibility for that traffic."

22
23 Sprint's POI and interconnection facility proposal is consistent with that principle. It
24 is important to note that AT&T's reference to the above quote included in Mr.
25 Talbott's testimony omitted the first occurrence of the phrase "subject to reciprocal

1 compensation”, which further defines what traffic it applies to. This distinction is
2 important because the POI established by AT&T will be used to exchange different
3 types of traffic and some of the associated compensation mechanisms allow the
4 originating carrier to charge for it. Exchange access traffic is an example.

5
6 While not stated directly in its testimony, it may be that AT&T is including Sprint’s
7 position regarding issue 9 in its discussion of issue 1. In issue 9, Sprint is requesting
8 that AT&T pay for the transport for ISP-bound traffic outside the local calling area;
9 however, that is not relevant with respect to this issue since ISP-bound traffic is not
10 subject to reciprocal compensation. Therefore, the rules regarding charging for
11 originating transport are not applicable to ISP-bound traffic.

12
13 **Q. AT&T states on page 30, lines 19-21 of Mr. Talbott’s Direct Testimony that the**
14 **FCC ordered Verizon to establish a separate POI at AT&T’s switch location in**
15 **the Virginia arbitration case. Does the decision rendered in the Virginia**
16 **arbitration case on the specific issue referenced (Issues I-2/VII-5) support**
17 **AT&T’s claim that the Florida Commission should order Sprint to do the same**
18 **in this proceeding?**

19
20 **A. No.** The issue being debated in the Virginia Arbitration Order was with respect to
21 distance-sensitive rates and transport of Verizon traffic from the IP to the POI
22 (VGRIP). (Virginia Arbitration Order, pages 30-31) Sprint has not proposed VGRIP
23 (separate POI and IP) and is not attempting to get AT&T to pay for the transport of
24 Sprint-originated reciprocal compensation traffic on Sprint’s side of the POI. Sprint
25 has not made any rate proposal in this proceeding similar to Verizon’s and the rates

1 are not in dispute. In the Virginia Arbitration proceeding, Verizon complained that it
2 should not be forced to use transport provided by CLECs to deliver Verizon-originated
3 traffic (Virginia Arbitration, ¶70). The ILEC complained that it did not have
4 reciprocal rights with respect to collocation (Virginia Arbitration Order, ¶68) and that
5 the CLEC choice of the IP impacted the cost of delivering Verizon-originated traffic
6 (Virginia Arbitration Order, ¶ 69). It, therefore, proposed VGRIP to address these
7 perceived inequities. Sprint has not raised any of those issues in this proceeding, but
8 has based its position solely on its interpretation of state and federal rules and
9 decisions. Sprint is seeking to use AT&T's transport for the interconnection facility,
10 not the opposite. It is not demanding collocation rights or refusing to allow AT&T to
11 select a single POI per LATA at any technically feasible point on Sprint's network.
12 Sprint has not taken the position that the alternative methods of interconnection
13 included in Part E, section 3.2 of the contract (See Maples Direct, pp9-10) are
14 mandated by law or that the inclusion of the language somehow constitutes an
15 agreement with the AT&T position. The Virginia Arbitration Order does recognize
16 that an ILEC can choose to interconnect on the CLEC's network if such an
17 arrangement is "more convenient" for the ILEC (See Virginia Arbitration Order, ¶ 71)
18 and that carriers may agree to different points of interconnection, but the Wireline
19 Competition Bureau's ruling *does not require* that the ILEC be forced into such an
20 interconnection arrangement.

21
22 **Issue 2: May AT&T require the establishment of a Mid-Span Fiber Meet arrangement**
23 **or is the establishment of a Mid-Span Fiber Meet arrangement conditional on the**
24 **amount of traffic from one network to the other being roughly balanced?**

1 **Q. Do you agree with AT&T’s testimony (Talbot Direct, page 34, lines 12-15) that**
2 **in a meet point arrangement the POI for AT&T-originated traffic is at Sprint’s**
3 **terminating facilities and that the POI for Sprint-originated traffic is at AT&T’s**
4 **terminating facilities?**

5

6 **A. No. The testimony incorporates AT&T’s position that there must be two POIs, one**
7 **for Sprint-originated traffic and one for AT&T-originated traffic. AT&T’s**
8 **characterization of there being two POIs in a meet point interconnection is rebutted by**
9 **paragraph 553 of the First Report and Order where the FCC stated that, “In a meet**
10 **point arrangement, the “point” of interconnection for purposes of sections 251(c)(2)**
11 **and 251(c)(3) remains on “the local exchange carrier’s network (e.g., main distribution**
12 **frame, trunk-side of the switch), and the limited build-out of facilities from that point**
13 **may then constitute an accommodation of interconnection.” Therefore, the POI in a**
14 **meet point arrangement is located at the Sprint switch that serves as one end of the**
15 **facility.**

16

17 **Q. Does Sprint’s proposal restrict AT&T’s ability to select a Mid-Span Fiber Meet**
18 **arrangement as a means of interconnection and thus avoid establishing a Mid-**
19 **span Fiber Meet as Mr. Talbot contends in his Direct Testimony (pages 35 and**
20 **39)?**

21

22 **A. No. Sprint’s proposal addresses the recovery of the cost for construction of facilities**
23 **necessary for a Mid-Span Fiber Meet. AT&T’s proposal requires that the parties share**
24 **the cost of the Mid-Span Fiber Meet equally (50:50). Sprint’s proposal limits that**

1 sharing mechanism to situations where the traffic exchanged by the parties is roughly
2 balanced.

3

4 **Q. Do you agree with AT&T's characterization that Sprint's bill and keep analogy is**
5 **misplaced and constitutes an "apples to oranges" comparison? (Talbot Direct,**
6 **page 36, lines 12-14)**

7

8 **A.** My direct testimony makes it clear that the roughly balanced language is intended to
9 address only the cost recovery for the meet point facility, not the obligation to
10 construct the facility for interconnection purposes. Sprint does not believe that it has
11 an unrestricted obligation to install facilities solely at AT&T's discretion without any
12 consideration of cost recovery. The relationship between the phrase regarding the
13 ILEC and the CLEC being co-carriers in a meet point interconnection and that each
14 "gains value" is found in paragraph 553 of the First Report and Order. Sprint's
15 application of cost recovery is consistent with the FCC's use of the concept. The FCC
16 used the relationship between gaining value and cost recovery to support its finding
17 that carriers should share costs in a meet point arrangement for purposes of section
18 251(c)(2) relating to interconnection but not section 251(c)(3) relating to access to
19 UNEs.

20

21 AT&T appears to be making the point on page 36, lines 6-9, of Mr. Talbot's Direct
22 Testimony that an ILEC's obligation to interconnect is separate from compensation
23 arrangements for traffic exchange. Sprint agrees that the FCC has stated that
24 interconnection under section 251(c)(2) is only the physical linking of two networks
25 for the mutual exchange of traffic and separate from transport and termination of that

1 traffic, however, the two concepts are directly related and discussion of the cost of
2 interconnection with respect to an ILEC's obligations is appropriate. The FCC
3 included cost recovery in its discussion of interconnection in the First Report and
4 Order and justified the requirement that an ILEC must modify its facilities to provide
5 interconnection based on the ILEC's ability to recover the cost of doing so. The FCC
6 discussed the ILEC's ability to recover the costs of interconnection in several
7 discussions through the First Report and Order, including the following citations:

8
9 We further conclude that the obligations imposed by sections 251(c)(2) and
10 251(c)(3) include modifications to incumbent LEC facilities to the extent
11 necessary to accommodate interconnection or access to network elements.
12 (¶198)

13
14 Of course, a requesting carrier that wishes a "technically feasible" but
15 expensive interconnection would, pursuant to section 252(d)(1), be required to
16 bear the cost of that interconnection, including a reasonable profit. (¶199)

17
18 ...[T]o the extent incumbent LECs incur costs to provide interconnection or
19 access under sections 251(c)(2) or 251(c)(3), incumbent LECs may recover
20 such costs from requesting carriers. (¶200)

21
22 Again, however, the requesting party would bear the cost of any necessary
23 expansion. (¶201)

24

1 Moreover, because competing carriers must usually compensate incumbent
2 LECs for the additional costs incurred by providing interconnection,
3 competitors have an incentive to make economically efficient decisions about
4 where to interconnect. (§209)

5
6 Moreover, since requesting carriers will bear the cost of other methods of
7 interconnection or access, this approach will not impose an undue burden on
8 the incumbent LECs. (§552)

9
10 While many ILECs have used these citations from the First Report and Order to argue
11 for compensation for transport outside the local calling area on their side of the POI;
12 that argument has been rejected by this Commission and is not Sprint's intent here.
13 Sprint's purpose is to support its position that its interconnection obligations should
14 not be established in a vacuum without any consideration of the cost of doing so. The
15 compensation in question is clearly for recovering the cost of installing facilities that
16 constitute an accommodation of interconnection.

