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February 6, 1996

IN REPLY REFER TO:

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BY HAND DELIVERY

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

Re: Resolution of Petition to Establish Non
Discriminatory Rates, Terms, and Conditions
for Interconnection Involving Local Exchange
Companies and Alternative Local Exchange
Companies pursuant to Section 364.162,
Florida Statutes - Docket No. 950985-TP

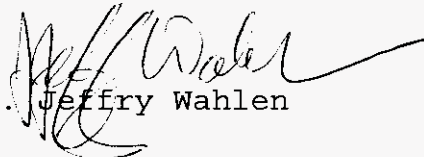
Dear Ms. Bayo:

Enclosed for filing in the above-styled docket are the original and fifteen (15) copies of Sprint-United/Centel's Direct Testimony of F. Ben Poag.

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

Thank you for your assistance in this matter.

Sincerely,


J. Jeffrey Wahlen

Chase

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1 Enclosures
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5 Long
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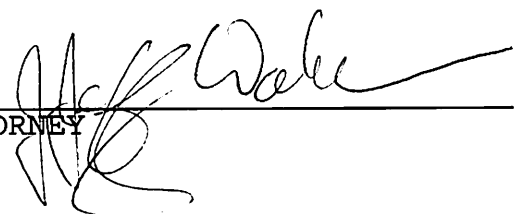
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

F. BEN POAG

Q. Please state your name, business address and title.

A. My name is F. Ben Poag. I am employed as Director-Tariff and Regulatory Management for United Telephone Company of Florida ("United"). My business mailing address is Post Office Box 165000, Altamonte Springs, Florida 32716-5000. I am responsible for state regulatory matters for United and its affiliate, Central Telephone Company of Florida.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to address Sprint-United/Centel's positions on the issues in this docket.

Q. What options are available for local interconnection arrangements?

A. There are three basic arrangements of which I am aware: a per minute of use charge, a per port charge and a bill

1 and keep or payment in kind arrangement. All three of
2 the arrangements provide for a mutual exchange of
3 traffic.

4

5 Q. In your opinion do all three arrangements meet the
6 requirements of the language of Section 364.162, Florida
7 Statutes?

8

9 A. No. The caption for Section 364.162 is "Negotiated
10 prices for interconnection and resale of services and
11 facilities; commission rate setting." (emphasis added)

12

13 In addition to the use of the terms "prices" and "rate
14 setting," the terms rate, rates, price, prices and charge
15 are used twelve (12) more times in subsections (1)
16 through (4).

17

18 Also, in subsection (3) the statute specifically states
19 in both sentences in the subsection "the rates shall not
20 be below cost." In addition to all of these other
21 references to the words, rate(s) and price(s), subsection
22 (4) separately and explicitly addresses "setting the
23 local interconnection charge... to cover the cost of
24 furnishing interconnection." Subsection (4) is short,
25 it's simple, and contains only one sentence. It

1 addresses only two items, "setting the local
2 interconnection charge" and "determine that the charge is
3 sufficient to cover the cost of furnishing
4 interconnection" (emphasis added).

5
6 I am not a lawyer, but it seems to me that the statute
7 requires a charge for local interconnection. Given the
8 above, only the per minute of use and port charge
9 arrangements of the three arrangements I identified can
10 meet the requirements of 364.162, Florida Statutes.

11
12 Q. If the traffic was in balance, could bill and keep meet
13 the statutory requirement?

