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November 1, 2011

**Hand Delivery**

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Commission Clerk  
Florida Public Service Commission  
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COMMISSION  
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Re: Docket No. 110056-TP - Complaint against Verizon Florida, LLC and MCI Communications Services, Inc. d/b/a Verizon Business Services for failure to pay intrastate access charges for the origination and termination of intrastate interexchange telecommunications service, by Bright House Networks Information Services (Florida), LLC.

Dear Ms. Cole:

Enclosed for filing in the referenced Docket, please find the original and 15 copies of Bright House Networks Information Services (Florida), LLC's Direct Testimonies of Michael Starkey and Mr. Paul Woelk, along with their referenced Exhibits.

As always, please don't hesitate to contact me if you have any questions or concerns. Thank you for your assistance with this filing.

Sincerely,

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M. Starkey - DN 08049-11  
P. Woelk - DN 08048-11

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08048 NOV-1 =

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by email and U.S. Mail (or hand delivery where marked with a “\*”) this   1st   day of November, 2011.

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Beth Keating  
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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Complaint against Verizon Florida, LLC and MCI Communications Services, Inc. d/b/a Verizon Business Services for failure to pay intrastate access charges for the origination and termination of intrastate interexchange telecommunications service, by Bright House Networks Information Services (Florida), LLC.

Docket No. 110056-TP

**DIRECT TESTIMONY**

**OF**

**PAUL WOELK**

**ON BEHALF OF**

**BRIGHT HOUSE INFORMATION SERVICES (FLORIDA) LLC**

NOVEMBER 1, 2011

DOCUMENT NUMBER - DATE

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**DIRECT TESTIMONY  
OF  
PAUL WOELK  
ON BEHALF OF  
BRIGHT HOUSE INFORMATION SERVICES (FLORIDA) LLC**

1 **Q. PLEASE STATE YOUR NAME, EMPLOYER AND BUSINESS ADDRESS**  
2 **FOR THE RECORD.**

3 A. My name is Paul Woelk. I am employed by Bright House Networks Information  
4 Services (Florida) LLC ("Bright House"). My business address is 4145 S.  
5 Falkenburg Road, Riverview, FL 33578.

6 **Q. WHAT IS YOUR POSITION WITH BRIGHT HOUSE?**

7 A. I am Bright House's Director of Finance and Business Development. My  
8 responsibilities include, among other things, supervising all aspects of the process  
9 by which Bright House renders bills to, and collects bills from, interexchange  
10 carriers such as to MCI Communications Services, Inc. d/b/a/ Verizon Business  
11 Services ("Verizon").

12 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FLORIDA**  
13 **PUBLIC SERVICE COMMISSION (HEREAFTER "COMMISSION")?**

14 A. No.

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

16 A. The purpose of my testimony is to address what I understand has been designated  
17 as Issue No. 8 in this proceeding, which asks, "If Verizon Business is obliged to  
18 pay Bright House some amount for the services Bright House provides, how  
19 much does Verizon Business owe Bright House?"

1   **Q.   HOW MUCH DOES VERIZON BUSINESS OWE BRIGHT HOUSE FOR**  
2       **THE FLORIDA INTRASTATE SWITCHED ACCESS SERVICES AT**  
3       **ISSUE IN THIS CASE?**

4   A.   As shown in Exhibit PW-001, as of the bills rendered in October 2011, Verizon  
5       owes Bright House \$5,239,408 for the intrastate switched access services that  
6       Bright House has provided to Verizon in Florida. This amount is current from the  
7       time that Verizon began disputing its bills based on the claim that it is not liable  
8       for switched access fees because traffic to and from Bright House connects to an  
9       IP-based voice system, through amounts billed as of the date of this testimony  
10      (November 1, 2011).

11           Please note that the amount stated above is not literally the total amount  
12      that Bright House believes is currently outstanding in intrastate access bills from  
13      Verizon. Bright House and Verizon have certain ongoing billing disputes that  
14      pre-date the issue being addressed in this case. Most notably, Bright House and  
15      Verizon have a dispute in the amount of approximately \$1.9 million dating back  
16      to 2009 having to do with the application of a “percent interstate usage” factor to  
17      certain Verizon access usage. This was well prior to the time that Verizon began  
18      its current round of disputes. The amounts discussed in this testimony do not  
19      relate to, and are without prejudice to, the resolution of any other independent  
20      disputes, including that one.