17
18 The compensation mechanism proposed by AT&T for a meet point facility, provides
19 that the parties will share the cost equally (50:50) and that neither party will bill the
20 other for their portion of the facility. (Agreement, Part E, section 3.1.6.9) This is a bill
21 and keep scenario.

22
23 Section 252(d)(2) of the Act states that the charges for transport and termination of
24 traffic between carriers must allow each carrier to recover its costs associated with the
25 transport and termination of section 251(b)(5) traffic, but that arrangements such as

1 bill and keep that waive the mutual recovery of costs could be appropriate. The FCC
2 interpreted this to mean that a bill and keep arrangement cannot be imposed unless the
3 traffic is balanced (47 C.F.R. §51.713(b)). Sprint's position is that when the traffic
4 over a meet point facility is not roughly balanced and the connecting carrier is
5 proposing bill and keep for that meet point interconnection facility, including the
6 construction of that facility, then Sprint is denied the opportunity to recover its cost of
7 transporting and terminating AT&T-originated traffic.

8
9 **Q. Do you agree with AT&T's opinion that Sprint's complaint about compensation**
10 **for ISP-Bound traffic is a moot issue since the ISP Remand Order allows ILECs**
11 **to avoid paying reciprocal compensation for such traffic? (Talbot Direct, page**
12 **38, lines 14-22)**

13
14 **A.** No. The issue with respect to ISP-Bound traffic and meet point interconnection is not
15 reciprocal compensation, but the costs that Sprint would incur constructing meet point
16 facilities, which is an accommodation of interconnection, solely for the transport of
17 ISP-bound traffic. Since the FCC has determined that ISP-bound traffic is not traffic
18 subject to compensation under section 251(b)(5), Sprint does not believe that it has an
19 obligation to bear the cost of constructing meet point facilities to be used solely for
20 ISP-bound traffic.

21
22 **Q. AT&T states that the decision rendered by the FCC Wireline Competition**
23 **Bureau in the Virginia Arbitration Order is relevant to Issue 2. Do you agree?**
24 **(Talbot Direct, page 39-40)**

25

1 **A.** No. The balance of traffic issue was not before the FCC Wireline Competition Bureau
2 in the Virginia Arbitration and not ruled on. There, Verizon submitted language that
3 required mutual agreement for the selection of the POI and did not provide any
4 process for resolving implementation disagreements. AT&T's language established "a
5 mechanism for resolving disagreements in event the parties cannot agree on material
6 terms relating to the implementation of the mid-span meet". (Virginia Arbitration
7 Order, ¶130) AT&T's proposed language in this proceeding (Part E, section 3.1.6)
8 does not include such provisions.

9
10 Sprint has not objected to AT&T's right to select the method of interconnection, but
11 AT&T must exercise that right recognizing that Sprint does not have an unrestricted
12 obligation to construct facilities for a meet point arrangement. Issue 2 in this
13 arbitration was not addressed in the Virginia Arbitration Order, but the FCC
14 acknowledged that Verizon's concerns regarding cost allocation of a meet point
15 facility were valid (Virginia Arbitration Order, ¶133), and modified AT&T's proposal
16 to ensure that AT&T bore an appropriate share of the costs. Even accepting that the
17 decision in the Virginia Arbitration Order is applicable here, AT&T's proposal in this
18 proceeding (Part E, §3.1.6.9) does not reflect the modifications ordered by the FCC in
19 the Virginia Order.

20
21 **Issue 3: When establishing a Mid-Span Fiber Meet arrangement, should AT&T and**
22 **Sprint equally share the reasonably incurred construction costs?**

23
24 **Q.** **Is Sprint's position regarding its obligation to construct a mid-span fiber meet**
25 **(50% or to the exchange boundary) based on the rural exemption included in**

1 **section 251(f) of the Act as AT&T alleges in Mr. Talbott's Direct Testimony on**
2 **page 43, lines 5 & 6?**

3
4 A. No, it is not. Sprint is not attempting to exercise the rural exemption nor is it
5 necessary to do so. AT&T claims that Sprint has no legal basis for its position
6 limiting Sprint's build out obligation, ignoring paragraph 553 of the First Report and
7 Order in which the FCC expressly provides that an ILEC's responsibility regarding its
8 obligation for accommodating interconnection is limited. AT&T also ignores the
9 statement in that same paragraph regarding the issue of distance. It is apparent that the
10 FCC expected that the distance an ILEC has to build out to accommodate
11 interconnection would be an issue to be resolved in arbitration proceedings such as
12 this one. Sprint's proposal for what constitutes a reasonable accommodation is based
13 on common sense and industry practice, while AT&T unreasonably proposes no
14 restrictions and no limits on distance or Sprint's build out obligation. Sprint's
15 proposal is a reasonable manner to allocate the costs of meet point interconnection
16 from which both carriers gain value. It is also consistent with the goal of the Act to
17 open the local exchange market to competitive entry. When a carrier seeks to compete
18 in an ILEC's local calling area on a facilities basis, it makes sense that it would
19 provision facilities within that local calling area in order to provide service. Mr.
20 Talbott essentially admits that in his testimony on page 7 regarding AT&T's usage of
21 today's transport technology to provision facilities between the end user and the
22 AT&T switch. That same logic should apply to interconnection facilities, which are
23 used for competitive entry in the ILEC local market. The ILEC local market ends at
24 the ILEC's exchange boundary and it is reasonable to select that point to limit the
25 ILEC's build-out obligation.

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Q. Is the ruling in the Virginia Arbitration Order, relied on by AT&T to support its position, applicable to Issue 3?

A. No. The specific issue before this Commission was not addressed in the Virginia arbitration proceeding. There, Verizon argued that the selection of meet point should be subject to mutual agreement without providing a process for resolving implementation disagreements between the parties. AT&T's language was selected because its proposed mechanism for resolving disagreements "envisioned joint planning and mutual agreement" (Virginia Arbitration Order, ¶131). Verizon also disputed the timeline for activating mid-span interconnection meet-points proposed by AT&T, but its open-ended process was rejected (Virginia Arbitration Order, ¶132). Verizon objected to the exclusion of embedded costs and the costs of maintenance expense from AT&T's cost sharing proposal and the FCC modified AT&T's language accordingly (Virginia Arbitration Order, ¶133). The first two issues considered in the Virginia Arbitration Order are not in dispute in this proceeding and, while the third issue does address cost sharing, the order does not support that an ILEC has an unrestricted obligation to build meet-point facilities. In fact, the decision rejected Worldcom's proposal that required Verizon to bear the cost of constructing interconnection facilities all the way to a Worldcom central office designated by Worldcom (Virginia Arbitration Order, ¶134).

Issue 4: Should certain traffic types be excluded from interconnection via a Mid-Span Fiber Meet arrangement?

