

ORIGINAL  
**AUSLEY & McMULLEN**

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET  
P.O. BOX 391 (ZIP 32302)  
TALLAHASSEE, FLORIDA 32301  
(850) 224-9115 FAX (850) 222-7560

July 29, 2003

JUL 29 PM 1:37  
COMMISSION  
CLERK

**CONFIDENTIAL DOCUMENTS ENCLOSED**

**VIA HAND DELIVERY**

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

Re: Docket No. 011354-TP

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of ALLTEL Florida, Inc.'s Second Request for Confidential Classification. This request covers the confidential version of ALLTEL's Answers to Staff's Second Set of Interrogatories.

**Exhibit "B" to the Request is a confidential version of the document for which confidential classification has been requested. One copy of Exhibit "B" is contained in a sealed envelope that is enclosed with this letter.**

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,

  
J. Jeffrey Wahlen

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL 1
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC 1
- OTH 1

Enclosures  
cc: All Parties of Record

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*conf. records*

This confidentiality request was filed by or for a "telco" for DN 06830-03. No ruling is required unless the material is subject to a request per 119.07, FS, or is admitted in the record per Rule 25-22.006(8)(b), FAC.

(X-rd. 06123-03)

DOCUMENT NUMBER

06829 JUL 29 8

FPSC-COMMISSION CLERK

RECEIVED & FILED



FPSC-BUREAU OF RECORDS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: )  
 )  
Global NAPs, Inc. )  
 )  
Petition for Arbitration Pursuant to ) Docket No. 011354-TP  
47 U.S.C. § 252(b) of Interconnection, ) Filed: 07/29/03  
Rates, Terms and Conditions with )  
 )  
ALLTEL Florida, Inc. )  
\_\_\_\_\_ )

**ALLTEL FLORIDA, INC.'S  
SECOND REQUEST FOR CONFIDENTIAL CLASSIFICATION**

ALLTEL Florida, Inc. ("ALLTEL" or the "Company"), pursuant to Section 364.183, Florida Statute, and Rule 25-22.006, Florida Administrative Code, hereby files this Request for Confidential Classification, and states:

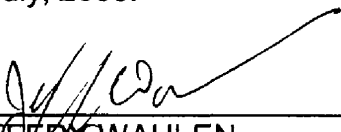
1. ALLTEL is a telecommunications company with its principal place of business in Live Oak, Florida. ALLTEL is the respondent in this docket.
2. On July 10, 2003, the Company filed the confidential version of its Answers to Staff's Second Set of Interrogatories with the Division of Commission Clerk and Administrative Services ("Clerk"), together with a Notice of Intent to Request Confidential Classification for portions of those answers. Therein, the Company asserted that certain information therein was confidential and designated the confidential information by highlighting it with a yellow marker. The Company's confidential filing was assigned Document Number 06122-03. A non-confidential version (redacted) of the answers was contemporaneously delivered to the Clerk.

3. In accordance with the procedures set forth in Section 25-22.006(4), Florida Administrative Code, the Company asserts that the highlighted information in its Answers is "proprietary confidential business information" within the meaning of Section 364.183, Florida Statutes, and requests that the Commission keep that information confidential and exempt from public disclosure in accordance with Section 25-22.006(4), Florida Administrative Code.

4. Two edited versions of the data request with the confidential information redacted are attached as Exhibit "A." Another copy of the Response with the confidential information highlighted is included as Exhibit "B." The line-by-line identification and justification required by Rule 25-22.006(4)(c), Florida Administrative Code, is attached as Exhibit "C." The material for which confidential classification is claimed and sought is intended to be and is treated by the Company as private and has not been disclosed.

WHEREFORE, ALLTEL respectfully requests that the Commission grant this Second Request for Confidential Classification.

Respectfully submitted this 29<sup>th</sup> day of July, 2003.

  
\_\_\_\_\_  
J. JEFFERY WAHLEN  
Ausley & McMullen  
Post Office Box 391  
Tallahassee, Florida 32302  
850/425-5471

ATTORNEYS FOR ALLTEL FLORIDA, INC.

**CERTIFICATE OF SERVICE**

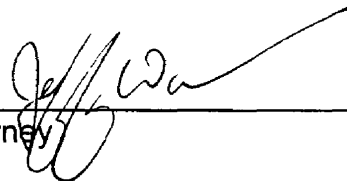
I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U. S. Mail or hand delivery (\*) without Exhibit B this 29<sup>th</sup> day of July, 2003, to the following:

Adam Tietzman \*  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

James R.J. Scheltema  
Director – Regulatory Affairs  
Global NAPs, Inc.  
5042 Durham Road West  
Columbia, MD 21044

William J. Rooney, Jr.  
Vice President & General Counsel  
Global NAPS, Inc.  
89 Access Road  
Norwood, MA 02062

Jon C. Moyle, Jr. \*  
Moyle Flanigan Katz  
Raymond & Sheehan P.A.  
118 North Gadsden Street  
Tallahassee, FL 32301

  
\_\_\_\_\_  
Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: )  
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Global NAPs, Inc. )  
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Petition for Arbitration Pursuant to ) Docket No. 011354-TP  
47 U.S.C. § 252(b) of Interconnection, ) Filed: 07/29/03  
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\_\_\_\_\_ )

**ALLTEL FLORIDA, INC.'S**  
**SECOND REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Two Edited Versions with Confidential Information Redacted

Exhibit A

COMMISSIONERS  
TILIA A. TUBER, CHAIRMAN  
T. TERRY DEASON  
BRAD LIO E. BAER  
RUDOLPH RUDY BRADLEY  
CHARLES M. DAVIDSON

STATE OF FL

PUBLIC VERSION



DIRECTOR  
ADMINISTRATIVE SERVICES  
BLANCK'S BAY  
DIRECTOR  
(850) 413-6770 (Clerk)  
(850) 413-6330 (Admin)

## Public Service Commission

### ACKNOWLEDGMENT

DATE: 7/10/03

TO: J. Wahlen

FROM: T. Henry, Division of the Commission Clerk and  
Administrative Services

RE: Acknowledgment of Receipt of Confidential Filing

This will acknowledge receipt of a CONFIDENTIAL DOCUMENT filed in Docket No.

011354-TP or (if filed in an undocketed matter) concerning \_\_\_\_\_

Answer to Staff 2nd set of Interrogatories, and

filed on behalf of ALLTEL Wahlen. The

document will be maintained in locked storage.

Any questions regarding this matter should be directed to Kay Flynn at (850) 413-6770.

PSC/CCA019-C (Rev 01/03)

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Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

# AUSLEY & McMULLEN

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227 SOUTH CALHOUN STREET  
P O BOX 391 ZIP 32302  
TALLAHASSEE, FLORIDA 32301  
850 224-9115 FAX 850 222 7560

July 10, 2003

## CONFIDENTIAL DOCUMENTS ATTACHED

### BY HAND DELIVERY

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

**CONFIDENTIAL**

COMMISSION  
CLERK

JUL 10 PM 3:58

200307101500

Re: Docket No. 011354-TP; CLAIM OF CONFIDENTIALITY AND  
NOTICE OF INTENT TO REQUEST CONFIDENTIAL  
CLASSIFICATION; CONFIDENTIAL VERSION OF ALLTEL'S  
ANSWERS TO STAFF'S SECOND SET OF INTERROGATORIES

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original CONFIDENTIAL VERSION of ALLTEL's Answers to Staff's Second Set of Interrogatories. In accordance with Rule 25-22.006(3)(a), Florida Administrative Code, ALLTEL Florida, Inc. hereby files notice of its intent to request confidential classification for the highlighted portions of these answers. In addition, ALLTEL claims that the highlighted information in these answers is confidential in accordance with Section 364.183(1), Florida Statutes.

Copies of the public, non-confidential version of these answers have been served on Staff counsel and the other parties of record.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

RECEIVED & FILED  
*Th*  
FPSC-BUREAU OF RECORDS

Sincerely,

*Jeff Wahien*  
J. Jeffrey Wahien

Enclosures

cc: All parties of record (without confidential enclosure)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**CONFIDENTIAL**

In the Matter of )  
 )  
Global NAPs, Inc )  
 )  
Petition for Arbitration Pursuant to )  
47 U S C § 252(b) of Interconnection, )  
Rates, Terms and Conditions with )  
 )  
ALLTEL Florida, Inc )  
\_\_\_\_\_ )

Docket No. 011354-TP

Filed July 10, 2003

**ALLTEL'S RESPONSE TO STAFF'S  
SECOND SET OF INTERROGATORIES**

ALLTEL Florida, Inc. ("ALLTEL" or the "Company"), pursuant to Rule 25-22.034, Florida Administrative Code, and Florida Rule of Civil Procedure 1.340, hereby provides the following answers to Staff's Second Set of Interrogatories, served on July 8, 2003 ("Staff's Second Set"). The answers to these interrogatories were provided by Mrs S Lynn Hughes and Mrs Jayne Eve

**CONFIDENTIAL**



ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 14  
PAGE 1 OF 1

14. Please refer to the map ALLTEL provided in response to Staff's Request for Production of Documents No. 1. If an ALLTEL customer in Hilliard calls an ALLTEL customer in Live Oak, will that call be transported from Hilliard to BellSouth's LATA tandem, and then from the LATA tandem to Live Oak?
- (a) If your response is negative, please describe how such a call would be transported.
- (b) Is the portion of transport in BellSouth's service territory associated with such a call provided over BellSouth's facilities?