14
15 A. No, for two reasons. First, the statute explicitly
16 requires that, failing negotiation, the commission shall
17 determine that the "charge" is sufficient to cover cost.
18 Second, if you overlook the first requirement, the
19 Commission would have to make another assumption (in
20 addition to the assumption traffic is in balance) that
21 the cost to terminate a call is the same on both or all
22 local networks and all traffic is terminated with the
23 same type facilities or facilities of equal cost. The
24 validity of this assumption is highly unlikely given the
25 magnitude of the network and associated investments that

1 Sprint-United/Centel will use to terminate calls
2 delivered to its access tandem versus to an end office.

3

4 For example, an ALEC delivering a call to Sprint United's
5 Winter Park access tandem could complete a call to six
6 central offices in the Winter Park Exchange and to the
7 following exchanges on a "local" basis: Apopka,
8 Montverde, Winter Garden, Windermere, Reedy Creek and Mt.
9 Dora. This local calling area covers approximately 500
10 square miles with distances up to 24 miles from the
11 Winter Park central office. Thus, unless the ALEC
12 connects directly to an end office, the ALEC will be
13 using substantially more switching and interoffice
14 trunking facilities to terminate its traffic to Sprint
15 than Sprint will use in terminating its traffic to the
16 ALEC (which, in the typical case, will be at the ALEC's
17 end office). Thus, even when assuming traffic is in
18 balance, bill and keep or in kind compensation does not
19 meet the statutory requirement that the interconnect
20 charge be sufficient to cover cost. In other words, in
21 kind traffic exchange does not ensure that the charge is
22 sufficient to cover the cost where the terminating
23 network costs are different.

24

25 Q. In your opinion, will traffic be in balance?

1 A. No. In some cases I believe it will be close, but there
2 will also be situations where it is out of balance. A
3 five week study of traffic between four other ILECs and
4 Sprint/United shows the traffic to be out of balance by
5 an average of 12.6%. The range of the out of balance
6 traffic was between 1.5% for ALLTEL and 80.1% for Vista-
7 United. Given that Vista-United serves predominantly
8 business customers, this suggests that in the competitive
9 marketplace, ALECs serving niche markets or predominantly
10 business customers, may have traffic patterns that are
11 not in balance. The testimony of Mr. Devine regarding
12 the imbalance of traffic between MFS and NYNEX supports
13 the premise that traffic will not be in balance.

14

15 Another example is cellular traffic, where the ratio of
16 mobile to land is approximately five times the land to
17 mobile traffic. If the traffic is not in balance and the
18 LEC is terminating more traffic from ALECs than it is
19 terminating to them, then in kind compensation clearly
20 does not meet the statutory requirement that
21 interconnection charges cover costs.

22

23 Given the above, without some empirical evidence in the
24 record to the contrary, the Commission cannot rely on an
25 unsupported "in balance" traffic premise to justify in

1 kind compensation rather than a per port or minute of use
2 compensation plan.

3
4 Q. What cost standard should the Commission use in setting
5 the rates for local interconnection?

6
7 A. Sprint-United/Centel's intrastate interexchange access
8 rates were set based on a revenue requirement cost
9 recovery methodology. Sprint-United/Centel proposes that
10 those same rates and rate elements, excluding the Carrier
11 Common Line (CCL) and Residual Interconnection Charge
12 (RIC) would serve as the basis for local interconnection
13 rate setting. This rate could be expressed either on a
14 minute of use or per port basis. If the ALECs select the
15 minute of use arrangement, the charges would be
16 applicable in the same manner as interexchange access
17 charges are billed. For the port charge arrangement,
18 actual usage would not be measured, but the port charge
19 itself would be set based on the same per minute rate.
20 The port charge would be based on the number of minutes
21 that could be terminated over the port in a month
22 (estimated at 216,000 minutes), assuming a P.01 grade of
23 service.

24
25 Q. Are there other reasons the Commission should establish

1 local interconnection rates based on interexchange access
2 charge rates?

3
4 A. Yes. First, local interconnection facilities will carry
5 both local and toll traffic. However, on terminating
6 traffic, it is not possible to distinguish between toll
7 and local for billing purposes. Thus, maintaining a
8 relationship between the toll and local rates will help
9 to mitigate arbitrage between terminating local and toll
10 traffic. Second, from an administrative perspective
11 there is already a great deal of familiarity with the
12 access charge rate elements and the underlying basis for
13 the rate elements. Third, the rate elements are related
14 to the underlying cost elements. And fourth, such an
15 arrangement has been accepted by the industry and the
16 Commission in the Stipulation and Agreement between
17 BellSouth and a number of ALECs.

