

LAW OFFICES
Messer, Caparello & Self
A Professional Association

Post Office Box 1876
Tallahassee, Florida 32302-1876
Internet: www.lawfla.com

November 26, 2003

BY HAND DELIVERY

Ms. Blanca Bayó, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket Nos. 030867-TL, 030868-TL, 030869-TL, and 030961-TI

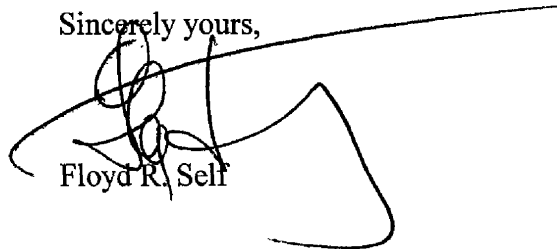
Dear Ms. Bayó:

Enclosed for filing on behalf of AT&T Communications of the Southern States, LLC are an original and fifteen copies of the Rebuttal Testimony of Richard T. Guepe on behalf of AT&T Communications of the Southern States, LLC in the above referenced dockets.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,



Floyd R. Self

FRS/amb
Enclosures
cc: Parties of Record

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by U. S. Mail this 26th day of November, 2003.

Felicia Banks, Esq.*
Office of General Counsel, Room 370
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia Christensen, Esq.*
Office of General Counsel, Room 370
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Lee Fordham, Esq.*
Office of General Counsel, Room 370
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Nancy B. White
c/o Nancy H. Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

Richard A. Chapkis, Esq.
Verizon Florida, Inc.
P.O. Box 110, FLTC 0007
Tampa, FL 33601-0110

John Fons, Esq.
Ausley Law Firm
P.O. Box 391
Tallahassee, FL 32302

Susan S. Masterton, Esq.
Sprint-Florida, Incorporated
Sprint Communications Company limited Partnership
P.O. Box 2214
Tallahassee, FL 32316-2214

Michael A. Gross
Vice President, Regulatory Affairs
& Regulatory Counsel
Florida Cable Telecommunications Assoc., Inc.
246 E. 6th Avenue
Tallahassee, FL 32301

Tracy W. Hatch, Esq.
AT&T Communications of the Southern States, LLC
101 N. Monroe Street, Suite 701
Tallahassee, FL 32301

Lisa Sapper
AT&T
1200 Peachtree Street, NE, Suite 8100
Atlanta, GA 30309

Donna McNulty, Esq.
WorldCom
1203 Governors Square Blvd, Suite 201
Tallahassee, FL 32301-2960

De O'Roark, Esq.
MCI WorldCom Communications, Inc.
6 Concourse Parkway, Suite 3200
Atlanta, GA 30328

Mr. Mark Cooper
AARP
504 Highgate Terrace
Silver Spring, MD 20904

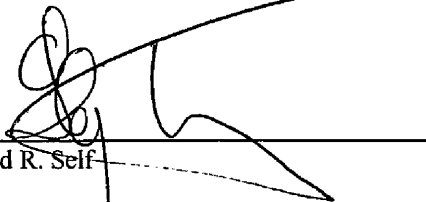
Ms. Karen Jusevitch
Mr. Carlos Muniz
Gray, Harris & Robinson
P.O. Box 11189
Tallahassee, FL 3230203189

Mr. John Feehan
Knology of Florida, Inc.
1241 O. G. Skinner Drive
West Point, GA 31833-1789

Michael B. Twomey, Esq.
P.O. Box 5256
Tallahassee, FL 32314-5256

Charles Beck, Esq.
Office of Public Counsel
111 W. Madison Street, #812
Tallahassee, FL 32399-1400

Jack Shreve
Senior Special Counsel for Consumer Affairs
Office of the Attorney General
PL-01 The Capitol
Tallahassee, FL 32399


Floyd R. Seif

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Verizon Florida Inc. to reform)
intrastate network access and basic local)
telecommunications rates in accordance with) Docket No. 030867-TL
Section 364.164, Florida Statutes.)
_____)

In re: Petition by Sprint-Florida, Incorporated to)
reduce intrastate switched network access rates to)
interstate parity in revenue-neutral manner) Docket No. 030868-TL
pursuant to Section 364.164(1), Florida Statutes.)
_____)

In re: Petition for implementation of Section)
364.164, Florida Statutes, by rebalancing rates in a)
revenue-neutral manner through decreases in) Docket No. 030869-TL
intrastate switched access charges with offsetting)
rate adjustments for basic services, by BellSouth)
Telecommunications, Inc.)
_____)

In re: Flow-through of LEC Switched Access)
Reductions by IXC's, Pursuant to Section) Docket No. 030961-TI
364.163(2), Florida Statutes)
_____)

**REBUTTAL TESTIMONY OF
RICHARD T. GUEPE**

**ON BEHALF OF
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC**

November 26, 2003

1 A. I address Issues 6 and 7. Dr. John Mayo will address Issues 8, 9 and 10 on behalf of
2 AT&T.

3

4 **Q. DO YOU AGREE WITH MR. OSTRANDER'S SUGGESTIONS ON WHAT**
5 **MATERIALS SHOULD ACCOMPANY THE IXC FLOWTHROUGH**
6 **TARIFFS?**