1 **Q. Does Sprint agree with AT&T that mid-span fiber meets are a technically**
2 **feasible means of interconnection (Talbot Direct, page 46)?**

3

4 **A. Yes.**

5

6 **Q. Does Sprint agree with AT&T's assertion on page 49, lines 3 & 4, of Mr.**
7 **Talbot's Direct Testimony, that a mid-span fiber meet can be used for the**
8 **mutual exchange of both telephone exchange service traffic and exchange access**
9 **traffic?**

10

11 **A. Yes.**

12

13 **Q. Do you agree that the establishment of a mid-span meet precludes either party**
14 **from billing the other for some traffic types (Talbot Direct, page 48, lines 8-19)?**

15

16 **A. No.** An agreement to interconnect via a mid-span meet establishes each party's
17 obligation to construct the facility, but does not, by definition, mandate a bill and keep
18 compensation mechanism for the exchange of all traffic. Mid-span meets are used to
19 carry various traffic types to which different compensation mechanisms apply and, in
20 some cases, the connecting parties bill each other for use of those facilities. In other
21 words, all mid-span meets are not bill and keep for all types of traffic. Toll traffic
22 transported over the facility is usually subject to access charges that are billed to
23 Interexchange Carriers and, in some arrangements, the two parties may bill each other
24 access. AT&T's proposed language in Part E, section 3.1.6.11 adopts that principle.
25 It states that "Charges incurred for other services including dedicated transport

1 facilities to the POI if appropriate will apply. Charges for Switched Access and
2 Special Access Services shall be billed to the appropriate carrier ..." (See Talbott
3 Direct, pp. 47-48).

4
5 **Q. Do you agree that the language in Part E, section 3.1.6.8 regarding the allocation**
6 **of facilities channels prohibits charging for facilities (Talbott Direct, page 46,**
7 **line)?**

8
9 **A.** No. The language does not address sharing of costs, but only how the channels will be
10 assigned. In addition, the allocation of one half to Sprint and one half to AT&T is
11 only for the initial set-up based on an assumption that the traffic will be balanced.

12 Over time, that initial allocation will change based on the actual balance of traffic.

13
14 **Q. AT&T points out that the language proposed by both parties in Part E, section**
15 **3.1.6.9 states that neither party will bill the other for use of the facilities in**
16 **question (Talbott Direct, page 45, line). Does Sprint's language at Part E, section**
17 **3.1.6.11 contradict this?**

18
19 **A.** The intent of Sprint's disputed language in Part E, §3.1.6.11 is to clarify Part E,
20 §3.1.6.9 and to state clearly that a bill and keep compensation regime does not apply
21 to a meet-point facility for transit traffic or toll traffic. If Sprint's language at
22 §3.1.6.11 is inappropriate, the same can be said about AT&T's version. It states that
23 access charges will be billed to the appropriate carrier per the access tariff. It is
24 feasible for AT&T to order access services over this facility and be billed by Sprint for
25 it, based on the terms and condition in Sprint's access tariff.

1

2 **Q. Do you agree with AT&T that Sprint's position is similar to the position some**
3 **ILEC's have asserted regarding charges for transport for ILEC originated traffic**
4 **(Talbot Direct, page 45, lines 5-11)?**

5

6 **A.** No. Under Sprint's proposal, Sprint would bill AT&T transit charges for AT&T-
7 originated traffic, not Sprint-originated traffic. For traffic in the reverse direction
8 Sprint would bill the originating party for transit. AT&T is free to bill that party for
9 terminating its traffic over the meet-point facility at the appropriate rate.

10

11 **Q. Does the FCC rule listing meet-point interconnection arrangements (47 C.F.R.**
12 **51.321(b)(2)) mandate a bill and keep arrangement as AT&T implies on page 50,**
13 **lines 2-4, of Mr. Talbot's Direct Testimony?**

14

15 **A.** No it does not. In fact, it does not address compensation at all. AT&T maintains that
16 Sprint's position is in violation of this rule because Sprint refuses to agree to a bill and
17 keep compensation mechanism for some traffic types. The fact that charges may or
18 may not apply to some traffic exchanged over a meet point facility does not constitute
19 a prohibition upon the type of traffic that AT&T may want to transport over the Mid-
20 Span Fiber Meet arrangement. Contrary to AT&T's assertion, Sprint's proposed
21 language does not prohibit the types of traffic that may be carried over a meet-point
22 interconnection arrangement.

23

24 **Issue 5: How should AT&T and Sprint define Local Calling Area for purposes of their**
25 **interconnection agreement?**

1

2 **Q. On page 53, line 4, of his Direct Testimony Mr. Talbott cites testimony by a**
3 **BellSouth witness in the Generic Reciprocal Compensation proceeding to support**
4 **AT&T's claim that Sprint should have no operational or technical difficulties in**
5 **implementing use of the originating carrier's local calling area to determine**
6 **intercarrier compensation. Is BellSouth's testimony relevant to Sprint's ability**
7 **to implement the Commission's default?**

8

9 **A.** No. BellSouth's implementation of the originating carrier's local calling scope within
10 the context of its processes for exchanging traffic with and billing for the exchange of
11 traffic with CLECs has no bearing on Sprint's processes and systems and the
12 operational and technical issues that will need to be addressed for Sprint to implement
13 the Commission's ordered default.

14

15 **Q. Do you agree with Mr. Talbott's statement on page 56, lines 18 & 19, of his Direct**
16 **Testimony that the Commission conducted a thorough review and analysis of the**
17 **operational and technical issues involved in implementing the originating**
18 **carrier's local calling area in the generic proceeding?**

19

20 **A.** No. The evidence in the record of the Generic Reciprocal Compensation proceeding
21 concerning operational issues was scanty at best. Many issues that Sprint has raised in
22 my Direct Testimony in this arbitration were not raised or considered in that docket.
23 In fact, in its Order on Reconsideration of the Generic Reciprocal Compensation
24 Order, the Commission recognized this deficiency and indicated that it expected the

1 parties to address such issues in negotiations and arbitrations of interconnection
2 agreements. (Order No. PSC-03-0059-FOF-TP, p.15)

3

4 **Q. Has the Commission addressed the implementation of the originating carrier's**
5 **local calling scope subsequent to the issuance of the Generic Reciprocal**
6 **Compensation Order?**

7

8 **A.** Yes. In an arbitration between Global NAPs and Verizon, the Commission addressed
9 the implementation of the default and delineated the minimum information that a
10 CLEC would need to provide to the default local calling area. That information
11 includes the following:

- 12 a. The number of different calling plans AT&T offers customers.
- 13 b. The geographic scope of each of the calling plans AT&T offers customers.
- 14 c. The geographic location of AT&T customers that may originate traffic to Sprint.
- 15 d. The AT&T calling area plan selected by each customer.
- 16 e. AT&T's proposed format of, and process for providing, the foregoing information
- 17 to Sprint.
- 18 f. AT&T's proposed format for updating the foregoing information (including the
- 19 process for updating the information (including the process for providing such
- 20 updates and the proposed frequency of updates).
- 21 g. AT&T's proposal for verification of the foregoing information.
- 22 h. AT&T's proposal for identifying what traffic is subject to reciprocal compensation
- 23 versus access charges and AT&T's proposal for verification.

24

25 **Q. Has AT&T provided this information to Sprint?**

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A. Sprint has requested this information from AT&T in a discovery request. AT&T's response is due on July 21st.

Q. Does Sprint believe that AT&T and Sprint can work out all of the operational issues involved in implementing the originating carrier's local calling scope?

A. No. As stated in my direct testimony, on page 29, certain aspects of implementing the originating carrier's local calling scope for intercarrier compensation purposes will affect third parties. Sprint believes that, before the default is implemented, the industry needs to work together to address these intercarrier issues.

Issue 6: How should AT&T and Sprint define Local Traffic for purposes of their interconnection agreement?

Q. Do you agree with AT&T that the distinction between "Local Traffic" and "Non-Local Traffic" is meaningless in today's environment (Talbot Direct, page 61, lines 15 & 16)?

A. No. Local traffic is a specific class of traffic that is generally understood as traffic that originates and terminates within a local calling area. The change in the FCC definition regarding what telecommunications traffic is subject to reciprocal compensation did not eliminate this concept. Use of AT&T's definition introduces confusion as parties have to interpret the contract using a definition of local traffic that differs from the common understanding of the term.

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Q. Why did the FCC remove the term “local” from the definition of traffic subject to reciprocal compensation?

A. In the First Report and Order, the FCC attempted to describe all traffic subject to reciprocal compensation as “local” traffic, but later determined that such an approach was not appropriate. In the ISP Remand Order, the FCC stated, “We also refrain from generically describing traffic as “local” traffic because the term “local,” not being a statutorily defined category, is particularly susceptible to varying meanings and, significantly, is not a term used in section 251(b)(5) or section 251(g).” (ISP Remand, ¶34). Contrary to Mr. Talbott’s assertion on page 62, line 1 of his Direct Testimony, AT&T’s proposed language does not incorporate the FCC’s order, rather it is essentially doing what the FCC rejected because it continues to focus on the term “local.”

