



## I N D E X - VOLUME 3

## WITNESSES

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1	<b>EXHIBITS</b>		
2	<b>NUMBER</b>	<b>IDENTIFIED</b>	<b>ADMITTED</b>
3	11 - (McGrath) JM-1 and JM-2	245	333
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## 1 PROCEEDINGS

2 (Transcript continues in sequence from Volume  
3 2.)

4 JOAN McGRATH

5 was called as a witness on behalf of Time Warner AxS of  
6 Florida, L.P., and Digital Media Partners, and having  
7 been duly sworn, testified as follows:

8 CHAIRMAN CLARK: Go ahead, Ms. Weiske.

9 DIRECT EXAMINATION

10 BY MS. WEISKE:

11 Q Could you state your name and business address  
12 for the record, please?

13 A Yes. My name is Joan McGrath. My address is  
14 160 Inverness Drive West, Englewood, Colorado.

15 Q And is the zip code 80112?

16 A Yes.

17 Q And could you state by whom you're employed  
18 and what your position is?

19 A I'm employed by Time Warner Communications.  
20 My position is manager of interconnect management.

21 Q And on whose behalf are you appearing here  
22 today?

23 A I am testifying on behalf of Time Warner  
24 access of Florida L.P. and Digital Media Partners.

25 Q And Ms. McGrath, did you cause to have

1 prefiled in this case direct testimony dated December  
2 22nd, 1995 with two exhibits attached?

3 A Yes.

4 Q And do you have changes or corrections --

5 CHAIRMAN CLARK: Just a minute, Ms. Weiske.

6 Is the mike on over there? I'm having trouble hearing  
7 you.

8 WITNESS McGRATH: Yes, it is.

9 CHAIRMAN CLARK: Go ahead, Ms. Weiske.

10 BY MS. WEISKE:

11 Q Ms. McGrath, do you have any changes or  
12 corrections to Exhibit 1 attached to your testimony  
13 dated December 22nd, 1995?

14 A Yes.

15 Q And is that exhibit -- is that change of  
16 substitution for the exhibit that was attached?

17 A Yes, it is.

18 Q May I take a moment to hand that out, Your  
19 Honor?

20 CHAIRMAN CLARK: Yes.

21 COMMISSIONER KIESLING: Just so I'm clear, is  
22 this in addition to the JM-2 or is this a replacement?

23 MS. WEISKE: It's a replacement, Your Honor.

24 Q (By Ms. Weiske) Do you have any changes or  
25 corrections to Exhibit 2?

1 A No.

2 Q And do you have any changes or corrections to  
3 the prefiled testimony that you filed dated January 5th,  
4 1996?

5 A No.

6 Q And do you have any changes or corrections to  
7 your prefiled rebuttal dated February 6th, 1996?

8 A No.

9 Q And if the questions and answers were asked of  
10 you again today -- excuse me, if the questions were  
11 asked of you again today, will your answers be the same?

12 A Yes.

13 MS. WEISKE: We would ask that those three  
14 testimonies be identified for the record, again noting  
15 that we've substituted Exhibit 1 and we have an exhibit  
16 2 attached to the December testimony.

17 CHAIRMAN CLARK: Okay, the prefiled direct  
18 testimony of Ms. McGrath dated December 22nd, 1995 will  
19 be inserted in the record as though read, and the two  
20 exhibits attached to her testimony, JM-2, the revised  
21 resume and JM-2, will be marked as Exhibit 11.

22 (Exhibit No. 11 marked for identification.)

23 CHAIRMAN CLARK: And the prefiled direct  
24 testimony of Ms. McGrath dated January 5th will be  
25 inserted in the record as though read and the prefiled

1 direct testimony of Ms. McGrath dated February 6th will  
2 be inserted in the record as though read.

3 MS. WEISKE: Thank you.

4 Q (By Ms. Weiske) Ms. McGrath, could you please  
5 provide a summary of those testimonies?

6 A Yes. Time Warner is here today to request  
7 that the Commission consider --

8 CHAIRMAN CLARK: Could I just interrupt you  
9 for a minute? Did we do the rebuttal, or are we not  
10 going to do that at this time?

11 MS. WEISKE: I'm sorry?

12 CHAIRMAN CLARK: The rebuttal?

13 MS. WEISKE: I thought we just did.

14 CHAIRMAN CLARK: No. I did two pieces -- I  
15 did direct testimony --

16 MS. WEISKE: So you didn't do the rebuttal  
17 dated February 6th, 1996?

18 CHAIRMAN CLARK: No, the rebuttal is dated  
19 January 26th.

20 MS. WEISKE: I apologize. I didn't have that  
21 on my list.

22 Q (By Ms. Weiske) Ms. McGrath, do you have any  
23 changes or corrections to your testimony dated January  
24 26th, 1996?

25 A No.

1           Q     And if those questions were asked of you  
2 today, would your responses be the same?

3           A     Yes.

4           MS. WEISKE: I would ask that that be  
5 identified for the record, Your Honor.

6           CHAIRMAN CLARK: All right. The rebuttal  
7 testimony of Ms. McGrath dated January 26th, 1996 will  
8 be inserted in the record as though read.