7 A. No.

8

9 **Q. WHY NOT?**

10 A. Mr. Ostrander proposes much more stringent requirements on the level and detail of
11 information to be provided by IXCs than the 2003 Act requires. The 2003 Act
12 recognizes the competitive nature of the long distance business by reducing the
13 amount of regulation applicable to this portion of the industry. Mr. Ostrander's
14 suggestions are inconsistent with the spirit of the 2003 Act by requesting that IXCs
15 provide information that is more consistent with rate of return type regulation. If
16 adopted, they would impose additional burdensome requirements on IXCs.

17

18 **Q. WHAT DO YOU MEAN BY MORE STRINGENT REQUIREMENTS?**

19 A. Mr. Ostrander is requesting that IXCs provide specific information on average
20 revenue per minute for both residential and business customers, reductions by type of
21 service, as well as specific revenue data for business and residential customers.
22 These types of requirements are not specified in the statute and are unnecessary in the
23 regulation of an already-competitive market.

1

2 **Q. WHAT DOES THE STATUTE REQUIRE?**

3 A. The statute requires three (3) items with respect to access flow-through: First, IXCs
4 should demonstrate that their revenues are reduced consistent with the amount of
5 reductions they receive in access charges; second, that reductions are made for the
6 benefit of residential and business customers; and third, that any in-state connection
7 fee be eliminated no later than July 2006. Any further requirements as proposed by
8 Mr. Ostrander are more stringent than the statute requires and are unnecessary under
9 the statute.

10

11 **Q. MR. OSTRANDER INDICATES THAT HIS RECOMMENDATIONS ARE**
12 **CONSISTENT WITH THE STAFF'S RECOMMENDATION IN THIS**
13 **DOCKET AND THAT THEY SIMPLY "CLARIFY" THE STAFF'S**
14 **PROPOSAL. DO YOU AGREE?**

15 A. No. Mr. Ostrander's proposal goes well beyond the recommendations proposed by
16 staff without any justification as to why such additional materials and calculations are
17 necessary. His proposal also goes far beyond anything required under the statute.
18 Mr. Ostrander appears to be arbitrarily selecting information that he would like to see
19 without explaining the benefits of placing such onerous requirements on carriers. As
20 indicated by the majority of witnesses filing testimony on this issue¹, the IXCs should

¹ For example, Sprint witness Kapka states "Sprint recommends that each carrier required to file a flow-through tariff meet with the Commission Staff and explain the particular approach that the carrier plans to take. The Commission should not attempt to mandate some sort of cookie cutter approach but rather leave it up to the competitive market to determine what particular approach makes sense to each provider..." (Direct testimony p. 5-6). And BellSouth Long Distance witness Henson states "Responsive filings should include tariffs that reduce rates and thus reflect the anticipated access charge reductions that each intrastate interexchange

1 be given the maximum amount of flexibility to implement the flow through, as long
2 as it is consistent with the statute. To do otherwise unnecessarily regulates an
3 already- competitive market and constrains market forces which will ensure that
4 customers receive the benefits of the access reductions.

5
6 **Q. MR. OSTRANDER SUGGESTS THE IXC TARIFF REDUCTIONS MUST BE**
7 **EFFECTIVE SIMULTANEOUS WITH THE APPROVED ILEC ACCESS**
8 **RATE REDUCTIONS. IS THIS NECESSARY?**

9 **A.** No. Non-simultaneous tariffs will not harm consumers. A competitive market, and
10 there is no dispute that the long distance market in Florida is competitive, will
11 provide consumer benefit beyond any regulatory decree. The interstate long distance
12 market provides ample evidence. As shown in the annual FCC report “Reference
13 Book of Rates, Price Indices and Household Expenditures for Telephone Service”
14 released July 15, 2003, competition, left to its own devices, has driven down the
15 average rate for interstate long distance. During the period from 1992 to 2001 (the
16 period covered in this portion of the report), the interstate revenue per minute from
17 toll calls decreased by \$.07. The FCC Trends in Telephone Service Report released
18 August 7, 2003, shows the interstate charges for switched access decreased by less
19 than \$.053 for this period. This demonstrates the competitive market ensured the
20 benefits of access reductions were more than returned to consumers. There is no
21 evidence that the results in Florida would be contrary to this outcome. As such, it
22 simply is not necessary for any tariffs to be effective simultaneously. Once the ILEC

telecommunications company will receive. Each carrier may also file a statement of the total revenue reduction anticipated by such company”.

1 access reductions are filed and the actual new rates known, IXCs need sufficient time
2 to calculate their access savings, determine their rate reductions and prepare tariffs for
3 filing. The Commission should allow IXCs 60 days from the ILEC tariff filing date
4 of access reductions to file any tariff revisions that may be required.

5

6 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

7 A. Yes.

8