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December 19, 2005

Ms. Blanca S. Bayo, Director  
Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Betty Easley Conference Center, Room 110  
Tallahassee, Florida 32399-0850

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Re: Docket Nos. 050119-TP and 050125-TP

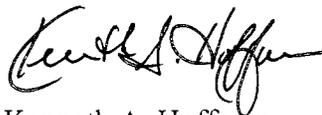
Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket on behalf of TDS Telecom, d/b/a TDS Teelcom/Quincy Telephone, 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 and Frontier Communications of the South, LLC ("Small LECs") are the original and fifteen copies of Prefiled Direct Testimony of Steven W. Watkins.

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

Thank you for your assistance with this filing.

Sincerely,



Kenneth A. Hoffman

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I HEREBY certify that a copy of the foregoing was furnished to the following this 19<sup>th</sup> day of December, 2005, by Hand Delivery(\*) or United States Mail to the following:

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By:   
Kenneth A. Hoffman, Esq.

NFTC\bayo.december19ltr

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Joint Petition by TDS Telecom d/b/a ) Docket No. 050119-TP  
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 )  
["Joint Petitioners"] objecting to and )  
requesting suspension and cancellation of )  
proposed transit traffic service tariff filed by )  
BellSouth Telecommunications, Inc. )  
)  
In re: Petition and complaint for suspension ) Docket No. 050125-TP  
and cancellation of Transit Traffic Service )  
Tariff No. FL2004-284 filed by BellSouth )  
Telecommunications, Inc. by AT&T )  
Communications of the Southern States, LLC )

PRE-FILED DIRECT TESTIMONY  
OF  
STEVEN E. WATKINS  
ON BEHALF OF THE  
SMALL LEC JOINT PETITIONERS

Filed: December 19, 2005

1       **I.       Introduction.**

2       **Q:       Please state your name, business address and telephone number.**

3       A:       My name is Steven E. Watkins. My business address is 2120 L Street, N.W.,  
4               Suite 520, Washington, D.C., 20037. My business phone number is (202)  
5               296-9054.

6       **Q:       What is your current position?**

7       A:       I am a self-employed consultant serving as Special Telecommunications  
8               Management Consultant to the Washington, D.C. law firm of Kraskin,  
9               Moorman & Cosson, LLC, which provides legal and consulting services to  
10              telecommunications companies.

11      **Q:       What are your duties and responsibilities in your Telecommunications**  
12              **Management Consultant position?**

13      A:       I provide telecommunications management consulting services and regulatory  
14              assistance to smaller local exchange carriers ("LECs") and other smaller  
15              firms providing telecommunications and related services in more rural areas.  
16              My work involves assisting client LECs and related entities in their analysis  
17              of regulatory requirements and industry matters requiring specialty expertise;  
18              negotiating, arranging and administering connecting carrier arrangements;  
19              and assisting clients in complying with the rules and regulations arising from  
20              the passage of the Telecommunications Act of 1996 (the "Act"). Prior to my  
21              association with the Kraskin, Moorman & Cosson client companies, I was the  
22              senior policy analyst for the National Telephone Cooperative Association  
23              ("NTCA"), a trade association whose membership consists of approximately

1           500 small and rural telephone companies. While with NTCA, I was  
2           responsible for evaluating the then proposed Telecommunications Act, the  
3           implementation of the Act by the Federal Communications Commission  
4           ("FCC") and was largely involved in the association's efforts with respect to  
5           the advocacy of provisions addressing the issues specifically related to rural  
6           companies and their customers.

7           **Q: Have you prepared and attached further information regarding your**  
8           **background and experience?**

9           A: Yes, this information is included in Exhibit \_\_\_\_ (SEW-1) following my  
10          testimony.

11          **Q: On whose behalf are you submitting this Direct Testimony?**

12          A: I am submitting this Direct Testimony to the Florida Public Service  
13          Commission ("Commission") on behalf of several small and rural incumbent  
14          LECs, specifically TDS Telecom d/b/a TDS Telecom/Quincy Telephone;  
15          Northeast Florida Telephone Company d/b/a NEFCOM; GTC, Inc. d/b/a GT  
16          Com; Smart City Telecommunications, LLC d/b/a Smart City Telecom; and  
17          Frontier Communications of the South, LLC (collectively referred to as the  
18          "Small LECs"). The Small LECs are all Rural Telephone Companies as that  
19          term is defined in the Act.

20  
21          **Q: What is the purpose of your Direct Testimony?**

22          A: The purpose of my Direct Testimony is to address the issues and public  
23          policy implications of the tariff proposals filed with the Commission by

1 BellSouth Telecommunications, Inc. ("BellSouth") on January 27, 2005  
2 which I will refer to as the "Transit Tariff".

3 **Q: Please summarize your testimony.**

4 A: I conclude in this testimony that:

5 (1) A tariff is not the proper mechanism to establish terms, conditions and  
6 rates for BellSouth's provision of transit service.

7 (2) The terms and conditions of the Transit Tariff are inconsistent with the  
8 actual obligations of the Small LECs.

9 (3) The Commission should conclude that the Small LECs have no obligation  
10 to pay for transit service traffic for delivery of local traffic to points beyond  
11 any technically feasible interconnection point on their incumbent LEC  
12 networks just to accommodate a choice and request made by competitive  
13 local exchange carriers ("CLECs") or Commercial Mobile Radio Service  
14 ("CMRS") providers. It is the CLECs and CMRS providers that have chosen  
15 to utilize an arrangement under which they are indirectly interconnected via  
16 BellSouth's incumbent network. To the extent that the CLECs and CMRS  
17 providers utilize BellSouth's transit arrangement provided outside of the  
18 Small LECs' incumbent networks and beyond any interconnection  
19 obligations of the Small LECs, then the CLECs and CMRS providers should  
20 be responsible for payment to BellSouth for any transit charges that  
21 BellSouth may desire to impose for the use of BellSouth's network.

22 (4) If the Commission determines that the Small LECs should somehow be  
23 held responsible for transit services to accommodate the CLECs and CMRS

1 providers, then my testimony also addresses the proper rates, terms and  
2 conditions that the Commission should establish for BellSouth's transit  
3 service. My testimony also asks that a threshold mechanism be established  
4 based on minutes of use over which such level the CLECs and CMRS  
5 providers would be required to establish interconnection with the Small LECs  
6 that no longer commingles traffic with BellSouth's and other carriers'  
7 transited traffic.

8 **Q: How have you organized your Direct Testimony?**

9 A: I begin with some background information, basic principles, and a discussion  
10 of the relationships associated with tandem switched transit traffic service  
11 arrangements. I will then address, in numerical order, the Issues List attached  
12 to the *Order Establishing Procedure* issued in this docket.

13  
14 **II. Background.**

15  
16 **Q: What is the genesis of tandem switched transit traffic?**

17 A: For a decade, CLECs and CMRS providers have requested, negotiated and  
18 entered into interconnection agreements with BellSouth. Under the terms of  
19 those bilateral agreements between BellSouth and a CLEC or between  
20 BellSouth and a CMRS provider, BellSouth offered and has provided an  
21 intermediary tandem switching and transport arrangement to the CLECs and  
22 CMRS providers that allows the CLECs and CMRS providers to transmit to,  
23 and to receive traffic from, other carriers (such as the Small LECs) with

1 which BellSouth already had some form of direct physical network trunking  
2 arrangement in place. This arrangement has been expedient and convenient  
3 for the CLECs and CMRS providers because they have avoided establishing  
4 interconnection points with the Small LECs, and instead have relied on the  
5 BellSouth designed intermediary arrangement. The CLECs and CMRS  
6 providers have been the direct beneficiaries of these arrangements.

7 **Q: Has “transit traffic” been flowing between the CLECs and the Small**  
8 **LECs and between the CMRS providers and the Small LECs?**

9 A: Yes. It is my understanding that BellSouth has offered and has provided the  
10 capability to CLECs and CMRS providers to exchange traffic with the Small  
11 LECs for as long as BellSouth has been establishing interconnection  
12 agreements with those entities, if not before.

13 **Q: Can you provide some background as to the origin of this docket?**

14 A: Yes. My understanding is that BellSouth filed a tariff with the Commission  
15 on November 30, 2004 proposing to establish rates, terms and conditions for  
16 what BellSouth has defined as transit traffic service. In the initial filing,  
17 BellSouth proposed a rate for transit traffic service of \$0.006 per minute of  
18 use of local traffic and ISP-bound traffic originated by the Small LECs’ local  
19 exchange service end users that would be switched and transported by  
20 BellSouth for delivery to third party CLEC and CMRS providers’ networks.  
21 On December 22, 2004, the Small LECs filed a Petition with the Commission  
22 seeking suspension of BellSouth’s Transit Tariff and potential cancellation  
23 pending the outcome of a regulatory examination of the tariff implications.

1           On January 14, 2005, BellSouth filed a letter withdrawing the tariff with the  
2           stated intention of re-filing the proposal at a later date. BellSouth  
3           subsequently re-filed the tariff on January 27, 2005 with a new per minute of  
4           use rate for transit service of \$0.003.

5           **Q: Please provide the background and history of the Small LECs'**  
6           **interconnection arrangements and relationships with BellSouth.**

7           A: Over the past decades, BellSouth and the Small LECs have established  
8           service arrangements for the provision of intrastate toll and access services.  
9           Furthermore, in more recent times, extended area service ("EAS") calling has  
10          been established between the end users in some of the Small LECs' exchange  
11          areas and end users in BellSouth's neighboring exchange areas. The  
12          Commission and the industry embraced a policy that would provide  
13          customers greater non-toll calling capability to allow "community of interest"  
14          calls to their local governments, schools, doctors, etc. typically located in  
15          adjacent service areas. As a result, EAS arrangements were established  
16          between BellSouth and the Small LECs for local calling between specific  
17          areas. This local service has been provisioned with trunking arrangements  
18          whereby the Small LEC and BellSouth physically interconnect trunks at the  
19          border between the Small LEC and BellSouth to use for the exchange of the  
20          EAS calls. The implementation of these arrangements also resulted in some  
21          minor increases in local service rates to recognize the loss of toll and access  
22          revenues and the increase in costs to provision the new EAS service.