21   **Q.   WHEN DID VERIZON START PROTESTING ITS FLORIDA**  
22       **SWITCHED ACCESS BILLS BASED ON THE FACT THAT THE**  
23       **TRAFFIC IN QUESTION IS GOING TO OR COMING FROM VOICE**

1           **SUBSCRIBERS TO THE VOICE SERVICES OF BRIGHT HOUSE'S**  
2           **CABLE AFFILIATE?**

3           A.     Verizon began protesting those bills during August 2010.

4           **Q.     HAS VERIZON CONTINUED TO PROTEST ITS FLORIDA SWITCHED**  
5           **ACCESS BILLS ON THAT BASIS SINCE THAT TIME?**

6           A.     Yes. However, Verizon has been inconsistent in the amounts it pays each month,  
7           and has never provided a satisfactory statement to reconcile its payments to its  
8           own supposed explanation for its protests and disputes. Thus, Bright House has  
9           been unable to determine exactly how much of which bills Verizon thinks it is  
10          paying and how much it is disputing.

11          **Q.     IS THE AMOUNT SHOWN ON YOUR EXHIBIT THE TOTAL AMOUNT**  
12          **THAT VERIZON WILL OWE BRIGHT HOUSE RELATING TO THIS**  
13          **CONTROVERSY BY THE TIME THE COMMISSION RENDERS ITS**  
14          **RULING IN THIS CASE?**

15          A.     No. The amount shown in my exhibit is the amount of Florida intrastate access  
16          charges billed but unpaid as of the date of this testimony, starting from August  
17          2010 when Verizon began protesting based on its view that access charges do not  
18          apply to so-called "VoIP" traffic. It includes bills rendered through October  
19          2011. (The most recent bill to Verizon is due and payable November 10, 2011).  
20          However, the amount that Verizon owes Bright House will continue to grow if  
21          Verizon continues to fail to pay its bills, which, based on my understanding of  
22          Verizon's position, they are very likely to do. Thus, the amount that Verizon will  
23          owe Bright House at the time the Commission renders its decision in this case will

1 be higher (possibly much higher) than the amount stated above. Any Commission  
2 order directing Verizon to pay should require the parties to “true up” the amounts  
3 due as of the date of that Commission order. (In addition, as noted above, the  
4 amounts discussed in this testimony do not include amounts that Verizon owes  
5 Bright House for periods prior to August 2010, arising from unrelated disputes. It  
6 also does not include amounts relating to interstate traffic, or amounts relating to  
7 intrastate traffic in states other than Florida.)

8 **Q. HOW DID YOU DETERMINE THE AMOUNT THAT VERIZON OWES**  
9 **FOR ITS UNPAID INTRASTATE SWITCHED ACCESS BILLS ARISING**  
10 **FROM THE CONTROVERSY IN THIS CASE?**

11 A. First, although my understanding is that this case only involves Bright House’s  
12 *intrastate* switched access services, Verizon has not paid its *interstate* switched  
13 access bills either. Instead, as I understand Verizon’s position, it is asserting that  
14 all traffic that it either delivers to Bright House for termination, or that Bright  
15 House originates to Verizon, should be charged a uniform \$0.0007/minute rate.  
16 Moreover, as noted above, Verizon has been making erratic partial payments on  
17 its access bills over many months, and has not offered any clear reconciliation of  
18 those partial payments. Specifically, Verizon has not stated how it wants its  
19 erratic partial payments to be applied, as between interstate and intrastate  
20 services.

21 Second, because Verizon has not been paying its bills on time, it has been  
22 incurring late payment fees on its unpaid balances, under the terms of Bright  
23 House’s Florida switched access services price list, and under the terms of Bright

1 House's FCC switched access tariff. Both of these documents apply the same late  
2 payment fee as a percentage of the unpaid balance but, again, Verizon has not  
3 explicitly stated how it wants those partial payments applied, as between interstate  
4 and intrastate services.