Q. Do you agree that Sprint’s position on Issue 5 is inconsistent with its position on this issue, as Mr Talbott asserts in his Direct Testimony on page 63?

A. No. While the issues are interrelated, Sprint’s definition of local traffic does not mandate the applicable local calling area, but will utilize the definition of local calling area determined by the Commission in this arbitration. For example, using the Commission’s default definition of local calling area, AT&T-originated traffic that remains within the LATA would be local traffic (assuming AT&T defines the LATA as their local calling area) and Sprint-originated traffic that remains within Sprint’s local calling areas would be local traffic.

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Q. Do you agree that AT&T's language provides a practical advantage (Talbot Direct, pp. 63-64)?

No. AT&T asserts that it wants to utilize a single term to refer to all traffic subject to reciprocal compensation, including CMRS. (For some reason 8YY traffic is included in AT&T's definition, but 8YY traffic is subject to access charges and not reciprocal compensation and should not be included.) Sprint objects to AT&T's use of the term "local" to describe traffic subject to reciprocal compensation since it was rejected by the FCC and is generally understood to be something other than how AT&T defines it. AT&T's use of the term inserts doubt and misunderstanding. Contrary to Mr Talbot's assertion on page 63 lines 19-20, of his Direct Testimony, AT&T's language does not track the ISP Remand Order "precisely". Rather, it directly contradicts this Order by using the term local to describe the traffic that is subject to reciprocal compensation.

Issue 8: Should ISP-Bound Traffic be limited to calls to an information service provider or internet service provider which are dialed by using a local call dialing pattern?

Q. Do you agree with AT&T that the Florida Commission does not have jurisdiction to interpret conflicting contract language related to ISP-Bound traffic presented in an arbitration (Talbot Direct, page 72)?

A. No. The FCC's Wireline Competition Bureau addressed a similar issue relating to ISP-bound traffic in the Virginia Arbitration Order, several months after the DC

1 Circuit case referred to by AT&T. It did so while exercising its authority under
2 section 252(e)(5), not section 201. It makes sense that the Florida Public Service
3 Commission can exercise its authority under section 252 of the Act to resolve the
4 same issue here. Sprint is asking the Commission to interpret the ISP Remand Order
5 in this arbitration for purposes of resolving disputed contract language between the
6 parties, which it has the authority to do.

7

8 **Q. You said that a similar issue was considered in the Virginia Arbitration Order.**
9 **What was the context?**

10

11 **A.** The parties debated their respective positions regarding the 3:1 calculations, which
12 determine what traffic is to be considered ISP-bound. They fully discussed the
13 treatment of toll traffic with respect to the 3:1 calculations.

14

15 **Q. What position did AT&T take in that proceeding?**

16

17 **A.** According to the Virginia Arbitration order in ¶264:

18

19 “AT&T describes the 3:1 calculation in terms of separating “local traffic” from ISP-
20 bound traffic. Specifically, AT&T defines “local traffic” as traffic that stays within a
21 local calling area as determined by the NPA-NXX codes of the calling and called
22 parties; it does not consider any toll traffic qualifying for access payments to be
23 subject to the 3:1 calculation. AT&T contends that it defines “ISP-bound traffic” in
24 the same manner as the *ISP Inter-carrier Compensation Order* uses the term.”

25

1 Thus, AT&T's position here that ISP-Bound traffic includes toll traffic and other non
2 local call dialing pattern traffic is at odds with its position in the Virginia Arbitration
3 Order proceeding.

4 .

5

6 **Q. Did any of the parties in the Virginia proceeding take the position that toll traffic**
7 **should be treated as ISP-bound traffic?**

8

9 **A.** Not according to the Virginia Arbitration Order. Paragraph 266 states that, "The
10 petitioners have all asserted that exchange access traffic types, including traffic that
11 has traditionally been rated as "toll," would not be included in the 3:1 calculation."

12

13 **Q. But, AT&T appears to be taking a different position in this proceeding. Is the**
14 **Virginia order still pertinent?**

15

16 .

17 **A.** Paragraph 261 of the Virginia Arbitration Order, states, "We address below Verizon's
18 argument that exchange access (e.g., toll traffic) should not be subject to reciprocal
19 compensation under the Commission's rules." Verizon appears to have raised the
20 same issue that Sprint is raising in this arbitration. None of the parties to the Virginia
21 proceeding appears to have taken AT&T's current position that toll dialed ISP-bound
22 traffic should be exempt from access charges. However, the Virginia Arbitration
23 Order accepted the parties' position to exclude ISP-bound, toll-dialed traffic from the
24 3:1 calculation, thus implicitly accepting that such traffic is not covered by the
25 intercarrier compensation scheme adopted in the ISP Remand Order.

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Issue 9: (a) Should AT&T be required to compensate Sprint for the transport of ISP-Bound Traffic between Sprint's originating local calling area and a POI outside Sprint's local calling area?

Q. Do you agree that Issue 9 and Issue 1 are essentially the same issue (Talbot Direct, page 80, lines 4 & 5)?

A. No. AT&T consistently mischaracterizes Sprint's position on the point of interconnection in Issue 1 as seeking to charge AT&T for transport for Sprint-originated, non-ISP-bound traffic on Sprint's side of the POI. AT&T's position arises from its belief that Sprint is obligated to place a POI for Sprint-originated traffic at AT&T's switch rather than using the AT&T-selected POI on Sprint's network for the mutual exchange of traffic. AT&T admits on page 24 of its testimony that Sprint's proposed language provides compensation for AT&T for the disputed transport, but AT&T argues that Sprint's plan is unfair because it applies the rates imposed in 47 C.F.R. §51.711 under reciprocal compensation. Sprint's proposal for ISP-bound traffic in Issue 9 does require compensation from AT&T for transport for Sprint-originated, ISP-bound traffic. Sprint's position is that the reciprocal compensation rules do not prohibit Sprint from charging carriers for originating transport for all types of traffic exchanged at the POI, just traffic subject to such rules. ISP-bound traffic is not subject to the reciprocal compensation rules.

Q. AT&T claims that ISP-bound traffic is now subject to the reciprocal compensation rules since the FCC based the exclusion on the exemption included

1 **in section 251(g) of the Act and the DC Court of Appeals remanded the FCC**
2 **decision in the ISP Remand Order. (Talbot Direct, page 82, lines 6-9) Do you**
3 **agree?**

4

5 **A.** No. It is true that the DC Court of Appeals found that the FCC's reliance on the
6 section 251(g) exemption to justify carving out ISP-bound traffic from section
7 251(b)(5) was not appropriate. However, the court did not find that "the interim
8 pricing limits imposed by the Commission are inadequately reasoned" and that "there
9 is plainly a non-trivial likelihood that the Commission has authority to elect such a
10 system (perhaps under §§251(b)(5) and 252(d)(B)(i))." *Worldcom, Inc. v. FCC*, 288
11 F.3d 429, 434 (D.C. Cir. 2002) *cert. denied* (May 5, 2003) Therefore, the court did not
12 "vacate the compensation regime that the order established, nor did it reverse the
13 Commission's conclusion that ISP-bound traffic is not subject to section 251(b)(5)."
14 (Virginia Arbitration Order, ¶245) Consequently, AT&T is wrong in relying upon
15 *Worldcom v. FCC* for the proposition that ISP-Bound traffic is subject to section
16 251(b)(5) and thereby the requirements of Rule 47 C.F.R. 51.703(b). The rules
17 established by the FCC defining what traffic is subject to reciprocal compensation
18 remain in effect. In fact, the rules do not refer generically to traffic covered by the
19 section 251(g) exemption, but list the exempted traffic types specifically.