Response:

- (a) A call from an ALLTEL local customer in Hilliard to an ALLTEL local customer in Live Oak would be an intraLATA toll call within the Jacksonville LATA. ALLTEL would route such call to the BellSouth Jacksonville tandem for delivery to the calling party's chosen intraLATA PIC ("preferred interexchange carrier") unless the IXC has established a direct trunking connection to the Hilliard office. Only one IXC currently has this network arrangement in place. If the calling party has not chosen an intraLATA PIC, ALLTEL will be the default intraLATA carrier and again, ALLTEL would route the call to the BellSouth LATA tandem for further processing. ALLTEL has no means to send local traffic between ALLTEL's Hilliard local customers and ALLTEL's Live Oak local customers.
- (b) ALLTEL and BellSouth have a POC (point of connection) or meet point on the service territory boundary between ALLTEL and BellSouth at which ALLTEL hands the traffic to BellSouth. ALLTEL owns no facilities on the BellSouth side of the POC. ALLTEL cannot confirm whose facilities are used in the BellSouth service territory for this routing, except to

state that they are either BellSouth's facilities or a third-party's facilities and are not ALLTEL's facilities

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 15  
PAGE 1 OF 1

15. If an ALLTEL customer in Hilliard calls an ALLTEL customer in Citra, are those two customers in different LATAs?

Response

Yes Hilliard is in the Jacksonville LATA (LATA 452); Citra is in the Gainesville LATA (LATA 454).

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 16  
PAGE 1 OF 1

16. Assume for purposes of your response to this interrogatory that this Commission approved Global NAPs' request to have one interconnection point in each LATA. How many interconnection points would ALLTEL contemplate that Global NAPs would need, assuming it connects in all local calling areas served by ALLTEL?

Response.

ALLTEL objects to Interrogatory 16 on the grounds that it (i) requires ALLTEL to assume a condition in answering the interrogatory which would be contrary to law and (ii) is ambiguous in that it imposes an assumption in the first sentence that is in total conflict with the assumption imposed in the second sentence question.

Without waiving said objections, ALLTEL states as follows: GNAPs is unlawfully requesting that the parties exchange local traffic in each Florida LATA at only one interconnection point per LATA, to be located -- not on any of ALLTEL's local networks within any of ALLTEL's local calling areas -- but at the BellSouth LATA tandem that is within BellSouth's local calling area in each LATA. Because ALLTEL operates local calling areas within two LATAs in Florida, if the assumption in the first sentence of Interrogatory 16 is imposed (i.e. that the Commission would order ALLTEL to honor GNAPs unlawful request) it would appear to require only two IPs. however, this would not technically work as all of ALLTEL's local networks are not interconnected within each LATA with respect to local traffic and certainly not by ALLTEL facilities.

The second sentence of Interrogatory 16, however, asks ALLTEL how many IPs GNAPs would need to exchange local traffic with ALLTEL assuming a second condition, that GNAPs would be "connecting in all local calling areas served by ALLTEL." This is in conflict with the single IP per LATA because currently, ALLTEL operates at minimum five non-interconnected local networks within the Jacksonville LATA and two within the Gainesville LATA. There are no ALLTEL local or toll transport facilities between any of these non-interconnected areas, except that Alachua and Brooker are connected by EAS facilities, as are Lake Butler and Brooker. Establishing one IP at each BellSouth LATA tandem would not provide GNAPs with local traffic connectivity with any of these non-interconnected ALLTEL local exchange areas. In order for GNAPs to have only one IP per LATA and also have local exchange connectivity to all local calling areas serviced by ALLTEL within that LATA (which are the two assumptions included in the Interrogatory), GNAPs would have to accomplish both of the following: (1) establish one IP with ALLTEL in one of the non-contiguous local exchange areas in each LATA, and (2) GNAPs would also have to arrange and pay for transporting said traffic between each of the other non-contiguous local exchange areas within said LATA and the established IP. If GNAPS is not able or willing to accomplish both of the above, then it would have to establish more than seven separate IPs with ALLTEL.

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 17  
PAGE 1 OF 1

17. Is any part of ALLTEL's Florida network located in a LATA other than Jacksonville or Gainesville? If your response is affirmative, in what other LATAs is ALLTEL's network located?

Response

No

18. Is Brooker located in the Gainesville LATA?

Response

Yes.

19. Does ALLTEL have transport from the Live Oak network to Brooker?

- (a) If your response is negative, please describe how traffic is transported between Live Oak and Brooker.

Response.

ALLTEL has dedicated EAS trunks between the Live Oak host switch (which is in the Jacksonville LATA) and Brooker (which is in the Gainesville LATA), but solely for the provision of EAS (extended area service) calling between Brooker and Alachua (which is in the Jacksonville LATA). It is necessary that these facilities interconnect with Live Oak because Alachua is served by a remote switch that subtends the Live Oak host switch (which is non-tandem switching). Processing of all calls must occur through a host switch before the call can be completed to the remote switch. It is not economically and technically feasible to directly transport between Brooker and Alachua since Alachua is a remote switch. All local calls between Alachua and Brooker are local EAS and do not go beyond Alachua. Any traffic between the Brooker and other exchanges in the Live Oak network (other than Alachua) are an interLATA toll call which ALLTEL would deliver to the calling party's interLATA PIC and are not routed over the EAS trunks.



20. Are calls from the Live Oak network to Brooker local or toll?
- (a) If the calls are local, from which exchanges would the calls be local?
  - (b) If the calls are toll, are the calls treated as interLATA toll?

Response:

(a) and (b) Calls from the Live Oak network (Jacksonville LATA) to Brooker (Gainesville LATA), except for EAS calls to Brooker from Alachua, (which like Live Oak is in the Jacksonville LATA), are not local but are interLATA toll calls. Alachua and Brooker EAS traffic is transported over dedicated trunks not on the interLATA toll facilities. Alachua is a remote switch which subtends the Live Oak host switch (via non-tandem switching) but local calls between Alachua and Brooker simply transit the Live Oak host switch for termination to Alachua or Brooker.

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 21  
PAGE 1 OF 1

For the next four interrogatories, please refer to your response to Staff's First Set of Interrogatories, No. 5, which deals with the fact that ALLTEL "subtends" BellSouth's switch

**21. Does ALLTEL obtain LATA-wide connectivity through BellSouth's LATA tandem?**

Response:

No. ALLTEL does not have LATA-wide local traffic connectivity. See ALLTEL's responses to Interrogatories 23 and 24 regarding toll traffic.

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 22  
PAGE 1 OF 1

22. **Where is BellSouth's tandem located? Please be specific. If possible, specify where it is located on the map provided by ALLTEL.**

Response

The BellSouth LATA tandem in Jacksonville, CLLI code. JCVLFLCL05T, is located at 424 Pearl St.

The BellSouth LATA tandem in Gainesville, CLLI code. GSVLFLMA01T, is located at 400 SW 2nd Ave

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 23  
PAGE 1 OF 1

23. Does ALLTEL have any point on its own network where it has LATA-wide connectivity of its network in the Jacksonville LATA without the use of BellSouth's switch?

Response.

No ALLTEL has no point in any of its own local exchange networks in the Jacksonville LATA with or without use of the BellSouth LATA tandem, whereby ALLTEL has connectivity for transporting local traffic LATA-wide or between all other ALLTEL local exchange networks within the LATA. ALLTEL's local exchange networks within the Jacksonville LATA have connectivity with each other, only through the use of toll facilities to and from various IXCs including BellSouth's LATA tandem, for the purposes of routing intraLATA toll traffic. The toll facilities either belong to an IXC or ALLTEL (but in the case of ALLTEL, only up to the meet point with BellSouth). These toll facilities do not transport local traffic.

24. Does ALLTEL have any point on its own network where it has LATA-wide connectivity of its network in the Gainesville LATA without the use of BellSouth's switch?

Response

No ALLTEL has no point in any of its own local exchange networks in the Gainesville LATA, with or without use of the BellSouth LATA tandem, whereby ALLTEL has connectivity for transporting local traffic LATA-wide or between all other ALLTEL local exchange networks within the LATA. ALLTEL's local exchange networks within the GainesvilleLATA have connectivity, through the use of toll facilities to and from various IXCs including BellSouth's LATA tandem, for the purposes of routing intraLATA toll traffic. The toll facilities either belong to an IXC or belong to ALLTEL (in the case of ALLTEL, only up to its meet point with BellSouth at their exchange boundary). These toll facilities do not transport local traffic

25. Does ALLTEL have a bill-and-keep arrangement with BellSouth? Does ALLTEL pay BellSouth for use of the tandem?
- (a) If your response is in the affirmative, is the bill-and-keep arrangement based on an assumption of approximately equal exchange of traffic?
  - (b) If your response to (a) is negative, what rate does ALLTEL pay for use of BellSouth's tandem?
  - (c) Does ALLTEL have an MABC arrangement with BellSouth?
  - (d) If your response to (c) is affirmative, please explain the term MABC and how it applies to ALLTEL's use of BellSouth's tandem.
  - (e) Does ALLTEL anticipate approximately equal exchange of traffic with Global NAPs?
  - (f) If your response to (e) is negative, why not?

Response.

ALLTEL has a bill and keep arrangement with BellSouth only for the purpose of exchanging EAS traffic between certain end offices of ALLTEL and end offices of BellSouth. In order to establish such arrangement, a direct connection is established between the select ALLTEL end office and the select BellSouth end office within the specific exchanges. The BellSouth tandem switching charge does not apply because the traffic is not routed through the BellSouth tandem switch, but rather is end office connected. ALLTEL does not have a bill and keep arrangement with BellSouth with respect to other traffic exchanged between the parties and such is governed by the relevant access tariffs.

- (a) No Local rates of ALLTEL's end users were established to compensate ALLTEL for any lost revenues and any costs that were expected due to the provision of such EAS

Without the establishment of EAS, ALLTEL's end users would be assessed a toll charge for calling a customer in the BellSouth exchange or ALLTEL would have received access revenues if the call was handled by another IXC

(b) Tandem switching would not be assessed for EAS traffic because the tandem switch is not used, however, as to traffic that utilizes the tandem switch, BellSouth's tariffed tandem switching rate and other charges would be billed to the toll provider

(c) Yes

(d) MABC stands for Modified Access Based Compensation, which was adopted by the FPSC in Docket No 850310-TL as the access-based compensation plan that replaced the ILEC intralata toll pool. Under this plan each ILEC is the primary intraLATA toll carrier for the ILEC's end users that have not chosen an IXC. This plan applies to the traffic which originates in an ILEC's certificated territory. The originating ILEC bills the end user a toll charge for the call. The originating ILEC pays terminating access charges to the ILEC that terminates the call. The originating ILEC would also pay toll switching and/or intertoll trunking charges to any ILECs that provided intermediate transport but did not terminate the call.

