

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition of TDS Telecom d/b/a
TDS Telecom/Quincy Telephone,
ALLTEL Florida, Inc., Northeast Florida
Telephone Company d/b/a NEFCOM,
GTC, Inc. d/b/a GT Com, Smart City
Telecommunications, LLC d/b/a Smart
City Telecom, ITS Telecommunications
Systems, Inc. and Frontier Communications
of the South, LLC, concerning BellSouth
Telecommunications, Inc.'s Transit Service
Tariff

Docket No. 050119-TP

Petition and Complaint of AT&T Communication
of the Southern States, LLC for suspension and
cancellation of Transit Traffic Service Tariff
No. FL2004-284 filed by BellSouth
Telecommunications, Inc.

Docket No. 050125-TP

Filed: December 19, 2005

**DIRECT TESTIMONY AND EXHIBIT
OF
TIMOTHY J. GATES**

ON BEHALF OF

**THE COMPETITIVE CARRIERS OF THE SOUTH, INC.
(COMPSOUTH)**

DOCUMENT NUMBER-DATE

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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In the Matter of:)
)
Joint petition by TDS Telecom d/b/a TDS)
Telecom/Quincy Telephone; ALLTEL)
Florida, Inc.; Northeast Florida Telephone)
Company d/b/a NEFCOM; GTC, Inc. d/b/a)
GT Com; Smart City Telecommunications,)
LLC d/b/a Smart City Telecom; ITS)
Telecommunications Systems, Inc.; and) **Docket Nos. 050119-TP/050125-TP**
Frontier Communications of the South, LLC)
["Joint Petitioners"] objecting to and)
requesting suspension and cancellation of)
proposed transit traffic service tariff filed by)
BellSouth Telecommunications, Inc.)
)
Petition and complaint for suspension and)
cancellation of Transit Traffic Service Tariff)
No. FL2004-284 filed by BellSouth)
Telecommunications, Inc., by AT&T)
Communications of the Southern States,)
LLC.)

**Direct Testimony and Exhibit
Of
Timothy J Gates
On Behalf of
The Competitive Carriers of the South, Inc.**

December 19, 2005

1

2

I. Introduction of Witness

3

Q. Please state your name and business address.

4

A. My name is Timothy J Gates. My business address is QSI Consulting, 819

5

Huntington Drive, Highlands Ranch, Colorado 80126.

6

7

Q. What is QSI Consulting, Inc. and what is your position with the firm?

1 A. QSI Consulting, Inc. (“QSI”) is a consulting firm specializing in traditional and
2 non-traditional utility industries, econometric analysis and computer-aided
3 modeling. I currently serve as Senior Vice President.

4
5 **Q. Please describe your educational background and work experience.**

6 A. I received a Bachelor of Science degree from Oregon State University and a
7 Master of Management degree in Finance and Quantitative Methods from
8 Willamette University's Atkinson Graduate School of Management. Since I
9 received my Masters, I have taken additional graduate-level courses in statistics
10 and econometrics. I have also attended numerous courses and seminars specific
11 to the telecommunications industry, including both the NARUC Annual and
12 NARUC Advanced Regulatory Studies Programs.

13 Prior to joining QSI, I was a Senior Executive Staff Member at MCI
14 WorldCom, Inc. (“MWCOCM”). I was employed by MCI and/or MWCOCM for 15
15 years in various public policy positions. While at MWCOCM I was responsible for
16 various functions, including tariffing, economic and financial analysis,
17 competitive analysis, witness training, and MWCOCM’s use of external
18 consultants. Prior to joining MWCOCM, I was employed as a Telephone Rate
19 Analyst in the Engineering Division at the Texas Public Utility Commission and
20 earlier as an Economic Analyst at the Oregon Public Utility Commission. I also
21 worked at the Bonneville Power Administration (United States Department of
22 Energy) as a Financial Analyst performing total electric use forecasts while I
23 attended graduate school. Prior to doing my graduate work, I worked for ten

1 years as a reforestation forester in the Pacific Northwest for multinational and
2 government organizations. Exhibit No. TJG-1 to this testimony is a summary of
3 my work experience and education.

4
5 **Q. Have you previously testified before the Florida Public Service Commission**
6 **(“Commission”)?**

7 A. Yes. I have testified in a number of Florida proceedings, including Docket Nos.
8 031047-TP,¹ 000084-TP,² 000907-TP³ and 930330-TP.⁴ I have testified more
9 than 200 times in 44 states and filed comments with the FCC on various public
10 policy issues ranging from costing, pricing, local entry and universal service to
11 strategic planning, merger and network issues. A list of all proceedings in which I
12 have filed testimony or provided comments is included in Exhibit No. TJG-1.

13
14 **Q. On whose behalf are you filing this testimony?**

15 A. I am filing this testimony on behalf of the Competitive Carriers of the South, Inc.
16 (“CompSouth”).⁵

¹ *Petition of KMC Telecom for Arbitration with Sprint Communications.* On Behalf of KMC Telecom III, L.L.C, KMC Telecom V, Inc., and KMC Data, L.L.C.

² *Petition of BellSouth for Arbitration with US LEC of Florida, Inc.* On Behalf of US LEC.

³ *Petition of Level 3 for Arbitration with BellSouth.* On Behalf of Level 3.

⁴ *Investigation into IntraLATA Presubscription.* On Behalf of MCI.

⁵ CompSouth members that are sponsoring this testimony are: ACCESS Integrated Networks, Inc., Access Point Inc., Birch Telecom, Cinergy Communications Company, CompTel/ASCENT, Dialog Telecommunications, Inc., IDS Telecom, LLC, InLine, ITC^DeltaCom, LecStar Telecom, Inc., Momentum Telecom, Inc., Navigator Telecommunications, LLC, Network Telephone Corp., NuVox Communications, Inc., Providing Active Competition Everywhere (PACE), Supra Telecom, Talk America, Trinsic, XO Communications, and Xspedius Communications.

II. Purpose of Testimony

1
2 **Q. What is the purpose of your testimony?**

3 A. I have been asked by CompSouth to analyze the issues in this docket and provide
4 recommendations to the Commission with regard to the seventeen (17) disputed
5 issues set forth in Attachment A to the Commission's Order Establishing
6 Procedure, Order No. PSC-05-1206-PCO-TP, issued on December 6, 2005. Each
7 of these issues is listed below, and I have structured my testimony to address
8 these issues in sequential order as they appear in Attachment A to the
9 Commission's procedural order. The issue statements for a number of these
10 issues indicate that BellSouth or the small local exchange carriers ("LECs") may
11 have proposals to change the manner in which obligations are established in
12 transiting arrangements and/or the manner in which transit traffic is routed. It is
13 CompSouth's position that no changes are necessary to the current transit
14 structure. As a result, I will reserve my comments on the issues which may
15 involve suggested changes to the current structure for rebuttal testimony, after I
16 have had the opportunity to review the parties' direct testimony and discovery
17 responses.

18
19 **III. Summary of Testimony and Recommendations**

20 **Q. Please summarize your testimony and recommendations.**

21 A. I recommend that the Commission reject BellSouth's transit tariff and issue
22 appropriate refunds for any payments made under the tariff. I recommend that
23 BellSouth continue to provide transiting as it has traditionally provided it –

1 through § 252 interconnection agreements (“ICAs”). However, if the
2 Commission believes that a transit tariff is appropriate for carriers who do not
3 have transit terms, conditions and rates in their ICAs with BellSouth, it should
4 rectify the numerous problems in BellSouth’s tariff. This would include specific
5 language making clear that the tariff does not impact existing ICAs that address
6 transiting and should not be used as a benchmark for future ICA negotiations or
7 renegotiations. This would also include requiring the transit rate to be TELRIC-
8 based, just and reasonable, nondiscriminatory and based on a cost study and/or
9 supporting documentation. Any BellSouth transit tariff the Commission approves
10 should also omit the provision in BellSouth’s tariff that imposes specific
11 requirements on relationships between originating and terminating carriers.
12 While the CompSouth members oppose a BellSouth transit tariff altogether,
13 should the Commission find that a transit tariff is needed, the abovementioned
14 changes are just a few of the revisions that would need to be made to BellSouth’s
15 tariff for it to be more in line with applicable rules and requirements. I will
16 explain these revisions in more detail in my testimony.

17
18 **IV. Policy Framework**

19 **Q. Can you briefly explain the context in which the Commission should consider**
20 **proposals by parties in this proceeding?**

21 A. Yes. The issues raised in this docket must be reviewed in the context of current
22 practice as well as in the context of this Commission’s role to continue to foster a
23 competitive local telecommunications environment.

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Q. What is transiting?

A. According to the FCC, “transiting occurs when two carriers that are not directly interconnected exchange nonaccess traffic by routing the traffic through an intermediary carrier’s network. Typically, the intermediary carrier is an incumbent LEC [in this case, BellSouth] and the transited traffic is routed from the originating carrier through the incumbent LEC’s tandem switch to the terminating carrier. The intermediary (transiting) carrier then charges a fee for use of its facilities.”⁶ By way of example, transiting works as follows: a customer of Carrier A (originating carrier) calls a customer of Carrier B (terminating carrier), and since Carriers A and B are not directly interconnected, they utilize BellSouth’s transiting service as an indirect interconnection so that the call can terminate to Carrier B’s customer. BellSouth, as the incumbent LEC, is the only carrier capable of providing transit service connecting all carriers, primarily because of the ubiquitous local network BellSouth has been able to construct over many years of monopoly-provided services.

Q. Does BellSouth’s definition of “transit,” as used in its tariff, differ from the one you have provided above?

A. No. BellSouth’s definition is “Local Traffic originating on one Telecommunications Service Provider’s network that is delivered by BellSouth to

⁶ *In the Matter of Developing a Unified Inter-carrier Compensation Regime*, CC Docket No. 01-92, Further Notice of Proposed Rulemaking, Federal Communications Commission, 20 FCC Rcd 4685; 2005 FCC LEXIS 1390, FCC 05-33, rel. March 3, 2005 (“ICF FNPRM”), ¶ 120.

1 a different Telecommunications Service Provider's network for termination."
2 (BellSouth General Subscriber Service Tariff, A16.2 Transit Traffic Service;
3 Issued: January 27, 2005)

4
5 **Q. Why is transiting important to competitive local exchange carriers**
6 **("CLECs") and local competition as a whole?**

7 A. In the absence of transiting, each carrier (CLEC/CMRS⁷/small LECs) would be
8 forced to establish direct interconnection trunks with every other
9 CLEC/CMRS/small LEC carrier with which it exchanges local traffic in order for
10 all of its customers' calls to be completed. Duplicating the incumbent's network
11 has never been viewed as an economic way to enter the market, as it is simply not
12 cost effective or efficient to establish these multiple, duplicative direct trunks
13 between each of these carriers (especially for carriers who exchange small
14 amounts of traffic). As a result, it is likely that, in the absence of transiting, not
15 all carriers would be interconnected and calls between customers of these carriers
16 would therefore not be completed (*e.g.*, in the above example, the call between
17 Carrier A and Carrier B would be dropped as there would be no physical linkage
18 between Carrier A and Carrier B). Further, since BellSouth would be the only
19 provider able to efficiently interconnect with all carriers, and therefore the only

⁷ CMRS stands for Commercial Mobile Radio Service and is an FCC designation for any carrier or licensee whose wireless network is connected to the public switched telephone network and/or is operated for profit. Newton's Telecom Dictionary, 20th Ed. The FCC defines CMRS as: A mobile service that is: (a)(1) provided for profit, *i.e.*, with the intent of receiving compensation or monetary gain; (2) An interconnected service; and (3) Available to the public, or to such classes of eligible users as to be effectively available to a substantial portion of the public; or (b) The functional equivalent of such a mobile service described in paragraph (a) of this section. 47 CFR § 20.3.

1 carrier that could complete calls to customers of all carriers, BellSouth would
2 have an insurmountable competitive advantage. Simply put, transiting is the one
3 of the most efficient means of interconnection between carriers and is critical to
4 the development of local competition. The FCC summarized the importance of
5 transiting as follows:

6 125. The record suggests that the availability of transit service is
7 increasingly critical to establishing indirect interconnection -- a
8 form of interconnection explicitly recognized and supported by the
9 Act. It is evident that competitive LECs, CMRS carriers, and rural
10 LECs often rely upon transit service from the incumbent LECs to
11 facilitate indirect interconnection with each other. **Without the**
12 **continued availability of transit service, carriers that are**
13 **indirectly interconnected may have no efficient means by**
14 **which to route traffic between their respective networks.**
15 (emphasis added)

16
17 126. Moreover, it appears that indirect interconnection via a transit
18 service provider is an efficient way to interconnect when carriers
19 do not exchange significant amounts of traffic. Competitive LECs
20 and CMRS carriers claim that indirect interconnection via the
21 incumbent LEC is an efficient form of interconnection where
22 traffic levels do not justify establishing costly direct connections.
23 As AT&T explains, "transiting lowers barriers to entry because
24 two carriers avoid having to incur the costs of constructing the
25 dedicated facilities necessary to link their networks directly." This
26 conclusion appears to be supported by the widespread use of
27 transiting arrangements.⁸
28

29 **Q. Has BellSouth historically provided this transit service in Florida and**
30 **elsewhere?**

31 A. Yes. BellSouth has historically provided transiting service, and therefore indirect
32 interconnection, in the past because of its unique market position. This has
33 allowed competitors to be more efficient and has allowed customers to reliably

⁸ ICF FNPRM, ¶¶ 125 – 126.

1 connect with any other local end user, regardless of carrier. From an operational
2 perspective, this is indisputably the most efficient outcome in the current multiple
3 carrier environment.

4
5 **Q. Before you address the policy framework surrounding transiting, please**
6 **provide a brief explanation of the basis for this proceeding and the primary**
7 **events that have transpired in this case leading up to your testimony.**

8 A. The primary source of dispute is BellSouth's transit tariff (General Subscriber
9 Services Tariff A.16.1), which BellSouth filed in Florida in January of 2005.
10 According to BellSouth, this tariff was designed to establish terms, conditions and
11 rates for BellSouth's transit services for carriers whose ICAs with BellSouth do
12 not address transiting.⁹ The proposed tariff, however, results in a dramatic
13 increase in the transit rate. For instance, BellSouth's rate of \$0.003 per minute of
14 use ("MOU") is more than five times higher than the rate currently in AT&T's
15 ICA,¹⁰ more than 3.5 times that of the rate currently in Birch Telecom's ICA, and
16 more than twice that of BellSouth's switched access rates. Not surprisingly, Joint
17 Petitioners¹¹ filed a petition objecting to BellSouth's transit tariff and requesting
18 suspension and cancellation of BellSouth's tariff, which became the subject of

⁹ Answer of BellSouth Telecommunications, Inc., Docket No. 050119-TL, filed March 3, 2005, p. 2.

¹⁰ See, AT&T Petition and Complaint, Docket No. 050125-TP, filed February 17, 2005, ¶ 9, p. 3
["Under AT&T's interconnection agreement with BellSouth in effect for Florida, BellSouth will
provide a transit traffic function, which has an associated "transit" charge of \$0.0005767 per
minute."]

¹¹ Joint Petitioners consisted of TDS Telecom d/b/a TDS Telecom/Quincy Telephone, ALLTELL
Florida, Inc., Northeast Florida Telephone Company d/b/a NEFCOM, GTC, Inc. d/b/a GT Com,
Smart City Telecommunications LLC d/b/a Smart City Telecom, ITS Telecommunications Systems,
Inc., and Frontier Communications of the South, LLC.

1 Docket 050119-TP. Similarly, AT&T filed a complaint seeking suspension and
2 cancellation of BellSouth's tariff, which became the subject of Docket 050125-
3 TP. The Commission, in Order No. PSC-05-0623-PAA-TP, consolidated the two
4 dockets, denied the requests for suspension of the transit tariff, and required
5 BellSouth to hold these transiting revenues for possible refunds depending on the
6 outcome of this proceeding. Subsequently, the parties worked to identify the
7 issues in the consolidated docket and the Commission adopted an issue list in
8 Order No. PSC-05-1206-PCO-TP.