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1           **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
2                           **DOCKET NO. 950985-TP**  
3                           **DIRECT TESTIMONY OF**  
4                           **JOAN McGRATH**  
5           **ON BEHALF OF TIME WARNER AXS OF FLORIDA, L.P.**  
6                           **AND DIGITAL MEDIA PARTNERS**

UNRECORDED  
FILE COPY

- 7
- 8   **Q:   FOR THE RECORD, PLEASE STATE YOUR NAME AND BUSINESS**  
9           **ADDRESS.**
- 10   **A:   My name is Joan McGrath, and my business address is**  
11           **Time Warner Communications, 160 Inverness Drive**  
12           **West, Englewood, Colorado, 80112.**
- 13
- 14   **Q:   ON WHOSE BEHALF ARE YOU TESTIFYING TODAY?**
- 15   **A:   I am testifying on behalf of Time Warner AxS of**  
16           **Florida, L.P. ("Time Warner AxS") and Digital Media**  
17           **Partners ("DMP") (collectively "Time Warner").**
- 18
- 19   **Q:   ARE YOU EMPLOYED BY THOSE COMPANIES?**
- 20   **A:   No.    My title is Manager for Interconnect**  
21           **Management for Time Warner Communications ("TWC"),**  
22           **which owns Time Warner AxS and is an affiliate of**  
23           **DMP.**

- 1 -

DOCUMENT NUMBER DATE  
12951 DEC 22 8  
PROC-RECORDS/REPORTING

1 Q: WHAT ARE YOUR DUTIES AT TWC?

2 A: My primary responsibilities are to lead  
3 interconnection negotiation teams, to provide  
4 support information and research for and to act as  
5 a liaison between Time Warner teams and subteams in  
6 interconnection negotiations between TWC affiliates  
7 and incumbent local exchange companies.

8

9 Q: PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
10 TELECOMMUNICATIONS EXPERIENCE.

11 A: I received a Bachelor of Science degree in Business  
12 Administration with emphasis in Marketing from the  
13 University of Denver, Denver, Colorado.  
14 Additionally, I have taken technical training  
15 courses through AT&T on Electronic Switching System  
16 Architecture and ISDN Overview. When my work  
17 schedule permits, I also attend Master level  
18 telecommunications classes at the University of  
19 Denver.

20

21 My telecommunications experience includes  
22 employment at U S West, an RBOC,  
23 Telecommunications, Inc. (TCI), a major cable  
24 company, and Teleport Communications Group (TCG),  
25 an alternative local exchange company (ALEC).

1           At U S West, my responsibilities included  
2           performing statistical and results analyses for the  
3           small business and home personal service. At TCI,  
4           my responsibilities included managing market  
5           research projects for new alternative access vendor  
6           (AAV) markets. At TCG my responsibilities included  
7           managing the interexchange company (IXC)  
8           interconnection negotiations and the RBOC  
9           collocations. My resume is attached as Exhibit JM-  
10          1.

11

12       **Q:   WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13       **A:   Pursuant to Section 364.162, Florida Statutes, Time**  
14       **Warner AxS and DMP have petitioned the Florida**  
15       **Public Service Commission (FPSC or Commission) to**  
16       **establish nondiscriminatory rates, terms, and**  
17       **conditions for local interconnection with Sprint**  
18       **United Telephone Company of Florida (Sprint**  
19       **United). My testimony is filed in support of those**  
20       **petitions.**

21

22           To allow Time Warner to efficiently use its network  
23           to offer innovative consumer products, the  
24           Commission should require the following:

- 1           •     a rate structure for mutual interconnection  
2                   that enables Time Warner to develop an  
3                   efficient network, which would include bill  
4                   and keep for local interconnection, and  
5                   imputation of appropriate interconnection  
6                   costs; tariffing of interconnection rates;  
7                   recognition of the impact of collocation  
8                   costs; and options for Time Warner's  
9                   interconnection points with Sprint United  
10                  (discussed by Time Warner witness Don Wood.)
- 11           •     efficient and cooperative network coordination  
12                   between Sprint United and Time Warner, which  
13                   would include mutual network management and  
14                   design (discussed by Time Warner witness Dan  
15                   Engleman).
- 16           •     equal priority notification on outages;  
17                   cooperative 911 network arrangements and  
18                   database access; access of Time Warner to  
19                   adequate numbering resources; compensation for  
20                   terminating access charges to ported numbers.
- 21           •     access to and use of existing operator and  
22                   directory functions, which would include  
23                   access to operator services; input of  
24                   directory assistance and directory listings  
25                   provided at no charge; options for the

1 provision of directory assistance; free white  
2 page/yellow page listings for Time Warner  
3 customers; an information page in the  
4 directory for Time Warner; directories  
5 provided and distributed free of charge to  
6 Time Warner customers.