(e) No.

(f) GNAP has indicated that they will be predominantly serving ISPs (its own ISP service as well as third-party ISPs) which would result in only one-way traffic from ALLTEL to GNAPs. Traffic will originate from ALLTEL's end users and delivered to GNAP's own ISP service and GNAP's ISP wholesale customers. Calls will not be originated from the ISPs to ALLTEL customers.

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 26  
PAGE 1 OF 1

26. Please explain the term meet-point as used in your response to Staff's Interrogatory 6. Please provide examples of physical locations, in a network, where meet-points may occur.

Response

The meet-point is the physical point of interconnection of ALLTEL's network and BellSouth's network. This interconnection occurs at the exchange boundary between the parties. For example, meet points between ALLTEL and BellSouth are located at:

- (1) ALLTEL's McIntosh exchange boundary and BellSouth's Micanopy exchange boundary. The physical interconnection occurs at the intersection of US 441 & SE 185th Ave. The Vertical and Horizontal coordinates are (L&L = N-29 29\_ W-82.14).
- (2) ALLTEL's Callahan exchange boundary and BellSouth's Jacksonville exchange boundary. The physical interconnection occurs at US 23/US1 at Thomas Creek which is the county line. The Vertical and Horizontal coordinates are (L&L N-30.30\_ W-81.47).



ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 27  
PAGE 1 OF

27. Does ALLTEL provide its own transport to the meet-point?

Response.

Yes

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 28  
PAGE 1 OF 1

28. Does BellSouth provide transport for ALLTEL's traffic from the meet-point to the LATA tandem?

Response.

ALLTEL interconnects with BellSouth at the toll route meet-point only for the purpose of exchanging toll traffic. No local traffic is delivered to the LATA tandem. BellSouth is responsible for the transport of such traffic from the meet-point to the LATA tandem. BellSouth either provides this transport itself or leases the transport from a third party. However, ALLTEL facilities end at the meet point with BellSouth.

29. Does ALLTEL compensate BellSouth for the transport from the meet-point to the LATA tandem?

Response.

For all toll calls that transit the BellSouth network, the toll provider has the responsibility to compensate BellSouth for transport and switching and recovers these costs from its end users by billing toll to its end user. The toll provider also compensates ALLTEL for use of ALLTEL facilities. ALLTEL only compensates BellSouth for this transport when an end user places an IntraLATA toll call with respect to which ALLTEL is the customer's choice for IntraLATA toll service.

30. How does the arrangement with BellSouth differ from the arrangement that is contemplated with Global NAPs?

Response

There are a number of differences. First, the arrangement between ALLTEL and GNAPs would be for the purpose of exchanging local traffic not toll traffic. Second, ALLTEL interconnects with BellSouth at the exchange boundary, which is on the ALLTEL network. GNAPs is unlawfully seeking to require ALLTEL to extend its responsibility for network beyond its current network and territory and interconnect with GNAPs at a single POI located in BellSouth's territory and on BellSouth' network at BellSouth's LATA tandem. Third, in ALLTEL's EAS arrangements with BellSouth which involves the exchange of local traffic, BellSouth has a separate direct connection from its relevant end office to each of ALLTEL's local exchange networks involved. The EAS interconnection arrangement meet points are also at the exchange boundary with BellSouth. GNAPs request regarding Issues 1 and 2, however, would force ALLTEL to provide for the transport from each and every ALLTEL non-interconnected local calling area to the single POI at the BellSouth tandem. ALLTEL should only be responsible for the cost associated with transport from the meet-point at the ALLTEL-BellSouth boundary to the LATA tandem when ALLTEL is the end user's choice for IntraLATA toll service. In these current arrangements, ALLTEL receives toll revenue from its end users and pays terminating access to BellSouth. Global NAP's is requesting ALLTEL to bear all the cost for transporting all traffic to Global NAPs at the BellSouth tandem. Global NAP's would bill ALLTEL reciprocal compensation for the call, but unless ALLTEL bills such as toll to its

endusers as it does today for such calling, it would not have a revenue source associated with the call. Traffic volumes would necessitate increases in monthly service charges to ALLTEL end users. ALLTEL's end users should not be burdened with additional costs due to the Global NAPS proposed single point of interconnection choice outside ALLTEL's local networks.

The FCC expressly addressed this issue in its First Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 11499 (1996) at ¶ 209, hereinafter "FCC Local Competition Order" by stating:

"Section 251(c) gives competing carriers the right to deliver traffic terminating on an incumbent LEC's network at any technically feasible point on that network, rather than obligating such carriers to transport traffic to less convenient or efficient interconnection points. Section 251(c)(2) lowers barriers to competitive entry for carriers that have not deployed ubiquitous networks by permitting them to select the points in an incumbent LEC's network at which they wish to deliver traffic. Moreover, because competing carriers must usually compensate incumbent LECs for the additional costs incurred by providing interconnection, competitors have an incentive to make economically efficient decisions about where to interconnect." [Emphasis added].

Similarly, ¶199 of the FCC Local Competition Order states:

"Of course, a requesting carrier that wishes a "technically feasible" but expensive interconnection would, pursuant to section 252(d)(1), be required to bear the cost of that interconnection, including a reasonable profit." [Emphasis added].

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 31  
PAGE 1 OF 1

31. Please clarify for purposes of this proceeding whether ALLTEL is requesting that it be exempt from providing interconnection to Global NAPs under § 251(f)(1)(A) of the Act, or that the requirement to interconnect be modified under § 251(f)(2)?
- (a) If you respond that a modification is sought, please state for each issue in this proceeding what ALLTEL believes the modification of the interconnection requirements should be.

Response:

ALLTEL's §251(f)(1) Rural Exemption ALLTEL is not required to formally "request" an exemption under §251(f)(1)(A) to be exempt from providing interconnection to GNAPs under §251(c)(2). Since ALLTEL currently meets the statutory definition of a "rural telephone company" under 47 USC 153 (37), ALLTEL automatically has such an existing exemption under §251(f)(1)(A), without requesting it, until and unless ALLTEL receives a bona fide request for interconnection and the Commission determines that the requesting carrier (GNAPs) has proved that the terms and conditions of that bona fide request (i) are not "unduly economically burdensome" to ALLTEL, (ii) are "technically feasible" and (iii) are consistent with certain universal service requirements. In addition, to the extent GNAPs desires the Commission to terminate ALLTEL's rural exemption pursuant to §251(f)(1)(A) and (B), GNAPs is statutorily required by §251(f)(1)(B) to provide written notices to the Commission as to its request. To date GNAPs has provided the Commission with no such written notice despite the fact that ALLTEL informed GNAPs as to its position on the rural exemption issue throughout the parties interconnection negotiations and despite the fact that ALLTEL raised its position in writing with GNAPs in ALLTEL's response to GNAP's petition for arbitration in this matter.

GNAPs has not and cannot prove that the terms and conditions of GNAPs request for interconnection and certain reciprocal arrangements with ALLTEL meet the three prerequisites required by §251(f)(1)(A) and (B) for obtaining an order from the Commission terminating ALLTEL's existing exemption. ALLTEL is not asserting its existing rural exemption, under §251(f)(1), with respect to Issues 1, 2, 3 and 4 to the extent that GNAPs agrees or that the Commission would order interconnection between ALLTEL and GNAPs in accordance with the terms and conditions being offered by ALLTEL, rather than those demanded by GNAPs. If GNAPs does not agree to these terms then ALLTEL is asserting its rural exemption and GNAPs request can not be granted unless or until the statutory requirements described above can be met, with respect to which GNAPs has the burden of proof.

ALLTEL's Petition for Suspensions/Modifications under §251(f)(2). As a completely separate statutory right from its right to a Rural Exemption, as described above, ALLTEL has also petitioned the Commission under §251(f)(2) for suspensions and/or modifications of certain obligations ALLTEL might be ordered to meet under §251(b) and (c) with respect to GNAPs requests for interconnection and reciprocal compensation arrangements (Issues 1, 2, 3 and 4). Those suspensions and modifications to the requirements of §251(b) and (c) would be those to the extent such may be necessary to deny GNAP's proposed contract language with respect to Issues 1, 2, 3 and 4 with respect to interconnection and reciprocal compensation.

32. Is ALLTEL requesting a modification of the interconnection requirements that would allow ALLTEL to require that Global NAPs place one interconnection point in each non-contiguous portion of ALLTEL's network, instead of one interconnection point in each LATA?

Response:

To the extent that the Commission would find that §251(b) and/or (c) would require a Florida ILEC that is not a "fewer than 2%" rural carrier, to allow an ALEC one interconnection point in each LATA (a position with ALLTEL asserts would be unlawful), ALLTEL, which is a "fewer than 2%" rural carrier, is requesting that such "requirement" be modified or suspended with respect to ALLTEL in such a manner as to require GNAPs (i) to locate one interconnection point in each non-interconnected portion of ALLTEL's local exchange networks within the LATA where GNAPs wishes to exchange local traffic or (ii) to be financially responsible for any transport from any such non-interconnected portion of ALLTEL's local exchange networks within the LATA which lacks such an interconnection point and with which GNAPs desires to exchange local traffic and one or more non-contiguous portions in which GNAPs requests such an interconnection point.



33. Does ALLTEL have interconnection agreements with ALECs other than Global NAPs in Florida?
- (a) If your response is affirmative, do other companies have an interconnection point in each of ALLTEL's local exchange areas?
  - (b) If your response is affirmative, in negotiating or arbitrating those agreements, has the definition of the local calling area for purposes of reciprocal compensation been an issue?
  - (c) If your response to (a) is negative, please describe the interconnection arrangements with each ALEC that ALLTEL connects with. It is not necessary to provide the names of the companies.
  - (d) If your response to (b) is affirmative, how was the local calling area issue ultimately defined?
  - (e) If your response to (b) is affirmative, have the virtual NXX issues been raised in prior negotiation or arbitrations?
  - (f) If your response to (e) is affirmative, how was that issue resolved?