9
10 **Q. Does BellSouth provide transiting to the CompSouth members currently,**
11 **and if so, is transiting provided via Agreement or via BellSouth's transit**
12 **tariff?**

13 A. Yes. CompSouth members have transiting terms, conditions and rates in their
14 existing ICAs with BellSouth.¹² For instance, Section 5.4.1 of the
15 BellSouth/Birch Telecom ICA in Florida states that "BellSouth shall provide
16 tandem switching and transport services for Birch's transit traffic."¹³ Section
17 3.3.2.1.5.2 of the BellSouth/Birch Telecom ICA further states that "tandem
18 switching shall provide connectivity to transit traffic to and from other carriers."

¹² All of the CompSouth members' interconnection agreements that I have reviewed contain terms, conditions and rates related to transit service including Birch Telecom, Nuvox, and XO Communications. It is my understanding that some carriers utilizing BellSouth's transit services use tandem switching and common transport and therefore pay BellSouth both the tandem switching and common transport rates, while some carriers only use tandem switching and therefore only pay the common transport rate.

¹³ The Birch Telecom/BellSouth § 252 ICA is used for illustrative purposes. The terms, conditions and rates for transit may not be uniform across all CompSouth members. BellSouth's ICAs, including the BellSouth/Birch Telecom agreement referenced in this testimony, are available at the following URL: http://cpr.bellsouth.com/clec/docs/all_states/index7.htm#B

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Q. What network architecture is used to provide transit service today?

A. The basic architecture of this transiting arrangement is for transit traffic to be transported on a single two-way trunk group or two one-way trunks between the originating carrier and BellSouth's access tandem within a LATA. The traffic is switched at the tandem and sent to the point of interconnection between BellSouth and the terminating carrier for termination on the third party's network (the third party may be a CLEC/CMRS/small LEC/other network provider).

Q. How does BellSouth recover the cost of transiting traffic?

A. This depends primarily on the parties' ICAs with BellSouth, but generally BellSouth recovers costs for transiting via tandem switching and common transport TELRIC-compliant rate elements.

Q. What federal policy framework has the FCC established regarding transiting?

A. To date, the FCC has not created a well-defined federal policy framework for transiting. When addressing Verizon's transiting obligations in the *Cavalier Order*,¹⁴ the FCC Wireline Competition Bureau made note of this lack of precedent as follows:

¹⁴ *In the Matter of Petition of Cavalier Telephone LLC Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia, Inc. and for Arbitration*, WC Docket No. 02-359, Memorandum Opinion and Order, Federal Communications Commission, 18 FCC Rcd 25887; 2003 FCC LEXIS 6879, DA 03-3947, December 12, 2003 ("Cavalier Order").

1 We note that, as with the *Virginia Arbitration Order*, the
2 Commission has not yet had occasion to determine whether
3 incumbent LECs have a duty to provide transit service under the
4 Act or whether incumbent LECs must serve as billing
5 intermediaries for other carriers, nor do we find clear Commission
6 precedent or rules declaring such duties. In the absence of such a
7 precedent or rule, we decline, on delegated authority, to determine
8 for the first time that Verizon has such duties under the Act.
9 Where a Party undertakes to voluntarily provide transit service,
10 however, and proposes to incorporate the terms of such service
11 into a provision of an interconnection agreement which is subject
12 to arbitration by the Bureau, we have determined whether such
13 provisions are reasonable.
14

15 Indeed, the FCC has sought comment on a host of transiting issues in the pending
16 ICF FNPRM proceeding and, as such, is still in the process of setting its federal
17 policy regarding transiting. For instance, in ¶ 127 of the ICF FNPRM, the FCC
18 seeks comment on its legal authority to impose transiting obligations pursuant to §
19 251 of the Act, and the FCC seeks comment on the appropriate pricing
20 methodology for transiting in ¶ 132. This shows that the FCC is still pondering
21 the two most basis aspects of transiting policy – (1) the obligations of incumbent
22 local exchange carriers (“ILECs”) to provide transiting and (2) the appropriate
23 transiting rates – and two issues that are clearly at issue in this docket.
24 BellSouth’s decision to force the Commission’s hand to address these transiting
25 issues now due to its transit tariff filing while the FCC is also considering these
26 issues is inappropriate and premature. Case in point: BellSouth’s transit tariff
27 would, among other things, establish that BellSouth has no obligation under § 251
28 to provide transit services at the time the FCC is contemplating issuing federal
29 rules requiring transit to be provided pursuant to § 251 of the Act. BellSouth’s

1 brazen attempt to preempt the FCC's determinations on such critical issues should
2 be rejected.

3
4 **Q. Given that the FCC is in the process of establishing its transit policies, why**
5 **should the Commission rule on the transiting issues as you have proposed in**
6 **this testimony instead of simply waiting until the FCC acts?**

7 A. While CompSouth would have preferred that the parties await the FCC decision,
8 BellSouth has forced the Commission's hand by filing a transit tariff containing
9 unreasonable and discriminatory terms, conditions and rates. And, those rates are
10 in effect (subject to refund), until this Commission finds otherwise. Rather than
11 allow BellSouth to unilaterally subject competing carriers whose ICAs do not
12 address transiting to such terms and potentially "set the bar" for future
13 renegotiations for carriers whose ICAs already address transiting, the Commission
14 should step in and reject BellSouth's transit tariff, or in the alternative, rectify the
15 problems with BellSouth's proposed transit tariff by adopting the
16 recommendations set forth in my testimony.

17 Further, notwithstanding the current lack of FCC direction on whether
18 BellSouth has an obligation under § 251 to provide transiting, the FCC Wireline
19 Competition Bureau in the *Cavalier Order* found that when transiting is provided
20 via agreements subject to arbitration, as BellSouth has done, it is appropriate to
21 examine the reasonableness of the transiting offering. While it appears that
22 BellSouth is attempting to bypass this oversight by filing a transit tariff outside
23 the ICA process, the same type of oversight and examination of the

1 reasonableness of BellSouth’s transit terms should be conducted regardless of
2 whether transiting is provided via ICA or tariff – though the CompSouth members
3 contend that the § 252 ICA is the appropriate mechanism. Accordingly, there is
4 precedent for establishing the reasonableness of transiting offerings regardless of
5 whether transiting must be provided pursuant to § 251 and BellSouth should not
6 be allowed to escape this oversight by filing a tariff.

7
8 **Q. Does the Telecommunications Act of 1996 establish an affirmative obligation**
9 **for BellSouth (and ILECs in general) to provide transiting pursuant to §**
10 **251?**

11 A. Yes. First, § 251(a)(1) states that telecommunications carriers are required “to
12 interconnect directly or indirectly with the facilities and equipment of other
13 telecommunications carriers.” Accordingly, BellSouth is obligated to provide
14 indirect interconnection between CompSouth members and other carriers. As
15 explained above, transiting on the ubiquitous, interconnected network of
16 BellSouth is a form – and the most efficient form - of indirect interconnection.
17 Second, § 251(c)(2)(a) requires *ILECs* to interconnect with carriers for “the
18 transmission and routing of telephone exchange service and exchange access.”

19
20 **Q. Does this requirement for interconnection under § 251(c)(2)(A) include both**
21 **direct and indirect interconnection?**

22 A. Yes. There is no restriction in the Act limiting this obligation to direct
23 interconnection only, as BellSouth apparently contends. Further, since

1 BellSouth's transit obligation springs from § 251 – and more specifically 251(c) –
2 transit rates must, according to the FCC's rules, be developed consistent with
3 Total Element Long-Run Incremental Cost ("TELRIC") principles.¹⁵ Those
4 principles can be summarized as follows:

- 5 • Principle # 1: The firm should be assumed to operate in the long run.
- 6 • Principle # 2: The relevant increment of output should be total company
7 demand for the unbundled network element in question.
- 8 • Principle # 3: Technology choices should reflect least-cost, most efficient
9 technologies.
- 10 • Principle # 4: Costs should be forward-looking.
- 11 • Principle # 5: Cost identification should follow cost causation

12 Finally, BellSouth's TELRIC rates must be supported by a Commission-approved
13 cost study.

14
15 **Q. Has any state commission found that BellSouth is required pursuant to § 251**
16 **of the Act to provide transiting?**

17 **A.** Yes. The North Carolina Public Utilities Commission issued a recent order that
18 made a very specific statement on this issue: "[t]he tandem transit function is a §
19 251 obligation, and BellSouth must charge TELRIC rates for it."¹⁶ Likewise, the
20 Michigan Public Service Commission required SBC to provide transiting, and

¹⁵ In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; First Report and Order, CC Docket Nos. 96-98 and 95-185; Released August 8, 1996; at ¶ 672 ("*Local Competition Order*").

¹⁶ *In the Matter of Joint Petition of NewSouth Communications Corp. et al. for Arbitration with BellSouth Telecommunications, Inc.*, North Carolina Docket No. P-772, Sub 8, Docket No. P-913, sub 5; docket no. P-989, sub 3; docket no. P-824, sub 6; docket no. P-1202, sub 4, North Carolina Utilities Commission, 2005 N.C. PUC LEXIS 888, July 26, 2005 ("*Joint CLEC/BellSouth Arbitration Order*").

1 though I am not an attorney, it is my understanding that the Michigan Public
2 Service Commission's ("PSC's") decision requiring transiting was upheld on
3 appeal.¹⁷

4
5 **Q. Has BellSouth conceded that transiting must be provided pursuant to § 251**
6 **of the Act?**

7 A. Yes. BellSouth has apparently conceded in at least one other state that it does
8 indeed have a § 251 obligation to provide transiting. This recent admission is
9 memorialized in the *Joint CLEC/BellSouth Arbitration Order* as follows:

10 The Public Staff stated in its Proposed Order that there appears to
11 be no dispute that BellSouth is obligated to provide transit service.
12 Witness Blake acknowledged that the Commission has previously
13 found ILECs have an obligation to provide transit service and that
14 the FCC has found the tandem transit function is a Section 251
15 obligation. . . ***Although BellSouth has conceded that the tandem***
16 ***transit function is a Section 251 obligation, it is unclear why***
17 ***BellSouth still maintains that this function is not subject to the***
18 ***pricing requirements set forth in Section 252.*** The Public Staff
19 noted that the FCC has implemented specific rules to which the
20 Commission must adhere in determining the appropriate rates for
21 providing a tandem transit function. (emphasis added)
22

23 This concession from BellSouth is important because if BellSouth's transiting
24 obligations are grounded in § 251, as BellSouth has conceded, transiting must be
25 provided on a nondiscriminatory basis at any technically feasible point, and
26 TELRIC pricing principles must apply when developing the rates.

27

¹⁷ *Michigan Bell Telephone Co, d/b/a Ameritech Michigan v Laura Chappelle, et al.*, Case No. 01-CV-71517, United States District Court for the Eastern District of Michigan, Southern Division, 222 F. Supp. 2d 905; 2002 U.S. Dist. LEXIS 15269, August 12, 2002.

1 **Q. What would be the impact if BellSouth refused to provide transit services?**

2 A. Absent the incumbent's transiting services, CompSouth members could be
3 required to establish, monitor and maintain interconnection arrangements with
4 every other local carrier to handle this traffic. There is no operational or
5 economic justification for forcing CLECs to duplicate facilities which are already
6 in place and available – indeed, they are being used today for this purpose.
7 Further, given the lack of commercially reasonable alternatives for CLECs,
8 BellSouth would have no incentive in a “commercial negotiation” to provide
9 CompSouth members with reasonable rates, terms and conditions for transit.
10

11 **V. Issue – By – Issue Analysis**

12 **General Issues**

13 ***Issue #1: Is BellSouth's Transit Service Tariff an appropriate mechanism to address***
14 ***transit service provided by BellSouth?***
15

16 **Q. Is BellSouth's Transit Service Tariff an appropriate mechanism to address**
17 **transit service provided by BellSouth?**

18 A. No.
19

20 **Q. Please describe your primary objections to BellSouth's transit service tariff.**

21 A. BellSouth's transit tariff is wholly unnecessary. BellSouth has provided transiting
22 for years through ICAs – not tariffs – and under these ICAs, BellSouth has been
23 compensated via the appropriate Commission-approved, TELRIC-compliant

1 tandem switching and common transport rates.¹⁸ BellSouth's tariff dramatically
2 alters this arrangement by establishing onerous terms and conditions and
3 dramatically increasing transit rates over which it has near unilateral authority.
4 Further, BellSouth has provided no justification for this tariff. My major concern
5 is that BellSouth could utilize this tariff, and particularly the extremely high
6 transit rate, during contract renegotiations to attempt to force CLECs into
7 accepting higher transit rates. For instance, when it comes time to negotiate or
8 renegotiate a contract with BellSouth, BellSouth's negotiators are likely to
9 attempt to force a carrier to accept a transit rate in the neighborhood of its tariffed
10 rate (\$0.003) - while the carrier would likely contend that a rate more in line with
11 the existing TELRIC-based transit rates (especially if that carrier is already
12 paying TELRIC-based rates for transiting) should apply – and require the carrier
13 to pay the tariffed rate if BellSouth's proposed "negotiated" rate is not accepted.
14 This puts BellSouth in the position to refuse to provide transit via agreement,
15 thereby forcing CLECs into the more onerous tariff terms and rates. Further,
16 since BellSouth has demonstrated a propensity to act nearly unilaterally in
17 changing its rates for transiting,¹⁹ this tariffed rate is likely to increase, thereby
18 exacerbating the scenario I describe above.

19
20 **Q. Is it discriminatory to charge carriers different prices for the same service?**

¹⁸ As mentioned above, I have been informed that some carriers utilize only tandem switching in conjunction with BellSouth's transit service.

¹⁹ The fact that BellSouth is proposing to increase its transit rates is *prima facie* proof that there is no good alternative to BellSouth's offering. Given the lack of competition, and BellSouth's ability and incentive to increase competitors' costs, the Commission should ensure that these rates are TELRIC rates and no more.

1 A. Yes. This is the very definition of discrimination – charging different prices to
2 similarly-situated customers with no differences in cost. This is especially
3 troublesome given the vast differences between BellSouth’s tariffed rate and the
4 ICA rates (as well as BellSouth’s switched access rates). As noted above, the new
5 proposed rate is more than 3.5 times higher than the rate being paid by Birch
6 Telecom.

7

8 **Q. You mentioned that the terms and conditions in the tariff are unreasonable.**
9 **Please explain.**

10 A. There are numerous examples. For instance, Section A16.1.2C of BellSouth’s
11 tariff states that “by utilizing BellSouth’s transit Traffic Service for the delivery of
12 transit traffic, the originating Telecommunications Service Provider is committing
13 to establishing a traffic exchange agreement or other appropriate agreement to
14 address compensation between the originating Telecommunications Service
15 Provider and the terminating carrier(s).” BellSouth has no authority to establish
16 parameters regarding relationships between originating and terminating carriers in
17 a transiting arrangement, especially when those parameters would significantly
18 increase the costs of BellSouth’s competitors by forcing them to establish an
19 agreement with each carrier with which it exchanges traffic but is not directly
20 interconnected as a prerequisite. Under BellSouth’s tariff, if a CLEC terminates
21 transit traffic to one (1) carrier, it must expend resources (both monetary and
22 manpower) to negotiate and, if a disagreement arises, arbitrate such a contract
23 with the terminating carrier whether or not the originating and terminating carrier

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CompSouth
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1 believe such a contract is necessary. If a CLEC terminates transit traffic to ten
2 (10) carriers, these costs increase ten-fold. Contrary to BellSouth's tariff,
3 originating and terminating carriers should not be forced into these agreements. It
4 is highly ironic that BellSouth would establish a tariff supposedly designed to
5 apply to carriers who do not have a transit agreement with BellSouth, but
6 BellSouth expects carriers to have transit agreements with each and every carrier
7 with which it exchanges transit traffic. If a carrier chooses not to execute an
8 agreement with BellSouth for transiting, it is highly unlikely that it would choose
9 to execute an agreement with every carrier with which it exchanges transit traffic,
10 and it is disingenuous for BellSouth to expect it to.

11 In addition, the transit rate in BellSouth's tariff is neither TELRIC-based,
12 nor "just and reasonable;" rather, it is discriminatory and anticompetitive. I will
13 explain in more detail below that there is absolutely no basis or support for
14 BellSouth's \$0.003 transit rate, which constitutes a dramatic increase over the
15 transit rates assessed via ICA. I will also explain that BellSouth's transit rate is
16 considerably higher than its interstate switched access tandem switching/tandem
17 transport rates assessed on interexchange carriers. At its most basic level,
18 BellSouth recovers its transit costs from the tandem switching and common
19 transport rate elements, and as such, the non-TELRIC, unsupported "Transit
20 Traffic Service" rate element in BellSouth's transit tariff is superfluous to proper
21 BellSouth cost recovery, and constitutes nothing more than an unwarranted
22 redistribution of revenue from CLECs and other carriers to BellSouth.