23

1 With the advent of competitive carriers, what were typical EAS calls from a  
2 Small LEC to BellSouth may now also involve EAS calls from the Small  
3 LEC to a customer of a CLEC that competes with BellSouth. In lieu of  
4 establishing their own EAS facility arrangements with the Small LECs at the  
5 typical border location, the CLECs simply chose to utilize the services of  
6 BellSouth to have their EAS traffic switched and trunked in tandem,  
7 commingled with other BellSouth traffic either over toll/access facilities or  
8 over EAS trunks.

9 Now, after nearly a decade under this arrangement, BellSouth wants to charge  
10 the Small LECs for the transiting service. This new treatment by BellSouth  
11 will impose a new cost to be imposed on the Small LECs that the Small LECs  
12 and the Commission never contemplated when the CLECs and CMRS  
13 providers established their arrangements with BellSouth.

14 **Q: Has BellSouth ever imposed any charges on the Small LECs for the**  
15 **tandem transit traffic service arrangement that BellSouth has with the**  
16 **CLECs and CMRS providers?**

17 A: No. BellSouth's provision of this service to CLECs and CMRS providers did  
18 not involve any charges to the Small LECs, and the Small LECs participation  
19 has been according to terms under which they do not incur any additional  
20 charges or extraordinary costs. It was not until recently, with BellSouth's  
21 filing of pending tariff terms, that the issue of potential charges to the Small  
22 LECs has arisen.

23

1       **Q:    When BellSouth established interconnection with the CLECs and CMRS**  
2       **providers, did BellSouth involve the Small LECs in the discussion of the**  
3       **terms and conditions that would apply to transit traffic?**

4       A:    No. It is my understanding that, even though the transit arrangement that  
5       BellSouth offered to CLECs and CMRS providers necessarily involved  
6       BellSouth's use of existing trunking arrangements that BellSouth had in place  
7       with the Small LECs (*i.e.*, either existing access service arrangements and/or  
8       EAS arrangements), BellSouth did not involve the Small LECs in the  
9       establishment of the terms. The interconnection agreements that established  
10      these terms with the CLECs and CMRS providers were bilateral agreements  
11      between BellSouth and the CLEC or between BellSouth and the CMRS  
12      provider.

13      The trunking arrangements that developed between the Small LEC networks  
14      and BellSouth since the break-up of AT&T in the 1980s involve the  
15      origination and termination of intraLATA toll traffic subject to the terms and  
16      conditions of access tariffs. With the emergence of competitive carrier and  
17      wireless traffic in more recent times, BellSouth offered and provided to third  
18      party carriers, including CMRS providers and CLECs, the ability to deliver  
19      to, and receive traffic from, the incumbent Small LECs over tandem-switched  
20      trunking arrangements that BellSouth had originally established with the  
21      Small LECs for intraLATA toll service purposes. It was BellSouth's  
22      unilateral decision to utilize an interconnection arrangement authorized for  
23      one purpose (*i.e.*, access or EAS) for an entirely different purpose (*i.e.*, a

1 transit arrangement). I would note that were it not for BellSouth's own  
2 intrastate interexchange carrier services relationship with the Small LECs  
3 (*i.e.*, BellSouth's use of access services of the Small LECs), BellSouth would  
4 not have been able, in all cases, to offer and provide the transit service to  
5 CLECs and CMRS providers.

6 **Q: Has any Small LEC provided BellSouth with the authority to negotiate,**  
7 **on its behalf, the terms and conditions with third party CLECs or**  
8 **CMRS providers?**

9 A: No.

10 **Q: Does this course of events concern the Small LECs?**

11 A: Yes. The fact that CLECs and CMRS providers utilize BellSouth's network  
12 as the means to be interconnected indirectly with the Small LECs, together  
13 with the terms of the BellSouth Transit Tariff, has the effect of forcing the  
14 Small LECs to subsidize the CLEC and CMRS operations through the  
15 payment of transit service charges to BellSouth for those CLECs' and CMRS  
16 providers' use of the BellSouth network. BellSouth has allowed CLECs and  
17 CMRS providers to interconnect at BellSouth's tandem without any  
18 expectation of charges to the Small LECs. BellSouth now seeks to recover  
19 these tandem switching and transport costs from the Small LECs under the  
20 guise that the Small LECs have sought out and seek to "purchase" transit  
21 traffic services from BellSouth or that the Small LECs are somehow willing  
22 to accommodate the CLECs' or CMRS providers' desire for the Small LECs  
23 to provision some disparate and "superior" network interconnection

1 arrangement. The result, of course, would be a new and extraordinary cost  
2 foisted upon the Small LECs and their customers. There is no basis for  
3 BellSouth, the CLECs, or the CMRS providers to expect or demand that the  
4 Small LECs incur new and additional costs to accommodate the  
5 BellSouth/CLEC/CMRS business arrangement and network design.

6 BellSouth occupies a substantial network position in Florida and other states.  
7 The Small LECs are also concerned that BellSouth intends to use its network  
8 position to exploit the competitive marketplace, as it is attempting to do here  
9 with its proposed transit traffic service tariff. The effect of this course of  
10 events is that BellSouth, CLECs and CMRS providers are attempting to  
11 impose competitively unfair conditions and relationships on the Small LECs  
12 without their consent and may intend to limit the alternatives for the Small  
13 LECs other than the continued participation in the BellSouth tariff  
14 arrangement.

15 For example, where a Small LEC has or wants to deploy its own tandem as  
16 an alternative to the BellSouth tandem, the Small LEC's plans and ability to  
17 deploy its own tandem can be effectively undermined where BellSouth  
18 continues its tandem transit service without the agreement of the Small LEC.  
19 This is troubling in a competitive world because one carrier should not be  
20 allowed to thwart another carrier's network and service options. BellSouth  
21 has no more right to dictate to the Small LECs end office/tandem subtending  
22 arrangements than the Small LECs have such right to dictate such network  
23 decisions to BellSouth.

1 A related concern is that the BellSouth arrangements, under which BellSouth  
2 through its tandem switch commingles multiple carrier traffic, undermines  
3 the ability of the Small LECs to identify and measure the components of  
4 traffic for themselves which, in turn, has led to billing and collection  
5 problems for rural LECs all across this nation. The terms and conditions that  
6 would be necessary to address all of the rights and responsibilities on a fair  
7 and non-discriminatory basis go well beyond the simple provision of billing  
8 information, as BellSouth will likely contend should be the sole  
9 consideration. I will discuss some of these necessary terms and conditions  
10 later in this testimony. Needless to say, the Small LECs' lack of control over  
11 traffic terminated to Small LECs' networks will hurt the rural customers of  
12 the Small LECs if their rights remain unaddressed. It is just these concerns  
13 that have led some rural LECs to deploy their own tandems and discontinue  
14 their participation in Bell company tandem arrangements.

15 **Q: Have the Small LECs taken any action against BellSouth to address**  
16 **these concerns?**

17 A: The Small LECs have not previously taken any direct action against  
18 BellSouth or the CLECs or CMRS providers regarding the design of the  
19 BellSouth transit service arrangement.

20 However, the smaller incumbent LECs are participants in the ongoing Federal  
21 Communications Commission ("FCC") proceeding reviewing intercarrier  
22 relationships. This proceeding is reviewing potential tandem switched transit  
23 arrangements which continue to be a topic of discussion and disagreement.



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I have prepared comments in the FCC proceeding on behalf of the small and rural LEC industry. My comments to the FCC are consistent with the positions taken in this testimony. Generally, it remains the position of the vast majority of the small and rural LEC industry that under the Federal Act the rural incumbent LECs do not have interconnection obligations, beyond their incumbent networks, to transport traffic according to some superior arrangement, at additional cost, simply to fulfill a request or demand of a CLEC or CMRS provider. If a rural incumbent nevertheless voluntarily accommodates a superior arrangement, its willingness to do so is dependent on the requesting carrier being responsible for the extraordinary costs.

The Petition filed in this proceeding by the Small LECs, objecting to these improper charges under the BellSouth transit tariff, is the first time that the Small LECs have decided to use their limited resources to take direct action against BellSouth on this matter. It is the potential application of new charges under the BellSouth Transit Tariff terms that would cause an adverse economic impact on the Small LECs. The Small LECs have had long-standing concerns over the competitive marketplace implications of BellSouth's central network role. However, until now, BellSouth's actions have not had the effect of imposing monetary charges or costs on the Small LECs. Now, with the charges proposed in the BellSouth Transit Tariff, the Small LECs and their generally more rural customers are being asked to bear the financial consequences of these network arrangements.

1           The third party carriers that apparently requested this arrangement, together  
2           with BellSouth, have exchanged traffic with the Small LECs in this manner  
3           for several years without any charge or the imposition of costs on the Small  
4           LECs. That is the only manner in which the Small LECs would have  
5           participated in such arrangements.