Response:

Current agreements between ALLTEL and other ALECs only contain provisions for Resale of Service not physical interconnection arrangements. Physical interconnection arrangements are not required since the ALECs are resellers and the ALLTEL switch and facilities provide the resold services.

(a) N/A

(b) N/A

(c) N/A

(d) N/A

(e) N/A

(f) N/A

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 34  
PAGE 1 OF 1

34. Do other ALECs provide engineering forecasts to ALLTEL to help determine the appropriate location for the Interconnection point?

Response

No As stated in response to Interrogatory 33 above, Interconnection Points are not required in a resale of service arrangement

35. Have there been any disputes between ALLTEL and other parties over location of the IP in Florida?

(a) If your response is affirmative, what was the outcome?

Response:

As stated in response to Interrogatory 33, ALLTEL only has resale agreements with other ALECs in Florida, no interconnection agreements. ALLTEL has not been requested to interconnect with any other party except GNAPs in Florida. Thus, ALLTEL's only such dispute is with GNAPs.

36. Is the primary dispute to be resolved in Issue 3 how should the local calling area be defined for purposes of reciprocal compensation?
- (a) If your response is negative, please explain what ALLTEL believes the dispute is.

Response:

Yes, except it may have some repercussions with respect to Issue 4, the virtual NXX issue.

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 37  
PAGE 1 OF 1

For the next two interrogatories, please refer to FPSC Docket No 000075-TP in which the Commission addressed some aspects of the local calling area issue and the virtual NXX issue. On pages 54-55 of Order No PSC-02-1248-FOF-TP, the Commission concluded that it was appropriate to establish the originating carrier's retail local calling area as the default local calling area for purposes of reciprocal compensation.

37. **Are there any facts that the Commission should consider in Docket No. 001354-TP that were not considered in Docket No. 000075-TP regarding the local calling area?**
- (a) **If your response is affirmative, please explain in detail what additional facts you believe the Commission should consider.**

Response.

Yes. See ALLTEL's response to Interrogatories 1, 3, 7, and 8, First Set. See ALLTEL responses to PODs 1 and 2, First Set.

See Mr Busbee's direct and rebuttal testimony regarding the rural nature and specific configuration of ALLTEL's network architecture, ALLTEL's potential cost increases and revenue losses as they relate to this issue and the other factors including those to be considered in determining ALLTEL's right to a rural exemption and or rural carrier suspension or modification.

38. Are there any facts that the Commission should consider in Docket No. 001354-TP that were not considered in Docket No. 000075-TP regarding the virtual NXX issue?

(a) If your response is affirmative, please explain in detail what additional facts you believe the Commission should consider.

Response

Yes. See ALLTEL's response to Interrogatories 1, 2, 3, 4, 7, and 8, First Set. See ALLTEL responses to PODs 1 and 2, First Set.

See Mr. Busbee's direct and rebuttal testimony regarding the rural nature and specific configuration of ALLTEL's network architecture, ALLTEL's potential cost increases and revenue losses as they relate to this issue and the other factors to be considered, including those in determining ALLTEL's right to a rural exemption and or rural carrier suspension or modification.

ALLTEL  
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STAFF'S SECOND SET  
INTERROGATORY NO. 39  
PAGE 1 OF 1

39. Please refer to ALLTEL's interrogatory responses provided to Staff Interrogatory No. 3. ALLTEL states that it would be unable to quantify the exact magnitude or capital requirements to modify its current recording and billing systems to accommodate the originating carrier ruling until that prerequisite industry coordination could be accomplished. Does ALLTEL have any new/additional information on the magnitude or capital requirements at this time?

Response:

ALLTEL continues to evaluate the magnitude and capital requirements to modify its recording and billing systems to accommodate the originating carrier ruling if such is not reversed on appeal or otherwise determined not applicable. The initial estimates indicate that to accommodate a single ALEC initial request, the cost to ALLTEL would exceed \$600,000.

As previously stated in ALLTEL's interrogatory response to Staff Interrogatory No. 3, ALLTEL's message processing systems are not equipped to jurisdictionalize call records upon anything other than the calling number (i.e., NPA-NXX). The originating carrier method would require ALLTEL to change its message processing system from an NPA NXX-specific rating and billing method to carrier-specific rating and billing method. ALLTEL would be required to make significant enhancements to its message processing system to enable ALLTEL to differentiate between carriers in order to apply the appropriate jurisdictional charges for calls from the same geographical location.

Additionally, all other ALECs, like GNAPs, could choose to define their local calling scope in order to avoid the payment of access charges. If one ALEC retail end user chooses an expanded



calling plan and another ALEC retail end user does not choose to purchase the expanded calling plan, different ALEC end users in the same geographical location may then have different local calling scopes. It is possible that ALLTEL would then have the additional burden of rating similar calls between the same geographical locations from various ALEC end users differently according to the retail plan to which the end user subscribes with the ALEC

40. Refer to page 46 of Lee Selwyn's direct testimony, lines 1 through 5.
- (a) Do you agree with Dr. Selwyn that the definition of the local calling area is fundamental to the "virtual NXX" issue?
  - (b) If your response is negative, please explain why not.

Response

ALLTEL objects to Interrogatory 40 on the grounds that it is ambiguous and confusing. The question on page 45 of Lee Selwyn's direct testimony, lines 5 and 6, which is the question Mr. Selwyn is responding to on page 46, lines 1 through 5, refers to "ILEC local calling areas." Mr. Selwyn's response on page 46, lines 1 through 5, however, does not include "ILEC" in his reference to "local calling areas." In addition, neither Mr. Selwyn nor Interrogatory 40 defines what "fundamental to the 'virtual NXX' issue" means. Finally, neither Mr. Selwyn nor Interrogatory 40 are clear as to whether the "local calling area" should be viewed from the prospective of ALLTEL's end user customers or ALLTEL's relationship with other carriers. Without waiving the foregoing objections, ALLTEL will attempt to answer the question as it relates to ALLTEL's intercarrier relationships.

- (a) and (b) The ILEC local calling area boundary should be the basis for distinguishing between reciprocal compensation (i.e. local) versus exchange access compensation (intraLATA switched access). The ILEC local calling area is related to the "virtual" NXX issue insofar as improperly allowing the ALEC to establish a "virtual" NXX would essentially transpose the entire LATA into a local calling area for purposes of intercarrier compensation and ensure

improper regulatory arbitrage as described in Alfred Busbee's direct testimony, pages 24 - 28  
and rebuttal testimony, pages 21 - 24

41. Refer to page 58 of Dr. Selwyn's direct testimony, lines 18 through 24 and page 59, lines 1 and 2. Dr. Selwyn makes several statements regarding an ILEC's ability to compete in order to respond to "competitive losses." He makes similar assertion on page 10, lines 10 through 18 and page 11, lines 1 and 2 of his rebuttal. Does ALLTEL agree with Dr. Selwyn's assertions? Please explain your answer.

Response:

No ALLTEL does not agree with Dr Selwyn's assertions. First, the assertion that the result of forcing GNAPs proposed virtual NXX regime on ALLTEL by regulatory fiat merely amounts to a normal, run-of-the-mill competitive loss to ALLTEL which ALLTEL can easily respond to by changing its own competitive offerings is nonsense. It would, in fact amount to a complete trashing of the current industry wide intercarrier compensation regime with respect to the relationship between ALLTEL's local service cost recovery and compensation mechanisms and its exchange access cost recovery and compensation mechanisms -- which have all been imposed on ALLTEL by regulatory authority and over which ALLTEL has had little or no unilateral control.

The real issue is GNAPs' attempt to avoid legitimate access charges due ALLTEL for what would normally be an intraLATA toll call. In a truly competitive market as envisioned by Dr Selwyn, ALLTEL would be allowed to adjust all of its rates to recover all costs from the end user that causes the costs and could then lower its access revenues. This would necessarily eliminate or reduce contributions to ensure affordable local service rates that are provided by intrastate access rates today. However, that has not happened. Dr. Selwyn does not acknowledge

that any avoidance of access rates as proposed by GNAPs would be available to other similarly situated carriers who could also opt in to this same arrangement

Second, GNAPs business plan of providing one way ISP bound traffic from ALLTEL's local service area to GNAPs own and third party ISPs located in Jacksonville and Gainesville is not reasonably answerable by ALLTEL making the same offering in reverse by expanding its local calling area and expanding its local inward calling. ISPs are abundant in Jacksonville and Gainesville. They are nearly non-existent in ALLTEL's mostly rural areas. Additionally, ALLTEL's local service area was established by the Commission and customer demand.

Finally, GNAPs position is contrary to current law with respect to the weight Commissions are required to place on "competitive losses" when considering §251(f) rural exemptions, suspensions and modifications. While the FCC once had a rule that only losses to rural carriers which were beyond "normal competitive losses" need be taken into account in determining whether to continue a rural exemption, that rule was struck down by the Eighth Circuit Court of Appeals, and now all competitive losses must be taken into consideration regardless if they are ordinary losses or extraordinary losses.

42. Refer to footnote 19 on page 8 of Dr. Selwyn's rebuttal testimony. Does ALLTEL agree with Dr. Selwyn's observations in the footnote, particularly his comment that "\$900,000 in 'lost' (mostly) terminating access revenue is entirely unrelated to Global NAPs' entry, etc.?"

Response

**CONFIDENTIAL**

No ALLTEL does not agree. First, Mr Busbee updated his data and analysis in his rebuttal testimony at page 20 and determined the potential loss on an intraLATA basis to be [REDACTED] and [REDACTED] on a total intrastate basis. Second, the losses calculated have nothing to do with competition. These are not loses that would result from loss of end users, but rather from, for example, unlawful access and toll service by pass by GNAPs and other carriers wanting to be treated like GNAPs. In addition there would be added expense and cost associated with the increased demand on the network caused by ISP traffic volume. Thus, ALLTEL's losses would be a direct result of the existence of the interconnection agreement between ALLTEL and GNAPs and GNAPs actions.