20

21 Telecommunications traffic. For purposes of this subpart, telecommunications
22 traffic means: Telecommunications traffic exchanged between a LEC and a
23 telecommunications carrier other than a CMRS provider, except for
24 telecommunications traffic that is interstate or intrastate exchange access,

1 information access, or exchange services for such access. (47 CFR §51.701(b)
2 and §51.701(b)(1))

3
4 These rules clearly exclude ISP-bound traffic (information access) from
5 telecommunications traffic subject to reciprocal compensation and, therefore, 47
6 C.F.R. §51.703(b) is not applicable to ISP-bound traffic.

7

8 **Issue 9(b) Do the compensation obligations change when a virtual NXX is used?**

9

10 **Q. Is it Sprint position that all ISP-bound traffic is virtual NXX traffic as Mr.**
11 **Talbott states on page 85, lines 12-15 of his Direct Testimony?**

12

13 **A.** No, it is not. Sprint intended the language in dispute to address only ISP-bound
14 traffic that was originated via a local dialing pattern and terminated to a POI outside of
15 Sprint's local calling area. Sprint is using the location of the POI, in this instance, as a
16 surrogate for the end users location. By definition, this is virtual NXX traffic.

17

18 **Q. Does Sprint agree with AT&T that ISP-Bound virtual NXX traffic is**
19 **telecommunications traffic subject to the reciprocal compensation rules since it is**
20 **not explicitly included in the section 251(g) carve out provision of the Act**
21 **(Talbott Direct Testimony, page 87, line 1 and line 19)?**

22

23 **A.** No. Sprint does not believe that virtual NXX traffic is a new class of service, which
24 is essentially the point that AT&T is making on page 87, lines 19-22, of Mr. Talbott's
25 Direct Testimony. ISP-bound virtual NXX traffic remains ISP-bound traffic, not

1 something else. As pointed out on page 38 of my direct testimony, the Florida Public
2 Service Commission has determined that virtual NXX voice traffic is a toll substitute
3 and that compensation should be determined based on the end points of the call. In
4 other words, reciprocal compensation applies to a virtual NXX voice call where the
5 end points are within a local calling area and access charges apply to a virtual NXX
6 call where the end points are not within the same local calling area. This ruling clearly
7 does not treat virtual NXX voice traffic as a new class of service.

8

9 **Q. Does Sprint believe that the Commission's decision to allow access charges to**
10 **apply to voice virtual NXX traffic supports a finding that access charges should**
11 **apply to ISP-bound traffic routed via a virtual NXX?**

12

13 **A.** Some ILEC's do take the position that access charges apply, although Sprint has not
14 taken that position here. The Commission's decision in the Generic Reciprocal
15 Compensation Order clearly addresses non-ISP-bound traffic only. The FCC
16 established a compensation structure for ISP-bound traffic in the ISP Remand Order,
17 that is separate from access charges. However, as pointed out in my direct testimony,
18 the FCC did not address compensation for originating transport.

19

20 **Q. Then what compensation is Sprint proposing for ISP-bound virtual NXX traffic?**

21

22 **A.** The rates included in Mr. Talbott's Direct Testimony on page 83 accurately depict the
23 rate levels adopted by the FCC in the ISP Remand Order for compensating the
24 terminating party for handling the call, and are not being contested in this proceeding.
25 The transport in question in Issue 9A is not covered by these rates, since it is on the

1 originating party's side of the POI and is billed by the originating party. Sprint is,
2 therefore, proposing additional compensation for this transport.

3

4 **Q. Did the FCC establish a compensation mechanism for the transport in question?**

5

6 **A.** No, it did not. AT&T implies that the FCC addressed the transport in question by
7 applying 47 C.F.R. § 51.703(b), which prohibits a carrier from assessing charges to
8 another carrier for originating reciprocal compensation traffic. However, as pointed
9 out in my direct testimony, the FCC acknowledged in paragraph 102 of the ISP
10 Remand Order that it had not dealt with the issue. If the FCC itself acknowledged that
11 it had not addressed the issue, it is inappropriate to apply the rule (47 C.F.R.
12 §51.703(b)), especially since ISP-bound traffic is not subject to reciprocal
13 compensation.

14

15 **Q. Do you agree that since the DC Court of Appeals found that ISP-bound traffic is**
16 **not subject to the §251(g) carve out provision in the Act, that the reciprocal**
17 **compensation rules apply to ISP-bound traffic?**

18

19 **A.** No. The court did not vacate the existing rules, which specifically exclude ISP-bound
20 traffic from telecommunications traffic subject to the reciprocal compensation rules.
21 Moreover, the FCC Wireline Competition Bureau stated, "the court did not, however,
22 vacate the compensation regime that the order established, nor did it reverse the
23 Commission's conclusion that ISP-bound traffic is not subject to section 251(b)(5)."
24 (Virginia Arbitration Order, ¶245)

25

1 **Q. Does Sprint believe that the Commission needs to initiate a generic industry-wide**
2 **proceeding to resolve this issue (Talbot Direct, page 86, lines 1 & 2)?**

3
4 **A.** A generic proceeding is not necessary or appropriate to resolve the issue in this
5 arbitration. In fact, Sprint believes that a generic proceeding would open up issues
6 that are not in dispute between the parties here. For instance, Sprint is not challenging
7 the establishment of a virtual NXX by AT&T, nor is Sprint seeking to apply access
8 charges, though these are some of the issues being debated around the country in
9 various generic virtual NXX proceedings. Some of the outcomes of those
10 proceedings, such as a recent ruling in Iowa, prohibit the use of a virtual NXX for any
11 traffic type, including ISP-bound traffic. Sprint does not support that position, but if
12 that were ruled in a generic proceeding in Florida, it would effectively resolve the
13 issue as there would be no virtual NXX ISP-bound traffic.

14
15 **Q. Does Sprint believe that the Commission has authority to address this issue?**

16
17 **A.** Sprint believes that the Commission has the authority to interpret and implement the
18 ISP Remand Order as between the parties in an arbitration to resolve disputed issues in
19 an interconnection agreement. As such, the Commission has the authority to adopt
20 Sprint's position that pursuant to the ISP Remand Order, the reciprocal compensation
21 rules do not apply to ISP-bound traffic and, thus, Sprint cannot be required to absorb
22 the costs of transporting ISP-bound traffic to a POI outside its local calling area.

23
24 **Issue 11: When should each Party be required to establish a direct interconnection for:**

25 **a) Indirect Traffic?**

1 **(b) Transit Traffic?**

2

3 **Q. AT&T maintains that it can fulfill its obligations to interconnect with Sprint**
4 **under section 251(a) of the Act by using an indirect interconnection. Is Sprint's**
5 **obligation to interconnect indirectly governed by the same section of the Act?**
6 **(Talbot Direct, page 93, lines 13-17)**

7

8 **A. Yes, it is. Sprint's obligation to interconnect under section 251(c)(2) is for the**
9 **establishment of a direct connection. There is no requirement within section 251(c)(2)**
10 **for the establishment of indirect interconnection. Sprint's obligation to interconnect**
11 **indirectly is under section 251(a)(1). Sprint believes that all carriers, including ILECs,**
12 **have an obligation to interconnect indirectly, and have therefore, agreed to include the**
13 **terms and conditions for such arrangements within the interconnection agreement.**

14

15 **Q. AT&T maintains that as the ALEC it has the right to select the method of**
16 **interconnecting with Sprint. Do you agree? (Talbot Direct, page 93, lines 14-17)**

17

18 **A. AT&T has the right of selecting the point of interconnection under section 251(c)(2)**
19 **of the Act for the establishment of a direct connection, but section 251(a)(1) does not**
20 **give AT&T the unilateral right to mandate all the terms and conditions for indirect**
21 **interconnection with the terminating party. The direct connections established with**
22 **tandem providers facilitate the establishment of indirect interconnection arrangements.**

23

24 **Q. In Mr. Talbot's Direct Testimony, pages 94-96, he quotes from paragraphs 198,**
25 **203 and 549 of the First Report and Order regarding the technical feasibility of**

1 **interconnection arrangements, essentially claiming that Sprint has an obligation**
2 **to provide indirect interconnection arrangements since such arrangements are**
3 **technically feasible and that AT&T has the right as the requesting carrier to**
4 **demand such interconnection. Do you agree with this interpretation?**