1 I have listed a few objections with BellSouth's transit tariff above, but I
2 should note that this list is not intended to be exhaustive and I reserve the right to
3 add to this list of concerns.
4

5 **Q. Given your objections to Bellsouth's transit service tariff described above, is**
6 **it your position that BellSouth's transit service tariff is not the appropriate**
7 **mechanism to address transit service provided by BellSouth?**

8 A. Yes, that is correct. The problems described above renders BellSouth's transit
9 tariff fatally flawed and it should be rejected by the Commission. Stated
10 differently, the Commission should not endorse BellSouth's transit service tariff
11 because it is, among other things, discriminatory and anticompetitive.
12

13 **Q. Does CompSouth object to a transit tariff as a threshold matter?**

14 A. Yes. As explained above, CompSouth contends that BellSouth's transit tariff is
15 unnecessary, and obligations regarding transiting should continue to be spelled
16 out in parties' ICAs with BellSouth, where changes to these terms, conditions and
17 rates must be altered by negotiation and amendment between the parties.
18 CompSouth does not object to the concept of tariffs in general, and tariffs have
19 been used by BellSouth and other ILECs for years to make transparent the
20 generally available terms, conditions, and rates related to the LECs' services,
21 interconnection and unbundled network elements ("UNEs"). When a tariff is
22 structured properly, it can foster competition by spelling out the minimum terms,
23 conditions and rates of the ILEC tariffed services and provide an option for

1 carriers that do not have an agreement with the ILEC. However, if the terms,
2 conditions and rates are discriminatory or anticompetitive – which is the case with
3 BellSouth’s transit tariff - the tariff can do much more harm than good to local
4 competition. Coupled with the fact that BellSouth’s tariff is unnecessary as
5 parties have established transit terms, conditions and rates through ICAs, I
6 recommend that the Commission cancel BellSouth’s transit tariff and require
7 BellSouth to issue appropriate refunds for any revenues collected under the tariff
8 and held by BellSouth subject to refund, as required by Order No. PSC-05-0623-
9 PAA-TP.

10
11 **Q. If you object to BellSouth’s transit service tariff serving as the appropriate**
12 **mechanism to address transit service provided by BellSouth, what**
13 **mechanism should be used?**

14 A. The mechanism that should be used is the same mechanism used by BellSouth
15 and originating carriers for a number of years – *i.e.*, the § 252 ICA. However, if
16 the Commission concludes that a transit tariff should be implemented in Florida,
17 perhaps for carriers who choose not to negotiate separate transit terms, conditions
18 and rates with BellSouth, it is imperative that the Commission, at a minimum, fix
19 the flaws of BellSouth’s tariff. In any event, transit tariff terms, conditions and
20 rates should have no bearing on the separate ICAs addressing transiting that are
21 already in place.

1 **Q. If the Commission finds that a transit tariff is needed, what changes are**
2 **necessary to BellSouth’s transit tariff to rectify the problems?**

3 A. First, the Commission should require the tariffed transit rate to be developed
4 consistent with TELRIC principles. Regardless of whether the Commission
5 agrees with my recommendation to price transit at TELRIC rates, the Commission
6 should, at a minimum, require BellSouth to provide cost support or supporting
7 documentation for any tariffed transit rate showing the basis and “just and
8 reasonableness” of such charge and showing that the charge is not unjustly
9 enriching BellSouth. This rate should also be applied on a nondiscriminatory
10 basis.

11 Second, the Commission should ensure that any transit tariff has no
12 bearing on ICAs that are in effect or may be negotiated in the future. As such,
13 any transit tariff should explicitly indicate that it has no bearing on existing ICAs
14 and will not serve as a benchmark or *de facto* standard for parties negotiating or
15 renegotiating transit terms, conditions and rates.

16 Third, to address the issue of BellSouth’s near unilateral authority over its
17 tariffs, the Commission should require the tariff to indicate that terms, conditions
18 and rates for the transit tariff can only be changed with affirmative approval from
19 the Commission. In other words, once the appropriate transit tariff is established,
20 any revisions to that tariff proposed by BellSouth would be automatically
21 suspended and reviewed by the Commission (with opportunity for comment by
22 interested parties) before going into effect.

1 Fourth, the tariff should make clear that any dispute arising from the
2 transit tariff will be addressed within the dispute resolution process of the parties
3 ICAs (to the extent an ICA exists) so as to ensure that any special dispute
4 resolution called for in the transit tariff would not trump any dispute resolution
5 process that exists between the parties.

6 I reserve the right to supplement this list after reviewing parties' discovery
7 responses and direct testimonies.

8
9 ***Issue #2: If an originating carrier utilizes the services of BellSouth as a tandem***
10 ***provider to switch and transport traffic to a third party not affiliated with***
11 ***BellSouth, what are the responsibilities of the originating carrier?***
12

13 **Q. What are the responsibilities of the originating carrier under the existing**
14 **transit arrangements between BellSouth and CLECs?**

15 A. Carriers originating transit traffic are responsible for establishing the appropriate
16 trunks to the BellSouth access tandem. Further, the originating carrier is
17 responsible for compensating BellSouth for the transit service (which should be
18 recovered through the tandem switching/common transport rates). These basic
19 responsibilities are appropriate, have been memorialized in parties' ICAs, and
20 there is no basis for changing these originating carrier responsibilities. To my
21 knowledge, these basic responsibilities are not impacted by BellSouth's tariff.

22
23 **Q. Does the originating carrier have other responsibilities?**

1 A. Yes. The originating carrier of transit traffic is responsible for delivering its
2 traffic to the terminating party's network (or the terminating carrier's point of
3 interconnection with the transit carrier)²⁰ and compensating the terminating
4 carrier for terminating the transit traffic to the end user.

5

6 **Q. To the extent that the Commission implements a transit tariff, should this**
7 **tariff remain true to the above responsibilities?**

8 A. Yes. These responsibilities of the originating carrier are appropriate, should not
9 be changed, and should be made clear if the Commission requires a transit tariff.

10

11 *Issue #3: Which carrier should be responsible for providing compensation to BellSouth*
12 *for the provision of the transit transport and switching services?*

13

14 **Q. Who is responsible for providing compensation to BellSouth for the**
15 **provision of transit service under the existing transit arrangements between**
16 **BellSouth and CLECs?**

17 A. As explained above, the originating carrier is responsible for compensating
18 BellSouth for transit services.

19

20 **Q. Who is responsible for compensating BellSouth under BellSouth's transit**
21 **service tariff?**

22 A. I read BellSouth's tariff to maintain the "originating carrier pays" concept, but
23 instead of compensating BellSouth at the appropriate Commission-approved,

²⁰ See, e.g., ICF NPRM, ¶ 70.

1 cost-based tandem switching/common transport rates, as is the practice today, the
2 originating carrier is required to pay a much higher tariffed transit rate of \$0.003.
3 I will address BellSouth's proposed transit rate in more detail below.
4

5 **Q. Which carrier in a transit arrangement *should be* responsible for providing**
6 **compensation to BellSouth for the provision of transiting?**

7 A. As is the case in the existing ICAs addressing transiting, the originating carrier
8 should be responsible for compensating BellSouth for transiting – but such
9 compensation should be made based on the cost-based transit rates and not
10 BellSouth's new, much higher transit rate.
11

12 **B. Trunking and Routing**

13 *Issue #4: What is BellSouth's network arrangement for transit traffic and how is it*
14 *typically routed from an originating party to a terminating third party?*
15

16 **Q. Do you have a position on Issue #4?**

17 A. Not at this time. I will respond to other parties' testimony on this issue, if
18 necessary, in my rebuttal testimony.
19

20 *Issue #5: Should the FPSC establish the terms and conditions that govern the*
21 *relationship between an originating carrier and the terminating carrier, where*
22 *BellSouth is providing transit service and the originating carrier is not*
23 *interconnected with, and has no interconnection agreement with, the*
24 *terminating carrier? If so, what are the appropriate terms and conditions that*
25 *should be established?*
26

1 **Q. Should the FPSC establish the terms and conditions that govern the**
2 **relationship between the originating and terminating carrier in a transit**
3 **scenario?**

4 A. No. The Commission should establish the terms and conditions that govern this
5 relationship only *if the parties ask for it*, but it should not be mandated as
6 BellSouth's transit tariff would require (recall that BellSouth's transit tariff
7 requires carriers to have a traffic exchange agreement in effect as a prerequisite to
8 receiving BellSouth's tariffed transit service). BellSouth's "one size fits all"
9 requirement is unwarranted and inappropriate. The originating and terminating
10 carriers should have the ability to enter into compensation agreements for
11 termination if they so desire. There is no need for the Commission to establish
12 those terms and conditions in advance or for them to be mandated by BellSouth in
13 a tariff. One such arrangement that may not involve a traffic exchange agreement
14 between originating and terminating carriers is a bill and keep arrangement that
15 would not involve payments between these carriers. These types of arrangements
16 should not be interrupted by the Commission simply because BellSouth wants to
17 exert control over these relationships via its tariff. Again, I would like to point
18 out that there are no changes necessary to the relationships established between
19 originating and terminating carriers in a transit arrangement when BellSouth is the
20 transit provider.

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Issue #6: Should the FPSC determine whether and at what traffic threshold level an originating carrier should be required to forego use of BellSouth’s transit service and obtain direct interconnection with a terminating carrier? If so, at what traffic level should an originating carrier be required to obtain direct interconnection with a terminating carrier?

Q. Is there a requirement in BellSouth’s transit tariff pertaining to direct interconnection traffic thresholds?

A. I have reviewed BellSouth’s transit tariff and have not been able to locate any traffic threshold requirement for direct interconnection between originating and terminating carriers. Accordingly, I’m rather puzzled as to why this issue is included in the issues list. It appears to raise an issue that is beyond the scope of the tariff.

Q. What is “direct interconnection” as that term is used in Issue #6?

A. As explained above, transiting occurs when originating carrier (Carrier A) utilizes BellSouth for transit functionalities to terminate traffic to a third party carrier (Carrier B). In this example, BellSouth would be the transit provider and would provide an indirect interconnection between Carrier A and Carrier B so that calls between the customers of the carriers can be completed. In contrast to the indirect interconnection transiting provides, a “direct connection” is when Carrier A establishes a direct interconnection trunk (or cross connect) with Carrier B instead of using BellSouth’s transiting services as the indirect connection.

1 **Q. Should the Commission establish a traffic threshold level over which an**
2 **originating carrier would be required to forego BellSouth’s transit service**
3 **and establish direct interconnection with a terminating carrier?**

4 **A.** No, it should not. The market can, and should, determine when it is appropriate
5 to establish direct interconnection between two carriers for exchanging traffic that
6 has been exchanged heretofore as transit traffic. This is especially true since
7 BellSouth is being compensated for its role in transiting the traffic.

8
9 **Q. Please elaborate on your statement that “the market can and should**
10 **determine when it is appropriate to establish direct interconnection...”**

11 **A.** Recall my example above wherein Carrier A (originating carrier) was using
12 BellSouth’s transiting service as an indirect interconnection to terminate traffic to
13 Carrier B (terminating carrier), and Carrier A was compensating BellSouth for
14 transiting charges and compensating Carrier B for termination charges. Given
15 that Carrier A is a profit maximizing firm,²¹ Carrier A will establish direct trunks
16 to Carrier B and bypass BellSouth’s transiting service altogether when and if the
17 level of traffic originated by Carrier A (or more specifically, Carrier A’s
18 customers) rises to the level that it would be more cost effective (*i.e.*, lower cost)
19 to establish direct trunks than to continue to use BellSouth’s transiting.
20 Accordingly, the market already provides the appropriate incentives for
21 originating and terminating carriers to determine when and/or if it is appropriate

²¹ In economics, profit maximization is the process by which a firm determines the price and output level that returns the greatest profit.

1 to establish direct interconnections, and imposing arbitrary regulatory thresholds
2 is unwarranted.

3
4 **Q. Are there other reasons supporting your recommendation that the**
5 **Commission refrain from establishing direct interconnection thresholds?**

6 A. Yes. First, since the market already provides the proper signals for originating
7 and terminating carriers for determining if and when direct interconnections are
8 warranted instead of indirect interconnections, imposing arbitrary thresholds will
9 subvert these signals and introduce inefficiencies into the market. For instance,
10 assume for illustration purposes that a threshold of DS3 is established (meaning
11 that when traffic originated by Carrier A and “transited” by BellSouth to Carrier
12 B reaches a DS3 capacity level, a direct interconnection between Carrier A and B
13 must be established). If that threshold is too low (meaning that Carrier A would
14 be forced to establish direct interconnection with Carrier B before it is economical
15 to do so), Carrier A would be put in a position wherein it cannot economically
16 establish direct trunks but it cannot originate any additional traffic in order not to
17 exceed the arbitrary cap. In this scenario, calls between Carrier A and Carrier B
18 could potentially be dropped/blocked and competition would be undermined. In
19 contrast, if the threshold is too high, Carrier A is likely to establish direct
20 interconnection prior to reaching the threshold, and at worst, BellSouth is at the
21 risk of handling a higher level of transiting traffic (for which it is compensated).

22 Second, forcing originating carriers to establish direct interconnections
23 with terminating carriers at arbitrary thresholds will require duplicative,

1 unnecessary, and inefficient facilities and will ultimately force the CLECs'
2 networks to duplicate the antiquated "hub and spoke" network of the Bell
3 Operating Companies ("BOCs").

4 Only BellSouth is in the position of providing transit service capable of
5 connecting all carriers. The reason BellSouth is in this position is that it was able
6 to build a ubiquitous network over many years with revenues derived from
7 monopoly provided services. It would be absurd to ignore the ubiquity of
8 BellSouth's network and its ability to efficiently interconnect all carriers by
9 requiring these facilities to be duplicated not due to engineering practices or
10 business needs but because of regulatory intervention. Since BellSouth is already
11 interconnected with all carriers sending traffic to its network (Carriers A and B in
12 my example), the facilities over which parties exchange transit traffic have
13 already been constructed and are in place and are, therefore, the most efficient
14 way to exchange traffic. If a direct interconnection is required, Carrier A would
15 be forced to establish a new facility that duplicates the same path and function as
16 the facilities used by Carriers A and B and BellSouth in the transiting scenario.
17 This unnecessarily increases Carrier A's costs (and likely Carrier B's costs)²² and
18 squanders the efficiency brought about by BellSouth's ubiquitous, interconnected
19 network.

20 Furthermore, Carrier A would be forced to establish direct
21 interconnections with each and every carrier for which the traffic exceeds the

²² The costs for both the originating carrier and terminating carrier would increase because such a direct interconnection would require the carriers, at a minimum, to establish an interconnection agreement which will impose negotiation/arbitration costs as well as administrative costs not incurred in a transiting scenario.

1 threshold, thereby exponentially increasing these duplicative costs and
2 inefficiencies. For instance, my example thus far has included one originating
3 carrier (Carrier A) and only one terminating carrier (Carrier B). In reality,
4 however, Carrier A may be terminating transit traffic to any given number of
5 carriers. Hence, if we assume that Carrier A uses BellSouth's transit service to
6 terminate traffic to five different carriers (Carriers B, C, D, E and F), the costs and
7 inefficiencies of direct interconnection thresholds would increase 5-fold. Given
8 that Carriers B, C, D, E, and F could each be originating transit traffic (in addition
9 to terminating this traffic) to five or ten terminating carriers, the magnitude of the
10 costs and inefficiencies of a traffic threshold becomes readily evident. In essence,
11 this direct interconnection threshold would transform the CLECs' networks into a
12 variant of the BOCs' "hub and spoke" design which will hamper the use of next-
13 generation technologies and network topologies.

14 Third, as explained above, BellSouth's transit obligation is grounded in §
15 251. This obligation is not conditional upon a certain level of traffic, and
16 establishing a traffic threshold would read an inappropriate limitation into the Act.
17 Since there is nothing in the Act or FCC rules discussing such a threshold, it
18 would be inappropriate and inconsistent with § 251 for the Commission to
19 establish one here.