5 As a result of these two factors, it was necessary for me to determine how  
6 to allocate Verizon's payments and the associated late payment fees, as between  
7 the interstate and intrastate jurisdictions.

8 **Q. HOW DID YOU MAKE THAT ALLOCATION?**

9 A. Bright House's Florida switched access price list states that in the case of partial  
10 payments by a customer that is purchasing both interstate and intrastate access  
11 charges, partial payments are first applied to interstate amounts due, and then,  
12 once the interstate amounts are covered, to intrastate amounts due. *See* Bright  
13 House Florida Switched Access Price List, section 2.5.10.J. I applied that Price  
14 List provision on a month-by-month basis to determine how much of Verizon's  
15 partial payments would be applied to the intrastate jurisdiction. That amount was  
16 \$696,306, as shown on my exhibit. Knowing that Verizon had defrayed its  
17 intrastate access bills by that amount, I was able to calculate the amount of late  
18 payment fees that were applicable to the unpaid balance. That amount was  
19 \$641,520, as also shown on my exhibit. The result is the total amount due of  
20 \$5,239,408 stated above, and shown on my exhibit.

21 **Q. ARE YOU WILLING TO DISCUSS ADJUSTMENTS TO THESE**  
22 **AMOUNTS WITH VERIZON, ONCE VERIZON ACKNOWLEDGES**  
23 **THAT BRIGHT HOUSE'S SWITCHED ACCESS RATES APPLY TO THE**



1           **SERVICES THAT BRIGHT HOUSE HAS BEEN PROVIDING TO**  
2           **VERIZON?**

3       A.     Certainly. It is common, in the normal course of business, for carriers to discuss  
4           and agree to minor adjustments to access bills, and Bright House is not suggesting  
5           that it would fail to conduct such discussions with Verizon. Unfortunately, so far  
6           Verizon has been adamant in its position that Bright House's switched access  
7           rates do not apply to the traffic at issue. I would expect that Verizon will accept a  
8           ruling from this Commission that the rates in Bright House's switched access  
9           price list apply to the intrastate traffic at issue here. At that point, it should be  
10          possible to work out with Verizon the precise amounts that it owes.

11                     In the absence of such discussions and agreement, however, the amount  
12           noted above and in my exhibit is the amount that the Commission should direct  
13           Verizon to pay, as of the date of this testimony.

14       **Q.     DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

15       A.     Yes, it does.

DOCKET NO. 110056-TP

BRIGHT HOUSE INFORMATION SERVICES, LLC

EXHIBIT PW-001

| <b>Amounts Due From Verizon Business<br/>           Florida Intrastate Switched Access Traffic<br/>           August 2010 - October 2011</b> |  |                     |              |
|--|--|---------------------|--------------|
| <b>Line</b>  | <b>Item</b>                                    | <b>Amount</b>       | <b>Notes</b> |
| 1  | Minutes of Use of Intrastate Access Services   | 131,987,523         | [1]          |
| 2  | Amount Billed to Verizon                       | \$ 5,294,195        | [2]          |
| 3  | Amount Paid by Verizon                         | \$ 696,306          | [3]          |
| 4  | Late Payment Charges                           | \$ 641,520          | [4]          |
| 5  | <b>TOTAL AMOUNT DUE AS OF NOVEMBER 1, 2011</b> | <b>\$ 5,239,408</b> | <b>[5]</b>   |

| <b>NOTES:</b> |  |
|---------------|--|
| [1]           | Source: BHNIS Billing Records  |
| [2]           | Source: BHNIS Billing Records  |
| [3]           | Source: Apply monthly payments first to Interstate, then any remainder to Intrastate, per BHNIS Florida price list section 2.5.10.J      |
| [4]           | Source: Allocate late payment charges between interstate and intrastate jurisdictions in proportion to amounts due for each jurisdiction |
| [5]           | Source: Amount billed, minus amount paid, plus late payment fees   |