6           **Q: How do the bilateral agreements between BellSouth and the CLECs and**  
7           **CMRS providers with which BellSouth has interconnection and**  
8           **BellSouth's Transit Tariff effectively limit the options for the Small**  
9           **LECs?**

10          A: The CLECs and CMRS providers, by virtue of the convenient and beneficial  
11          transit arrangement that BellSouth offered to them without any agreement  
12          from the Small LECs, have been allowed to exchange traffic with the Small  
13          LECs without establishing an interconnection point at a technically feasible  
14          point on the incumbent networks of the Small LECs as required under the  
15          Act. For traffic originating from a CLEC or from a CMRS provider that is  
16          destined to a Small LEC end user, the Small LEC has no real choice now but  
17          to accept the tandem switched, commingled delivery of this traffic by  
18          BellSouth. Obviously, once BellSouth actively allowed this traffic to flow,  
19          it was not viable for the Small LEC to terminate the arrangement with  
20          BellSouth or stop the termination of traffic. For Small LEC non-access (*i.e.*,  
21          local) originating traffic, since the CLECs and CMRS providers have not  
22          established interconnection points with the Small LECs at a point on the  
23          network of the Small LECs, and the Small LECs have no apparent way to

1 force the CLECs and CMRS providers to do so, the Small LECs have no  
2 other options to complete their own non-access, non-toll traffic other than to  
3 continue to utilize the BellSouth arrangement or to provision, at extraordinary  
4 cost, some superior form of network arrangement to transport traffic to  
5 distant points beyond that which the Small LEC does for any other non-  
6 access traffic. The result of this course of events is that the Small LECs are  
7 left with no options other than to participate in the Transit Tariff, at  
8 additional cost and burden to the Small LECs, to the benefit of the CLECs  
9 and, CMRS providers.

10 Although the Small LECs have no statutory or regulatory obligation to  
11 accommodate these options, the logical consequence of the actions of these  
12 other carriers has been to "trap" the Small LECs into just such an improper  
13 result.

14 **Q: Despite these concerns, would the Small LECs be willing to continue to**  
15 **participate in a multi-party transit arrangement under some conditions?**

16 **A:** There are two aspects to the answer to this question.

17 First, there is the fundamental issue of a Small LEC's right to establish its  
18 own tandem such that the Small LEC's end offices would no longer subtend  
19 a BellSouth tandem. This is a competitive market issue that does not go  
20 away. In a competitive world, carriers obviously will have the desire to  
21 reconfigure their networks to decrease their reliance on BellSouth - a  
22 potential competitor. There would be a chilling effect on the state of  
23 competition if BellSouth or other large carriers believed they have the right

1 to dictate network design decisions to smaller LECs. In a competitive world,  
2 each LEC must have the freedom to design its network in the manner it  
3 chooses free from the impact of a competitor's independent network design  
4 choices, and there can be no expectation that one competitor must depend  
5 (*i.e.*, an end office-tandem subtending arrangement) on another.

6 Notwithstanding the network configuration issue, the Small LECs may  
7 otherwise be willing to continue the transit arrangement voluntarily with  
8 BellSouth, the CLECs, and CMRS providers under otherwise fair and  
9 reasonable conditions under which the Small LECs are not responsible for the  
10 additional charges. Regardless, as I will explain below, the Small LECs have  
11 no obligation to expend extraordinary resources or to burden themselves with  
12 extraordinary costs to transport traffic to distant points that are neither on the  
13 incumbent LEC network of the Small LEC nor technically feasible for the  
14 Small LEC for the benefit of CLECs and CMRS providers.

15  
16 **ISSUE 1** Is BellSouth's Transit Service Tariff an appropriate  
17 mechanism to address transit service provided by  
18 BellSouth?

19  
20 **Q: Is BellSouth's Transit Tariff an appropriate mechanism to address the**  
21 **terms and conditions of multi-party, tandem-switched "transit" traffic?**

22 **A:** No. BellSouth's tariff is not an appropriate mechanism for the following  
23 reasons:

1           1. As a fundamental matter, the Telecommunications Act of 1996  
2           contemplates that the terms and conditions of non-access interconnection  
3           arrangements between carriers should be the subject of a request, negotiation,  
4           and the establishment of terms and conditions in a contract that governs that  
5           relationship. The FCC has decided, with respect to tariffs filed by LECs for  
6           the exchange of traffic with wireless carriers, that tariffs are not the  
7           appropriate ongoing mechanism for the establishment of terms and conditions  
8           for the exchange of non-access traffic. (*See, e.g., Declaratory Ruling and*  
9           *Report and Order* issued by the Federal Communications Commission on  
10          February 24, 2005 in CC Docket No. 01-92 at para. 14: regarding intercarrier  
11          compensation for the exchange of non-access traffic. The FCC concluded that  
12          “[p]recedent suggests that the [FCC] intended for compensation arrangements  
13          to be negotiated agreements and we find that negotiated agreements between  
14          carriers are more consistent with the pro-competitive process and policies  
15          reflected in the 1996 Act.”) For the same reasons, the Small LECs maintain  
16          that unilateral tariffs are also not appropriate here.

17  
18          2. A unilateral tariff does not afford the necessary flexibility for all of the  
19          parties to such non-access arrangements to put in place, and to modify, the  
20          terms and conditions that would be necessary to address the rights and  
21          responsibilities of all of the parties. Instead, proper agreements should be put  
22          in place which address the rights and responsibilities of all of the parties,  
23          including the availability of meaningful options for the Small LECs other

1 than being forced into involuntary arrangements at the demands of CLECs,  
2 CMRS providers, and BellSouth. BellSouth and the third party CLEC and  
3 CMRS providers have exercised their rights and opportunity to put in place  
4 contractual terms. Those parties have no right to attempt to continue their  
5 chosen network arrangement by imposing additional and extraordinary costs  
6 on the Small LECs who were never part of any negotiation. BellSouth,  
7 CLECs and CMRS providers have ignored the Small LECs' separate rights  
8 and interests and are attempting to force the Small LECs to accept, at this late  
9 date, new and unwarranted terms after the transit arrangement has already  
10 been imposed upon them for years under substantially different terms.

11 3. The unilateral tariff is contrary to sound public policy because it would  
12 allow BellSouth, CLECs and CMRS providers to impose involuntary terms  
13 and effectively "trap" the Small LECs into the tariffed service arrangement.

14 **Q: What are some of the terms and conditions that must be addressed in a**  
15 **multi-party transit arrangement?**

16 A: BellSouth should be required to establish explicit agreement terms with the  
17 Small LECs that set forth the terms under which BellSouth will operate as an  
18 intermediary between other carriers and a Small LEC where the Small LEC  
19 elects to participate in such arrangements. In fact, BellSouth should have  
20 established such arrangements with the Small LECs prior to the offering of  
21 the intermediary transit arrangement to any other carrier. These issues are  
22 contentious now because BellSouth proceeded originally without recognizing  
23 the separate rights of the Small LECs.

1 If BellSouth expects to occupy a central intermediary carrier role (tandem and  
2 transport), it is incumbent on BellSouth and the other carriers that request this  
3 arrangement to put in place agreements that address all of the parties' rights  
4 and responsibilities. If BellSouth's tariff were allowed, it would further  
5 exacerbate the unresolved problems, fail to address the arbitrary and  
6 discriminatory impact on the Small LECs, and would result in even less  
7 incentive for BellSouth, the CLECs or the CMRS providers to resolve these  
8 issues with the Small LECs in a competitively fair manner.

9 No carrier should be forced to accept a physical interconnection with another  
10 carrier in the absence of agreements that define and address the basic  
11 responsibilities and terms associated with that connection. It is BellSouth  
12 that is interconnected physically and directly to the Small LEC networks, and  
13 BellSouth should be required to establish proper contractual provisions  
14 including, but not limited to, terms and conditions that:

- 15 (a) identify the trunking facilities, physical interconnection point with a Small  
16 LEC, and scope of traffic that either party may deliver to the other party  
17 over such facilities. Each type of traffic may be subject to individual terms;
- 18 (b) establish proper authority for the delivery of traffic of other carriers,  
19 including third parties, over such facilities;
- 20 (c) address potential abuse of the scope of traffic authorized by the  
21 arrangement (*i.e.*, the transmission of unauthorized traffic);
- 22 (d) ensure that the tandem provider produces complete and accurate usage  
23 records and specifies what happens when the tandem provider fails to provide

1 complete and accurate information regarding the scope and components of  
2 traffic;

3 (e) coordinate billing, collection, compensation, and auditing of traffic (for  
4 traffic that is subject to compensation) where multiple parties use the same  
5 facilities and bills are paid by multiple parties;

6 (f) require all of the parties to participate in the resolution of disputes that  
7 will necessarily involve issues where the factual information is in the  
8 possession of the tandem provider and the resolution involves multiple  
9 carriers (*e.g.*, how much traffic was transmitted, and which carrier originated  
10 or terminated the traffic). Where there is multiple carrier traffic commingled  
11 over the same facilities, the components must necessarily equal the total. If  
12 there is a discrepancy, the remedy will potentially affect all of the  
13 components and all of the parties. Disputes necessarily involve all parties,  
14 including most notably the tandem provider which most likely has in its  
15 possession the best information;

16 (g) define the terms under which network changes may be implemented to  
17 alter or terminate the voluntary tandem arrangement between a Small LEC  
18 and BellSouth, and allow for the Small LEC to establish a new end  
19 office/tandem arrangement with some other carrier's tandem or its own Small  
20 LEC tandem;

21 (h) set forth terms under which tandem transit arrangements would not be  
22 available to carriers (*e.g.*, above some potential threshold of traffic), and  
23

1 (i) requires the tandem operator to take enforcement actions against other  
2 carriers with which the tandem provider has a transit traffic agreement in the  
3 event of default or non-payment by such carrier (again, for components of  
4 traffic that are subject to compensation).