20 Fourth, there is absolutely no basis for establishing a traffic threshold at a
21 particular capacity level. Given the costs and inefficiencies that such a threshold
22 could cause, any such threshold would need to be carefully established based on
23 accurate analyses regarding, among other things, the costs of direct

1 interconnection between originating and terminating carrier and the cost of
2 transiting for the purpose of determining the precise level of traffic at which it is
3 more efficient for direct interconnections to be established. However, to my
4 knowledge, no such analysis has been provided by any party in Florida.

5
6 **Q. You explain that the market should be allowed to decide when direct**
7 **interconnections are established. Does this explanation support the use of**
8 **cost based rates for transit?**

9 A. Yes. An originating carrier needs to have the proper price signals to determine
10 the point at which it is economic to establish direct trunks instead of using
11 BellSouth's transiting service. TELRIC-based rates provide these proper price
12 signals by reflecting the forward-looking cost of constructing these facilities with
13 the most efficient technology available. In contrast, BellSouth's transit rate,
14 which is not supported by any information that I am aware of but which is
15 certainly not TELRIC-based, will not provide the proper price signals and will
16 skew the originating carrier's analysis of whether direct trunks should be
17 established – likely resulting in overinvestment in facilities to establish direct
18 interconnections.

19
20 **Q. Is it your testimony that the Commission should refrain from establishing a**
21 **traffic threshold at any level?**

1 A. Yes. Again, efficiency will be maximized by allowing the market to determine if
2 and when direct interconnections are established between the originating and
3 terminating carriers in place of transiting.

4 However, if the Commission does establish a traffic threshold (which it
5 should not), this threshold should be established based on a careful examination
6 of traffic patterns and at a relatively high level (certainly higher than a DS1).
7 Further, before direct interconnections are required based on such a threshold, this
8 threshold should be exceeded on a sustained basis (*e.g.*, three consecutive months)
9 such that an isolated spike in transit traffic does not trigger the direct
10 interconnection requirement. Recall that I explained above that setting the
11 threshold too low is significantly more harmful to competition than setting the
12 threshold too high – though any threshold is likely to introduce inefficiencies into
13 the market.

14

15 ***Issue #7: How should transit traffic be delivered to the Small LEC's networks?***

16

17 **Q. Do you have a position on Issue #7 at this time?**

18 A, No, but I reserve the right to address this issue in rebuttal once I have reviewed
19 parties' direct testimony and discovery responses.

20

21 ***Issue #8: Should the FPSC establish the terms and conditions that govern the***
22 ***relationship between BellSouth and a terminating carrier, where BellSouth is***
23 ***providing transit service and the originating carrier is not interconnected with,***
24 ***and has no interconnection agreement with, the terminating carrier? If so,***
25 ***what are the appropriate terms and conditions that should be established?***

1

2 **Q. What is your position on Issue #8?**

3 A. As discussed previously, it is my position that the transiting arrangements spelled
4 out in the parties' ICAs sufficiently establishes the relationships between parties
5 to a transiting arrangement and no additional terms and conditions are necessary.
6 If the parties are unable to agree during negotiations to terms and conditions
7 related to BellSouth as the transiting carrier, then the parties may come to the
8 Commission for resolution and the Commission can resolve the dispute in a
9 dispute resolution proceeding. However, broader Commission involvement into
10 the relationship between transiting carrier and terminating carriers than what is
11 reflected in existing ICAs is not needed.

12

13 *Issue #9: Should the FPSC establish the terms and conditions of transit traffic between*
14 *the transit service provider and the Small LECs that originate and terminate*
15 *transit traffic? If so, what are the terms and conditions?*
16

17 **Q. What is your position on Issue #9?**

18 A. It is my position that terms and conditions of transit traffic between the transit
19 service provider and small LECs that originate and terminate transit traffic should
20 be established consistent with the manner in which they are established between
21 BellSouth and the CLECs – negotiation and ICA. Given that transit service must
22 be provided in a nondiscriminatory manner, the means by which to establish those
23 terms and conditions should be the same regardless of what type of carrier
24 originates and terminates transit traffic. I reserve the right to elaborate on this

1 position once I have the opportunity to review the direct testimony and discovery
2 responses in this proceeding.

3
4 ***Issue #10: What effect does transit service have on ISP bound traffic?***

5
6 **Q. What is the regulatory status of Internet Service Provider (“ISP”)-bound**
7 **traffic?**

8 A. Let me provide some background on this type of traffic. In 1996, the FCC
9 established rules that required ILECs to pay CLECs “reciprocal compensation”
10 for ILEC-originated traffic that CLECs terminated. The underlying statute (47
11 U.S.C. § 251(b)(5)) requires such compensation for all “telecommunications” the
12 ILEC might send to the CLEC (or vice versa). The FCC, however, initially
13 viewed the statute as applying only to “local” traffic, and so stated in its initial
14 rule for reciprocal compensation. *See Local Competition Order* at Appendix B
15 (1996 version of 47 C.F.R. § 51.701). Following this rule, many ILECs entered
16 into interconnection agreements with CLECs calling for compensation for “local”
17 traffic with no mention of traffic bound for ISPs. At the same time, consumer
18 demand for dial-up Internet access was booming, and for any number of reasons
19 ISPs found CLECs to be superior suppliers of the Public Switching Telephone
20 Network (PSTN) connectivity that the ISPs needed. As a result, ILECs started
21 receiving large bills from CLECs for reciprocal compensation for calls to ISPs.
22 ILECs objected, and industry parties in mid-1997 sought an explicit ruling from

1 the FCC that ISP-bound calls were “local” calls for purposes of the FCC’s then-
2 existing reciprocal compensation rule.²³

3 In February 1999, the FCC issued a convoluted answer to this question.²⁴
4 The FCC said that ISP-bound calls were jurisdictionally interstate – which few
5 had actually contested. It then said that, because the calls were interstate, they
6 could not be “local,” which made no sense since there are clearly local calls that
7 cross state boundaries.²⁵ It then said that, notwithstanding the fact that the calls
8 weren’t *really* “local” under its rules, and that it had no rule for this type of call, it
9 was perfectly alright for an interconnection agreement to have the effect of
10 *treating* such traffic as though it *were* “local,” and laid out some criteria for
11 assessing whether this was so in the case of any particular contract – criteria that
12 almost compelled the conclusion that a contract that did not specifically identify
13 and carve out ISP-bound traffic from the “local” category probably meant to
14 include them. And then the FCC initiated a rulemaking proceeding to set a
15 general rule. *ISP Declaratory Ruling, supra.*

16 From my lay person’s perspective, the courts did not view this ruling
17 kindly. To the contrary, on review, the D.C. Circuit concluded that it did not

²³ In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Inter-carrier Compensation for ISP-Bound Traffic, Declaratory Ruling in CC Docket No. 96-98 and Notice of Proposed Rulemaking in CC Docket No. 99-68, CC Docket Nos. 96-98, 99-69 (February 26, 1999) (“*ISP Declaratory Ruling*”) at ¶ 1 n.1.

²⁴ *Id.*

²⁵ There are plenty of calls that are simultaneously “local” and interstate, most notably landline-wireless calls that cross a state line but remain within a “Major Trading Area.” The same FCC ruling that limited reciprocal compensation to “local” calls specifically defined any such intra-MTA traffic to be “local” for these purposes. See *Local Competition Order* at ¶¶ 1033-35; 47 C.F.R. § 51.701(b)(3).

1 make any sense.²⁶ The fact that ISP-bound calls were jurisdictionally interstate,
2 the court found, had no particular bearing on whether the calls were subject to
3 reciprocal compensation or not.²⁷ The question was whether calls to ISPs were
4 more like “normal” LEC-to-LEC local calls, or more like calls where two LECs
5 collaborate to help a toll carrier to which they both connect complete a call.²⁸
6 Given that the FCC had so badly confused things, the court vacated the ruling “for
7 want of reasoned decision making” and sent it back to the FCC for another try.

8 In April 2001, the FCC tried again. This time the FCC paid more attention
9 to what the statute said. It noted that § 251(b)(5)’s reciprocal compensation
10 requirement on its face applied to all telecommunications, which would include
11 all “information access” traffic, including, specifically, calls to ISPs. In this
12 connection it noted that its original decision to limit the reach of § 251(b)(5) to
13 “local” traffic was a “mistake” that had created “ambiguity,” because “local” was
14 not a term that was used or defined in the underlying statute. It therefore
15 amended its reciprocal compensation rules to remove all references to “local”
16 traffic.²⁹

17 That said, the FCC did not believe that § 251(b)(5) applied to *all*
18 “telecommunications.” Instead, it concluded that two classes of traffic identified
19 in another section of the law – § 251(g) – were properly viewed as excluded.

²⁶ *Bell Atlantic v. FCC*, 206 F.3d 1 (D.C. Cir. 2000).

²⁷ 206 F.3d at 3.

²⁸ 206 F.3d at 5.

²⁹ *ISP Remand Order*, ¶¶ 45-46.

1 These two supposedly excluded categories were “information access” and
2 “exchange access.”

3 In its ruling, the FCC did not set up any special compensation rule for
4 “exchange access,” which makes sense because the pre-existing access charge
5 regime already ensured that exchange access charges would be payable in
6 connection with toll calls. The FCC, however, re-affirmed its interstate
7 jurisdictional authority over ISP-bound traffic as a form of “information access,”
8 and set up a special intercarrier compensation regime applicable to it. Under that
9 regime, ISP-bound traffic and non-toll traffic (that is, traffic that is not “exchange
10 access”) are to be treated the same, with the specific rate – reciprocal
11 compensation or FCC-set – chosen by the ILEC.³⁰

12
13 **Q. Please explain the effect transit service has on ISP bound traffic.**

14 A. As explained above, transiting allows a customer of Carrier A to complete a call
15 to customer of Carrier B through an indirect interconnection (*i.e.*, the transit
16 service). In an ISP-bound scenario, the customer of Carrier A would be a dial-up
17 internet subscriber, the call would be a dial-up call destined for the Internet, and
18 the customer of Carrier B would be the ISP. In this scenario, transiting allows the

³⁰ Under the FCC’s rule, the ILEC can choose whether the rate that applies is a state-determined “reciprocal compensation” rate or the FCC’s own low rate (now \$0.0007 per minute), but *the same rate applies to all non-toll traffic*. To deal with what it saw as an immediate problem of “arbitrage,” the FCC initially ruled that the rate of growth in CLEC bills for ISP-bound traffic would be limited to a 10% annual traffic growth cap, and that no compensation for ISP-bound traffic would be due to CLECs who were not serving ISPs in a particular market as of the first quarter of 2001. These restrictions were removed as of October 2004 in the *Core* ruling. *In re Petition of Core Communications, Inc. for Forbearance Under 47 U.S.C. § 160(c) from Application of the ISP Remand Order*, 19 FCC Rcd 20179 (FCC rel. Oct. 18, 2004). As a result, it is simply unlawful discrimination to establish a regime in which ISP-bound and non-ISP-bound “Section 251(b)(5)” traffic are compensated at different rates.

1 user to access the Internet without its service provider being directly
2 interconnected with the carrier of his/her ISP when economics do not justify a
3 direct interconnection. This outcome fosters choice and expands the benefits of
4 the Internet to a larger group of Floridians.

5
6 **Q. Isn't dial-up Internet access becoming a smaller percentage of the total**
7 **traffic and less important to the industry?**

8 A. Yes and no. Dial-up for Internet access is the universal service equivalent of a
9 primary line for voice service. In other words, not all people can afford
10 broadband access to the Internet, but most people have a single line with which
11 they can access the Internet over a dial-up connection. Dial-up access is
12 especially important where broadband connections are not yet available.

13 Rural residents report less broadband availability than their counterparts in
14 suburban or urban areas of the United States. In fact, a Pew Internet & American
15 Life Project study found that rural residents were two to five times more likely to
16 not have broadband availability than urban and suburban residents.³¹ Pew
17 research associate Peter Bell also noted:

18 While gaps in income and age appear to be partly responsible, the
19 difficulty of getting Internet access remains a big barrier for many
20 rural users. Major Internet service providers accounted for about
21 40 percent of use among rural residents, whose most frequent
22 reason for choosing an ISP was that it was the only one available
23 to them. In contrast, online users in metropolitan areas usually
24 chose from a range of providers by seeking the best deal.³²

³¹ See, Pew Internet & American Life Project; Rural Areas and the Internet; "Rural American's Internet Use Has Grown, But They Continue to Lag Behind Others"; February 17, 2004.

³² See, TodaysSeniorsNetwork.com; "Rural use of Internet continue to lag, Costs, access remain barriers, new data shows." June 7, 2005.

1
2 Although dial-up Internet access is critical in rural areas, as a percentage of the
3 total, it is decreasing. While DSL and cable broadband connections have
4 significantly increased, from 2001 to 2003 dial-up Internet access actually
5 decreased by 12.7 percent. The same study showed that in rural areas 74.7
6 percent of the Internet connections were dial-up connections.³³
7

8 **Q. Despite the downward trend in dial up access, do you think it will remain an**
9 **important type of internet access?**

10 A. Yes. As I mentioned above, dial-up is critical to rural consumers where
11 broadband is not always available and competitive alternatives are limited. Garry
12 Betty, Earthlink's chief executive stated

13 Despite compelling reasons to switch to broadband, dial-up lines
14 will always have a place in American homes. Customers in rural
15 areas where broadband is not available will continue to log on via a
16 dial-up connection; other people may prefer the simplicity of dial-
17 up.³⁴
18

19 For those citizens of Florida that either cannot afford or do not have access to
20 broadband connectivity, dial-up internet provides access to one of – if not the -
21 cornerstone of economic and community vitality. The ability to apply for jobs,
22 get weather reports, crop price forecasts on a real time basis, participate in
23 educational endeavors, gain community information on safety and health, and

³³ See, "A Nation Online: Entering the Broadband Age"; U.S. Department of Commerce, Economics and Statistics Administration, National Telecommunications and Information Administration; September, 2004, pp. 5, 13.

³⁴ See, The New York Times, "Dial-up Internet Going the Way of Rotary Phones;" June 21, 2005.

1 communicate via e-mail to friends and businesses, form the very fabric of
2 commerce in the world in which we live. Non-participation or lack of access,
3 simply stated, sentences portions of our society to second-class status. Without
4 vigorous competition to ensure low cost dial-up Internet access, both the citizens
5 of Florida and the State itself will suffer irreparable harm as a significant segment
6 of the population is unable to compete economically, advance educationally and
7 establish community ties.

8
9 **Q. What, if any, impact does the BellSouth transit tariff have on ISP-bound**
10 **traffic?**

11 A. Based on the transit traffic service rate alone (\$0.003), the cost of terminating
12 ISP-bound traffic would increase significantly. This is contradictory to the
13 actions of the FCC in the ISP Remand Order, whereby the FCC reduced the
14 compensation rates for ISP-bound traffic (BellSouth's transit rate is 329% higher
15 than the \$0.0007 ISP-bound compensation rate). This increase in transit costs will
16 increase the amounts paid by the originating carrier to BellSouth for the ability to
17 terminate the call to the terminating carrier, which would result in the originating
18 carrier increasing its rates to cover BellSouth's excessive transit charge and/or the
19 customer canceling its Internet access account due to higher prices. In this way,
20 BellSouth's transit rate could have detrimental impacts on customers' access to
21 the internet.

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C. Rates, Compensation and Cost Recovery

Issue # 11: How should charges for BellSouth’s transit service be determined? What is the appropriate rate for transit service? What type of traffic do the rates identified in “a” apply?

Q. How should charges for BellSouth’s transit service be determined?

A. The rates for BellSouth’s transiting service should be TELRIC-based. As discussed above, BellSouth has an obligation under §§ 251(a) and 251(c) to provide transit service. § 251(c)(2)(D) states that interconnection must be provided “on rates, terms and conditions that are just, reasonable, and nondiscriminatory, in accordance with the terms and conditions of the agreement and the requirements of this section and section 252.” The pricing standards for interconnection are set forth in § 252(d) as follows:

(d) Pricing standards. (1) Interconnection and network element charges. **Determinations by a State commission of the just and reasonable rate for the interconnection of facilities and equipment for purposes of subsection (c)(2) of section 251**, and the just and reasonable rate for network elements for purposes of subsection (c)(3) of such section (A) **shall be--(i) based on the cost** (determined without reference to a rate-of-return or other rate-based proceeding) **of providing the interconnection** or network element (whichever is applicable), and (ii) nondiscriminatory, and (B) may include a reasonable profit. (emphasis added)

The cost-based pricing methodology that was adopted for interconnection pursuant to § 252(d) was TELRIC pricing methodology. As such, transit should be TELRIC-based.