18
19 Q. Why not use total service long run incremental cost
20 (TSLRIC) for rate setting?

21
22 A. First, it is generally accepted that incremental costing
23 methods are not used for price setting but are rather a
24 price floor which is used to test for cross-
25 subsidization. Second, firms have other costs in

1 addition to the incremental cost of products and services
2 which must be recovered if the firm is to maintain
3 profitability. These other costs can generally be
4 categorized as shared or joint costs and overhead costs.
5 An example of shared cost would be a software program
6 which provides two features, for example, call waiting
7 and three-way calling. By the definition of an
8 incremental cost study, the shared software cost would
9 not be included in the incremental cost of either of the
10 individual features. However, unless you had that
11 software in place you could not provide the service and
12 unless you could recover the software cost with revenues
13 from one or both features, it would not be a financially
14 prudent decision to offer the services.

15

16 In addition to shared costs, there are also overhead
17 costs. From a facilities perspective, the SS7 network
18 would be a good example of an overhead cost. It is a
19 network manager that makes all the other pieces work more
20 efficiently. These, and many more real costs, do not get
21 included in the economic definition of an incremental
22 cost study. However, they are necessary to efficiently
23 and effectively provide the capability being considered,
24 and they do need to be recovered for the firm to be
25 profitable.

1 Q. Is there another reason why prices should be set above
2 incremental cost?

3

4 A. Yes. Another reason why the interconnect prices should
5 be set above incremental cost is related to the above
6 shared and overhead costs that are not included in an
7 incremental analysis.

8

9 Assume two competing interconnectors, an ILEC and an
10 ALEC, are exchanging traffic on an equal basis. They are
11 each sending the same number of calls to the other to be
12 terminated and they charge each other the same rate, the
13 rate is set at incremental cost, and their costs are the
14 same for incremental, shared and overhead costs. In this
15 case it really does not matter what the price is because
16 it will cancel out.

17

18 However, in the real world we know this will never really
19 occur. What will occur though is that costs will be
20 different; e.g., tandem versus end office termination,
21 and traffic volumes will not be the same. When this
22 occurs and prices are set at the higher incremental cost
23 of the two interconnectors, the competitor having the
24 higher cost will have no recovery of its shared and
25 overhead costs while the competing interconnector will

1 recover more than its incremental cost and thus receive
2 a contribution toward its shared and common costs. For
3 the higher cost company, its shared and common costs, if
4 recovered, will have to be recovered, in part, through
5 charges to its end users. The problem is compounded when
6 the higher-cost company is also terminating more traffic
7 from the ALEC than it terminates to the ALEC. The net
8 effect is that the higher cost interconnector is
9 disadvantaged in that there is a higher proportion of
10 shared and overhead costs that must be recovered from its
11 customers. Obviously, this creates a competitive
12 disadvantage for the ILEC competitor. Since the ILEC
13 already has the universal service and carrier of last
14 resort requirements, this additional burden should not be
15 passed to the ILEC.

16
17 Q. Would Sprint-United/Centel then have the incentive to be
18 inefficient to pass higher costs to its competitors?

19
20 A. No. In the first place, these higher costs are not the
21 result of inefficiencies, but rather the fact that the
22 ILEC is providing more service, in terms of geographic
23 area, and associated facilities than the ALEC, and must
24 serve all customers regardless of the costs they impose
25 on the ILEC. In addition, there is no benefit to Sprint-

1 United/Centel from a price increase because with mutual
2 compensation there is a corresponding increase in the
3 rates charged to Sprint-United/Centel for terminating its
4 traffic to the ALEC.

5
6 Such a claim also overlooks the fact that Sprint-
7 United/Centel has proposed that its access charge rates,
8 less the RIC and CCL, be the basis of local
9 interconnection. By statute, the companies are required
10 annually to reduce access charge rates by 5% annually
11 until the rates are at the December 31, 1994, interstate
12 rate level.