**CONFIDENTIAL**

43. Assume for the sake of discussion that ALLTEL and GNAPs will have an intercarrier compensation plan that is based on the originating carrier's local calling area. Assume also the GNAPs' local calling area will be different from ALLTEL's local calling area. Please provide a proposal for an originating carrier compensation plan that includes a discussion of the technical feasibility of implementing such a plan.

Response

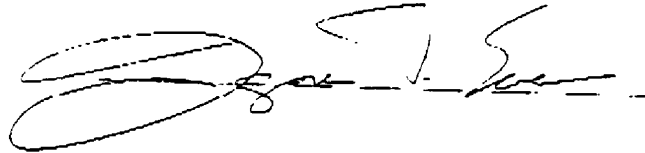
Given the current state of ALLTEL's and industry wide traffic identification, billing systems and dependence on the current intercarrier compensation plans, such a plan would be impossible without total industry participation and potentially unreasonable increases in systems and network investments. It will not be feasible to consider the answer to this interrogatory until the results are known with respect to attempts to achieve access reductions with associated local rate rebalancing and state universal service funding. See ALLTEL's response to Staff Interrogatory 3.

AFFIDAVIT

STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

BEFORE ME, the undersigned authority, personally appeared Jayne Eve, who deposed and said that she is employed as Director - State Government Affairs, for ALI TEL and that ALI TEL Florida, Inc's answers to Staff's Second Set of Interrogatories are correct to the best of her information and belief

DATED this 10th day of July, 2003



The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of July, 2003, by Jayne Eve, who is personally known to me.

Teri D Earhardt  
Notary

Teri D Earhardt  
printed name

Notary Public  
Title

My Commission Expires: 3/21/2007





AFFIDAVIT

STATE OF ARKANSAS  
COUNTY OF PULASKI

BEFORE ME, the undersigned authority, personally appeared Lynn Hughes, who  
deposed and said that she is employed as Director - Wholesale, for ALLTEL and that ALLTEL  
SVC  
Florida, Inc's answers to Staff's Second Set of Interrogatories are correct to the best of her  
information and belief.

DATED this 10<sup>th</sup> day of July, 2003.

Lynn Hughes

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of July, 2003, by  
Lynn Hughes, who is personally known to me.

Sandra Jean Wood  
Notary

Sandra Jean Wood  
printed name

Notary Public  
Title

My Commission Expires: 9/1/11



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## Public Service Commission

### ACKNOWLEDGMENT

DATE: 7/10/03

TO: J. Wahlen

FROM: T. Henry, Division of the Commission Clerk and  
Administrative Services

RE: Acknowledgment of Receipt of Confidential Filing

---

This will acknowledge receipt of a CONFIDENTIAL DOCUMENT filed in Docket No. 011354-TP or (if filed in an undocketed matter) concerning Answer to Staff 2nd set of Interrogatories, and filed on behalf of ALLTEL Wahlen. The document will be maintained in locked storage.

Any questions regarding this matter should be directed to Kay Flynn at (850) 413-6770.

PSC/CCA019-C (Rev 01/03)

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# AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET  
P O BOX 391 ZIP 32302  
TALLAHASSEE, FLORIDA 32301  
850 224-9115 FAX 850 222 7560

July 10, 2003

CONFIDENTIAL DOCUMENTS ATTACHED

## BY HAND DELIVERY

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

**CONFIDENTIAL**

COMMISSION  
CLERK

JUL 10 PM 3:58

FLORIDA PUBLIC SERVICE COMMISSION

Re: Docket No. 011354-TP; CLAIM OF CONFIDENTIALITY AND  
NOTICE OF INTENT TO REQUEST CONFIDENTIAL  
CLASSIFICATION; CONFIDENTIAL VERSION OF ALLTEL'S  
ANSWERS TO STAFF'S SECOND SET OF INTERROGATORIES

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original CONFIDENTIAL VERSION of ALLTEL's Answers to Staff's Second Set of Interrogatories. In accordance with Rule 25-22.006(3)(a), Florida Administrative Code, ALLTEL Florida, Inc. hereby files notice of its intent to request confidential classification for the highlighted portions of these answers. In addition, ALLTEL claims that the highlighted information in these answers is confidential in accordance with Section 364.183(1), Florida Statutes.

Copies of the public, non-confidential version of these answers have been served on Staff counsel and the other parties of record.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

Sincerely,

  
J. Jeffrey Wahlen

Enclosures

cc: All parties of record (without confidential enclosure)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**CONFIDENTIAL**

In the Matter of )  
)  
Global NAPs, Inc )  
)  
Petition for Arbitration Pursuant to )  
47 U S C § 252(b) of Interconnection, )  
Rates, Terms and Conditions with )  
)  
ALLTEL Florida, Inc )  
\_\_\_\_\_ )

Docket No 011354-TP

Filed: July 10, 2003

**ALLTEL'S RESPONSE TO STAFF'S  
SECOND SET OF INTERROGATORIES**

ALLTEL Florida, Inc ("ALLTEL" or the "Company"), pursuant to Rule 25-22.034, Florida Administrative Code, and Florida Rule of Civil Procedure 1.340, hereby provides the following answers to Staff's Second Set of Interrogatories, served on July 8, 2003 ("Staff's Second Set"). The answers to these interrogatories were provided by Mrs S. Lynn Hughes and Mrs Jayne Eve.

**CONFIDENTIAL**

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 14  
PAGE 1 OF 1

14. Please refer to the map ALLTEL provided in response to Staff's Request for Production of Documents No. 1. If an ALLTEL customer in Hilliard calls an ALLTEL customer in Live Oak, will that call be transported from Hilliard to BellSouth's LATA tandem, and then from the LATA tandem to Live Oak?
- (a) If your response is negative, please describe how such a call would be transported.
- (b) Is the portion of transport in BellSouth's service territory associated with such a call provided over BellSouth's facilities?

Response.

- (a) A call from an ALLTEL local customer in Hilliard to an ALLTEL local customer in Live Oak would be an intraLATA toll call within the Jacksonville LATA. ALLTEL would route such call to the BellSouth Jacksonville tandem for delivery to the calling party's chosen intraLATA PIC ("preferred interexchange carrier") unless the IXC has established a direct trunking connection to the Hilliard office. Only one IXC currently has this network arrangement in place. If the calling party has not chosen an intraLATA PIC, ALLTEL will be the default intraLATA carrier and again, ALLTEL would route the call to the BellSouth LATA tandem for further processing. ALLTEL has no means to send local traffic between ALLTEL's Hilliard local customers and ALLTEL's Live Oak local customers.
- (b) ALLTEL and BellSouth have a POC (point of connection) or meet point on the service territory boundary between ALLTEL and BellSouth at which ALLTEL hands the traffic to BellSouth. ALLTEL owns no facilities on the BellSouth side of the POC. ALLTEL cannot confirm whose facilities are used in the BellSouth service territory for this routing, except to

state that they are either BellSouth's facilities or a third-party's facilities and are not ALLTEL's facilities

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 15  
PAGE 1 OF 1

15. If an ALLTEL customer in Hilliard calls an ALLTEL customer in Citra, are those two customers in different LATAs?

Response

Yes. Hilliard is in the Jacksonville LATA (LATA 452); Citra is in the Gainesville LATA (LATA 454).

16. Assume for purposes of your response to this interrogatory that this Commission approved Global NAPs' request to have one interconnection point in each LATA. How many interconnection points would ALLTEL contemplate that Global NAPs would need, assuming it connects in all local calling areas served by ALLTEL?

Response.

ALLTEL objects to Interrogatory 16 on the grounds that it (i) requires ALLTEL to assume a condition in answering the interrogatory which would be contrary to law and (ii) is ambiguous in that it imposes an assumption in the first sentence that is in total conflict with the assumption imposed in the second sentence question.

Without waiving said objections, ALLTEL states as follows: GNAPs is unlawfully requesting that the parties exchange local traffic in each Florida LATA at only one interconnection point per LATA, to be located -- not on any of ALLTEL's local networks within any of ALLTEL's local calling areas -- but at the BellSouth LATA tandem that is within BellSouth's local calling area in each LATA. Because ALLTEL operates local calling areas within two LATAs in Florida, if the assumption in the first sentence of Interrogatory 16 is imposed (i.e. that the Commission would order ALLTEL to honor GNAPs unlawful request) it would appear to require only two IPs, however, this would not technically work as all of ALLTEL's local networks are not interconnected within each LATA with respect to local traffic and certainly not by ALLTEL facilities.



The second sentence of Interrogatory 16, however, asks ALLTEL how many IPs GNAPs would need to exchange local traffic with ALLTEL assuming a second condition, that GNAPs would be "connecting in all local calling areas served by ALLTEL." This is in conflict with the single IP per LATA because currently, ALLTEL operates at minimum five non-interconnected local networks within the Jacksonville LATA and two within the Gainesville LATA. There are no ALLTEL local or toll transport facilities between any of these non-interconnected areas, except that Alachua and Brooker are connected by EAS facilities, as are Lake Butler and Brooker. Establishing one IP at each BellSouth LATA tandem would not provide GNAPs with local traffic connectivity with any of these non-interconnected ALLTEL local exchange areas. In order for GNAPs to have only one IP per LATA and also have local exchange connectivity to all local calling areas serviced by ALLTEL within that LATA (which are the two assumptions included in the Interrogatory), GNAPs would have to accomplish both of the following: (1) establish one IP with ALLTEL in one of the non-contiguous local exchange areas in each LATA, and (2) GNAPs would also have to arrange and pay for transporting said traffic between each of the other non-contiguous local exchange areas within said LATA and the established IP. If GNAPS is not able or willing to accomplish both of the above, then it would have to establish more than seven separate IPs with ALLTEL.