1 matter) showing uncompensated costs for transiting. Clearly, requiring BellSouth
2 to substantiate charges that it assesses on its competitors is appropriate and
3 reasonable regardless of what pricing methodology applies, but in the case of §
4 251 offerings priced at TELRIC (of which transit is one), such substantiation is
5 required by law and BellSouth should not be allowed to avoid this burden.
6

7 **Q. Is it important for the Commission to require BellSouth to substantiate any**
8 **tariffed transit charge?**

9 A. Yes. Even if we assume for the sake of argument that transit need not be priced at
10 TELRIC, it is still important to require BellSouth to either (a) show that its costs
11 have increased or that costs would go unrecovered absent its transit charge or (b)
12 show that it has made an equal and offsetting reduction to charges and associated
13 revenues for other services such that the impact of the rate is total revenue neutral
14 for BellSouth. BellSouth has made no attempt to provide any support whatsoever
15 for its tariffed transit charge, so there is no basis for BellSouth to contend that its
16 tariffed transit rate is anything other than a simple revenue enhancement for
17 BellSouth.
18

19 **Q. Is BellSouth's tariffed transit rate reasonable?**

20 A. Absolutely not. BellSouth's rate is clearly not TELRIC-based, which is a fatal
21 flaw precluding its adoption. However, even if we assume *arguendo* that transit
22 rates need not be TELRIC-based, BellSouth's proposed rate is still unjust and
23 unreasonable as it constitutes an increase of 274% over the rate paid for

1 BellSouth's transit service pursuant to ICA.³⁵ It is therefore unreasonable on its
2 face. Further, BellSouth's \$0.003 transit rate is an increase of more than 114%
3 over BellSouth Florida's interstate switched access tandem switching/common
4 transport rates.³⁶ Hence, BellSouth's transit rate is discriminatory to CLECs vis-
5 à-vis interexchange carriers. Furthermore, given that BellSouth is the only
6 provider of transit service capable of providing efficient interconnections to all
7 carriers and also competes in the local market with the carriers for which it
8 provides transit services, BellSouth's tariffed transit rate is anticompetitive.

9
10 **Q. What transit rates do you propose?**

11 A. I recommend that the Commission reject any non-TELRIC-based transit rate
12 elements proposed by BellSouth and require BellSouth to assess a Commission-
13 approved tandem switching/common transport rate that is TELRIC-based. This
14 rate has historically applied for transiting and BellSouth has provided no basis for
15 changing the transit rate structure at this point. At the very least, the Commission
16 should require TELRIC-based transit rates until such time as the Commission
17 renders a decision on this issue in the ICF FNPRM proceeding.

³⁵ This is based on the tandem switching per MOU rate of \$0.00029, common transport fixed termination per MOU rate of \$0.0005 and a common transport per mile per MOU rate of \$0.000012, for a composite rate of \$0.000802. These rates are taken from the BellSouth/Birch Telecom interconnection agreement in Florida. Note: the common transport, per mile component of this rate will vary depending on common transport mileage.

³⁶ BellSouth Florida's interstate switched access tandem switching per MOU rate is \$0.001198, common transport fixed termination per MOU rate is \$0.000176 and common transport per mile per MOU rate is \$0.000023, for a composite rate of \$0.001397. BellSouth Telecommunications, Inc. FCC Tariff No. 1, 14th revised 6-157.27 and 7th revised 6-157.2.4. Note: the common transport, per mile component of this rate will vary depending on common transport mileage.

1 **Q. To what type of transit traffic would your recommended rate apply?**

2 A. This rate should apply to all transit traffic provided by tariff, but should not
3 impact any rates established via a § 252 ICA.

4

5 ***Issue #12: Consistent with Order Nos. PSC-05-0517-PAA-TP and PSC-05-0623-CO-***
6 ***TP, have the parties to this docket (“parties”) paid BellSouth for transit service***
7 ***provided on or after February 11, 2005? If not, what amounts if any are owed***
8 ***to BellSouth for transit service provided since February 11, 2005?***
9

10 **Q. Have the CompSouth members paid BellSouth for transit service provided**
11 **on or after February 11, 2005?**

12 A. The transit service provided by BellSouth to the CompSouth members is provided
13 via ICA. CompSouth members have paid BellSouth for transit service pursuant to
14 these agreements prior to February 11, 2005 as well as on and after February 11,
15 2005. To my knowledge, the CompSouth members do not owe BellSouth for any
16 unpaid transit service charges.

17

18 ***Issue #13: Have parties paid BellSouth for transit service provided before February 11,***
19 ***2005? If not, should the parties pay BellSouth for transit service provided***
20 ***before February 11, 2005, and if so, what amounts, if any, are owed to***
21 ***BellSouth for transit service provided before February 11, 2005?***
22

23 **Q. Have the CompSouth members paid BellSouth for transit services provided**
24 **before February 11, 2005?**

25 A. The transit service provided by BellSouth to the CompSouth members is provided
26 via ICA. CompSouth members have paid BellSouth for transit service pursuant to
27 these agreements prior to February 11, 2005 as well as on and after February 11,

1 2005. To my knowledge, the CompSouth members do not owe BellSouth for any
2 unpaid transit service charges.

3
4 ***Issue #14: What action, if any, should the FPSC undertake at this time to allow the***
5 ***Small LECs to recover the costs incurred or associated with BellSouth's***
6 ***provision of transit service?***
7

8 **Q. Do you have a position on Issue #14 at this time?**

9 A. No, but I reserve the right to address this issue in rebuttal once I have reviewed
10 parties' direct testimony and discovery responses.

11
12 **D. Administrative Issues**

13 ***Issue #15: Should BellSouth issue an invoice for transit services and if so, in what***
14 ***detail and to whom?***
15

16 **Q. Is it your position that BellSouth should issue an invoice for transit services?**

17 A. Yes, just as it does today.

18
19 **Q. To whom should BellSouth issue the invoice for BellSouth's transit services?**

20 A. I have recommended above that the originating carrier should be responsible for
21 compensating BellSouth for the transit charges related to transit traffic. As such,
22 BellSouth should provide the invoice for transit services to the originating carrier.

23
24 **Q. Please describe the level of detail for transit service invoices sought by**
25 **CompSouth.**

1 A. At this time, I am not aware of any information lacking regarding the current level
2 of detail provided. I would add, however, at least one CompSouth member is
3 concerned about being billed twice for these transit charges – once by BellSouth
4 and once by the terminating carrier. The originating carrier should only pay for
5 this transit service once.

6

7 ***Issue #16: Should BellSouth provide to the terminating carrier sufficiently detailed call***
8 ***records to accurately bill the originating carrier for call termination? If so,***
9 ***what information should be provided by BellSouth?***

10

11 **Q. Please explain the importance of accurate call records in the context of**
12 **transiting.**

13 A. The accuracy of call records is critical in any carrier-to-customer or carrier-to-
14 carrier relationship to ensure proper billing and payment. In the context of
15 transiting, there are three parties involved wherein the transit provider must issue
16 call records to the terminating carrier in order for that terminating carrier to bill
17 the originating carrier for termination. The failure of BellSouth to provide
18 sufficient call detail to the terminating carrier to discern the originating carrier
19 may result in uncollectible transit termination revenues for the terminating carrier.
20 Since BellSouth transports traffic from the originating carrier to the terminating
21 carrier, BellSouth should be able to identify the originating carrier as a result of
22 its physical interconnection with the originating carrier.³⁷

23

³⁷ See, *Cavalier Order*, ¶ 40, fn 148.

1 **Q. Is it your position that BellSouth should provide the terminating carrier**
2 **sufficiently detailed call records to accurately bill the originating carrier for**
3 **call termination?**

4 A. Yes, it is. To the extent that the Commission believes a transit tariff is necessary,
5 require any transit tariff adopted to spell out that BellSouth will provide
6 sufficiently detailed call records to identify the originating carrier and render
7 accurate bills. I should add, however, that some carriers have deployed SS7
8 networks that obviate the need for BellSouth providing separate call records.
9 These arrangements should not be impacted by a transit tariff should the
10 Commission find that such a tariff is needed.

11
12 **Q. What information should BellSouth provide for the purposes of identifying**
13 **the originating carrier if the Commission finds that a transit tariff is needed?**

14 A. While the terms and conditions pertaining to information provided to the
15 terminating carrier that currently existing in ICAs should not be altered in any
16 way, there are a number of sources of information that can be used for this
17 purpose should the Commission believe that a transit tariff is needed. The
18 Operating Company Number (OCN)³⁸ for the company can identify originating
19 carriers, as can Carrier Identification Codes (CIC),³⁹ Location Routing Number

³⁸ An OCN is "a code used in the telephone industry to identify a telephone company." Newton's Telecom Dictionary 20th ed.

³⁹ A CIC is "four digits used by end-user customers to reach the services of interexchange carriers." Newton's Telecom Dictionary 20th ed.

1 (LRN)⁴⁰ and Calling Party Number (CPN). Any transit tariff required by the
2 Commission should state that the transiting carrier should pass along any
3 adequate combination of the above information (OCN, CIC, LRN, CPN) to
4 terminating carrier that it has in its possession without any manipulation of this
5 data by BellSouth.

6
7 *Issue #17: How should billing disputes concerning transit service be addressed?*

8
9 **Q. What is your position on Issue #17?**

10 A. It is my position that billing disputes between CLECs and BellSouth be addressed
11 according to the terms of their ICAs, and I recommend the same for BellSouth
12 and any other party. There is no need to change these processes or create new
13 processes.

14
15 **Q. Does this conclude your direct testimony?**

16 A. Yes.

⁴⁰ LRN is a 10 digit telephone number used to implement local number portability. Newton's Telecom Dictionary, 20th ed.



**Qualifications of Timothy J Gates
Exhibit ____ (TJG-1)**

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.

- A. Prior to my current position with QSI Consulting, I was a Senior Executive Staff Member in MCI WorldCom's ("MCIW") National Public Policy Group. In this position, I was responsible for providing public policy expertise in key cases across the country and for managing external consultants for MCIW's state public policy organization. In certain situations, I also provided testimony in regulatory and legislative proceedings.

Prior to my position with MCIW in Denver, I was an Executive Staff Member II at MCI Telecommunications ("MCI") World Headquarters in Washington D.C.. In that position I managed economists, external consultants, and provided training and policy support for regional regulatory staffs. Prior to that position I was a Senior Manager in MCI's Regulatory Analysis Department, which provided support in state regulatory and legislative matters to the various operating regions of MCI. In that position I was given responsibility for assigning resources from our group for state regulatory proceedings throughout the United States. At the same time, I prepared and presented testimony on various telecommunications issues before state regulatory and legislative bodies. I was also responsible for managing federal tariff reviews and presenting MCI's position on regulatory matters to the Federal Communications Commission. Prior to my assignment in the Regulatory Analysis Department, I was the Senior Manager of Economic Analysis and Regulatory Policy in the Legal, Regulatory and Legislative Affairs Department for the Midwest Division of MCI. In that position I developed and promoted regulatory policy within what was then a five-state operating division of MCI. I promoted MCI policy positions through negotiations, testimony and participation in industry forums.

Prior to my positions in the Midwest, I was employed as Manager of Tariffs and Economic Analysis with MCI's West Division in Denver, Colorado. In that position I was responsible for managing the development and application of MCI's tariffs in the fifteen MCI West states. I was also responsible for managing regulatory dockets and for providing economic and financial expertise in the areas of discovery and issue analysis. Prior to joining the West Division, I was a Financial Analyst III and then a Senior Staff Specialist with MCI's Southwest Division in Austin, Texas. In those positions, I was responsible for the management of regulatory dockets and liaison with outside counsel. I was also responsible for discovery, issue analysis, and for the development of working relationships with consumer and business groups. Just prior to joining MCI, I was employed by the Texas Public Utility Commission as a Telephone Rate Analyst in the Engineering Division responsible for examining



telecommunications cost studies and rate structures.

I was employed as an Economic Analyst with the Public Utility Commissioner of Oregon from July, 1983 to December, 1984. In that position, I examined and analyzed cost studies and rate structures in telecommunications rate cases and investigations. I also testified in rate cases and in private and public hearings regarding telecommunications services. Before joining the Oregon Commissioner's Staff, I was employed by the Bonneville Power Administration (United States Department of Energy) as a Financial Analyst, where I made total regional electric use forecasts and automated the Average System Cost Review Methodology. Prior to joining the Bonneville Power Administration, I held numerous positions of increasing responsibility in areas of forest management for both public and private forestry concerns.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL CREDENTIALS.

A. I received a Bachelor of Science degree from Oregon State University and a Master of Management degree in Finance and Quantitative Methods from Willamette University's Atkinson Graduate School of Management. I have also attended numerous courses and seminars specific to the telecommunications industry, including the NARUC Annual and Advanced Regulatory Studies Program.

Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES?

A. Effective April 1, 2000, I joined QSI Consulting as Senior Vice President and Partner. In this position I provide analysis and testimony for QSI's many clients. The deliverables include written and oral testimony, analysis of rates, cost studies and policy positions, position papers, presentations on industry issues and training.

Q. PLEASE IDENTIFY THE JURISDICTIONS IN WHICH YOU HAVE TESTIFIED.

A. I have filed testimony or comments on telecommunications issues in the following 44 states: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, West Virginia, Wisconsin and Wyoming. I have also filed comments with the FCC and made presentations to the Department of Justice.



I have testified or presented formal comments in the following proceedings and forums:

Alabama:

October 18, 2000; Docket No. 27867; Adelphia Business Solutions Arbitration with BellSouth Telecommunications; Direct Testimony on Behalf of Adelphia.

January 31, 2001; Docket No. 27867; Adelphia Business Solutions Arbitration with BellSouth Telecommunications; Rebuttal Testimony on Behalf of Adelphia.

Arkansas:

September 7, 2004; Docket No. 04-0999-U; In the Matter of Level 3 Petition for Arbitration with Southwestern Bell Telephone, L.P. D/B/A SBC Arkansas; Direct Testimony on Behalf of Level 3.

Arizona:

September 23, 1987; Arizona Corporation Commission Workshop on Special Access Services; Comments on Behalf of MCI.

August 21, 1996; Affidavit in Opposition to USWC Motion for Partial Summary Judgment; No. CV 95-14284, No. CV-96-03355, No. CV-96-03356, (consolidated); On Behalf of MCI.

October 24, 1997; Comments to the Universal Service Fund Working Group; Docket No. R-0000-97-137; On Behalf of MCI.

May 8, 1998; Comments to the Universal Service Fund Working Group; Docket No. R-0000-97-137; On Behalf of MCI.

November 9, 1998; Docket No. T-03175A-97-0251; Application of MCImetro Access Transmission Services, Inc. to Expand It's CCN to Provide IntraLATA Services and to Determine that Its IntraLATA Services are Competitive; Direct Testimony on Behalf of MCI WorldCom, Inc.

September 20, 1999; Docket No. T-00000B-97-238; USWC OSS Workshop; Comments on Behalf of MCI WorldCom, Inc.

January 8, 2001; Docket Nos. T-03654A-00-0882, T-01051B-00-0882; Petition of Level 3 Communications, LLC, for Arbitration with Qwest Corporation; Direct Testimony on Behalf of Level 3.



February 20, 2001; Superior Court of Arizona; Count of Maricopa; ESI Ergonomic Solutions, LLC, Plaintiff, vs. United Artists Theatre Circuit; No. CV 99-20649; Affidavit on Behalf of United Artists Theatre Circuit.

September 2, 2001; Docket No. T-00000A-00-0194 Phase II – A; Investigation into Qwest's Compliance with Wholesale Pricing Requirements for Unbundled Network Elements and Resale Discounts; Rebuttal Testimony on Behalf of WorldCom, Inc.

January 9, 2004; Docket No. T-00000A-03-0369; In the Matter of ILEC Unbundling Obligations as a Result of the Federal Triennial Review Order; Direct Testimony on Behalf of WorldCom, Inc. (MCI).

November 18, 2004; Docket No. T-01051B-0454; In the Matter of Qwest Corporation's Amended Renewed Price Regulation Plan; Direct Testimony on Behalf of Time Warner Telecom, Inc.