5
6 A. No. The citations selected by AT&T from the First Report and Order are not
7 applicable to indirect interconnection arrangements. All of the quotes refer to the
8 establishment of section 251(c)(2) interconnection arrangements and the
9 corresponding ILEC duties and CLEC rights. The FCC's discussion of indirect
10 interconnection arrangement begins in paragraph 985 of the First Report and Order. I
11 have been unable to find where the FCC extended the ILEC obligations under section
12 251(c)(2) to a section 251(a)(1) interconnection arrangement. AT&T is essentially
13 claiming the same rights that it has under section 251(c)(2) with respect to a section
14 251(a)(1) interconnection arrangement without any support in the applicable law or
15 rules. Sprint does not have an obligation under section 251(c)(2)(B) of the Act to
16 provide indirect interconnection. The FCC itself called the 251(c)(2)(B)
17 interconnection a direct connection in paragraph 997 of the First Report and Order.
18 The technical feasibility of indirect interconnection arrangements is not in dispute, but
19 the terms and conditions are. If AT&T wants to interconnect indirectly with Sprint
20 under section 251(a)(1), Sprint believes that it has the same rights as AT&T to
21 establish the terms and conditions for that interconnection. This position is consistent
22 with the acknowledgement in the Virginia Arbitration Order that TELRIC pricing
23 principles do not apply to service provided under section 251(a)(1) of the Act.
24 (Virginia Arbitration Order, ¶117)

1 **Q. AT&T claims that there are a number of Sprint end offices subtending another**
2 **carrier's tandem. (Talbot Direct, page 93, lines 8-10) How many Sprint end**
3 **offices in Florida subtend another carrier's tandem?**

4
5 **A. Sprint has three small offices subtending the BellSouth Jacksonville tandem; Starke,**
6 **Kingsley Lake, and Lawtey, which account for fewer than 10,000 access lines.**

7
8 **Q. AT&T states that Sprint advertises the option of routing traffic to these offices**
9 **via the BellSouth tandem based on its inputs in the Local Exchange Routing**
10 **Guide and that allowing some carriers, such as IXCs, to use the capability**
11 **without limitation while denying this capability to others is discriminatory.**
12 **(Talbot Direct, page 96, lines 22-27)**

13
14 **A. Sprint is not denying AT&T the ability to interconnect indirectly with Sprint. Sprint is**
15 **merely seeking to place practical limitations on the amount of traffic that can be**
16 **exchanged using this mechanism. AT&T's argument implies that IXCs never**
17 **establish direct end office trunks in such arrangements and that is not true. Sprint**
18 **works with IXCs to establish direct end office connections when it is the tandem**
19 **provider and expects the tandem provider in an indirect interconnection arrangement**
20 **to do the same. AT&T has agreed to a process for establishing direct end office trunks**
21 **in Part E, section 6.1.4, of the agreement, which effectively imposes a limitation on**
22 **AT&T's use of Sprint's tandem switch. It seems reasonable that there some be some**
23 **similar limitation in this situation.**

24

1 **Q. Is Sprint's selection of a DS1 as the volume of traffic where direct trunks are**
2 **required arbitrary? (Talbot Direct, page 97, line 15)**

3

4 **A.** No. As, I pointed out in my direct testimony, several regulatory bodies, have accepted
5 a DS1 volume of traffic as the threshold at which direct trunks are established. In
6 addition, Sprint's engineers use the DS1 volume as criteria for determining when to
7 establish direct trunks and, in fact, do establish direct end office trunks when traffic
8 volumes reach a DS1 level.

9

10 **Q. Do Sprint's engineers have criteria other than the DS1 volume of traffic?**

11

12 **A.** Sprint's engineers also compare the cost of tandem switching versus direct trunks. As
13 I pointed out in my direct testimony, a DS1 volume appears reasonable from the cost
14 standpoint when comparing the cost of tandem switching to dedicated transport.

15

16 **Q. Would Sprint's proposal require AT&T to install direct trunks when the volume**
17 **of traffic does not justify it (Talbot Direct, pages 99-100)?**

18

19 **A.** No, it would not. AT&T's math on page 100 assumes that the traffic is out of balance
20 and Sprint is originating three times more traffic than AT&T, which may or may not
21 be the case. In addition, AT&T's argument assumes that the DS1 transport would
22 only be used for AT&T traffic, ignoring that it could be used for both parties' traffic.
23 Sprint's proposal is consistent with its position that the POI established by AT&T
24 under section 251(c)(2) is to be used for the mutual exchange of traffic.

25

1 **Q. Does Sprint's proposal require AT&T to pay a portion of Sprint's direct**
2 **trunking cost and is Sprint giving AT&T a one-two punch? (Talbot Direct, page**
3 **101, lines 20-23)**

4
5 **A.** No. As I've pointed out, Sprint will compensate AT&T for Sprint's proportionate
6 share of the direct trunk transport provided by AT&T to terminate Sprint traffic, for
7 traffic subject to reciprocal compensation. Moreover, AT&T is doing the punching
8 with its interconnection proposal rather than Sprint. As I explained in my testimony
9 related to issue 1, AT&T's two POI concept forces Sprint to deliver traffic to establish
10 direct connections to potentially distant points on AT&T's network for potentially
11 minimal amounts of traffic. There is no DS-1 threshold in AT&T's proposed
12 language. Consequently, AT&T is attempting to offload interconnection costs onto
13 Sprint. The fair and balanced approach to this issue regarding indirect interconnection
14 is for the parties to agree to an amount of traffic that warrants a direct connection.
15 Sprint submits that the DS-1 threshold strikes that balance.

16
17 **Q. Contrary to AT&T's assertion, is Sprint's citation to the Virginia Arbitration**
18 **Order relevant to this issue? (Talbot Direct , page 102, line 7)**

19
20 **A.** Yes. It is true that the paragraphs in the Virginia Arbitration Order referenced in
21 Sprint's response to AT&T's petition (¶¶115-121) deal with transit traffic; however,
22 the point Sprint is making is the decision determined a DS1 threshold to be reasonable
23 for transit traffic. The Virginia Arbitration Order states:

24

1 We adopt Verizon's proposal to AT&T, with the following modifications. For
2 traffic above the DS-1 threshold, AT&T has not demonstrated that the
3 additional charges Verizon may apply to this transit traffic are impermissible.
4 Given the absence of Commission rules specifically governing transit service
5 rates, we decline to find that Verizon's additional charges are unreasonable.
6 We also find that Verizon's proposed 60-day transition period is reasonable,
7 providing AT&T adequate time to arrange to remove its transit traffic from
8 Verizon's tandem switch once the traffic meets the DS-1 threshold. We
9 determine, however, that Verizon's language allowing it to terminate tandem
10 transit service after this transition period at its "sole discretion" is not
11 reasonable. ¶115

12
13 If a DS1 threshold is reasonable for transit traffic, then it is reasonable to apply to the
14 DS1 threshold to indirect traffic, as well. It makes sense to apply the same DS1
15 threshold to indirect traffic between Sprint and AT&T since indirect traffic is transit
16 traffic to the tandem provider. As Mr. Talbott stated on page 90, line 19 of his Direct
17 Testimony, "[f]unctionally, indirect traffic and transit traffic are identical."

18
19 **Q. Does Sprint agree that the language in ¶88 of the Virginia Arbitration Order**
20 **applies to indirect traffic? (Talbott Direct, pages 102-103)**

21
22 **A.** No. The language does address the establishment of direct end office trunks, and the
23 Order did reject the DS1 hard trigger, but Sprint has interpreted this ruling not to apply
24 to an indirect interconnection scenario. We believe that it addresses the situation
25 where the ILEC is requiring the CLEC to move its POI from the ILEC's tandem to

1 one of the ILEC's end offices. In other words, both the tandem and the end office are
2 owned by the same ILEC and a third party carrier is not involved as it is here in the
3 indirect interconnection scenario. If it is interpreted to apply to indirect
4 interconnection, then this decision by the Wireline Competition Bureau would
5 contradict the position it took on transit traffic addressed above. Furthermore, the
6 issue of when AT&T should establish direct trunks to a Sprint end office, where they
7 are interconnected at a Sprint tandem, is not being arbitrated. Sprint has accepted
8 AT&T's language at Part E, §6.1.4.2 that establishes the DS1 threshold in such
9 situations.