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 17  
PAGE 1 OF 1

17. Is any part of ALLTEL's Florida network located in a LATA other than Jacksonville or Gainesville? If your response is affirmative, in what other LATAs is ALLTEL's network located?

Response

No

18. Is Brooker located in the Gainesville LATA?

Response

Yes

19. Does ALLTEL have transport from the Live Oak network to Brooker?

- (a) If your response is negative, please describe how traffic is transported between Live Oak and Brooker.

Response.

ALLTEL has dedicated EAS trunks between the Live Oak host switch (which is in the Jacksonville LATA) and Brooker (which is in the Gainesville LATA), but solely for the provision of EAS (extended area service) calling between Brooker and Alachua (which is in the Jacksonville LATA). It is necessary that these facilities interconnect with Live Oak because Alachua is served by a remote switch that subtends the Live Oak host switch (which is non-tandem switching). Processing of all calls must occur through a host switch before the call can be completed to the remote switch. It is not economically and technically feasible to directly transport between Brooker and Alachua since Alachua is a remote switch. All local calls between Alachua and Brooker are local EAS and do not go beyond Alachua. Any traffic between the Brooker and other exchanges in the Live Oak network (other than Alachua) are an interLATA toll call which ALLTEL would deliver to the calling party's interLATA PIC and are not routed over the EAS trunks.

20. Are calls from the Live Oak network to Brooker local or toll?
- (a) If the calls are local, from which exchanges would the calls be local?
  - (b) If the calls are toll, are the calls treated as interLATA toll?

Response.

(a) and (b) Calls from the Live Oak network (Jacksonville LATA) to Brooker (Gainesville LATA), except for EAS calls to Brooker from Alachua, (which like Live Oak is in the Jacksonville LATA), are not local but are interLATA toll calls. Alachua and Brooker EAS traffic is transported over dedicated trunks not on the interLATA toll facilities. Alachua is a remote switch which subtends the Live Oak host switch (via non-tandem switching) but local calls between Alachua and Brooker simply transit the Live Oak host switch for termination to Alachua or Brooker.

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 21  
PAGE 1 OF 1

For the next four interrogatories, please refer to your response to Staff's First Set of Interrogatories, No 5, which deals with the fact that ALLTEL "subtends" BellSouth's switch

**21. Does ALLTEL obtain LATA-wide connectivity through BellSouth's LATA tandem?**

Response:

No ALLTEL does not have LATA-wide local traffic connectivity. See ALLTEL's responses to Interrogatories 23 and 24 regarding toll traffic.

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 22  
PAGE 1 OF 1

22. Where is BellSouth's tandem located? Please be specific. If possible, specify where it is located on the map provided by ALLTEL.

Response

The BellSouth LATA tandem in Jacksonville, CLLI code JCVLFLCL05T, is located at 424 Pearl St.

The BellSouth LATA tandem in Gainesville, CLLI code GSVLFLMA01T, is located at 400 SW 2nd Ave

ALLTEL  
DOCKET NO. 011354-TP  
STAFF'S SECOND SET  
INTERROGATORY NO. 23  
PAGE 1 OF 1

23. Does ALLTEL have any point on its own network where it has LATA-wide connectivity of its network in the Jacksonville LATA without the use of BellSouth's switch?

Response

No ALLTEL has no point in any of its own local exchange networks in the Jacksonville LATA, with or without use of the BellSouth LATA tandem, whereby ALLTEL has connectivity for transporting local traffic LATA-wide or between all other ALLTEL local exchange networks within the LATA. ALLTEL's local exchange networks within the Jacksonville LATA have connectivity with each other, only through the use of toll facilities to and from various IXCs including BellSouth's LATA tandem, for the purposes of routing intraLATA toll traffic. The toll facilities either belong to an IXC or ALLTEL (but in the case of ALLTEL, only up to the meet point with BellSouth) These toll facilities do not transport local traffic.



24. Does ALLTEL have any point on its own network where it has LATA-wide connectivity of its network in the Gainesville LATA without the use of BellSouth's switch?

Response

No ALLTEL has no point in any of its own local exchange networks in the Gainesville LATA, with or without use of the BellSouth LATA tandem, whereby ALLTEL has connectivity for transporting local traffic LATA-wide or between all other ALLTEL local exchange networks within the LATA. ALLTEL's local exchange networks within the GainesvilleLATA have connectivity, through the use of toll facilities to and from various IXCs including BellSouth's LATA tandem, for the purposes of routing intraLATA toll traffic. The toll facilities either belong to an IXC or belong to ALLTEL (in the case of ALLTEL, only up to its meet point with BellSouth at their exchange boundary). These toll facilities do not transport local traffic.

25. Does ALLTEL have a bill-and-keep arrangement with BellSouth? Does ALLTEL pay BellSouth for use of the tandem?
- (a) If your response is in the affirmative, is the bill-and-keep arrangement based on an assumption of approximately equal exchange of traffic?
  - (b) If your response to (a) is negative, what rate does ALLTEL pay for use of BellSouth's tandem?
  - (c) Does ALLTEL have an MABC arrangement with BellSouth?
  - (d) If your response to (c) is affirmative, please explain the term MABC and how it applies to ALLTEL's use of BellSouth's tandem.
  - (e) Does ALLTEL anticipate approximately equal exchange of traffic with Global NAPs?
  - (f) If your response to (e) is negative, why not?

Response:

ALLTEL has a bill and keep arrangement with BellSouth only for the purpose of exchanging EAS traffic between certain end offices of ALLTEL and end offices of BellSouth. In order to establish such arrangement, a direct connection is established between the select ALLTEL end office and the select BellSouth end office within the specific exchanges. The BellSouth tandem switching charge does not apply because the traffic is not routed through the BellSouth tandem switch, but rather is end office connected. ALLTEL does not have a bill and keep arrangement with BellSouth with respect to other traffic exchanged between the parties and such is governed by the relevant access tariffs.

- (a) No. Local rates of ALLTEL's end users were established to compensate ALLTEL for any lost revenues and any costs that were expected due to the provision of such EAS

Without the establishment of EAS, ALLTEL's end users would be assessed a toll charge for calling a customer in the BellSouth exchange or ALLTEL would have received access revenues if the call was handled by another IXC

(b) Tandem switching would not be assessed for EAS traffic because the tandem switch is not used, however, as to traffic that utilizes the tandem switch, BellSouth's tariffed tandem switching rate and other charges would be billed to the toll provider

(c) Yes

(d) MABC stands for Modified Access Based Compensation, which was adopted by the FPSC in Docket No 850310-TL as the access-based compensation plan that replaced the ILEC intralata toll pool. Under this plan each ILEC is the primary intraLATA toll carrier for the ILEC's end users that have not chosen an IXC. This plan applies to the traffic which originates in an ILEC's certificated territory. The originating ILEC bills the end user a toll charge for the call. The originating ILEC pays terminating access charges to the ILEC that terminates the call. The originating ILEC would also pay toll switching and/or intertoll trunking charges to any ILECs that provided intermediate transport but did not terminate the call.

(e) No.

(f) GNAP has indicated that they will be predominantly serving ISPs (its own ISP service as well as third-party ISPs) which would result in only one-way traffic from ALLTEL to GNAPs. Traffic will originate from ALLTEL's end users and delivered to GNAP's own ISP service and GNAP's ISP wholesale customers. Calls will not be originated from the ISPs to ALLTEL customers.

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26. Please explain the term meet-point as used in your response to Staff's Interrogatory 6. Please provide examples of physical locations, in a network, where meet-points may occur.

Response

The meet-point is the physical point of interconnection of ALLTEL's network and BellSouth's network. This interconnection occurs at the exchange boundary between the parties. For example, meet points between ALLTEL and BellSouth are located at:

- (1) ALLTEL's McIntosh exchange boundary and BellSouth's Micanopy exchange boundary. The physical interconnection occurs at the intersection of US 441 & SE 185th Ave. The Vertical and Horizontal coordinates are (L&L = N-29.29\_W-82.14)
- (2) ALLTEL's Callahan exchange boundary and BellSouth's Jacksonville exchange boundary. The physical interconnection occurs at US 23/US1 at Thomas Creek which is the county line. The Vertical and Horizontal coordinates are (L&L N-30.30\_W-81.47).

27. Does ALLTEL provide its own transport to the meet-point?

Response

Yes

28. Does BellSouth provide transport for ALLTEL's traffic from the meet-point to the LATA tandem?

Response

ALLTEL interconnects with BellSouth at the toll route meet-point only for the purpose of exchanging toll traffic. No local traffic is delivered to the LATA tandem. BellSouth is responsible for the transport of such traffic from the meet-point to the LATA tandem. BellSouth either provides this transport itself or leases the transport from a third party. However, ALLTEL facilities end at the meet point with BellSouth.

29. Does ALLTEL compensate BellSouth for the transport from the meet-point to the LATA tandem?

Response.

For all toll calls that transit the BellSouth network, the toll provider has the responsibility to compensate BellSouth for transport and switching and recovers these costs from its end users by billing toll to its end user. The toll provider also compensates ALLTEL for use of ALLTEL facilities. ALLTEL only compensates BellSouth for this transport when an end user places an IntraLATA toll call with respect to which ALLTEL is the customer's choice for IntraLATA toll service.