July 15, 2005; Docket No. T-03654-05-0350, T-01051B-05-0350; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest Corporation, Direct Testimony on Behalf of Level 3.

August 15, 2005; Docket No. T-03654-05-0350, T-01051B-05-0350; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest Corporation, Rebuttal Testimony on Behalf of Level 3.

Arkansas:

September 7, 2004; Docket No. 04-099-U; In the Matter of Level 3 Petition for Arbitration Pursuant to Section 252(b) with Southwestern Bell Telephone, L.P. D/B/A SBC Arkansas; Direct Testimony on Behalf of Level 3 Communications, LLC.

California:

August 30, 1996; Application No. 96-08-068; MCI Petition for Arbitration with Pacific Bell; Direct Testimony on Behalf of MCI.

September 10, 1996; Application No. 96-09-012; MCI Petition for Arbitration with GTE California, Inc.; Direct Testimony on Behalf of MCI.



June 5, 2000; Docket No. A0004037; Petition of Level 3 Communications for Arbitration of an Interconnection Agreement with Pacific Bell Telephone Company; Direct Testimony on Behalf of Level 3 Communications, LLC.

June 1, 2004; Docket No. A.04-06-004; Petition of Level 3 Communications for Arbitration with SBC; Direct Testimony on Behalf of Level 3 Communications LLC.

Colorado:

December 1, 1986; Investigation and Suspension Docket No. 1720; Rate Case of Mountain States Telephone and Telegraph Company; Direct Testimony on Behalf of MCI.

October 26, 1988; Investigation and Suspension Docket No. 1766; Mountain States Telephone and Telegraph Company's Local Calling Access Plan; Direct Testimony of Behalf of MCI.

September 6, 1996; MCImetro Petition for Arbitration with U S WEST Communications, Inc.; Docket No. 96A-366T (consolidated); Direct Testimony on Behalf of MCI.

September 17, 1996; MCImetro Petition for Arbitration with U S WEST Communications, Inc.; Docket No. 96A-366T (consolidated); Rebuttal Testimony on Behalf of MCI.

September 26, 1996; Application of U S WEST Communications, Inc. To Modify Its Rate and Service Regulation Plan; Docket No. Docket No. 90A-665T (consolidated); Direct Testimony on Behalf of MCI.

October 7, 1996; Application of U S WEST Communications, Inc. To Modify Its Rate and Service Regulation Plan; Docket No. Docket No. 90A-665T (consolidated); Rebuttal Testimony on Behalf of MCI.

July 18, 1997; Complaint of MCI to Reduce USWC Access Charges to Economic Cost; Docket Nos. 97K-237T, 97F-175T (consolidated) and 97F-212T (consolidated); Direct Testimony on Behalf of MCI.

August 15, 1997; Complaint of MCI to Reduce USWC Access Charges to Economic Cost; Docket Nos. 97K-237T, 97F-175T (consolidated) and 97F-212T (consolidated); Rebuttal Testimony on Behalf of MCI.



March 10, 1998; Application of WorldCom, Inc. for Approval to Transfer Control of MCI to WorldCom, Inc.; Docket No. 97A-494T; Supplemental Direct Testimony on Behalf of MCI.

March 26, 1998; Application of WorldCom, Inc. for Approval to Transfer Control of MCI to WorldCom, Inc.; Docket No. 97A-494T; Rebuttal Testimony on Behalf of MCI.

May 8, 1998; Application of WorldCom, Inc. for Approval to Transfer Control of MCI to WorldCom, Inc.; Docket No. 97A-494T; Affidavit in Response to GTE.

November 4, 1998; Proposed Amendments to the Rules Prescribing IntraLATA Equal Access; Docket No. 98R-426T; Comments to the Commission on Behalf of MCI WorldCom and AT&T Communications of the Mountain States, Inc.

May 13, 1999; Proposed Amendments to the Rules on Local Calling Area Standards; Docket No. 99R-128T; Oral Comments before the Commissioners on Behalf of MCIW.

January 4, 2001; Petition of Level 3 Communications, LLC for Arbitration with Qwest Corporation; Docket No. 00B-601T; Direct Testimony on Behalf of Level 3.

January 16, 2001; Petition of Level 3 Communications, LLC for Arbitration with Qwest Corporation; Docket No. 00B-601T; Rebuttal Testimony on Behalf of Level 3.

January 29, 2001; Qwest Corporation, Inc., Plaintiff, v. IP Telephony, Inc., Defendant. District Court, City and County of Denver, State of Colorado; Case No. 99CV8252; Direct Testimony on Behalf of IP Telephony.

June 27, 2001; US WEST Statement of Generally Available Terms and Conditions; Docket No. 991-577T; Direct Testimony on Behalf of Covad Communications Company, Rhythms Links, Inc., and New Edge Networks, Inc.

January 26, 2004; Regarding the Unbundling Obligations of ILECs Pursuant to the Triennial Review Order; Docket No. 03I-478T; Direct Testimony on Behalf of WorldCom, Inc. (MCI).

February 18, 2005; Regarding Application of Qwest for Reclassification and Deregulation of Certain Products and Services; Docket No. 04A-411T; Direct Testimony on Behalf of Time Warner Telecom.

July 11, 2005; Petition of Level 3 Communications, LLC for Arbitration with Qwest Corporation; Docket No. 05B-210T; Direct Testimony on Behalf of Level 3.



Connecticut:

November 2, 2004; Petition of Level 3 Communications, LLC for Arbitration Pursuant to Section 252(b) with Southern New England Telephone Company d/b/a/ SBC Connecticut; Level 3/SNET Arbitration; Direct Testimony on Behalf of Level 3 Communications, LLC.

Delaware:

February 12, 1993; Diamond State Telephone Company's Application for a Rate Increase; Docket No. 92-47; Direct Testimony on Behalf of MCI.

Florida:

July 1, 1994; Investigation into IntraLATA Presubscription; Docket No. 930330-TP; Direct Testimony on Behalf of MCI.

October 5, 2000; Petition of Level 3 for Arbitration with BellSouth; Docket No. 000907-TP; Direct Testimony On Behalf of Level 3.

October 13, 2000; Petition of BellSouth for Arbitration with US LEC of Florida Inc.; Docket No. 000084-TP; Direct Testimony On Behalf of US LEC.

October 27, 2000; Petition of BellSouth for Arbitration with US LEC of Florida Inc.; Docket No. 000084-TP; Rebuttal Testimony On Behalf of US LEC.

November 1, 2000; Petition of Level 3 for Arbitration with BellSouth; Docket No. 000907-TP; Rebuttal Testimony On Behalf of Level 3.

June 11, 2004; Petition of KMC Telecom for Arbitration with Sprint Communications; Docket No. 031047-TP; Direct Testimony on Behalf of KMC Telecom III, L.L.C, KMC Telecom V, Inc., and KMC Data, L.L.C.

July 9, 2004; Petition of KMC Telecom for Arbitration with Sprint Communications; Docket No. 031047-TP; Rebuttal Testimony on Behalf of KMC Telecom III, L.L.C, KMC Telecom V, Inc., and KMC Data, L.L.C.

Georgia:

December 6, 2000; Docket No. 12645-U; Petition of Level 3 for Arbitration with BellSouth; Direct Testimony on Behalf of Level 3.



December 20, 2000; Docket No. 12645-U; Petition of Level 3 for Arbitration with BellSouth; Rebuttal Testimony on Behalf of Level 3.

Idaho:

November 20, 1987; Case No. U-1150-1; Petition of MCI for a Certificate of Public Convenience and Necessity; Direct Testimony on Behalf of MCI.

March 17, 1988; Case No. U-1500-177; Investigation of the Universal Local Access Service Tariff; Direct Testimony on Behalf of MCI.

April 26, 1988; Case No. U-1500-177; Investigation of the Universal Local Access Service Tariff; Rebuttal Testimony on Behalf of MCI.

November 25, 2002; Case No. GNR-T-02-16; Petition of Potlatch, CenturyTel, the Idaho Telephone Association for Declaratory Order Prohibiting the Use of "Virtual" NXX Calling; Comments/Presentation on Behalf of Level 3, AT&T, WorldCom, and Time Warner Telecom.

August 12, 2005; Case No. QWE-T-05-11; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest Corporation; Direct Testimony on Behalf of Level 3.

September 16, 2005; Case No. QWE-T-05-11; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest Corporation; Rebuttal Testimony on Behalf of Level 3.

Illinois:

January 16, 1989; Docket No. 83-0142; Appropriate Methodology for Intrastate Access Charges; Rebuttal Testimony Regarding Toll Access Denial on Behalf of MCI.

February 16, 1989; Docket No. 83-0142; Appropriate Methodology for Intrastate Access Charges; Testimony Regarding ICTC's Access Charge Proposal on Behalf of MCI.

May 3, 1989; Docket No. 89-0033; Illinois Bell Telephone Company's Rate Restructuring; Direct Testimony on Behalf of MCI.

July 14, 1989; Docket No. 89-0033; Illinois Bell Telephone Company's Rate Restructuring; Rebuttal Testimony on Behalf of MCI.



November 22, 1989; Docket No. 88-0091; IntraMSA Dialing Arrangements; Direct Testimony on Behalf of MCI.

February 9, 1990; Docket No. 88-0091; IntraMSA Dialing Arrangements; Rebuttal Testimony on Behalf of MCI.

November 19, 1990; Docket No. 83-0142; Industry presentation to the Commission re Docket No. 83-0142 and issues for next generic access docket; Comments re the Imputation Trial and Unitary Pricing/Building Blocks on Behalf of MCI.

July 29, 1991; Case No. 90-0425; Presentation to the Industry Regarding MCI's Position on Imputation.

November 18, 1993; Docket No. 93-0044; Complaint of MCI and LDDS re Illinois Bell Additional Aggregated Discount and Growth Incentive Discount Services; Direct Testimony on Behalf of MCI and LDDS.

January 10, 1994; Docket No. 93-0044; Complaint of MCI and LDDS re Illinois Bell Additional Aggregated Discount and Growth Incentive Discount Services; Rebuttal Testimony on Behalf of MCI and LDDS.

May 30, 2000; Docket No. 00-0332; Level 3 Petition for Arbitration to Establish and Interconnection Agreement with Illinois Bell Telephone Company; Direct Testimony on Behalf of Level (3) Communications, LLC.

July 11, 2000; Docket No. 00-0332; Level 3 Petition for Arbitration to Establish and Interconnection Agreement with Illinois Bell Telephone Company; Supplemental Verified Statement on Behalf of Level (3) Communications, LLC.

June 22, 2004; Docket No. 04-0428; Level 3 Petition for Arbitration to Establish an Interconnection Agreement with Illinois Bell Telephone Company; Direct Testimony on Behalf of Level (3) Communications, LLC.

September 3, 2004; Docket No. 04-0428; Level 3 Petition for Arbitration to Establish an Interconnection Agreement with Illinois Bell Telephone Company; Direct Testimony on Behalf of Level (3) Communications, LLC.

Indiana:

October 28, 1988; Cause No. 38561; Deregulation of Customer Specific Offerings of Indiana Telephone Companies; Direct Testimony on Behalf of MCI.



December 16, 1988; Cause No. 38561; Deregulation of Customer Specific Offerings of Indiana Telephone Companies; Direct Testimony on Behalf of MCI Regarding GTE.

April 14, 1989; Cause No. 38561; Deregulation of Customer Specific Offerings of Indiana Telephone Companies; Direct Testimony on Behalf of MCI Regarding Staff Reports.

June 21, 1989; Cause No. 37905; Intrastate Access Tariffs -- Parity with Federal Rates; Direct Testimony on Behalf of MCI.

June 29, 1989; Cause No. 38560; Reseller Complaint Regarding 1+ IntraLATA Calling; Direct Testimony on Behalf of MCI.

October 25, 1990; Cause No. 39032; MCI Request for IntraLATA Authority; Direct Testimony on Behalf of MCI.

April 4, 1991; Rebuttal Testimony in Cause No. 39032 re MCI's Request for IntraLATA Authority on Behalf of MCI.

September 2, 2004; Cause No. 42663-INT-01; In the Matter of Level 3 Communications, LLC Petition for Arbitration with SBC Indiana; Direct Testimony on Behalf of Level 3 Communications, LLC.

October 5, 2004; Cause No. 42663-INT-01; In the Matter of Level 3 Communications, LLC Petition for Arbitration with SBC Indiana; Rebuttal Testimony on Behalf of Level 3 Communications, LLC.

Iowa:

September 1, 1988; Docket No. RPU 88_6; IntraLATA Competition in Iowa; Direct Testimony on Behalf of MCI.

September 20, 1988; Docket No. RPU_88_1; Regarding the Access Charges of Northwestern Bell Telephone Company; Direct Testimony on Behalf of MCI.

September 25, 1991; Docket No. RPU-91-4; Investigation of the Earnings of U S WEST Communications, Inc.; Direct Testimony on Behalf of MCI.

October 3, 1991; Docket No. NOI-90-1; Presentation on Imputation of Access Charges and the Other Costs of Providing Toll Services; On Behalf of MCI.



November 5, 1991; Docket No. RPU-91-4; Investigation of the Earnings of U S WEST Communications, Inc.; Rebuttal Testimony on Behalf of MCI.

December 23, 1991; Docket No. RPU-91-4; Investigation of the Earnings of US WEST Communications; Inc.; Supplemental Testimony on Behalf of MCI.

January 10, 1992; Docket No. RPU-91-4; Investigation of the Earnings of U S WEST Communications, Inc.; Rebuttal Testimony on Behalf of MCI.

January 20, 1992; Docket No. RPU-91-4; Investigation of the Earnings of U S WEST Communications, Inc.; Surrebuttal Testimony on Behalf of MCI.

June 8, 1999; Docket NOI-99-1; Universal Service Workshop; Participated on numerous panels during two day workshop; Comments on Behalf of MCIW.

October 27, 1999; Docket NOI-99-1; Universal Service Workshop; Responded to questions posed by the Staff of the Board during one day workshop; Comments on Behalf of MCIW and AT&T.

November 14, 2003; Docket Nos. INU-03-4, WRU-03-61; In Re: Qwest Corporation; Sworn Statement of Position on Behalf of MCI.

December 15, 2003; Docket Nos. INU-03-4, WRU-03-61; In Re: Qwest Corporation; Sworn Counter Statement of Position on Behalf of MCI.

July 20, 2005; Docket No. ARB-05-4; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest; Direct Testimony on Behalf of Level 3.

August 12, 2005; Docket No. ARB-05-4; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest; Rebuttal Testimony on Behalf of Level 3.

August 24, 2005; Docket No. ARB-05-4; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest; Surrebuttal Testimony on Behalf of Level 3.

Kansas:

June 10, 1992; Docket No. 181,097-U; General Investigation into IntraLATA Competition within the State of Kansas; Direct Testimony on Behalf of MCI.

September 16, 1992; Docket No. 181,097-U; General Investigation into IntraLATA Competition within the State of Kansas; Rebuttal Testimony on Behalf of MCI.



August 31, 2004; Docket No. 04-L3CT-1046-ARB; In the Matter of Arbitration Between Level 3 Communications LLC and SBC Communications; Direct Testimony on Behalf of Level 3 Communications, LLC.

Kentucky:

May 20, 1993; Administrative Case No. 323, Phase I; An Inquiry into IntraLATA Toll Competition, an Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality; Direct Testimony on Behalf of MCI.

December 21, 2000; Case No. 2000-404; Petition of Level 3 Communications, LLC for Arbitration with BellSouth; Direct Testimony on Behalf of Level 3.

January 12, 2001; Case No. 2000-477; Petition of Adelphia Business Solutions for Arbitration with BellSouth; Direct Testimony on Behalf of Adelphia.

Louisiana:

December 28, 2000; Docket No. U-25301; Petition of Adelphia Business Solutions for Arbitration with BellSouth; Direct Testimony on Behalf of Adelphia.

January 5, 2001; Docket No. U-25301; Petition of Adelphia Business Solutions for Arbitration with BellSouth; Rebuttal Testimony on Behalf of Adelphia.

Maryland:

November 12, 1993; Case No. 8585; Competitive Safeguards Required re C&P's Centrex Extend Service; Direct Testimony on Behalf of MCI.

January 14, 1994; Case No. 8585; Competitive Safeguards Required re C&P's Centrex Extend Service; Rebuttal Testimony on Behalf of MCI.