13
14 Q. Would it be logical to attempt to recover all shared and
15 overhead costs only from end users?

16
17 A. No, for several reasons. First, many large end users
18 will demand that prices be set as low as possible. They
19 are sophisticated customers and are very knowledgeable of
20 tariffs and pricing alternatives. They will demand
21 pricing on the same basis as interconnectors. Secondly,
22 if the ILEC has a separate rate for end users, which
23 includes recovery of shared and overhead costs, the ALEC
24 purchasing interconnection at only incremental cost would
25 have a tremendous advantage over the ILEC. The ALEC

1 could undercut the ILEC's price, especially to the large
2 users, and still pocket extra profits.

3
4 Q. Does having some of its shared and overhead costs
5 included in interconnection charges shield these costs
6 from market pressure?

7
8 A. Absolutely not. ILECs have significant pressures to
9 reduce costs and increase productivity to compete
10 effectively in the marketplace. The idea that these
11 cost-cutting activities will be divided between
12 competitive and non-competitive services is totally
13 illogical.

14
15 Q. Do historical pricing policies impact this issue as well?

16
17 A. Yes. Based on all the evidence I have seen, and
18 logically, the new entrants will be entering markets
19 where there is a significant revenue/cost margin for the
20 packages of services for which new entrants will be
21 competing with the LECs. These revenue/cost margins
22 result from the social pricing of LECs' services under
23 rate base, rate of return regulation. Under rate base,
24 rate of return regulation, a LEC's basic service rates
25 were developed based on a residual revenue requirement

1 basis; cost of individual services was not a factor.
2 Basic service prices were kept low with the shortfall of
3 revenues being made up from other services, e.g., toll,
4 access and other discretionary services.

5
6 The net result of these prior pricing decisions is that
7 revenues from Sprint-United/Centel's high density low
8 cost exchanges provide contribution to its high cost low
9 density exchanges. In the historical monopoly
10 environment, such pricing could be maintained. However,
11 with local competition, these embedded revenue/cost
12 mismatches, and Sprint-United/Centel's US/COLR
13 obligations, new entrants already have significant market
14 opportunities. Therefore, shifting additional shared and
15 overhead costs to the LECs to attempt recovery in an
16 environment where existing revenue/cost distortions
17 already favor new entrants is inappropriate because it
18 will exacerbate these revenue/cost distortions.

19
20 Q. Please summarize your concerns in this area.

21
22 A. ILECs are already disadvantaged in the marketplace by the
23 fact that their rates have historically been set based on
24 the social objective to maintain low local service rates.
25 This social objective has resulted in the prices of other

1 LEC services; e.g., access and toll, being priced higher
2 than would otherwise be the case. The result is that new
3 entrants already have many opportunities to undercut
4 LECs' prices without shifting additional shared and
5 overhead costs to the LECs' end users as a result of
6 underpricing local interconnection charges.

7
8 Q. With respect to the minute-of-use compensation
9 alternative, would Sprint-United/Centel have an incentive
10 to ensure that the "high cost" of measurement is not
11 unnecessarily costly, since it will be passed on to its
12 rivals?

13
14 A. Sprint-United/Centel's position has been from the start
15 of these proceedings that port charges are the
16 appropriate mutual compensation arrangement because it is
17 less costly than the minute of use alternative, in terms
18 of measurement costs, but still meets the statutory
19 obligations to establish an interconnection charge which
20 covers cost. Sprint-United/Centel has not made any
21 reference to passing any billing costs on to the ALECs.
22 In fact, it was not until Sprint-United/Centel began
23 negotiations and realized that several ALECs apparently
24 preferred a minute of use charge over the port charge
25 arrangements that Sprint-United/Centel included a per

1 minute of use alternative. Again by statute, the
2 Companies are required to reduce access charges by 5%
3 annually.