10
11 **Q. AT&T asks the following two questions in its testimony regarding Sprint's**
12 **position on transit traffic.**

13 **1. would the traffic threshold be measured to "each" third party end office or**
14 **among "all" end offices owned by the third party? and**

15 **2. would the traffic threshold be based "only on AT&T's originating traffic" or be**
16 **based on the "total" traffic volume exchange between AT&T and the third**
17 **party?**

18
19 **What is Sprint's response? (Talbot DT, page 104, lines 8-13)**

20
21 **A.** Sprint's position regarding these two questions is consistent with its position on
22 indirect traffic. In a transit arrangement, AT&T will have a direct connection at a
23 Sprint tandem and trunks will be established between AT&T and Sprint for carrying
24 transit traffic. Each third party should have the same arrangement with Sprint. When
25 the total traffic between AT&T and the third party reaches a DS1 threshold the two

1 parties would be obligated under the terms of the contract to establish a direct
2 connection with each other. The two parties would be free to negotiate the terms of
3 such direct connection with each other and Sprint would facilitate the transition. One
4 possibility would be for one of the parties to order dedicated transport between the two
5 switches and the other party compensates it based on their use of the facility.

6

7 **Q. AT&T argues that Sprint has an obligation under the law to provide transit**
8 **services. Does Sprint agree? (Talbot Direct, beginning on pg 104)**

9

10 **A.** Sprint has not refused to provide transit services to AT&T and has agreed to provide it
11 at TELRIC-based rates. Sprint has argued in other proceedings that an ILEC has an
12 obligation to provide transit services, however, the issue in this arbitration is not
13 whether Sprint is legally obligated to provide transit service, but whether there should
14 be some limitations on its doing so.

15

16 **Q. But, if Sprint is obligated under the law to provide transit service to AT&T, is it**
17 **appropriate to limit the interconnection based on the volume of traffic?**

18

19 **A.** AT&T takes the position that Sprint is obligated to provide transit under the law, and
20 that a restriction based on the volume of traffic is inappropriate, since it is not
21 specifically mentioned in the law (Talbot Direct, page 105). AT&T, therefore, argues
22 for no restriction. Sprint disagrees. AT&T's position effectively gives AT&T control
23 over Sprint's network by giving AT&T the unilateral right to refuse to establish direct
24 trunks, affecting Sprint's ability to manage its tandem switches. If Sprint has an
25 obligation to provide transit service as AT&T claims, it is limited on the basis of

1 technical feasibility (47 C.F.R. §51.305(a)(2)). In its discussion of technical
2 feasibility in the First Report and Order, the FCC stated that, “Each carrier must be
3 able to retain responsibility for the management, control, and performance of its own
4 network.” (§ 203) Therefore, Sprint does not agree that providing a tandem
5 interconnection without restriction is technically feasible. AT&T agreed to a process
6 for determining when it should establish direct end office trunking in situations where
7 Sprint provided both the tandem switching and end office termination (see Part E,
8 section 6.1.4 through 6.1.4.2). Sprint is simply seeking to employ the same concept
9 when Sprint provides the tandem switching but that the end office termination is
10 provided by a third party. In fact, Sprint recently offered to modify its proposed
11 language at Part E, section 13.2.3, to match the process outlined in section 6.1.4, but it
12 was rejected. Sprint’s proposal makes sense since the objective is to establish
13 processes for unloading Sprint’s tandem and Sprint’s tandem is employed in both
14 scenarios.

15
16 **Q. On page 107, lines 22-25, of Mr. Talbott’s Direct Testimony AT&T characterizes**
17 **a CLEC interconnection with a Sprint tandem as an indirect interconnection. Is**
18 **this an accurate characterization?**

19
20 **A.** No. Perhaps AT&T refers to the interconnection as indirect since it wants to use it to
21 indirectly interconnect with other CLECs, but the connection between AT&T and
22 Sprint is a direct connection via a POI established by AT&T on Sprint’s network.
23 AT&T’s very argument claiming that Sprint has an obligation to provide transit
24 service is based on Sprint’s obligation under section 251(c)(2) of the Act which
25 contemplates a direct connection. AT&T quotes from paragraph 997 of the First

1 Report and Order, but ignores the sentences that read “For example, section 251(c)
2 specifically imposes obligations upon incumbent LECs to interconnect, upon request,
3 at all technically feasible points. This *direct connection*, however, is not required
4 under section 251(a) of all telecommunications carriers (emphasis added).” As shown
5 in Exhibit JMM-6 attached to my direct testimony, the direct connection between
6 Sprint’s tandem and AT&T’s switch provides AT&T the ability to indirectly
7 interconnect with other carriers also directly connected to Sprint’s tandem.
8

9 **Q. Do you agree with AT&T’s assessment that the FCC Wireline Competition**
10 **Bureau declined to make a ruling on this issue in the Virginia Arbitration Order?**
11 **(Talbot Direct, page 109, lines 16 & 17)**

12
13 **A.** The FCC Wireline Competition Bureau did decline to rule that section 251(c)(2) of the
14 Act obligated Verizon to provide transit services at TELRIC rates. AT&T
15 conveniently ignores the fact that the Virginia Arbitration Order agreed with Verizon
16 that it could charge non-TELRIC based rates for transit service for volumes of traffic
17 over a DS1 threshold and approved a process by which AT&T would arrange to
18 remove its transit traffic from Verizon’s tandem switch. The Virginia Arbitration
19 Order rejected “AT&T’s proposal because it would require Verizon to provide transit
20 service at TELRIC rates without limitation (§117).” That is effectively the only point
21 really being debated here, that is, is it appropriate to put limits on an ILEC’s provision
22 of transit service? The Virginia Arbitration Order apparently agrees with Sprint that it
23 is appropriate to set limits for transit service.
24

1 **Q. AT&T claims that there are serious practical implications to implementing**
2 **“Sprint’s refusal to transit traffic”. Are these claims valid? (Talbot Direct, page**
3 **110, lines 9-11)**

4
5 **A. AT&T claims that ILEC indirect interconnection facilitates bill and keep**
6 interconnection arrangements with other carrier’s subtending Sprint’s tandem and that
7 Sprint’s position would require them to establish interconnection arrangements with
8 other carriers. AT&T claims that the interconnection agreements would have to cover
9 a broad range of issues, the agreements would be costly to negotiate, and that AT&T
10 has no right to compel the other parties to arbitrate. AT&T’s solution is to place the
11 burden on Sprint. As a long distance carrier and wireless carrier Sprint, appreciates
12 the issues that AT&T raises. Sprint understands the importance of ILEC tandems, and
13 it is for this reason that Sprint has agreed to provide transit service at TELRIC-based
14 rates. Sprint appreciates the work load that negotiating contracts can create, but does
15 not agree that the agreements negotiated between CLECs, especially for bill and keep
16 arrangements, need be as long or as complex as ILEC-CLEC interconnection
17 agreements. Sprint’s primary issues have not been with CLECs subtending ILEC
18 tandems, but with other ILEC’s that refuse to negotiate or to interconnect indirectly.
19 Again, that is not an issue in this proceeding. Section 251(c)(1) of the Act states that
20 all carriers have a duty to negotiate in good faith regarding the duties contained in
21 sections 251(b)(1) through 251(b)(5), which includes the duty to establish reciprocal
22 compensation arrangements. It is clear that Congress expected carriers to do exactly
23 what AT&T is bemoaning and that AT&T is essentially arguing that they do not want
24 to fulfill this duty.

25

1 **Q. AT&T argues that this issue would be better addressed in a generic proceeding if**
2 **the Commission is concerned about tandem exhaust (Talbot Direct, page 112).**
3 **Do you agree?**

4
5 **A. No. AT&T argues that if the Commission disagrees with AT&T's position and is**
6 concerned about tandem exhaust, the Commission should prolong a decision by
7 deferring the issue to a generic proceeding. However, the FCC Wireline Competition
8 Bureau, in the Virginia Arbitration Order, apparently did not have a problem with
9 deciding this issue in a specific arbitration proceeding or with rejecting AT&T's
10 demand for unrestricted transit service.