5 I do not suggest that this list is exhaustive. However, it is illustrative of the  
6 scope of issues that must be addressed and are more typically expected to be  
7 addressed through negotiations and agreements (and arbitrations, if  
8 necessary). The unilateral tariff filed by BellSouth does not address these  
9 issues. Without these contractual terms and conditions, the Small LECs and  
10 their rural customers will be subject to uncertain and potentially harmful  
11 conditions because there will be no way to enforce the application of the  
12 terms set forth above with BellSouth, leaving the Small LECs trapped in an  
13 improper and uncertain arrangement.

14 **Q: Does BellSouth's tariff proposal contain provisions under which a**  
15 **potential "customer" of the transit traffic service may order or terminate**  
16 **the service?**

17 A: No. The BellSouth tariff does not appear to allow for the ordering or  
18 termination of the tariffed transit service. The effect of the tariff would be  
19 that the Small LECs are forced involuntarily to obtain the tariffed service  
20 from BellSouth -- a service that they do not want and have no requirement to  
21 obtain in the first place.

22 **Q: Can you give some examples of where the tariff is conceptually flawed?**

1       A:     Yes.  Apart from my position that the tariff should be rejected, there are  
2             several terms that are vague, incomplete and/or conceptually flawed.

3  
4             For example, there is no assurance or guarantee that any party -- the  
5             originating carrier, BellSouth in its intermediary role, or the terminating  
6             carrier -- will be able to identify or measure completely and accurately all  
7             of the traffic that BellSouth intends to define as Transit Traffic.  BellSouth  
8             makes it clear (Section A16.1.2, E) that it may not have complete and  
9             accurate information regarding the relevant components of traffic.  That  
10            makes the provisions fundamentally arbitrary, and disputes will be impossible  
11            to resolve accurately.

12           In Section A.16.1.1, D.1, the effect of BellSouth's tariff language appears to  
13           be an attempt to redefine "local" traffic to include all intraLATA traffic for  
14           which BellSouth does not collect access charges.  Whether BellSouth  
15           specifically collects access charges does not change the nature of originating  
16           and terminating calls for the Small LECs.  Much of the intraLATA traffic that  
17           the Small LECs originate or terminate is subject to intrastate access charges.  
18           This provision in BellSouth's Transit Tariff raises the question of whether  
19           BellSouth is already delivering traffic to the Small LECs' networks that  
20           should be subject to the Small LECs' terminating access charges, but is being  
21           treated by BellSouth as "local."  BellSouth may arguably define the scope of  
22           intraLATA access calls differently from the way other Small LECs define  
23           intraLATA access calls.  However, the terms and conditions under which

1 non-local intraLATA traffic is originated and terminated by the Small LECs  
2 are set forth in intrastate access tariffs. Clearly, BellSouth's Transit Tariff  
3 cannot change or conflict with the Small LECs' Commission-approved  
4 intrastate access tariffs.

5 Section A.16.1.1, D.2 suggests incorrectly that all wireline to wireless  
6 intraMTA traffic would require compensation from the originating local  
7 exchange carrier. However, some intraMTA traffic calls are provided by  
8 interexchange carriers as long distance calls. The terms and conditions under  
9 which BellSouth provides transport of interexchange carriers' traffic,  
10 regardless of whether the calls are completed to mobile users within the same  
11 MTA, is set forth in access tariffs. And it is the responsibility of the  
12 interexchange carriers, not originating LECs, to compensate BellSouth for the  
13 use of BellSouth's network to transport interexchange carrier service calls to  
14 wireless carriers.

15 Sections A16.1.2, C and D suggest arbitrarily that BellSouth does not know  
16 what terms and conditions it already has in place with terminating carriers  
17 and does not know whether it already has responsibility to provide  
18 compensation to a terminating carrier. Parties that would be subject to this  
19 tariff do not know whether these provisions would apply because BellSouth  
20 apparently does not know when it is responsible for compensation to  
21 terminating carriers. Regardless of these terms, if BellSouth already has an  
22 established compensation responsibility to a terminating carrier under

1 existing and separate terms, the filing of its Transit Tariff does not and cannot  
2 negate that payment responsibility.

3 **Q: Do the Small LECs have additional concerns with the establishment of**  
4 **terms and conditions for transit traffic service pursuant to a tariff?**

5 A: Yes. It is my understanding that under Florida law BellSouth's transit service  
6 would not be considered a "basic local service." If the transit service was  
7 considered to be a "non-basic service," then BellSouth (as a price regulated  
8 carrier) would be authorized to impose an annual increase of 20% for the  
9 service category that would include the transit service. If that were the case,  
10 the financial burdens imposed on the Small LECs as a result of the Transit  
11 Tariff would compound substantially.

12  
13 **ISSUE 2** If an originating carrier utilizes the services of  
14 BellSouth as a tandem provider to switch and  
15 transport traffic to a third party not affiliated with  
16 BellSouth, what are the responsibilities of the  
17 originating carrier?

18 **Q: What are the obligations of a LEC with respect to the exchange of non-**  
19 **access (i.e., local) traffic with another local carrier?**

20 A: With respect to local traffic subject to interconnection requirements under the  
21 Act, the FCC's Subpart H rules (47 C.F.R. §51.701-717) set forth the  
22 definitions, conditions, and scope of traffic subject to Section 251(b)(5) of the  
23 Act. By the explicit terms and clear meaning of the words, the first section

1 of the Subpart H rules apply a framework where an interconnection point is  
2 established between two local providers that are exchanging traffic subject  
3 to the Subpart H rules. For example, Section 51.701(c) defines transport as  
4 “. . . the transmission and any necessary tandem switching of  
5 telecommunications traffic subject to section 251(b)(5) of the Act from the  
6 interconnection point between the two carriers to the terminating carrier's end  
7 office switch that directly serves the called party, or equivalent facility  
8 provided by a carrier other than an incumbent LEC.” (Emphasis added.)  
9 Under the terms of the Act that I have set forth below, the FCC has defined  
10 the “interconnection point between the two carriers” to be no more  
11 demanding for an incumbent LEC than one that is technically feasible for the  
12 incumbent LEC that has received the interconnection request and is on that  
13 incumbent LEC’s network.

14 **Q: How are the interconnection requirements to be established between an**  
15 **incumbent LEC and a requesting carrier?**

16 A: Interconnection arrangements begin with a request for interconnection  
17 services or arrangements by a CLEC or CMRS provider to an incumbent  
18 LEC. Interconnection requirements are applied in the context of that  
19 incumbent LEC fulfilling the interconnection request of the CLEC or CMRS  
20 provider. To date, the interconnection arrangements in place with the CLECs  
21 and CMRS providers that are relevant to this proceeding are the result solely  
22 of a request made by those other carriers to BellSouth. And the

1 interconnection requirements that apply with respect to those requests are  
2 requirements that apply solely to BellSouth.

3 If a CLEC or a CMRS provider were to make a request of a Small LEC to  
4 exchange traffic subject to Section 251 of the Act, the requirement for that  
5 Small LEC can be no more than what is set forth in the Act, and because the  
6 Small LEC is a Rural Telephone Company, the applicable requirement may  
7 be less, but certainly not more, than what applies to BellSouth. In any event,  
8 in fulfilling the interconnection request of the CLEC or CMRS provider, that  
9 Small LEC would be required, at most, to establish an interconnection point  
10 with the CLEC or CMRS provider at a point on the network of that Small  
11 LEC and at a point that is technically feasible for that Small LEC. These are  
12 the interconnection requirements that apply to BellSouth. The Small LEC  
13 is under no obligation to establish an interconnection point with a requesting  
14 carrier at a point on some other incumbent LEC's network because such point  
15 would neither be technically feasible to that Small LEC nor would the  
16 interconnection point be on the incumbent LEC network of that Small LEC.  
17 Accordingly, any such requested interconnection would be inconsistent with  
18 the Act and the controlling rules.

19 The CLECs and CMRS providers will likely attempt to confuse the concepts  
20 of "being indirectly interconnected" with the location of the "interconnection  
21 point" as set forth in the Act and the FCC's rules for the exchange of traffic  
22 that would be subject to the terms of Section 251(b)(5) of the Act and the  
23 FCC's subpart H rule. The fact that the rules require that the interconnection

1 point that an incumbent LEC establishes with a requesting competitive carrier  
2 for the exchange of non-access traffic be on that incumbent LEC's network  
3 and be technically feasible to that incumbent LEC does not necessarily  
4 suggest that the CLEC or CMRS provider cannot be indirectly  
5 interconnected. These carriers may use BellSouth facilities to be indirectly  
6 interconnected with the Small LECs, but that does not require the Small  
7 LECs to provision arrangements that go beyond the actual requirements.  
8 There is no requirement for one ILEC to establish an interconnection point  
9 with a requesting CLEC or CMRS provider, for the exchange of traffic  
10 subject to Section 251(b)(5) of the Act, at a point on some other ILEC's  
11 network. BellSouth has no obligation to establish an interconnection point  
12 with a requesting CLEC or CMRS provider at a point on one of the Small  
13 LEC's network, and the Commission's decisions have never suggested any  
14 such requirement. In fact, the Commission's previous decisions addressing  
15 what BellSouth, as an incumbent, is required to do in response to requests of  
16 CLECs and CMRS providers recognized and embraced the concept that the  
17 interconnection point for the exchange of traffic would be "at any technically  
18 feasible location within the ILEC's network." (*See Order on Reciprocal*  
19 *Compensation*, Order No. PSC-02-1248-FOF-TP issued September 10, 2002  
20 in Docket No. 000075-TP at p. 21 citing Sprint's comments about technically  
21 feasible point on the incumbent LEC's network and on p. 24 accepting  
22 Sprint's argument.)