4
5 Sprint-United/Centel has only proposed that it be
6 compensated in the same manner as this commission has
7 already approved in the Cellular and Local Transport
8 Restructure dockets. In both of these dockets the
9 Commission approved access and cellular interconnection
10 rates which reflected the underlying cost characteristics
11 of the services being provided. There is no reason in
12 this proceeding to change from the basic rate structure
13 rate philosophy already approved by the Commission.

14
15 Q. Will Sprint-United/Centel incur additional measurement
16 cost if a minute-of-use charge is implemented?

17
18 A. Yes. That is why Sprint-United/Centel has proposed a per
19 port charge rather than a minute-of-use charge. Sprint-
20 United/Centel can measure terminating traffic at both the
21 access tandem and end office using FGD-type records.
22 However, for traffic which is routed between ALECs, IXCs,
23 cellular providers and other ILECs, a special software
24 package is required for measurement. This software is
25 relatively expensive and will only be provided at the

1 access tandems. The software is the same software which
2 provides for cellular SS7 interconnection and has been
3 ordered for that purpose, but will not be provided in end
4 offices. Thus, where Sprint-United/Centel is to function
5 as an intermediary between other interconnectors, that
6 traffic only will need to be routed to an access tandem.
7

8 Q. Does a separate rate for tandem interconnection, versus
9 end office, create an incentive for ALECs to mirror the
10 technology of ILECs?
11

12 A. It is short-sighted to believe that installing a tandem
13 for compensation purposes is appropriate. When ALECs
14 have sufficient subscribers to justify additional
15 switches, there will most likely be sufficient traffic to
16 the switch to justify direct end office connection by an
17 ILEC. Similarly, when ALECs have increased traffic
18 volumes, they will directly connect to ILEC end offices
19 to avoid the tandem charges. This leads to increased
20 infrastructure development, but gives all competitors the
21 option to design their networks efficiently.
22

23 Q. If one uses an interconnection rate derived from switched
- 24 access rates, should that rate be imputed into the ILEC's
25 own local exchange rates to avoid a "price squeeze"?

1 A. No. To effect a price squeeze, total costs to the new
2 entrant would have to exceed total revenues. You cannot
3 look only at the basic local service component of the
4 total package of services for which new entrants will be
5 competing. Because of the legislative constraints on an
6 ILECs' pricing of basic services and the current
7 revenue/cost relationships of ILECs' services resulting
8 from years of social pricing, any price squeeze analysis
9 would have to consider total revenues to total costs. In
10 fact, one of the biggest drivers creating the competitive
11 entry opportunity is the mismatch of revenues and costs
12 for ILECs' existing services. Because of this mismatch,
13 which can be linked to ILECs universal service and
14 carrier of last resort requirements, new entrants that do
15 not have the US/COLR responsibilities should at a minimum
16 cover all of the indirect costs associated with the cost
17 of interconnection.

18

19 Q. If the Commission sets rates, terms and conditions for
20 interconnection between the ALECs and Sprint
21 United/Centel, should Sprint United/Centel tariff the
22 interconnection rate(s) or other arrangements?

23

24 A. Yes, Sprint United/Centel would tariff its
25 interconnection arrangements.

1 Q. What are the appropriate technical and financial
2 arrangements which should govern interconnection between
3 ALECs and Sprint United/Centel for the delivery of calls
4 originated and/or terminated from carriers not directly
5 connected to ALEC facilities.

6

7 A. Sprint proposes that this type of intermediary function
8 can be provided based on tandem switching and transport
9 rate elements similar to the local transport rate
10 elements already approved by this Commission. The tandem
11 switching rate element should be based on full recovery
12 of the access tandem investment rather than the 20%
13 recovery used for the interLATA access tariff tandem
14 switching rate element. The difference being that in the
15 access tariff, the other 80% of the investment was
16 recovered in the RIC. However, since the proposed local
17 interconnection charges exclude the RIC and CCL rate
18 elements, full recovery should be included in the tandem
19 switching rate applicable to local interconnection.