May 19, 1994; Case No. 8585; Re Bell Atlantic Maryland, Inc.'s Transmittal No. 878; Testimony on Behalf of MCI.

June 2, 1994; Case No. 8585; Competitive Safeguards Required re C&P's Centrex Extend Service; Rebuttal Testimony on Behalf of MCI.

September 5, 2001; Case No. 8879; Rates for Unbundled Network Elements Pursuant to the Telecommunications Act of 1996; Rebuttal Testimony on behalf of the Staff of the Public Service Commission of Maryland.



October 15, 2001; Case No. 8879; Rates for Unbundled Network Elements Pursuant to the Telecommunications Act of 1996; Surrebuttal Testimony on behalf of the Staff of the Public Service Commission of Maryland.

Massachusetts:

April 22, 1993; D.P.U. 93-45; New England Telephone Implementation of Interchangeable NPAs; Direct Testimony on Behalf of MCI.

May 10, 1993; D.P.U. 93-45; New England Telephone Implementation of Interchangeable NPAs; Rebuttal Testimony on Behalf of MCI.

Michigan:

September 29, 1988; Case Nos. U_9004, U_9006, U_9007 (Consolidated); Industry Framework for IntraLATA Toll Competition; Direct Testimony on Behalf of MCI.

November 30, 1988; Case Nos. U_9004, U_9006, U_9007 (Consolidated); Industry Framework for IntraLATA Toll Competition; Rebuttal Testimony on Behalf of MCI.

June 30, 1989; Case No. U-8987; Michigan Bell Telephone Company Incentive Regulation Plan; Direct Testimony on Behalf of MCI.

July 31, 1992; Case No. U-10138; MCI v Michigan Bell and GTE re IntraLATA Equal Access; Direct Testimony on Behalf of MCI.

November 17, 1992; Case No. U-10138; MCI v Michigan Bell and GTE re IntraLATA Equal Access; Rebuttal Testimony on Behalf of MCI.

July 22, 1993; Case No. U-10138 (Reopener); MCI v Michigan Bell and GTE re IntraLATA Equal Access; Direct Testimony on Behalf of MCI.

February 16, 2000; Case No. U-12321; AT&T Communications of Michigan, Inc. Complainant v. GTE North Inc. and Contel of the South, Inc., d/b/a GTE Systems of Michigan; Direct Testimony on Behalf of AT&T. (Adopted Testimony of Michael Starkey)

May 11, 2000; Case No. U-12321; AT&T Communications of Michigan, Inc. Complainant v. GTE North Inc. and Contel of the South, Inc., d/b/a GTE Systems of Michigan; Rebuttal Testimony on Behalf of AT&T.



June 8, 2000; Case No. U-12460; Petition of Level 3 Communications for Arbitration to Establish an Interconnection Agreement with Ameritech Michigan; Direct Testimony on Behalf of Level (3) Communications, LLC.

September 27, 2000; Case No. U-12528; In the Matter of the Implementation of the Local Calling Area Provisions of the MTA; Rebuttal Testimony on Behalf of Focal Communications, Inc.

June 1, 2004; Case No. U-14152; Petition of Level 3 Communications LLC for Arbitration with SBC Michigan; Direct Testimony on Behalf of Level 3 Communications, LLC.

Minnesota:

January 30, 1987; Docket No. P_421/CI_86_88; Summary Investigation into Alternative Methods for Recovery of Non-traffic Sensitive Costs; Comments to the Commission on Behalf of MCI.

September 7, 1993; Docket No. P-999/CI-85-582, P-999/CI-87-697 and P-999/CI-87-695, In the Matter of an Investigation into IntraLATA Equal Access and Presubscription; Comments of MCI on the Report of the Equal Access and Presubscription Study Committee on Behalf of MCI.

September 20, 1996; Petition for Arbitration with U S WEST Communications, Inc.; Docket No. P-442, 421/M-96-855; P-5321, 421/M-96-909; and P-3167, 421/M-96-729 (consolidated); Direct Testimony on Behalf of MCI.

September 30, 1996; Petition for Arbitration with U S WEST Communications, Inc.; Docket No. P-442, 421/M-96-855; P-5321, 421/M-96-909; and P-3167, 421/M-96-729 (consolidated); Rebuttal Testimony on Behalf of MCI.

September 14-16, 1999; USWC OSS Workshop; Comments on Behalf of MCI WorldCom, Inc. re OSS Issues.

September 28, 1999; Docket No. P-999/R-97-609; Universal Service Group; Comments on Behalf of MCI WorldCom, Inc. and AT&T Communications.

April 18, 2002; Commission Investigation of Qwest's Pricing of Certain Unbundled Network Elements; Docket Nos. P-442, 421, 3012/M-01-1916; P-421/CI-01-1375; OAH Docket No. 12-2500-14490; Rebuttal Testimony on Behalf of McLeod USA Telecommunications Services, Inc., Eschelon Telecom of Minnesota, Inc., US Link, Inc., Northstar Access, LLC, Otter Tail Telecomm LLC, VAL-Ed Joint Venture, LLP, dba 702 Communications.



January 23, 2004; In the Matter of the Commission Investigation into ILEC Unbundling Obligations as a Result of the Federal Triennial Review Order; Docket No.: P-999/CI-03-961; Direct Testimony on Behalf of WorldCom, Inc. (MCI).

Mississippi:

February 2, 2001; Docket No. 2000-AD-846; Petition of Adelphia Business Solutions for Arbitration with BellSouth Telecommunications; Direct Testimony on Behalf of Adelphia.

February 16, 2001; Docket No. 2000-AD-846; Petition of Adelphia Business Solutions for Arbitration with BellSouth Telecommunications; Rebuttal Testimony on Behalf of Adelphia.

Montana:

May 1, 1987; Docket No. 86.12.67; Rate Case of AT&T Communications of the Mountain States, Inc.; Direct Testimony on Behalf of MCI.

September 12, 1988; Docket No. 88.1.2; Rate Case of Mountain States Telephone and Telegraph Company; Direct Testimony on Behalf of MCI.

May 12, 1998; Docket No. D97.10.191; Application of WorldCom, Inc. for Approval to Transfer Control of MCI Communications Corporation to WorldCom, Inc.; Rebuttal Testimony on Behalf of MCI.

June 1, 1998; Docket No. D97.10.191; Application of WorldCom, Inc. for Approval to Transfer Control of MCI Communications Corporation to WorldCom, Inc.; Amended Rebuttal Testimony on Behalf of MCI.

Nebraska:

November 6, 1986; Application No. C_627; Nebraska Telephone Association Access Charge Proceeding; Direct Testimony on Behalf of MCI.

March 31, 1988; Application No. C_749; Application of United Telephone Long Distance Company of the Midwest for a Certificate of Public Convenience and Necessity; Direct Testimony on Behalf of MCI.



New Hampshire:

April 30, 1993; Docket DE 93-003; Investigation into New England Telephone's Proposal to Implement Seven Digit Dialing for Intrastate Toll Calls; Direct Testimony on Behalf of MCI.

January 12, 2001; Docket No. DT 00-223; Investigation Into Whether Certain Calls are Local; Direct Testimony on Behalf of BayRing Communications.

April 5, 2002; Docket No. DT 00-223; Investigation Into Whether Certain Calls are Local; Rebuttal Testimony on Behalf of BayRing Communications.

New Jersey:

September 15, 1993; Docket No. TX93060259; Notice of Pre-Proposal re IntraLATA Competition; Comments in Response to the Board of Regulatory Commissioners on Behalf of MCI.

October 1, 1993; Docket No. TX93060259; Notice of Pre-Proposal re IntraLATA Competition; Reply Comments in Response to the Board of Regulatory Commissioners on Behalf of MCI.

April 7, 1994; Docket Nos. TX90050349, TE92111047, and TE93060211; Petitions of MCI, Sprint and AT&T for Authorization of IntraLATA Competition and Elimination of Compensation; Direct Testimony on Behalf of MCI.

April 25, 1994; Docket Nos. TX90050349, TE92111047, and TE93060211; Petitions of MCI, Sprint and AT&T for Authorization of IntraLATA Competition and Elimination of Compensation; Rebuttal Testimony on Behalf of MCI.

New Mexico:

September 28, 1987; Docket No. 87_61_TC; Application of MCI for a Certificate of Public Convenience and Necessity; Direct Testimony on Behalf of MCI.

August 30, 1996; Docket No. 95-572-TC; Petition of AT&T for IntraLATA Equal Access; Rebuttal Testimony on Behalf of MCI.

September 16, 2002; Utility Case No. 3495, Phase B; Consideration of Costing and Pricing Rules for OSS, Collocation, Shared Transport, Nonrecurring Charges, Spot Frames, Combination of Network Elements and Switching; Direct Testimony on Behalf of the Staff of the New Mexico Public Regulation Commission.



February 9, 2004; Case Nos. 03-00403-UT and 03-00404-UT; Triennial Review Proceedings (Batch Hot Cut and Local Circuit Switching); Testimony on Behalf of WorldCom, Inc. (MCI).

May 11, 2004; Case No. 00108-UT; Regarding Unfiled Agreements between Qwest Corporation and Competitive Local Exchange Carriers; Testimony on Behalf of Time Warner Telecom

September 14, 2005; Case No. 05-00211-UT; In the Matter of a Notice of Inquiry to Develop a Rule to Implement House Bill 776, Relating to Access Charge Reform, Oral Comments on Behalf of MCI.

December 5, 2005; Case No. 05-00094-UT; In the Matter of the Implementation and Enforcement of Qwest Corporations' Amended Alternative Form of Regulation; Direct Testimony on Behalf of the New Mexico Attorney General.

New York:

April 30, 1992; Case 28425; Comments of MCI Telecommunications Corporation on IntraLATA Presubscription.

June 8, 1992; Case 28425; Reply Comments of MCI Telecommunications Corporation on IntraLATA Presubscription.

North Carolina:

August 4, 2000; Docket No. P779 SUB4; Petition of Level (3) Communications, LLC for Arbitration with Bell South; Direct Testimony on Behalf of Level (3) Communications, LLC.

September 18, 2000; Docket No. P779 SUB4; Petition of Level (3) Communications, LLC for Arbitration with Bell South; Rebuttal Testimony on Behalf of Level (3) Communications, LLC.

October 18, 2000; Docket No. P-886, SUB 1; Petition of Adelpia Business Solutions of North Carolina, LP for Arbitration with BellSouth; Direct Testimony on Behalf of Adelpia.

December 8, 2000; Docket No. P-886, SUB 1; Petition of Adelpia Business Solutions of North Carolina, LP for Arbitration with BellSouth; Rebuttal Testimony on Behalf of Adelpia.



North Dakota:

June 24, 1991; Case No. PU-2320-90-183 (Implementation of SB 2320 -- Subsidy Investigation); Direct Testimony on Behalf of MCI.

October 24, 1991; Case No. PU-2320-90-183 (Implementation of SB 2320 -- Subsidy Investigation); Rebuttal Testimony on Behalf of MCI.

December 4, 2002; Case No. PU-2065-02-465; Petition of Level 3 for Arbitration with SRT Communications Cooperative; Direct Testimony on Behalf of Level (3) Communications, LLC.

May 2, 2003; Case No. PU-2342-01-296; Qwest Corporation Price Investigation; Direct Testimony on Behalf of the CLEC Coalition (US Link, Inc., VAL-ED Joint Venture LLP d/b/a 702 Communications, McLeodUSA Telecommunications, Inc. and IdeaOne Telecom Group, LLC).

Ohio:

February 26, 2004; Case No. 04-35-TP-COI; In the Matter of the Implementation of the FCC's Triennial Review Regarding Local Circuit Switching in the Cincinnati Bell Telephone Company's Mass Market; Direct Testimony on Behalf of AT&T.

Oklahoma:

April 2, 1992; Cause No. 28713; Application of MCI for Additional CCN Authority to Provide IntraLATA Services; Direct Testimony on Behalf of MCI.

June 22, 1992; Cause No. 28713; Application of MCI for Additional CCN Authority to Provide IntraLATA Services; Rebuttal Testimony on Behalf of MCI.

Oregon:

October 27, 1983; Docket No. UT 9; Pacific Northwest Bell Telephone Company Business Measured Service; Direct Testimony on Behalf of the Public Utility Commissioner of Oregon.

April 23, 1984; Docket No. UT 17; Pacific Northwest Bell Telephone Company Business Measured Service; Direct Testimony on Behalf of the Public Utility Commissioner of Oregon.

May 7, 1984; Docket No. UT 17; Pacific Northwest Bell Telephone Company Business Measured Service; Rebuttal Testimony on Behalf of the Public Utility Commissioner of Oregon.



October 31, 1986; Docket No. AR 154; Administrative Rules Relating to the Universal Service Protection Plan; Rebuttal Testimony on Behalf of MCI.

September 6, 1996; Docket ARB3/ARB6; Petition of MCI for Arbitration with U S WEST Communications, Inc.; Direct Testimony on Behalf of MCI.

October 11, 1996; Docket No. ARB 9; Interconnection Contract Negotiations Between MCImetro and GTE; Direct Testimony on Behalf of MCI.

November 5, 1996; Docket No. ARB 9; Interconnection Contract Negotiations Between MCImetro and GTE; Rebuttal Testimony on Behalf of MCI.

November 6, 2002; Docket No. UM 1058; Investigation into the Use of Virtual NPA/NXX Calling Patterns; Comments/Presentation on Behalf of Level (3) Communications, LLC.

August 12, 2005; Docket No. ARB 665; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest Corporation; Direct Testimony on Behalf of Level 3.

September 6, 2005; Docket No. ARB 665; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest Corporation; Rebuttal Testimony on Behalf of Level 3.

Pennsylvania:

December 9, 1994; Docket No. I-00940034; Investigation Into IntraLATA Interconnection Arrangements (Presubscription); Direct Testimony on Behalf of MCI.

September 5, 2002; Docket No. C-20028114; Level 3 Communications, LLC v. Marianna & Scenery Hill Telephone Company; Direct Testimony on Behalf of Level (3) Communications, LLC.

Rhode Island:

April 30, 1993; Docket No. 2089; Dialing Pattern Proposal Made by the New England Telephone Company; Direct Testimony on Behalf of MCI.



South Carolina:

October 2000; Docket No. 2000-0446-C; US LEC of South Carolina Inc. Arbitration with BellSouth Telecommunications; Direct Testimony on Behalf of US LEC.

November 22, 2000; Docket No. 2000-516-C; Adelphia Business Solutions of South Carolina, Inc. Arbitration with BellSouth Telecommunications; Direct Testimony on Behalf of Adelphia.

December 14, 2000; Docket No. 2000-516-C; Adelphia Business Solutions of South Carolina, Inc. Arbitration with BellSouth Telecommunications; Rebuttal Testimony on Behalf of Adelphia.

South Dakota:

November 11, 1987; Docket No. F_3652_12; Application of Northwestern Bell Telephone Company to Introduce Its Contract Toll Plan; Direct Testimony on Behalf of MCI.

May 27, 2003; Docket No. TC03-057; Application of Qwest to Reclassify Local Exchange Services as Fully Competitive; Direct Testimony on Behalf of WorldCom, Inc., Black Hills FiberCom and Midcontinent Communications.

Tennessee:

January 31, 2001; Petition of Adelphia Business Solutions for Arbitration with BellSouth Telecommunications; Direct Testimony on Behalf of Adelphia.

February 7, 2001; Petition of Adelphia Business Solutions for Arbitration with BellSouth Telecommunications; Rebuttal Testimony on Behalf of Adelphia.

Texas:

June 5, 2000; PUC Docket No. 22441; Petition of Level 3 for Arbitration with Southwestern Bell Telephone Company; Direct Testimony on Behalf of Level (3) Communications, LLC.

June 12, 2000; PUC Docket No. 22441; Petition of Level 3 for Arbitration with Southwestern Bell Telephone Company; Rebuttal Testimony on Behalf of Level (3) Communications, LLC.



October 10, 2002; PUC Docket No. 26431; Petition of Level 3 for Arbitration with CenturyTel of Lake Dallas, Inc. and CenturyTel of San Marcos, Inc.; Direct Testimony on Behalf of Level (3) Communications, LLC.