1 The notion that a CLEC or CMRS provider can request interconnection with  
2 a Small LEC based on an interconnection point on BellSouth's network, for  
3 the exchange of traffic that is subject to Section 251(b)(5) of the Act is wrong  
4 for at least two reasons. A point on the network of BellSouth is not a  
5 technically feasible point for the Small LEC, and a point on the network of  
6 BellSouth is not on the network of the incumbent (i.e., a Small LEC) that has  
7 received the request from the CLEC or CMRS provider to exchange traffic  
8 pursuant to the interconnection requirements.

9 The Small LECs have no interconnection obligations in areas in which they  
10 are not an incumbent. The interconnection point that an incumbent LEC  
11 must establish with a requesting CLEC or CMRS provider must be on that  
12 incumbent LEC's network at a technically feasible point on that incumbent  
13 LEC's network.

14 **Q: What provisions of the Act address the interconnection point for the**  
15 **exchange of traffic subject to Section 251(b)(5)?**

16 **A:** In adopting the Subpart H rules that I have cited above, the FCC notes that  
17 the interconnection point (at most for those carriers subject to the subsection  
18 251(c) of the interconnection requirements in the Act) would be as set forth  
19 in Section 251(c)(2). (*See, e.g.* the FCC's initial decision on competitive  
20 interconnection, *First Report and Order* in CC Dockets 96-98 and 95-185,  
21 released August 8, 1996 at paras. 26, 87, 173, and 186.) Under the most strict  
22 interconnection requirements under the Act, the interconnection point must  
23 comply only with the following provisions:

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(2) Interconnection.-- The duty to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the local exchange carrier's network-- (A) for the transmission and routing of telephone exchange service and exchange access; (B) at any technically feasible point within the carrier's network; (C) that is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection . . . .

47 U.S.C. §§ 251(c)(2)(A)-(C). (Emphasis added.)

**Q: What conclusion do you draw from these provisions?**

A: The interconnection obligations of incumbent LECs, under the most severe application, apply only with respect to the incumbent's network, not with respect to some other carrier's network in some other incumbent service area. An incumbent LEC has no responsibility to deliver local (non-access) traffic to an interconnection point that is neither on its incumbent LEC network nor to a point where the incumbent LEC is not an incumbent. This is consistent with this Commission's previous conclusions with respect to BellSouth in that BellSouth's originating traffic responsibility was to deliver local traffic to an interconnection point designated by the CLEC at a

1           technically feasible point on BellSouth's incumbent LEC network within the  
2           LATA.

3

4       **Q:    What relevance does this have to the Transit Tariff proposal?**

5

6       A:    As I have explained above, the CLECs and CMRS providers have used  
7           BellSouth's intermediary transit arrangement in a manner that has allowed the  
8           CLECs and CMRS providers to avoid the designation of an interconnection  
9           point on the networks of the Small LECs.

10          When a Small LEC sends traffic to CLECs and CMRS providers that have  
11          elected to use BellSouth in lieu of establishing an interconnection point on  
12          the incumbent LEC networks of the Small LECs, the CLECs and CMRS  
13          providers have effectively elected (albeit without a request, negotiation and  
14          an interconnection agreement) to designate the service border meet point that  
15          the Small LEC has with BellSouth as their Interconnection Point.  
16          Accordingly, it is the CLEC or CMRS provider that is utilizing BellSouth's  
17          transit service arrangement.

18          An incumbent LEC has no responsibility to deliver local traffic to an  
19          interconnection point that is neither on its incumbent LEC network or to a  
20          point where the incumbent LEC is not an incumbent.

21          Therefore, for the exchange of local traffic among carriers, and under the  
22          most rigorous requirements that apply to large Bell companies, the delivery  
23          of local traffic is to an interconnection point designated by the CLEC that is

1 technically feasible, located on the incumbent LEC's network, and for Bell  
2 companies, within the same LATA in which traffic is originated and  
3 terminated.

4 **Q: Are there any other comments that you have concerning Issue 2?**

5  
6 A: Yes. With respect to carriers' responsibilities as suggested by the issue  
7 statement, all local exchange carriers have the obligation to put in place  
8 interconnection agreements to set forth the terms for the exchange of non-  
9 access traffic. This responsibility is not just with the originating carrier as  
10 the issue statement suggests, it applies to the originating, the intermediary,  
11 and the terminating carrier. The intermediary carrier is providing part of the  
12 transport and termination of non-access traffic.

13 **Q: Are there other reasons why a Small LEC should not be responsible for**  
14 **the provision of network functions and interconnection services provided**  
15 **in areas beyond the area in which the Small LEC is an incumbent LEC?**

16 A: Yes. Please consider the following example to illustrate my point:  
17 An end user is currently served by BellSouth in a service area that neighbors  
18 one of the Small LEC's service areas. The end users served in the Small  
19 LEC's exchange that neighbors the BellSouth exchange have local calling to  
20 the exchange area in which the BellSouth end user is served. The Small LEC  
21 and BellSouth have established an interconnection arrangement that  
22 determines the relative rights and responsibilities of both parties for the  
23 exchange of local calls (i.e., EAS). In most cases, it is my understanding that

1 the Small LEC, for the call that I have used in this example, is responsible to  
2 deliver the local call to a meet point likely located at the border between the  
3 Small LEC and BellSouth. Therefore, when a local call from the Small LEC  
4 end user is terminated to the specific BellSouth end user, the Small LEC has  
5 a specific responsibility to transport the call to a boundary point of  
6 interconnection. There is no "additional" transit service tandem switching  
7 and transport to some point beyond the border and/or to some other distant  
8 point.

9 Now consider that the same BellSouth end user decides to change his or her  
10 local service to a CLEC that competes with BellSouth. Under BellSouth's  
11 transit traffic service tariff terms and conditions, the Small LEC would  
12 immediately be responsible for additional charges and costs just because a  
13 BellSouth end user changed his or her service to a CLEC operating in  
14 BellSouth's territory. From the Small LEC point of view, it has originated  
15 the same call, to be terminated to the same end user, but instead of its  
16 responsibility being limited properly to the delivery of the call to the  
17 boundary meet point, the Small LEC now may be forced to incur additional  
18 and extraordinary costs to deliver the call to more distant points and to pay  
19 BellSouth for additional tandem switching and transport.

20 However, even under the most rigorous forms of interconnection that apply  
21 to Bell incumbent LECs as I have explained above, the incumbent LEC must  
22 provide interconnection for the transmission and routing of calls at any  
23 technically feasible point within the carrier's network and only at a level that

1           is at least equal in quality to that provided by the incumbent LEC to itself or  
2           any other party. The expectations of CLECs and CMRS providers that Small  
3           LECs will pay BellSouth for transit services (under the terms and conditions  
4           of BellSouth's proposed tariff) would violate the two underlined provisions  
5           of the Act. In other words, BellSouth's proposed tariff terms, together with  
6           the implied expectations of CLECs and CMRS providers, would impose  
7           requirements on the Small LECs that are more onerous and burdensome than  
8           the requirements that would even apply to BellSouth and beyond a level that  
9           is equal in quality to what the Small LEC does for itself, with BellSouth, or  
10          with any other carrier in an EAS arrangement.

11          The Small LECs' interconnection responsibility is limited to providing for  
12          interconnection arrangements that are at least equal, but not superior, to that  
13          which the Small LEC does for any other local traffic, and not to discriminate  
14          unreasonably among carriers. The CLECs and CMRS providers, together  
15          with BellSouth's proposed tariff terms, are asking the Small LECs for much  
16          more -- to provision a superior arrangement with extraordinary switching  
17          and transport functions that would be more costly to the Small LEC. As I  
18          have already stated, to the extent that a Small LEC is willing to accommodate  
19          some superior arrangement which involves additional cost (*i.e.*, BellSouth  
20          providing an intermediary tandem switching and additional transport) to  
21          fulfill a request of a third party carrier, the Small LEC would do so only to  
22          the extent that the third party carrier is willing to be responsible for the  
23          extraordinary costs.

1       **Q:    Are incumbent LECs required to provision superior or extraordinary**  
2       **interconnection arrangements, at the request of a CLEC or CMRS**  
3       **provider, that are beyond what they already do for their own local**  
4       **traffic or for local traffic with other carriers?**

5  
6       A:    No. The FCC and the courts have already addressed this issue and support  
7       my conclusion. On July 18, 2000, on remand from the United States  
8       Supreme Court, the United States Court of Appeals for the Eighth Circuit  
9       issued its opinion in *Iowa Utilities Board v. Federal Communications*  
10       *Commission*, 219 F.3d 744 (8<sup>th</sup> Cir. 2000) (“*IUB I*”). In *IUB II*, the Eighth  
11       Circuit Court of Appeals reaffirmed its earlier conclusion, not affected by the  
12       Supreme Court’s remand, that the FCC had unlawfully adopted and  
13       attempted to impose interconnection requirements on incumbent LECs that  
14       would have resulted in the incumbent LECs providing superior arrangements  
15       to that which the incumbent LEC provides to itself. The Court concluded  
16       that “the superior quality rules violate the plain language of the Act.” I have  
17       already quoted the plain language of the Act which states that incumbent  
18       LECs, even under the most rigid requirements that apply to some incumbent  
19       LECs, are limited to arrangements that are only at least equal in quality to  
20       that provided by the local exchange carrier to itself or to any subsidiary,  
21       affiliate, or any other party to which the carrier provides interconnection. The  
22       Court concluded that the standard of “at least equal in quality” does not mean

1 “superior quality” and “[n]othing in the statute requires the ILECs to provide  
2 superior quality interconnection to its competitors.” 219 F.3d at 757-758.  
3 It is also noteworthy here to point out that, under the invalidated superior  
4 quality rules that the FCC had originally adopted, the FCC had nevertheless  
5 initially concluded that the LEC should not be responsible for the  
6 extraordinary costs associated with any superior interconnection arrangement;  
7 *i.e.* that the requesting competitive carrier should be responsible for these  
8 costs. The CLECs and CMRS providers’ use of BellSouth’s transit traffic  
9 service arrangement and BellSouth proposed tariff terms are an attempt to  
10 require the Small LECs to provision superior quality interconnection  
11 arrangements at extraordinary costs in direct violation of the Court’s decision  
12 and the FCC’s original rules.