30. How does the arrangement with BellSouth differ from the arrangement that is contemplated with Global NAPs?

Response

There are a number of differences. First, the arrangement between ALLTEL and GNAPs would be for the purpose of exchanging local traffic not toll traffic. Second, ALLTEL interconnects with BellSouth at the exchange boundary, which is on the ALLTEL network. GNAPs is unlawfully seeking to require ALLTEL to extend its responsibility for network beyond its current network and territory and interconnect with GNAPs at a single POI located in BellSouth's territory and on BellSouth' network at BellSouth's LATA tandem. Third, in ALLTEL's EAS arrangements with BellSouth which involves the exchange of local traffic, BellSouth has a separate direct connection from its relevant end office to each of ALLTEL's local exchange networks involved. The EAS interconnection arrangement meet points are also at the exchange boundary with BellSouth. GNAPs request regarding Issues 1 and 2, however, would force ALLTEL to provide for the transport from each and every ALLTEL non-interconnected local calling area to the single POI at the BellSouth tandem. ALLTEL should only be responsible for the cost associated with transport from the meet-point at the ALLTEL-BellSouth boundary to the LATA tandem when ALLTEL is the end user's choice for IntraLATA toll service. In these current arrangements, ALLTEL receives toll revenue from its end users and pays terminating access to BellSouth. Global NAP's is requesting ALLTEL to bear all the cost for transporting all traffic to Global NAPs at the BellSouth tandem. Global NAP's would bill ALLTEL reciprocal compensation for the call, but unless ALLTEL bills such as toll to its



endusers as it does today for such calling, it would not have a revenue source associated with the call. Traffic volumes would necessitate increases in monthly service charges to ALLTEL end users. ALLTEL's end users should not be burdened with additional costs due to the Global NAPS proposed single point of interconnection choice outside ALLTEL's local networks.

The FCC expressly addressed this issue in its First Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 11499 (1996) at ¶ 209, hereinafter "FCC Local Competition Order" by stating:

"Section 251(c) gives competing carriers the right to deliver traffic terminating on an incumbent LEC's network at any technically feasible point on that network, rather than obligating such carriers to transport traffic to less convenient or efficient interconnection points. Section 251(c)(2) lowers barriers to competitive entry for carriers that have not deployed ubiquitous networks by permitting them to select the points in an incumbent LEC's network at which they wish to deliver traffic. Moreover, because competing carriers must usually compensate incumbent LECs for the additional costs incurred by providing interconnection, competitors have an incentive to make economically efficient decisions about where to interconnect." [Emphasis added].

Similarly, ¶199 of the FCC Local Competition Order states:

"Of course, a requesting carrier that wishes a "technically feasible" but expensive interconnection would, pursuant to section 252(d)(1), be required to bear the cost of that interconnection, including a reasonable profit." [Emphasis added].

31. Please clarify for purposes of this proceeding whether ALLTEL is requesting that it be exempt from providing interconnection to Global NAPs under § 251(f)(1)(A) of the Act, or that the requirement to interconnect be modified under § 251(f)(2)?
- (a) If you respond that a modification is sought, please state for each issue in this proceeding what ALLTEL believes the modification of the interconnection requirements should be.

Response

ALLTEL's §251(f)(1) Rural Exemption ALLTEL is not required to formally "request" an exemption under §251(f)(1)(A) to be exempt from providing interconnection to GNAPs under §251(c)(2). Since ALLTEL currently meets the statutory definition of a "rural telephone company" under 47 USC 153 (37), ALLTEL automatically has such an existing exemption under §251(f)(1)(A), without requesting it, until and unless ALLTEL receives a bona fide request for interconnection and the Commission determines that the requesting carrier (GNAPs) has proved that the terms and conditions of that bona fide request (i) are not "unduly economically burdensome" to ALLTEL, (ii) are "technically feasible" and (iii) are consistent with certain universal service requirements. In addition, to the extent GNAPs desires the Commission to terminate ALLTEL's rural exemption pursuant to §251(f)(1)(A) and (B), GNAPs is statutorily required by §251(f)(1)(B) to provide written notices to the Commission as to its request. To date GNAPs has provided the Commission with no such written notice despite the fact that ALLTEL informed GNAPs as to its position on the rural exemption issue throughout the parties interconnection negotiations and despite the fact that ALLTEL raised its position in writing with GNAPs in ALLTEL's response to GNAP's petition for arbitration in this matter.

GNAPs has not and cannot prove that the terms and conditions of GNAPs request for interconnection and certain reciprocal arrangements with ALLTEL meet the three prerequisites required by §251(f)(1)(A) and (B) for obtaining an order from the Commission terminating ALLTEL's existing exemption. ALLTEL is not asserting its existing rural exemption, under §251(f)(1), with respect to Issues 1, 2, 3 and 4 to the extent that GNAPs agrees or that the Commission would order interconnection between ALLTEL and GNAPs in accordance with the terms and conditions being offered by ALLTEL, rather than those demanded by GNAPs. If GNAPs does not agree to these terms then ALLTEL is asserting its rural exemption and GNAPs request can not be granted unless or until the statutory requirements described above can be met, with respect to which GNAPs has the burden of proof.

ALLTEL's Petition for Suspensions/Modifications under §251(f)(2). As a completely separate statutory right from its right to a Rural Exemption, as described above, ALLTEL has also petitioned the Commission under §251(f)(2) for suspensions and/or modifications of certain obligations ALLTEL might be ordered to meet under §251(b) and (c) with respect to GNAPs requests for interconnection and reciprocal compensation arrangements (Issues 1, 2, 3 and 4). Those suspensions and modifications to the requirements of §251(b) and (c) would be those to the extent such may be necessary to deny GNAP's proposed contract language with respect to Issues 1, 2, 3 and 4 with respect to interconnection and reciprocal compensation.

32. Is ALLTEL requesting a modification of the interconnection requirements that would allow ALLTEL to require that Global NAPs place one interconnection point in each non-contiguous portion of ALLTEL's network, instead of one interconnection point in each LATA?

Response.

To the extent that the Commission would find that §251(b) and/or (c) would require a Florida ILEC that is not a "fewer than 2%" rural carrier, to allow an ALEC one interconnection point in each LATA (a position with ALLTEL asserts would be unlawful), ALLTEL, which is a "fewer than 2%" rural carrier, is requesting that such "requirement" be modified or suspended with respect to ALLTEL in such a manner as to require GNAPs (i) to locate one interconnection point in each non-interconnected portion of ALLTEL's local exchange networks within the LATA where GNAPs wishes to exchange local traffic or (ii) to be financially responsible for any transport from any such non-interconnected portion of ALLTEL's local exchange networks within the LATA which lacks such an interconnection point and with which GNAPs desires to exchange local traffic and one or more non-contiguous portions in which GNAPs requests such an interconnection point.

33. Does ALLTEL have interconnection agreements with ALECs other than Global NAPs in Florida?
- (a) If your response is affirmative, do other companies have an interconnection point in each of ALLTEL's local exchange areas?
  - (b) If your response is affirmative, in negotiating or arbitrating those agreements, has the definition of the local calling area for purposes of reciprocal compensation been an issue?
  - (c) If your response to (a) is negative, please describe the interconnection arrangements with each ALEC that ALLTEL connects with. It is not necessary to provide the names of the companies.
  - (d) If your response to (b) is affirmative, how was the local calling area issue ultimately defined?
  - (e) If your response to (b) is affirmative, have the virtual NXX issues been raised in prior negotiation or arbitrations?
  - (f) If your response to (e) is affirmative, how was that issue resolved?

Response:

Current agreements between ALLTEL and other ALECs only contain provisions for Resale of Service not physical interconnection arrangements. Physical interconnection arrangements are not required since the ALECs are resellers and the ALLTEL switch and facilities provide the resold services.

- (a) N/A
- (b) N/A
- (c) N/A
- (d) N/A

(e) N/A

(f) N/A

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**34. Do other ALECs provide engineering forecasts to ALLTEL to help determine the appropriate location for the Interconnection point?**

Response

No As stated in response to Interrogatory 33 above, Interconnection Points are not required in a resale of service arrangement

35. Have there been any disputes between ALLTEL and other parties over location of the IP in Florida?

(a) If your response is affirmative, what was the outcome?

Response:

As stated in response to Interrogatory 33, ALLTEL only has resale agreements with other ALECs in Florida, no interconnection agreements. ALLTEL has not been requested to interconnect with any other party except GNAPs in Florida. Thus, ALLTEL's only such dispute is with GNAPs.



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36. Is the primary dispute to be resolved in Issue 3 how should the local calling area be defined for purposes of reciprocal compensation?
- (a) If your response is negative, please explain what ALLTEL believes the dispute is.

Response.

Yes, except it may have some repercussions with respect to Issue 4, the virtual NXX issue.

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For the next two interrogatories, please refer to FPSC Docket No 000075-TP in which the Commission addressed some aspects of the local calling area issue and the virtual NXX issue. On pages 54-55 of Order No. PSC-02-1248-FOF-TP, the Commission concluded that it was appropriate to establish the originating carrier's retail local calling area as the default local calling area for purposes of reciprocal compensation.

37. **Are there any facts that the Commission should consider in Docket No. 001354-TP that were not considered in Docket No. 000075-TP regarding the local calling area?**
- (a) **If your response is affirmative, please explain in detail what additional facts you believe the Commission should consider.**

Response.

Yes. See ALLTEL's response to Interrogatories 1, 3, 7, and 8, First Set. See ALLTEL responses to PODs 1 and 2, First Set.

See Mr Busbee's direct and rebuttal testimony regarding the rural nature and specific configuration of ALLTEL's network architecture, ALLTEL's potential cost increases and revenue losses as they relate to this issue and the other factors including those to be considered in determining ALLTEL's right to a rural exemption and or rural carrier suspension or modification.

38. Are there any facts that the Commission should consider in Docket No. 001354-TP that were not considered in Docket No. 000075-TP regarding the virtual NXX issue?

(a) If your response is affirmative, please explain in detail what additional facts you believe the Commission should consider.

Response.

Yes. See ALLTEL's response to Interrogatories 1, 2, 3, 4, 7, and 8, First Set. See ALLTEL responses to PODs 1 and 2, First Set.

See Mr. Busbee's direct and rebuttal testimony regarding the rural nature and specific configuration of ALLTEL's network architecture, ALLTEL's potential cost increases and revenue losses as they relate to this issue and the other factors to be considered, including those in determining ALLTEL's right to a rural exemption and or rural carrier suspension or modification.

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INTERROGATORY NO. 39  
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39. Please refer to ALLTEL's interrogatory responses provided to Staff Interrogatory No. 3. ALLTEL states that it would be unable to quantify the exact magnitude or capital requirements to modify its current recording and billing systems to accommodate the originating carrier ruling until that prerequisite industry coordination could be accomplished. Does ALLTEL have any new/additional information on the magnitude or capital requirements at this time?