11

12 **Issue 12: Should Sprint be required to continue to provide its DSL service when AT&T**
13 **provides the voice service to the customer?**

14

15

16 **Q. Mr. Talbot states in his direct testimony (page 114, line 10) that Sprint's**
17 **customers with Sprint DSL service would be at a disadvantage if they were**
18 **unable to maintain Sprint's DSL service when they switch to AT&T for local**
19 **service. Are there other alternatives available to end users?**

20

21 **A. Other companies provide high-speed Internet access. Customers have a choice of**
22 cable modem service, satellite service, and in some locations may have fixed wireless
23 alternatives. ISP providers using Sprint's wholesale DSL offering will also continue
24 to be available.

25

1 **Q. Mr. Talbott maintains that Sprint is attempting to thwart competition in Florida**
2 **(Talbott Direct, page 114, line 15). Is that what Sprint is trying to do?**

3

4 **A.** No. Like any company in a competitive environment, Sprint is seeking to differentiate
5 itself from other carriers based on service offerings. While Sprint is obligated to allow
6 CLECs to resell Sprint telecommunications services and provide access to unbundled
7 network elements, which prevents Sprint from differentiating itself based on
8 telecommunications offerings, Sprint does not believe it has similar obligations for
9 information services. A Commission order for Sprint to continue providing DSL
10 service under the conditions specified in issue 12 would prevent Sprint from having
11 that option.

12

13 **Q. AT&T uses quotes from the FCC's line sharing order to support its position. Is**
14 **the line sharing order relevant? (Talbott Direct, page 115, lines 4 through 23)**

15

16 **A.** No. The United States Court of Appeals for the District of Columbia vacated and
17 remanded the order in on *USTA v. FCC*, 290 F. 3d 415 (D.C. Circuit, May 24, 2002)
18 Therefore, the high frequency portion of the loop, which is used for line sharing, is
19 currently no longer an unbundled network element. Even if the high frequency
20 portion of the loop was a network element, line sharing is defined as the situation
21 where the ILEC is the voice provider (47 C.F.R. section 51.319(h)(3)), and the FCC
22 has consistently upheld that position. (Line Sharing Reconsideration Order – Third
23 Report and Order on Reconsideration CC 98-147, Fourth Report and Order on
24 Reconsideration CC 96-98, Third Further Notice of Proposed Rulemaking CC 98-147,
25 Sixth Further Notice of Proposed Rulemaking CC 96-98, Released January 19, 2001, ¶

1 26.) Line sharing would therefore not apply in this instance, since AT&T is the voice
2 provider and Sprint is providing the high speed data service.

3

4 **Q. In the Line Sharing Reconsideration Order the FCC encouraged AT&T to**
5 **pursue enforcement action based on AT&T's claim that the ILEC position was a**
6 **violation of section 201 and/or 202 of the Act. Isn't that what AT&T is doing**
7 **here?**

8

9 **A. If AT&T wants to pursue a claim under section 201 of the Act for an interstate service**
10 **it would be more appropriate for it to do so with the FCC.**

11

12 **Q. Issue 12 specifically addresses the situation where Sprint provides DSL service to**
13 **an end user and the voice service is provided by AT&T. Mr. Talbott's testimony**
14 **concurs with that consistently referring to DSL service (Talbott Direct, page 114**
15 **beginning line 1; page 115, line 6; page 118, line 14; page 119, line 3). Does the**
16 **contract language proposed by AT&T incorporate this concept?**

17

18 **A. No. AT&T's proposed language is much broader.**

19

20 **Q. Please explain.**

21

22 **A. AT&T's proposed language at (Part D, section 6.15, Line Partitioning) does not refer**
23 **to DSL service but "data services". This term can be applied to a much broader range**
24 **of services. The language also gives AT&T access loops with data services being**
25 **used not only by Sprint, but by any affiliate or Sprint's parent company. It could**

1 therefore be interpreted to give AT&T access to a loop over which Sprint's IXC has
2 provisioned a data service. It also mandates that AT&T can unilaterally demand
3 access to the same loop, a right which is not necessary to fulfill the issue stated here.
4 The obligation being demanded is that Sprint continues providing its DSL service to
5 an end user when AT&T is the voice provider. Since Sprint is providing its service to
6 its end user, not AT&T, Sprint should have the right to choose how it does so. AT&T
7 does not have that right. Even if the Commission rules that Sprint should continue
8 providing its DSL service where Sprint is not the voice provider, AT&T's language
9 must be narrowed to address the specific situation.

10
11 **Issue 13: What are the parties' rights and obligations following a Legally Binding Action**
12 **(as defined by the agreement of the parties in section 1, Part B of the agreement) if such**
13 **action is not stayed but still subject to review by the Commission, FCC or courts?**

14
15 **Q. Has this issue been resolved by the parties?**

16
17 **A. Yes. It is my understanding that the parties have resolved this issue and is no longer**
18 **being disputed.**

19
20 **Q. Please summarize your rebuttal testimony.**

21
22 **A. My testimony demonstrates that AT&T's direct testimony in this proceeding is not**
23 **supported by the Act or FCC and state rules. Sprint's positions, however, are**
24 **supported by the Act and rules and should be adopted by the Commission.**

25

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

2

3 **A. Yes, it does.**

4

5

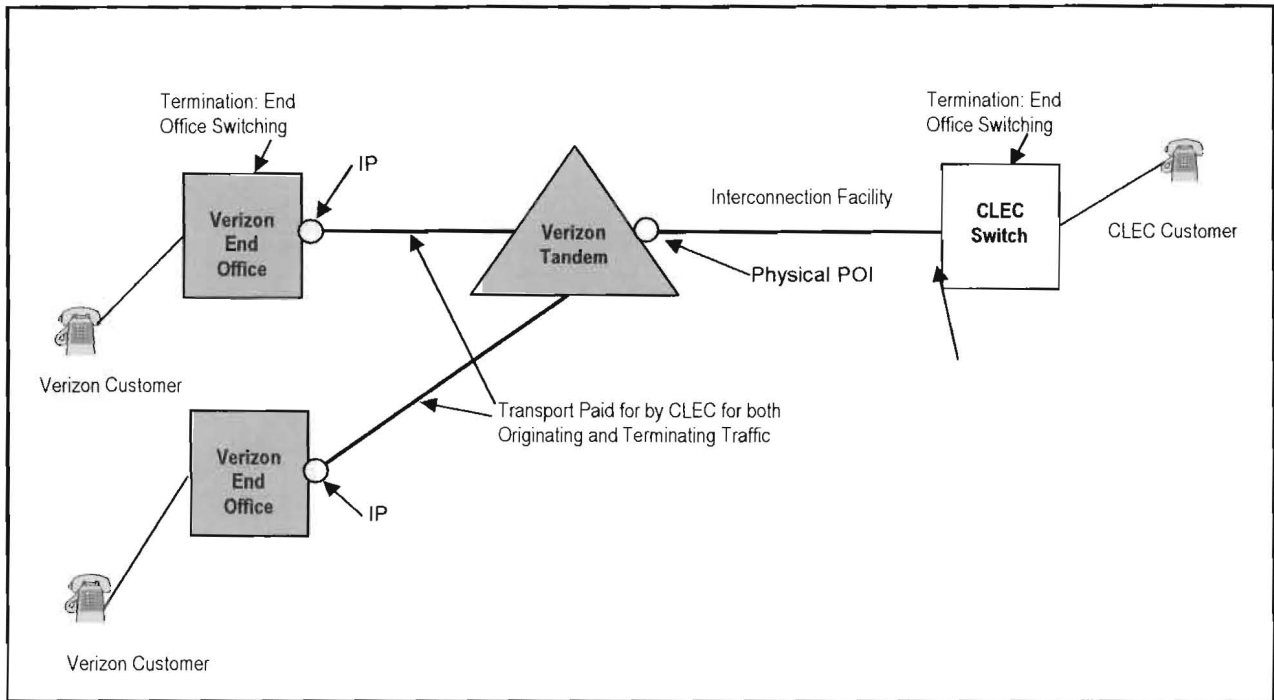
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Verizon VGRIP Interconnection Design



Sprint Point of Interconnection (POI) Proposal