13  
14 **ISSUE 3** Which carrier should be responsible for providing  
15 compensation to BellSouth for the provision of the  
16 transit transport and switching services?

17  
18 **Q: Which carrier should be responsible for providing compensation to**  
19 **BellSouth for the provision of the transit transport and switching**  
20 **services?**

21 **A:** As I have already explained, it should be the CLECs and the CMRS providers  
22 that have elected to utilize this arrangement in lieu of establishing separate  
23 interconnection points with the Small LECs. To the extent that the CLECs

1 and CMRS providers' use of the BellSouth transit arrangement involves  
2 extraordinary cost, and to the extent that the CLECs and CMRS providers  
3 continue to request that the Small LECs deliver their local traffic to a distant  
4 point where the CLECs and the CMRS providers have physically connected  
5 with BellSouth, then it is the CLECs and CMRS providers' responsibility to  
6 provide compensation for the extraordinary costs.

7  
8  
9 **ISSUE 4** What is BellSouth's network arrangement for transit  
10 traffic and how is it typically routed from an  
11 originating party to a terminating third party?  
12

13 **Q: How does BellSouth route (i.e., what trunking arrangement) the**  
14 **originating local (non-access) traffic of CLECs and CMRS providers**  
15 **where the CLECs and CMRS providers are using BellSouth's transit**  
16 **arrangement as the means to exchange traffic with the Small LECs?**

17 **A:** It is my understanding the BellSouth routes these calls over different types of  
18 trunk groups for specific Small LECs. As a result of this proceeding, the  
19 Small LECs expect to learn more about the trunking arrangements that  
20 BellSouth is using.

21 **Q: How does BellSouth route (i.e., what trunking arrangement) non-local**  
22 **traffic that would be subject to access charges that BellSouth may**

1           **deliver to the Small LECs on behalf of the CLECs and CMRS**  
2           **providers?**

3           A:    The Small LECs are not certain what scope of traffic of third parties  
4           BellSouth may be delivering to the Small LECs for termination. The Small  
5           LECs expect that, as a result of this proceeding, they will learn more about  
6           the scope of traffic of third parties that BellSouth transits to the Small LECs'  
7           networks.

8           **Q:    How do Small LECs route (i.e., what trunking arrangement) their**  
9           **originating local exchange service traffic to CLECs and CMRS**  
10           **providers where the CLECs and CMRS providers are using BellSouth's**  
11           **transit arrangement as the means to exchange traffic with the Small**  
12           **LECs?**

13           A:    The Small LECs do not know in all cases what originating traffic is transited  
14           to third party carriers. It is my understanding that traffic ultimately destined  
15           to third party carriers that BellSouth may transit to such third party CLECs  
16           and CMRS providers is delivered by the Small LECs over both trunks  
17           provisioned for access purposes and trunks provisioned for EAS.

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19                    **ISSUE 5**       Should the FPSC establish the terms and conditions  
20                                   that govern the relationship between an originating  
21                                   carrier and the terminating carrier, where BellSouth is  
22                                   providing transit service and the originating carrier is  
23                                   not interconnected with, and has no interconnection

1 agreement with, the terminating carrier? If so, what  
2 are the appropriate terms and conditions that should  
3 be established?  
4

5 **Q: Should there be terms and conditions in place between originating**  
6 **carriers and terminating carriers where the transit service arrangement**  
7 **is utilized?**

8 A: Yes. For purposes of this proceeding, the Commission should establish that  
9 it is the CLECs and CMRS providers, which have elected to use and are  
10 requesting that the Small LECs deliver traffic pursuant to the transit  
11 arrangements, that are responsible to BellSouth for any charges BellSouth  
12 propose in connection with its transit service.

13 For the longer term, to the extent that a rural ILEC participates in such transit  
14 arrangements to fulfill the request of a CLEC or CMRS provider that has  
15 elected to use this arrangement, the terms and conditions among all of the  
16 carriers involved must be set forth in agreements. I have already discussed  
17 some of the obvious terms and conditions that necessarily involve the Small  
18 LECs, BellSouth and the CLECs or CMRS providers. And those agreements  
19 should properly address the rights of the Small LECs (as I have set forth  
20 above) that are separate and apart from those of BellSouth and the CLECs  
21 and CMRS providers. Those agreements would not be between just the  
22 originating and terminating carriers, but would also involve responsibilities,  
23 between and among all of the participants, including the transit provider. The

1 ultimate terms and conditions for potential voluntary transit arrangements,  
2 between and among all of the participants, are necessarily beyond the scope  
3 of BellSouth's tariff filing. At a minimum, BellSouth's tariff filing is not  
4 consistent with either controlling requirements or obligations as they apply  
5 to the Small LECs, and the tariff should be rejected. Only through voluntary  
6 negotiation can proper terms and conditions be established.  
7 However, there are no statutory rights that would allow the Small LECs to  
8 force CLECs into interconnection agreements, and it has been my experience  
9 that BellSouth has resisted meaningful discussions with similarly situated  
10 small LECs in other states that would properly address the Small LECs'  
11 rights. Therefore, the Commission should address this issue in a way that  
12 will promote meaningful discussion among the parties.

13  
14 **ISSUE 6** Should the FPSC determine whether and at what  
15 traffic threshold level an originating carrier should be  
16 required to forego use of BellSouth's transit service  
17 and obtain direct interconnection with a terminating  
18 carrier? If so, at what traffic level should an  
19 originating carrier be required to obtain direct  
20 interconnection with a terminating carrier?  
21

1       **Q: Do you support a threshold level of traffic that would require the CLEC**  
2       **or CMRS provider to abandon the BellSouth commingled transit traffic**  
3       **option in favor of a direct trunking arrangement with the Small LEC?**

4       A: Generally, yes, but I do not believe that a rigid requirement would be the right  
5       way to go. Regardless of what may be differences of opinion about what  
6       requirements apply to LECs with respect to transit arrangements, the  
7       approach to any threshold level of traffic should be flexible. Some carriers  
8       may want to continue to exchange traffic under these arrangements even  
9       where some distinct threshold has been reached and exceeded. They should  
10      be allowed to do so under voluntary terms.

11  
12      However, there is no mandatory interconnection requirement that a Small  
13      LEC end office subtend a BellSouth tandem, and BellSouth has no automatic  
14      right to commingle third party traffic with BellSouth's access or local traffic.  
15      Just because a specific level of traffic may be exceeded and the CLEC and  
16      CMRS provider may no longer be afforded the opportunity, voluntary or not,  
17      to continue to use the transit arrangement, it does not mean that the CLEC or  
18      CMRS provider has to build its own facilities to meet the Small LEC on its  
19      incumbent LEC network. It would only mean that the CLEC and CMRS  
20      provider could continue to interconnect indirectly with the Small LEC, but  
21      would now be using dedicated trunks (which could still be obtained from  
22      BellSouth) instead of the arrangement under which CLECs' and CMRS  
23      provider' traffic is commingled with BellSouth's on the same trunk group.

1 Accordingly, and contrary to the suggestion in the issue statement above, just  
2 because the commingled transit traffic arrangement may not be available,  
3 there are still dedicated trunking arrangements that would allow the parties  
4 to be interconnected indirectly.

5 In any event, and subject to the caveats explained above, the Small LECs  
6 believe that a reasonable level of traffic for a threshold would be the amount  
7 of traffic that constitutes one T-1 amount of traffic usage, so that the Small  
8 LEC and CLEC (or CMRS provider) would establish a single, T-1 dedicated  
9 trunk group when that amount of traffic is exceeded.

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11

12 **ISSUE 7** How should transit traffic be delivered to the Small  
13 LEC's networks?

14

15 **Q: How should BellSouth deliver transit traffic to the networks of the Small**  
16 **LECs?**

17 **A:** There is not a single, simple answer to this issue. As I have explained above,  
18 the transit arrangement is a voluntary arrangement, not required by the  
19 interconnection rules. Therefore, the terms and conditions should be subject  
20 to voluntary negotiation. Regardless, the terms must properly recognize the  
21 rights of the Small LEC to design and configure their own networks without  
22 the interference of BellSouth (*i.e.*, establish their own tandem and end office  
23 configurations).

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Accordingly, at the request of the Small LEC, BellSouth should be required to establish a separate trunk group for third-party local transit traffic rather than delivering the traffic commingled with toll traffic.

**ISSUE 8**

Should the FPSC establish the terms and conditions that govern the relationship between BellSouth and a terminating carrier, where BellSouth is providing transit service and the originating carrier is not interconnected with, and has no interconnection agreement with, the terminating carrier? If so, what are the appropriate terms and conditions that should be established?

**Q: Should the Commission establish the terms and conditions that govern the relationship between BellSouth and a terminating carrier, where BellSouth is providing transit service and the originating carrier is not interconnected with, and has no interconnection agreement with, the terminating carrier? If so, what are the appropriate terms and conditions that should be established?**

**A:** To the extent that CLECs and CMRS providers, together with BellSouth's transit arrangement, wish to continue to exchange traffic with Small LECs pursuant to this option, then it is incumbent upon the CLECs, CMRS providers, and BellSouth to set forth in proper contractual agreements the

1 rights and responsibilities of all of the participants. I have already discussed  
2 these issues in my responses to the other issue statements.