Response

ALLTEL continues to evaluate the magnitude and capital requirements to modify its recording and billing systems to accommodate the originating carrier ruling if such is not reversed on appeal or otherwise determined not applicable. The initial estimates indicate that to accommodate a single ALEC initial request, the cost to ALLTEL would exceed \$600,000.

As previously stated in ALLTEL's interrogatory response to Staff Interrogatory No. 3, ALLTEL's message processing systems are not equipped to jurisdictionalize call records upon anything other than the calling number (i.e., NPA-NXX). The originating carrier method would require ALLTEL to change its message processing system from an NPA NXX-specific rating and billing method to carrier-specific rating and billing method. ALLTEL would be required to make significant enhancements to its message processing system to enable ALLTEL to differentiate between carriers in order to apply the appropriate jurisdictional charges for calls from the same geographical location.

Additionally, all other ALECs, like GNAPs, could choose to define their local calling scope in order to avoid the payment of access charges. If one ALEC retail end user chooses an expanded

calling plan and another ALEC retail end user does not choose to purchase the expanded calling plan, different ALEC end users in the same geographical location may then have different local calling scopes. It is possible that ALLTEL would then have the additional burden of rating similar calls between the same geographical locations from various ALEC end users differently according to the retail plan to which the end user subscribes with the ALEC

40. Refer to page 46 of Lee Selwyn's direct testimony, lines 1 through 5.

- (a) Do you agree with Dr. Selwyn that the definition of the local calling area is fundamental to the "virtual NXX" issue?
- (b) If your response is negative, please explain why not.

Response

ALLTEL objects to Interrogatory 40 on the grounds that it is ambiguous and confusing. The question on page 45 of Lee Selwyn's direct testimony, lines 5 and 6, which is the question Mr. Selwyn is responding to on page 46, lines 1 through 5, refers to "ILEC local calling areas." Mr. Selwyn's response on page 46, lines 1 through 5, however, does not include "ILEC" in his reference to "local calling areas." In addition, neither Mr. Selwyn nor Interrogatory 40 defines what "fundamental to the 'virtual NXX' issue" means. Finally, neither Mr. Selwyn nor Interrogatory 40 are clear as to whether the "local calling area" should be viewed from the perspective of ALLTEL's end user customers or ALLTEL's relationship with other carriers. Without waiving the foregoing objections, ALLTEL will attempt to answer the question as it relates to ALLTEL's intercarrier relationships.

(a) and (b) The ILEC local calling area boundary should be the basis for distinguishing between reciprocal compensation (i.e. local) versus exchange access compensation (intraLATA switched access). The ILEC local calling area is related to the "virtual" NXX issue insofar as improperly allowing the ALEC to establish a "virtual" NXX would essentially transpose the entire LATA into a local calling area for purposes of intercarrier compensation and ensure

improper regulatory arbitrage as described in Alfred Busbee's direct testimony, pages 24 - 28  
and rebuttal testimony, pages 21 - 24

41. Refer to page 58 of Dr. Selwyn's direct testimony, lines 18 through 24 and page 59, lines 1 and 2. Dr. Selwyn makes several statements regarding an ILEC's ability to compete in order to respond to "competitive losses." He makes similar assertion on page 10, lines 10 through 18 and page 11, lines 1 and 2 of his rebuttal. Does ALLTEL agree with Dr. Selwyn's assertions? Please explain your answer.

Response:

No. ALLTEL does not agree with Dr Selwyn's assertions. First, the assertion that the result of forcing GNAPs proposed virtual NXX regime on ALLTEL by regulatory fiat merely amounts to a normal, run-of-the-mill competitive loss to ALLTEL which ALLTEL can easily respond to by changing its own competitive offerings is nonsense. It would, in fact amount to a complete trashing of the current industry wide intercarrier compensation regime with respect to the relationship between ALLTEL's local service cost recovery and compensation mechanisms and its exchange access cost recovery and compensation mechanisms -- which have all been imposed on ALLTEL by regulatory authority and over which ALLTEL has had little or no unilateral control.

The real issue is GNAPs' attempt to avoid legitimate access charges due ALLTEL for what would normally be an intraLATA toll call. In a truly competitive market as envisioned by Dr Selwyn, ALLTEL would be allowed to adjust all of its rates to recover all costs from the end user that causes the costs and could then lower its access revenues. This would necessarily eliminate or reduce contributions to ensure affordable local service rates that are provided by intrastate access rates today. However, that has not happened. Dr. Selwyn does not acknowledge



that any avoidance of access rates as proposed by GNAPs would be available to other similarly situated carriers who could also opt in to this same arrangement

Second, GNAPs business plan of providing one way ISP bound traffic from ALLTEL's local service area to GNAPs own and third party ISPs located in Jacksonville and Gainesville is not reasonably answerable by ALLTEL making the same offering in reverse by expanding its local calling area and expanding its local inward calling. ISPs are abundant in Jacksonville and Gainesville. They are nearly non-existent in ALLTEL's mostly rural areas. Additionally, ALLTEL's local service area was established by the Commission and customer demand.

Finally, GNAPs position is contrary to current law with respect to the weight Commissions are required to place on "competitive losses" when considering §251(f) rural exemptions, suspensions and modifications. While the FCC once had a rule that only losses to rural carriers which were beyond "normal competitive losses" need be taken into account in determining whether to continue a rural exemption, that rule was struck down by the Eighth Circuit Court of Appeals, and now all competitive losses must be taken into consideration regardless if they are ordinary losses or extraordinary losses.

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INTERROGATORY NO. 42  
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42. Refer to footnote 19 on page 8 of Dr. Selwyn's rebuttal testimony. Does ALLTEL agree with Dr. Selwyn's observations in the footnote, particularly his comment that "\$900,000 in 'lost' (mostly) terminating access revenue is entirely unrelated to Global NAPs' entry, etc.?"

Response.

**CONFIDENTIAL**

No ALLTEL does not agree. First, Mr Busbee updated his data and analysis in his rebuttal testimony at page 20 and determined the potential loss on an intraLATA basis to be [REDACTED] and [REDACTED] on a total intrastate basis. Second, the losses calculated have nothing to do with competition. These are not losses that would result from loss of end users, but rather from, for example, unlawful access and toll service by pass by GNAPs and other carriers wanting to be treated like GNAPs. In addition there would be added expense and cost associated with the increased demand on the network caused by ISP traffic volume. Thus, ALLTEL's losses would be a direct result of the existence of the interconnection agreement between ALLTEL and GNAPs and GNAPs actions.

**CONFIDENTIAL**

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43. Assume for the sake of discussion that ALLTEL and GNAPs will have an intercarrier compensation plan that is based on the originating carrier's local calling area. Assume also the GNAPs' local calling area will be different from ALLTEL's local calling area. Please provide a proposal for an originating carrier compensation plan that includes a discussion of the technical feasibility of implementing such a plan.

Response

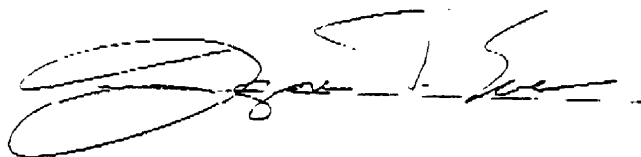
Given the current state of ALLTEL's and industry wide traffic identification, billing systems and dependence on the current intercarrier compensation plans, such a plan would be impossible without total industry participation and potentially unreasonable increases in systems and network investments. It will not be feasible to consider the answer to this interrogatory until the results are known with respect to attempts to achieve access reductions with associated local rate rebalancing and state universal service funding. See ALLTEL's response to Staff Interrogatory 3.

AFFIDAVIT

STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

BEFORE ME, the undersigned authority, personally appeared Jayne Eve, who deposed and said that she is employed as Director – State Government Affairs, for ALL TEL and that ALL TEL Florida, Inc's answers to Staff's Second Set of Interrogatories are correct to the best of her information and belief.

DATED this 10th day of July, 2003



The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of July, 2003, by Jayne Eve, who is personally known to me.

Teri D Earhardt  
Notary

Teri D Earhardt  
printed name

Notary Public  
Title

My Commission Expires: 3/21/2007



AFFIDAVIT

STATE OF ARKANSAS  
COUNTY OF PULASKI

BEFORE ME, the undersigned authority, personally appeared Lynn Hughes, who deposed and said that she is employed as Director - Wholesale, for ALLTEL and that ALLTEL Florida, Inc's answers to Staff's Second Set of Interrogatories are correct to the best of her information and belief.

DATED this 10<sup>th</sup> day of July, 2003.

Lynn Hughes

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of July, 2003, by Lynn Hughes, who is personally known to me.

Sandra Jean Wood  
Notary

Sandra Jean Wood  
printed name

Notary Public  
Title

My Commission Expires: 9/1/11



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: )  
 )  
Global NAPs, Inc. )  
 ) Docket No. 011354-TP  
Petition for Arbitration Pursuant to ) Filed: 07/29/03  
47 U.S.C. § 252(b) of Interconnection, )  
Rates, Terms and Conditions with )  
 )  
ALLTEL Florida, Inc. )  
\_\_\_\_\_ )

**ALLTEL FLORIDA, INC.'S  
SECOND REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Line-by-line Justification

<u>Page</u>	<u>Line(s)</u>	<u>Explanation</u>
39	2, 3	Note 1

Note 1

These data point quantify the significant potential negative financial impact to ALLTEL if the Commission does not adopt ALLTEL's local calling area as the local calling area for purposes of defining whether reciprocal compensation or access charges apply. This analysis includes the potential annual loss of access revenue. This data reflects the extent to which ALLTEL's earnings and financial condition are dependent on access revenue. Calculations of this type are not publicly disclosed by the Company, but if disclosed, could affect the perceived value of ALLTEL in the market place, thereby harming ALLTEL.

Exhibit C