20

21 Q. What are the appropriate technical and financial
22 requirements for the exchange of intraLATA 800 traffic
23 which originates from an ALEC's customer and terminates
24 to an 800 number served by or through Sprint
25 United/Centel?

1 A. The ALEC, after completing an 800 query function, would
2 route the calls to Sprint United/Centel via
3 interconnection facilities. The ALEC would record the
4 call and forward the record to a clearinghouse which
5 forwards the record to Sprint United/Centel for billing.
6 Sprint United/Centel would compensate the ALEC for
7 originating access charges. A reciprocal arrangement
8 should also be applicable for Sprint United/Centel
9 originated calls terminating to the ALEC. Sprint
10 United/Centel will compensate ALECs for the origination
11 of 800 traffic terminated to the Sprint companies
12 pursuant to tariffed originating switched access charges,
13 excluding the database query. The ALECs will need to
14 provide the appropriate records necessary for Sprint
15 United/Centel to bill its customers and compensate the
16 ALECs. The records should be provided in the standard
17 industry format (EMR). Sprint United/Centel will
18 compensate the ALECs based on its tariffed rates for this
19 function. At such time as an ALEC elects to provide 800
20 services, the ALEC will reciprocate this arrangement.

21

22 Q. What are the appropriate technical arrangements for the
23 interconnection of ALEC's networks to Sprint
24 United/Centel's 911 provisioning networks such that the
25 ALEC's customers are ensured the same level of 911

1 service as they would receive as a customer of Sprint
2 United/Centel?

3
4 A. For basic 911 service, Sprint United/Centel will share
5 emergency number data with the ALECs for those
6 municipalities that subscribe to basic 911 services. For
7 Enhanced 911 (E911) service, Sprint United/Centel will
8 offer a daily update to the companies' data bases of
9 ALECs' emergency information when provided to Sprint
10 United/Centel. Sprint United/Centel will work with the
11 ALECs to define record layouts, media requirements and
12 procedures for the process. The ALECS will be provided
13 access to Sprint United/Centel E911 tandem switches for
14 routing their customers' E911 calls to the various
15 emergency agencies.

16
17 To the extent that administering and providing E911
18 access facilities to ALECs increases Sprint
19 United/Centel's costs, such costs should be recovered
20 from the ALECs. However, those costs should only be
21 recovered from ALECs to the same extent that they are
22 recovered from other LECs for the same service.

23
24- Q. What procedures should be in place for the timely
25 exchange and updating of the ALECs' customer information

1 for inclusion in appropriate E911 databases?

2

3 A. Daily updates would be required from ALECs in order to
4 maintain the accuracy of the 911 data-base information.
5 Sprint-United/Centel will work with the ALECs to define
6 the requirements for records, and other database related
7 procedures.

8

9 Q. What are the appropriate technical and financial
10 requirements for operator handled traffic flowing between
11 the ALECs and Sprint United/Centel, including busy line
12 verification and emergency interrupt services?

13

14 A. Sprint United/Centel and the ALECs shall mutually provide
15 each other busy line verification and emergency interrupt
16 services pursuant to tariff. It will be necessary to
17 establish dedicated trunk groups between each company's
18 operator services system.

19

20 Q. What are the appropriate arrangements for the provision
21 of directory assistance services and data between the
22 ALEC's and Sprint United/Centel?

23

24 A. Sprint United/Centel will include ALECs' customer
25 information in its directory assistance (DA) database and

1 provide DA operator services on the same terms and
2 conditions as those services are provided to other LECs
3 and IXCs. Sprint United/Centel will work cooperatively
4 with the ALECs on issues concerning timeliness, format
5 and listing information content.

6
7 Q. Under what terms and conditions should Sprint
8 United/Centel be required to list ALECs' customers in its
9 white and yellow page directories and to publish and
10 distribute these directories to ALEC's customers?