3

4 **ISSUE 9** Should the FPSC establish the terms and conditions of  
5 transit traffic between the transit service provider and  
6 the Small LECs that originate and terminate transit  
7 traffic? If so, what are the terms and conditions?

8

9 **Q: Should the Commission establish the terms and conditions of transit**  
10 **traffic between the transit service provider and the Small LECs that**  
11 **originate and terminate transit traffic? If so, what are the terms and**  
12 **conditions?**

13 **A:** Yes. See my response to Issue 8 and the discussion above of the terms and  
14 conditions that would necessarily require attention for such arrangements.

15

16 **ISSUE 10** What effect does transit service have on ISP-bound  
17 traffic?

18

19 **Q: How should dial-up transit traffic originated by Small LECs and bound**  
20 **for ISPs be treated?**

21 **A:** As I have stated above, it is the CLECs and CMRS providers that are the  
22 parties that have requested and are using the BellSouth transit service, and it  
23 should be those carriers that provide compensation to BellSouth. As such,

1           there should be no compensation effect on the Small LECs; the Small LECs  
2           will continue to deliver ISP-bound traffic pursuant to the approach that they  
3           have been willing to participate in for almost a decade including the  
4           expectation of no compensation responsibility to BellSouth for the CLECs'  
5           and CMRS providers' transit arrangement.

6           Some CLECs focus their service solely or almost exclusively on ISPs in  
7           which case these CLECs expect to terminate large amounts of dial-up ISP  
8           traffic. BellSouth has transited this traffic to the CLECs without charge to  
9           the Small LECs for many years. (And the CLECs have terminated this traffic  
10          without additional compensation other than that which the CLECs already get  
11          from the ISP.) There should be no charge to the Small LECs.

12        **Q:    Would the payment of intercarrier compensation to BellSouth for what**  
13        **is a portion of the transport and termination of ISP-bound traffic be**  
14        **appropriate?**

15        A:    No. The FCC has interim rules in place that, even under the most onerous  
16        application, limit the total of intercarrier compensation for ISP-bound traffic  
17        to no more than \$0.0007 per minute of use. BellSouth, with its transit  
18        arrangements, is providing only a portion of the transport and termination  
19        functions that are the subject of this limit. (I would note that BellSouth is  
20        expecting to be paid a rate that is over four times greater than the total  
21        intercarrier compensation to which the FCC has decided to subject ISP bound  
22        traffic.)

1 In any event, BellSouth and the CLECs have been providing dial-up ISP  
2 bound traffic service to ISPs without any charges to the Small LECs for as  
3 long as ISP-bound traffic has existed and for as long as BellSouth has been  
4 providing transit arrangements. There is no basis, given the FCC's limit and  
5 the existing "no compensation" arrangement, for BellSouth to start expecting  
6 compensation.

7 **Q: How would the Small LECs be affected if they were forced to pay for**  
8 **transit service, including the tariff rate proposed by BellSouth?**

9 A: To the extent that the rural ILECs were to be forced to pay BellSouth for the  
10 transit service, they would be subjected to adverse economic consequences.  
11 Because the amount of dial-up ISP-bound traffic is very large for some end  
12 users, there is the potential for very high charges that could be imposed on a  
13 Small LEC, even at what may seem like a very low rate. For example, for  
14 a small business that may have a line dedicated to stay "dialed-up"  
15 continuously to an ISP that is served by a CLEC that has a transit  
16 arrangement in place with BellSouth, the monthly transit charge under  
17 BellSouth's tariff would be \$129.60 for the traffic generated by that one  
18 business customer. (30 days times 24 hours times 60 minutes times \$0.003  
19 = \$129.60) Obviously, this is several times greater than the total of local  
20 exchange service revenues that the Small LEC collects from the end user.  
21 Even for more modest ISP users, say two hours a day, the charge would still  
22 amount to \$10.80 per month. The Small LECs do not intend to be  
23 responsible for such compensation and would not voluntarily participate in

1 such transit arrangements if they were to be subjected to such compensation  
2 obligations.

3

4 **ISSUE 11** How should charges for BellSouth's transit service be  
5 determined?

6 (a) What is the appropriate rate for transit service?

7 (b) What type of traffic do the rates identified in (a)  
8 apply?

9

10 **Q: Assuming for argument sake that BellSouth were allowed to charge the**  
11 **Small LECs for transit traffic that the Small LECs' originate, what**  
12 **would be the appropriate rate?**

13 **A:** The functions that constitute transit service (*i.e.*, tandem switching and some  
14 transport) are already offered by BellSouth in other contexts. BellSouth has  
15 tariffed services for almost identical network functions offered under its  
16 intrastate and interstate access tariffs (*i.e.*, "Access Tandem Switching" and  
17 transport services). It is my understanding that BellSouth's rate for Access  
18 Tandem Switching in Florida is \$0.0005 per minute of use. The per-minute  
19 rate that BellSouth has filed for its transit service is six times as much as its  
20 charge for tandem switching.

21 If a transit rate in BellSouth's transit service tariff is established, it should not  
22 be greater than the equivalent rate for the same access service functions. I  
23 understand that BellSouth has been ordered to "rebalance" its rates in a

1 manner in which its intrastate access rates will be the same as (*i.e.*, in parity  
2 with) its interstate access rates. Accordingly, BellSouth's tariffed transit  
3 service rate should be no higher than the rate that would apply for the  
4 equivalent interstate access services.

5 **Q: Should any rate apply to ISP-bound traffic?**

6 A: No. The rate proposed by Bellsouth cannot apply, in any event, to ISP dial-  
7 up traffic because the proposed rate would be several times greater than the  
8 total intercarrier compensation that the FCC has limited compensation for ISP  
9 Bound traffic. (See, generally, the FCC's Order on Remand and Report and  
10 Order, released April 27, 2001, in CC Docket Nos. 96-98 and 99-68.)  
11 Moreover, all of the parties have been exchanging ISP-Bound traffic without  
12 charge to the Small LECs for any portion of the transport and termination  
13 functions associated with dial-up local ISP-bound calls. Given the FCC's  
14 interim treatment of ISP-bound calls to limit intercarrier compensation for  
15 such calls, the FCC's discussion about the irrational (and potentially harmful)  
16 consequences of potential intercarrier compensation for dial-up calls to ISPs,  
17 and the fact that the Small LECs have not been subject to any compensation  
18 responsibility for several years, it would be inconsistent for BellSouth to  
19 begin to impose intercarrier compensation obligations on the Small LECs at  
20 this time. To the extent that a compensation mechanism should apply,  
21 BellSouth should recover the costs from the ISPs that are the cost causers of  
22 this transit service functions. Furthermore, it is not clear whether the



1 transport and switching of an ISP-bound call is subject to state tariffing if the  
2 FCC maintains its jurisdiction over such calls.

3  
4 **ISSUE 12** Consistent with Order Nos. PSC-05-0517-PAA-TP  
5 and PSC-05-0623-CO-TP, have the parties to this  
6 docket (“parties”) paid BellSouth for transit service  
7 provided on or after February 11, 2005? If not, what  
8 amounts if any are owed to BellSouth for transit  
9 service provided since February 11, 2005?

10  
11 **Q: Have the Small LECs paid BellSouth for the Transit Tariff services**  
12 **provided on or after February 11, 2005?**

13 **A:** Yes. It is my understanding that BellSouth has been billing the Small LECs,  
14 and the Small LECs have been making payment for the transit services billed  
15 by BellSouth. It is also the understanding of the Small LECs that these  
16 charges are subject to refund pending the outcome of this proceeding.  
17 However, consistent with my testimony set forth herein, the Small LECs have  
18 no obligation to provide compensation to BellSouth for a transit service that  
19 is the responsibility of the CLECs and CMRS providers. The compensation  
20 responsibilities should be resolved consistent with the positions in this  
21 testimony. If the Commission rightfully concludes that the Small LECs are  
22 not responsible for the payment of the transit service charges, then BellSouth

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should be ordered to refund all amounts pursuant to proper refund procedures.

**ISSUE 13** Have parties paid BellSouth for transit service provided before February 11, 2005? If not, should the parties pay BellSouth for transit service provided before February 11, 2005, and if so, what amounts, if any, are owed to BellSouth for transit service provided before February 11, 2005?

**Q: Are any amounts owed to BellSouth for its transit functions provided before February 11, 2005?**

A: No. No amounts are owed to BellSouth for periods prior to February 11, 2005. To the extent that BellSouth is due compensation for the transit services it provides, it is the CLECs and CMRS providers that are responsible for payment. BellSouth has knowingly provided its tandem transit service without charges, without seeking agreements with the Small LECs, and without establishing any contractual terms with the Small LECs. BellSouth has knowingly provided this transit service without charge and has no right now to impose charges on the Small LECs for doing so. BellSouth has established no right to bill the Small LECs for any period of time.

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**ISSUE 14**

What action, if any, should the FPSC undertake at this time to allow the Small LECs to recover the costs incurred or associated with BellSouth's provision of transit service?

**Q: If the result of this proceeding were to be that the Small LECs will incur additional costs for the transit services that BellSouth provides for CLECs and CMRS providers, how should the Small LECs recover these cost?**

A: Currently, the Small LECs do not routinely have the ability to charge for individual local calls. However, the Small LECs may find it necessary to recover the costs from those end users that make calls to CLEC and CMRS provider end users for which the transit service charges would apply; i.e, from the cost causer end user. Using my example of the business user that has a dedicated dial-up ISP service line, the \$128 should be the responsibility of the business user.