October 16, 2002; PUC Docket No. 26431; Petition of Level 3 for Arbitration with CenturyTel of Lake Dallas, Inc. and CenturyTel of San Marcos, Inc.; Reply Testimony on Behalf of Level (3) Communications, LLC.

July 19, 2004; PUC Docket No. 28821; Arbitration of Non-costing Issues for Successor Interconnection Agreement to the Texas 271 Agreement; Direct Testimony on Behalf of KMC Telecom III, L.L.C, KMC Telecom V, Inc. (d/b/a KMC Network Services, Inc.), and KMC Data, L.L.C.

August 23, 2004; PUC Docket No. 28821; Arbitration of Non-costing Issues for Successor Interconnection Agreement to the Texas 271 Agreement; Rebuttal Testimony on Behalf of KMC Telecom III, L.L.C, KMC Telecom V, Inc. (d/b/a KMC Network Services, Inc.), and KMC Data, L.L.C.

Utah:

November 16, 1987; Case No. 87_049_05; Petition of the Mountain State Telephone and Telegraph Company for Exemption from Regulation of Various Transport Services; Direct Testimony on Behalf of MCI.

July 7, 1988; Case No. 83_999_11; Investigation of Access Charges for Intrastate InterLATA and IntraLATA Telephone Services; Direct Testimony on Behalf of MCI.

November 8, 1996; Docket No. 96-095-01; MCImetro Petition for Arbitration with USWC Pursuant to 47 U.S.C. Section 252; Direct Testimony on Behalf of MCI.

November 22, 1996; Docket No. 96-095-01; MCImetro Petition for Arbitration with USWC Pursuant to 47 U.S.C. Section 252; Rebuttal Testimony on Behalf of MCI.

September 3, 1997; Docket No. 97-049-08; USWC Rate Case; Surrebuttal Testimony on Behalf of MCI.

September 29, 1997; Docket No. 97-049-08; USWC Rate Case; Revised Direct Testimony on Behalf of MCI.

February 2, 2001; Docket No. 00-999-05; In the Matter of the Investigation of Inter-Carrier Compensation for Exchanged ESP Traffic; Direct Testimony on Behalf of Level 3 Communications, LLP.



January 13, 2004; Docket No. 03-999-04; In the Matter of a Proceeding to Address Actions Necessary to Respond to the FCC's Triennial Review Order; Direct Testimony on Behalf of WorldCom, Inc. (MCI).

Washington:

September 27, 1988; Docket No. U-88-2052-P; Petition of Pacific Northwest Bell Telephone Company for Classification of Services as Competitive; Direct Testimony on Behalf of MCI.

October 11, 1996; Docket No. UT-96-0338; Petition of MCImetro for Arbitration with GTE Northwest, Inc., Pursuant to 47 U.S.C.252; Direct Testimony on Behalf of MCI.

November 20, 1996; Docket No. UT-96-0338; Petition of MCImetro for Arbitration with GTE Northwest, Inc., Pursuant to 47 U.S.C.252; Rebuttal Testimony on Behalf of MCI.

January 13, 1998; Docket No. UT-97-0325; Rulemaking Workshop re Access Charge Reform and the Cost of Universal Service; Comments and Presentation on Behalf of MCI.

December 21, 2001; Docket No. UT-003013, Part D; Continued Costing and Pricing of Unbundled Network Elements, Transport, and Termination; Direct Testimony on Behalf of WorldCom, Inc.

October 18, 2002; Docket No. UT-023043; Petition of Level 3 for Arbitration with CenturyTel of Washington, Inc.; Direct Testimony on Behalf of Level (3) Communications, LLC.

November 1, 2002; Docket No. UT-023043; Petition of Level 3 for Arbitration with CenturyTel of Washington, Inc.; Rebuttal Testimony on Behalf of Level (3) Communications, LLC.

January 31, 2003; Docket No. UT-021569; Developing an Interpretive or Policy Statement relating to the Use of Virtual NPA/NXX Calling Patterns; Comments on Behalf of WorldCom, Inc. and KMC Telecom.

May 1, 2003; Docket No. UT-021569; Developing an Interpretive or Policy Statement relating to the Use of Virtual NPA/NXX Calling Patterns; Workshop Participation on Behalf of MCI, KMC Telecom, and Level (3) Communications, LLC.



August 13, 2003; Docket No. UT-030614; In the Matter of the Petition of Qwest Corporation for Competitive Classification of Basic Exchange Telecommunications Services; Direct Testimony on Behalf of MCI, Inc.

August 29, 2003; UT-030614; In the Matter of the Petition of Qwest Corporation for Competitive Classification of Basic Exchange Telecommunications Services; Rebuttal Testimony on Behalf of MCI, Inc.

September 13, 2004; Docket No. UT-033011; In the Matter of Washington Utilities and Transportation Commission, Petitioners, v. Advanced Telecom Group, Inc., et al, Respondents; Direct Testimony on Behalf of Time Warner Telecom of Washington, LLC.

West Virginia:

October 11, 1994; Case No. 94-0725-T-PC; Bell Atlantic - West Virginia Incentive Regulation Plan; Direct Testimony on Behalf of MCI.

June 18, 1998; Case No. 97-1338-T-PC; Petition of WorldCom, Inc. for Approval to Transfer Control of MCI Communications Corporation to WorldCom, Inc.; Rebuttal Testimony on Behalf of MCI.

Wisconsin:

October 31, 1988; Docket No. 05_TR_102; Investigation of Intrastate Access Costs, Settlements, and IntraLATA Access Charges; Direct Testimony on Behalf of MCI.

November 14, 1988; Docket No. 05_TR_102; Investigation of Intrastate Access Costs, Settlements, and IntraLATA Access Charges; Rebuttal Testimony on Behalf of MCI.

December 12, 1988; Docket No. 05_TI_116; In the Matter of Provision of Operator Services; Rebuttal Testimony on Behalf of MCI.

March 6, 1989; Docket No. 6720_TI_102; Review of Financial Data Filed by Wisconsin Bell, Inc.; Direct Testimony on Behalf of MCI.

May 1, 1989; Docket No. 05_NC_100; Amendment of MCI's CCN for Authority to Provide IntraLATA Dedicated Access Services; Direct Testimony on Behalf of MCI.

May 11, 1989; Docket No. 6720_TR_103; Investigation Into the Financial Data and Regulation of Wisconsin Bell, Inc.; Rebuttal Testimony on Behalf of MCI.



July 5, 1989; Docket No. 05-TI-112; Disconnection of Local and Toll Services for Nonpayment -- Part A; Direct Testimony on Behalf of MCI.

July 5, 1989; Docket No. 05-TI-112; Examination of Industry Wide Billing and Collection Practices -- Part B; Direct Testimony on Behalf of MCI.

July 12, 1989; Docket No. 05-TI-112; Rebuttal Testimony in Parts A and B on Behalf of MCI.

October 9, 1989; Docket No. 6720-TI-102; Review of the WBI Rate Moratorium; Direct Testimony on Behalf of MCI.

November 17, 1989; Docket No. 6720-TI-102; Review of the WBI Rate Moratorium; Rebuttal Testimony on Behalf of MCI.

December 1, 1989; Docket No. 05-TR-102; Investigation of Intrastate Access Costs, Settlements, and IntraLATA Access Charges; Direct Testimony on Behalf of MCI.

April 16, 1990; Docket No. 6720-TR-104; Wisconsin Bell Rate Case; Direct Testimony on Behalf of MCI.

October 1, 1990; Docket No. 2180-TR-102; GTE Rate Case and Request for Alternative Regulatory Plan; Direct Testimony on Behalf of MCI.

October 15, 1990; Docket No. 2180-TR-102; GTE Rate Case and Request for Alternative Regulatory Plan; Rebuttal Testimony on Behalf of MCI.

November 15, 1990; Docket No. 05-TR-103; Investigation of Intrastate Access Costs and Intrastate Access Charges; Direct Testimony on Behalf of MCI.

April 3, 1992; Docket No. 05-NC-102; Petition of MCI for IntraLATA 10XXX 1+ Authority; Direct Testimony on Behalf of MCI.

September 30, 2002; Docket No. 05-MA-130; Petition of Level 3 for Arbitration with CenturyTel; Direct Testimony on Behalf of Level (3) Communications, LLC.

October 9, 2002; Docket No. 05-MA-130; Petition of Level 3 for Arbitration with CenturyTel; Reply Testimony on Behalf of Level (3) Communications, LLC.

September 1, 2004; Docket No. 05-MA-135; Petition of Level 3 for Arbitration with Wisconsin Bell, Inc. d/b/a/ SBC Wisconsin; Direct Testimony on Behalf of Level (3) Communications, LLC.



Wyoming:

June 17, 1987; Docket No. 9746 Sub 1; Application of MCI for a Certificate of Public Convenience and Necessity; Direct Testimony on Behalf of MCI.

May 19, 1997; Docket No. 72000-TC-97-99; In the Matter of Compliance with Federal Regulations of Payphones; Oral Testimony on Behalf of MCI.

September 8, 2005; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest Corporation; Direct Testimony on Behalf of Level 3.

November 18, 2005; In the Matter of Level 3 Communications, LLC Petition for Arbitration with Qwest Corporation; Rebuttal Testimony on Behalf of Level 3.

Comments Submitted to the Federal Communications Commission and/or the Department of Justice

March 6, 1991; Ameritech Transmittal No. 518; Petition to Suspend and Investigate on Behalf of MCI re Proposed Rates for OPTINET 64 Kbps Service.

April 17, 1991; Ameritech Transmittal No. 526; Petition to Suspend and Investigate on Behalf of MCI re Proposed Flexible ANI Service.

August 30, 1991; Ameritech Transmittal No. 555; Petition to Suspend and Investigate on Behalf of MCI re Ameritech Directory Search Service.

September 30, 1991; Ameritech Transmittal No. 562; Petition to Suspend and Investigate on Behalf of MCI re Proposed Rates and Possible MFJ Violations Associated with Ameritech's OPTINET Reconfiguration Service (AORS).

October 15, 1991; CC Docket No. 91-215; Opposition to Direct Cases of Ameritech and United (Ameritech Transmittal No. 518; United Transmittal No. 273) on Behalf of MCI re the introduction of 64 Kbps Special Access Service.

November 27, 1991; Ameritech Transmittal No. 578; Petition to Suspend and Investigate on Behalf of MCI re Ameritech Directory Search Service.

September 4, 1992; Ameritech Transmittal No. 650; Petition to Suspend and Investigate on Behalf of MCI re Ameritech 64 Clear Channel Capability Service.

February 16, 1995; Presentation to FCC Staff on the Status of Intrastate Competition on Behalf of MCI.



November 9, 1999; Comments to FCC Staff of Common Carrier Bureau on the Status of OSS Testing in Arizona on Behalf of MCI WorldCom, Inc.

November 9, 1999; Comments to the Department of Justice (Task Force on Telecommunications) on the Status of OSS Testing in Arizona and the USWC Collaborative on Behalf of MCI WorldCom, Inc.

Presentations Before Legislative Bodies:

April 8, 1987; Minnesota; Senate File 677; Proposed Deregulation Legislation; Comments before the House Committee on Telecommunications.

October 30, 1989; Michigan; Presentation Before the Michigan House and Senate Staff Working Group on Telecommunications; "A First Look at Nebraska, Incentive Rates and Price Caps," Comments on Behalf of MCI.

May 16, 1990; Wisconsin; Comments Before the Wisconsin Assembly Utilities Committee Regarding the Wisconsin Bell Plan for Flexible Regulation, on Behalf of MCI.

March 20, 1991; Michigan; Presentation to the Michigan Senate Technology and Energy Committee re SB 124 on behalf of MCI.

May 15, 1991; Michigan; Presentation to the Michigan Senate Technology and Energy Commission and the House Public Utilities Committee re MCI's Building Blocks Proposal and SB 124/HB 4343.

March 8, 2000; Illinois; Presentation to the Environment & Energy Senate Committee re Emerging Technologies and Their Impact on Public Policy, on Behalf of MCI WorldCom, Inc.

February 19, 2004; Presentation to the Iowa Senate Committee Regarding House Study Bill 622/Senate Study Bill 3035; Comments on Behalf of MCI.

November 30, 2004; A Report to the Wyoming Legislature: The Wyoming Universal Service Fund – Basis and Qualification for Funding.

Presentations Before Industry Groups -- Seminars:

May 17, 1989; Wisconsin Public Utility Institute -- Telecommunications Utilities and Regulation; May 15-18, 1989; Panel Presentation -- Interexchange Service Pricing Practices Under Price Cap Regulation; Comments on Behalf of MCI.



July 24, 1989; National Association of Regulatory Utility Commissioners -- Summer Committee Meeting, San Francisco, California. Panel Presentation -- Specific IntraLATA Market Concerns of Interexchange Carriers; Comments on Behalf of MCI.

May 16, 1990; Wisconsin Public Utility Institute -- Telecommunications Utilities and Regulation; May 14-18, 1990; Presentation on Alternative Forms of Regulation.

October 29, 1990; Illinois Telecommunications Sunset Review Forum; Two Panel Presentations: Discussion of the Illinois Commerce Commission's Decision in Docket No. 88-0091 for the Technology Working Group; and, Discussion of the Treatment of Competitive Services for the Rate of Return Regulation Working Group; Comments on Behalf of MCI.

May 16, 1991; Wisconsin Public Utility Institute -- Telecommunications Utilities and Regulation Course; May 13-16, 1991; Participated in IntraLATA Toll Competition Debate on Behalf of MCI.

November 19, 1991; TeleStrategies Conference -- "Local Exchange Competition: The \$70 Billion Opportunity." Presentation as part of a panel on "IntraLATA 1+ Presubscription" on Behalf of MCI.

July 9, 1992; North Dakota Association of Telephone Cooperatives Summer Conference, July 8-10, 1992. Panel presentations on "Equal Access in North Dakota: Implementation of PSC Mandate" and "Open Network Access in North Dakota" on Behalf of MCI.

December 2-3, 1992; TeleStrategies Conference -- "IntraLATA Toll Competition - A Multi-Billion Dollar Market Opportunity." Presentations on the interexchange carriers' position on intraLATA dialing parity and presubscription and on technical considerations on behalf of MCI.

March 14-17, 1993; NARUC Introductory Regulatory Training Program; Panel Presentation on Competition in Telecommunications on Behalf of MCI.

May 13-14, 1993; TeleStrategies Conference -- "IntraLATA Toll Competition -- Gaining the Competitive Edge"; Presentation on Carriers and IntraLATA Toll Competition on Behalf of MCI.

May 23-26, 1994; The 12th Annual National Telecommunications Forecasting Conference; Represented IXCs in Special Town Meeting Segment Regarding the Convergence of CATV and Telecommunications and other Local Competition Issues.



March 14-15, 1995; "The LEC-IXC Conference"; Sponsored by Telecommunications Reports and Telco Competition Report; Panel on Redefining the IntraLATA Service Market -- Toll Competition, Extended Area Calling and Local Resale.

August 28-30, 1995; "Phone+ Supershow '95"; Playing Fair: An Update on IntraLATA Equal Access; Panel Presentation.

August 29, 1995; "TDS Annual Regulatory Meeting"; Panel Presentation on Local Competition Issues.

December 13-14, 1995; "NECA/Century Access Conference"; Panel Presentation on Local Exchange Competition.

October 23, 1997; "Interpreting the FCC Rules of 1997"; The Annenberg School for Communication at the University of Southern California; Panel Presentation on Universal Service and Access Reform.

February 5-6, 2002; "Litigating Telecommunications Cost Cases and Other Sources of Enlightenment"; Educational Seminar for State Commission and Attorney General Employees on Litigating TELRIC Cases; Denver, Colorado.

February 19-20, 2003; Seminar for the New York State Department of Public Service entitled "Emerging Technologies and Convergence in the Telecommunications Network". Presented with Ken Wilson of Boulder Telecommunications Consultants, LLC.

July 25, 2003; National Association of Regulatory Utility Commissioners Summer Committee Meetings; Participated in Panel regarding "Wireless Substitution of Wireline – Policy Implications."

December 8-9, 2005, CLE International 8th Annual Conference, "Telecommunications Law", "VoIP and Brand X – Legal and Regulatory Developments."

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Direct Testimony and Exhibits of Timothy J. Gates on behalf of The Competitive Carriers of the South, Inc., was served via (*) hand delivery and U.S. mail this 19th day of December, 2005, to the following:

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[s/Vicki Gordon Kaufman](#)
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