11
12 A. The cost for directories should be shared on a prorata
13 basis by Sprint United/Centel and the ALECs for the basic
14 directory printing and distribution services. In
15 addition, Sprint United/Centel pays its affiliated
16 directory company for any informational pages Sprint
17 United/Centel requires over a base number of pages. If
18 the ALECs wish to provide customer information pages to
19 Sprint United/Centel for inclusion in the directory, the
20 ALECs should pay whatever it would cost Sprint
21 United/Centel to have such pages included. Sprint
22 United/Centel should not be required to incur additional
23 costs on behalf of ALECs and be expected to absorb those
24 costs. While it is in Sprint United/Centel's best
25 interest to offer the best directory products possible,

1 it is equally as valuable and important to the ALECs.

2
3 Q. What are the appropriate arrangements for the provision
4 of billing and collection services between the ALECs and
5 Sprint United/Centel, including billing and clearing
6 credit card, collect, third party and audiotex calls?

7
8 A. Appropriate interconnection facilities to the Access
9 Tandem TOPS Center will be required. Sprint
10 United/Centel will work with the ALECs to define the
11 interconnection activities required. Billing would be
12 handled via tariff or contract rates on a mutual
13 compensation basis.

14
15 Q. What arrangements are necessary to ensure the provision
16 of CLASS/LASS services between ALECs and Sprint
17 United/Centel's networks?

18
19 A. Sprint United/Centel will provide Common Channel
20 Signaling (CCS) on a reciprocal basis, where available in
21 conjunction with all traffic in order to enable full
22 interoperability of CLASS features and functions.

23
24 Q. What are the appropriate arrangements for physical
25 interconnection between the ALECs and Sprint

1 United/Centel, including trunking and signaling
2 arrangements?

3

4 A. Sprint United/Centel is willing to review engineering
5 requirements on a quarterly basis and establish forecasts
6 for trunk utilization. New trunk groups will be
7 implemented as dictated by engineering requirements for
8 both Sprint United/Centel and the ALEC.

9

10 Q. To the extent not addressed in the number portability
11 docket, Docket No. 950737-TP, what are the appropriate
12 financial and operational arrangements for interexchange
13 calls terminated to a number that has been "ported" to
14 the ALECs?

15

16 A. For terminating toll traffic ported to the ALEC, Sprint
17 United/Centel will bill the IXC tandem switching, the
18 residual interconnection charge and a portion of the
19 transport, and the ALEC should bill the IXC local
20 switching, the carrier common line and a portion of the
21 transport. If Sprint United/Centel is unable to provide
22 the necessary access records to permit the ALECs to bill
23 the IXCs directly for terminating access to ported
24 numbers, then Sprint United/Centel will work
25 cooperatively to develop a surrogate method to

1 approximate the access minutes and revenues, and develop
2 a settlement process based on the above distribution. If
3 intraLATA calls are delivered to the other party via a
4 ported number, the originating party will pay the
5 terminating party.

6
7 Q. What arrangements, if any, are necessary to address other
8 operational issues?

9
10 A. Operational issues, such as repair service arrangements,
11 are most appropriately resolved through the negotiation
12 process. Operational issues will be different for each
13 ALEC and can best be addressed as the parties develop
14 more specific operational details and procedures and
15 actual points of interconnection. Should issues arise
16 between the parties that cannot be resolved, the existing
17 complaint procedures are the appropriate means for
18 resolution. Sprint United/Centel will address them in
19 this manner.

20
21 Q. What arrangements, if any, are appropriate for the
22 assignment of NXX codes to the ALECs?

23
24 A. Numbering policy must be broadly developed and
25 administered in a competitively neutral manner. The LEC

1 must not be able to control the administration and
2 assignment of numbering resources. NXX assignments must
3 be handled in a neutral and nondiscriminatory manner.

4
5 Q. Does this conclude your direct testimony?

6
7 A. Yes, it does.