Ideally, these costs would be recovered directly from the cost causing end users. However, the more practical solution is to recover these costs from all end users of the Small LEC, perhaps through a surcharge. Certainly, and quite obviously, BellSouth's Transit Traffic rate is a substantial change in circumstances which would trigger the right to increased local rates for the Small LECs. Rather than requiring the Small LECs to incur the significant costs of filing future petitions for rate relief under the "changed circumstances" provision in Section 364.051(4), Florida Statutes, the

1 Commission should make such a finding (that the Transit Traffic rate  
2 constitutes a substantial change in circumstances) in this proceeding in the  
3 event that portion of the Transit Tariff imposing the rate on the originating  
4 carrier is not rejected, canceled or otherwise invalidated by the Commission.

5  
6 **ISSUE 15** Should BellSouth issue an invoice for transit services  
7 and if so, in what detail and to whom?  
8

9 **Q: How should the charges, if any, be reflected in invoices issued by**  
10 **BellSouth?**

11 **A:** Assuming for argument sake that BellSouth were allowed to charge the Small  
12 LECs for transit services, BellSouth should be required to submit a separate  
13 invoice. Apparently, it is BellSouth's intention simply to net (with a single  
14 line item deduction) transit service charges against compensation that  
15 BellSouth otherwise owes the Small LECs for traditional access and service  
16 revenue settlement arrangements. It is the Small LECs' position that, to the  
17 extent they are to be billed, BellSouth must be required to submit a separate  
18 invoice setting forth sufficient details of call records and any other  
19 information necessary to determine the accuracy and completeness of usage.  
20 At a minimum, the invoice should include dates for the billing period, a  
21 summary by carrier indicating the number of calls and minutes, and a  
22 summary of total calls and minutes to which the transit rate applies. Any  
23 carrier that may be charged for transit services should have the right to obtain

1 complete and accurate information, and to audit other information, to verify  
2 the accuracy of BellSouth's billing of transit service. BellSouth should not  
3 be permitted to obtain its payment for transit services by simply netting the  
4 charges against amounts that BellSouth otherwise owes other carriers,  
5 because if there is a dispute, BellSouth will have already taken its payment.  
6 Moreover, BellSouth's Transit Tariff does not set forth reasonably clear terms  
7 for how the service would be billed if charges were to apply. As I have  
8 explained above, BellSouth does not necessarily commit to have complete  
9 and accurate information, and may want to rely on incomplete or arbitrary  
10 information subject to speculation and dispute. The terms of the tariff do not  
11 address this issue with clarity.

12

13 **ISSUE 16** Should BellSouth provide to the terminating carrier  
14 sufficiently detailed call records to accurately bill the  
15 originating carrier for call termination? If so, what  
16 information should be provided by BellSouth?

17

18 **Q: Should BellSouth provide to the terminating carrier sufficiently detailed**  
19 **call records that would allow the terminating carrier to bill originating**  
20 **carriers, where applicable, for call termination?**

21 **A:** Yes. Because there may be multiple types of terminating traffic subject to  
22 different terms and conditions, BellSouth should be required to provide  
23 complete and accurate information for all traffic that it delivers to the

1 network of Small LECs. Because BellSouth commingles multiple party  
2 traffic with BellSouth's own access traffic (and potentially with other  
3 carriers' access traffic), and because BellSouth in most cases is the only  
4 carrier that can completely and accurately identify and measure the traffic that  
5 it switches through its tandem and commingles with a wide scope of traffic  
6 of many carriers, it is incumbent upon BellSouth to be responsible for  
7 complete and accurate records.

8 I understand that there are certain call record types that BellSouth may be  
9 able to provide to the terminating carriers, but this information often excludes  
10 the information that is necessary to identify the proper jurisdiction and  
11 carrier. It is my understanding that the actual originating telephone number  
12 may not be available with these records, or that the information that would  
13 have identified the originating telephone number (and, consequently the  
14 originating carrier and potentially jurisdiction of the call) is altered under  
15 some makeshift arrangement that BellSouth has in place for recognition of  
16 transit traffic. It is the belief of the Small LECs that BellSouth is terminating  
17 calls for which the call record information would suggest are local (non-  
18 access) but are calls that are actually subject to access charges.

19 The Small LECs' position is that BellSouth, at a minimum, should provide  
20 unaltered call detail records in the "EMI Category 11 -- Carrier Access  
21 Usage" format. It is my understanding from discussions with the Small  
22 LECs that BellSouth is currently sending the Category 11 records, but the  
23 actual originating number is being replaced with a "Billing Telephone

1 Number” which is a number assigned by BellSouth and cross-referenced by  
2 BellSouth to a list of actual operating carriers. It is the position of the Small  
3 LECs that BellSouth should be sending the complete record as it is recorded,  
4 to include the actual originating number, the “Carrier Identification Code” of  
5 the originating carrier, and the “Local Routing Number,” if present. The field  
6 in the BellSouth call record that identifies the “Operating Carrier Number”  
7 (or “OCN”) should be populated by the originating carrier and should, in any  
8 case, be populated if the originating carrier does not have a “Carrier  
9 Identification Code.”

10  
11 **ISSUE 17** How should billing disputes concerning transit service  
12 be addressed?

13 **Q: How should billing disputes concerning transit service be addressed?**

14 A: I have also effectively answered this question in my testimony already set  
15 forth above. Nevertheless, there must be terms and conditions between and  
16 among all of the parties that sets forth the manner in which disputes, which  
17 as I have already explained necessarily involve all of the parties on an  
18 interactive and interrelated basis. These terms necessary involve originating  
19 carriers, terminating carriers and BellSouth in a coordinated manner.  
20 BellSouth necessarily must be involved and has some financial responsibility  
21 because what cannot be billed to one carrier has to be billed to one or more  
22 of the others, including BellSouth. I have previously explained that the total  
23 traffic must be reconciled with component parts of different carriers.

1       **Q:    Does this conclude your Direct Testimony?**

2       **A:    Yes.**

3

## **SUMMARY OF WORK EXPERIENCE AND EDUCATION**

### **Steven E. Watkins**

December 2005

My entire 29-year career has been devoted to service to smaller, independent telecommunications firms that primarily serve the small-town and rural areas of the United States.

I have been a consultant working with the firm of Kraskin, Moorman & Cosson, LLC since June, 1996 (formerly known as Kraskin, Lesse & Cosson, LLC). The firm concentrates its practice in providing professional services to small telecommunications carriers. My work at Kraskin, Moorman & Cosson, LLC, has involved assisting smaller, rural, independent local exchange carriers ("LECs") and competitive local exchange carriers ("CLECs") in their analysis of a number of regulatory and industry issues, many of which have arisen with the passage of the Telecommunications Act of 1996. I am involved in regulatory proceedings in several states and before the Federal Communications Commission on behalf of small LECs. These proceedings are examining the manner in which the Act should be implemented. My involvement specifically focuses on those provisions most affecting smaller LECs.

I have over the last nine years instructed smaller, independent LECs and CLECs on the specific details of the implementation of the Act including universal service mechanisms, interconnection requirements, and cost recovery. On behalf of clients in several states, I have analyzed draft interconnection agreements and conducted interconnection negotiations and arbitrations pursuant to the 1996 Act.

For 12 years prior to joining Kraskin, Moorman & Cosson, LLC, I held the position of Senior Industry Specialist with the Legal and Industry Division of the National Telephone Cooperative Association ("NTCA") in Washington, D.C. In my position at NTCA, I represented several hundred small and rural local exchange carrier member companies on a wide array of regulatory, economic, and operational issues. My work involved research, analysis, formulation of policy, and expert advice to member companies on industry issues affecting small and rural telephone companies.

My association work involved extensive evaluation of regulatory policy, analysis of the effects of policy on smaller LECs and their rural customers, preparation of formal written pleadings in response to FCC rulemakings and other proceedings, weekly contributions to association publications, representation of the membership on a large number of industry committees and task forces, and liaison with other telecom associations, regulators, other government agencies, and other industry members. I also attended, participated in and presented seminars and workshops to the membership and other industry groups too numerous to list here.

For those not familiar with NTCA, it is a national trade association of approximately 500 small, locally-owned and operated rural telecommunications providers dedicated to improving the quality of life in rural communities through advanced telecommunications. The Association advocates the interests of the membership before legislative, regulatory, judicial, and other organizations and industry bodies.

Prior to my work at NTCA, I worked for over eight years with the consulting firm of John Staurulakis, Inc., located in Maryland. I reached a senior level position supervising a cost separations group providing an array of management and analytical services to over 150 small local exchange carrier clients. The firm was primarily involved in the preparation of jurisdictional cost studies, access rate development, access and exchange tariffs, traffic analysis, property records, regulatory research and educational seminars.

For over ten years during my career, I served on the National Exchange Carrier Association's ("NECA") Industry Task Force charged with reviewing and making recommendations regarding the interstate average schedule cost settlements system. For about as many years, I also served in a similar role on NECA's Universal Service Fund ("USF") industry task force.

I graduated from Western Maryland College in 1974 with a Bachelor of Arts degree in physics. I have also attended industry seminars too numerous to list on a myriad of industry subjects over the years.

During my career representing small telecommunications firms, I estimate that I have prepared formal written pleadings for submission to the Federal Communications Commission on behalf of NTCA member and Kraskin, Lesse & Cosson client LECs in over two hundred proceedings. I have also contributed written comments in many state proceedings on behalf of Kraskin, Moorman & Cosson client LECs. I have provided testimony in proceedings before the Georgia, Pennsylvania, Indiana, Kentucky, Missouri, Nebraska, Minnesota, Montana, Tennessee, Kansas, South Carolina, New Mexico, West Virginia, Louisiana, Iowa, South Dakota, and Florida public service commissions. Finally, I have testified before the Federal-State Joint Board examining jurisdictional separations changes.