7

8 **Q: ARE TIME WARNER AXS AND DMP CURRENTLY CERTIFICATED**  
9 **TO PROVIDE LOCAL EXCHANGE SERVICE IN FLORIDA?**

10 **A:** Yes, Time Warner and DMP hold certificate nos. 3167  
11 and 3135, respectively. On August 1, 1995, each  
12 notified the Commission of its intent to provide  
13 alternative local exchange service, and each is  
14 authorized to provide local exchange service  
15 effective January 1, 1995.

16

17 **Q: WHAT IS THE STATUS OF TIME WARNER'S NEGOTIATIONS ON**  
18 **LOCAL INTERCONNECTION WITH SPRINT UNITED?**

19 **A:** Time Warner began interconnection negotiations with  
20 Sprint United on July 12, 1995. On the date that  
21 this testimony is filed, Time Warner and Sprint  
22 United have been unable to reach a mutually  
23 acceptable interconnection agreement. As of  
24 December 11, 1995, no comprehensive agreement has  
25 been reached. Until such an agreement is reached,

1 Time Warner necessarily must consider all  
2 interconnection issues to be unresolved.

3

4 **Q: WHY HAS TIME WARNER PETITIONED THE COMMISSION FOR**  
5 **ITS ASSISTANCE?**

6 A: Time Warner and Sprint United have not been able to  
7 reach a comprehensive agreement. Time Warner has  
8 petitioned the Commission to ensure that it will  
9 have a timely interconnection arrangement. Time  
10 Warner needs to prioritize its capital commitments  
11 and is in the position of determining whether  
12 business conditions in Sprint United's territory  
13 invite competition. A significant part of this  
14 determination is the rates, terms and conditions of  
15 interconnection with the incumbent LECs, including  
16 Sprint United. Time Warner must have an  
17 interconnection agreement with Sprint United soon  
18 if it is to proceed with its plan to provide  
19 service to residential and business consumers  
20 within Sprint United's territory.

21

22 **Q: WHAT ARE THE IMPLICATIONS FOR THE ASSIGNMENT OF NXX**  
23 **CODES?**

24 A: The North American Numbering Plan (NANP) Guidelines  
25 used by Sprint United today do not allow Time

1 Warner to acquire more than one NXX code prior to  
2 the exhaustion of the code assigned to Time  
3 Warner's first switch. This is true, even if more  
4 NXX codes were needed to provide the detailed  
5 billing information necessary to distinguish local  
6 and toll calls. BellSouth today is the NANP  
7 administrator for its region. The consensus in the  
8 industry is the NANP administration function should  
9 be relegated from the incumbent LECs to a neutral  
10 administrator. There will be a significant time  
11 lag before this occurs. This Commission should be  
12 cognizant of the ability of the LECs to  
13 disadvantage competition by using the NANP  
14 Guidelines as an excuse to thwart the entry of Time  
15 Warner. Time Warner needs multiple NXX codes for  
16 purposes of intercompany compensation.

17

18 In those environments where new entrants are  
19 required to abide by the existing incumbent LEC  
20 exchange boundaries (which dictate whether a call  
21 is currently considered local or toll) for purposes  
22 of intercompany compensation, there are important  
23 implications regarding the number of NXX codes  
24 required by, and allocated to, every facilities-  
25 based ALEC. To better understand the implications

1 of this issue, I have attached, as Exhibit JM-2, a  
2 series of schematics showing how it would be  
3 impossible to properly characterize a call as local  
4 or toll unless Time Warner is permitted to acquire  
5 more than one NXX code. To the extent this  
6 Commission requires a usage-based intercompany  
7 compensation plan which maintains the current  
8 distinction between local versus toll, this  
9 Commission should also not tolerate Sprint United  
10 delaying or denying the assignment of NXX codes,  
11 which Time Warner would legitimately require for  
12 proper tracking of usage for intercompany-  
13 compensation.

14

15 **Q: WHAT ARE THE APPROPRIATE TECHNICAL AND FINANCIAL**  
16 **ARRANGEMENTS WHICH SHOULD GOVERN INTERCONNECTION**  
17 **BETWEEN TIME WARNER AND SPRINT UNITED FOR THE**  
18 **DELIVERY OF CALLS ORIGINATED AND/OR TERMINATED FROM**  
19 **CARRIERS NOT DIRECTLY CONNECTED TO TIME WARNER'S**  
20 **NETWORK?**

21 **A:** For intraLATA calls (both local and toll), Time  
22 Warner should be allowed to transmit traffic  
23 through the Sprint United tandems to other  
24 telecommunications provider end offices also  
25 subtending the Sprint United tandems (for example,



1 a cellular company, another ALEC, or IXC). On  
2 local calls, bill and keep should apply.

3

4 On intraLATA toll calls, if a LATAwide termination  
5 structure is not used, the intraLATA Modified  
6 Access Based Compensation Plan (MABC) used between  
7 LECs in Florida today should apply. Under the MABC  
8 plan, the originating LEC bills its end user for  
9 the toll call, and pays the terminating LEC  
10 switched access charges. Where another LEC serves  
11 as an intermediary, the intermediary LEC is paid  
12 tandem switching and transport as well. -

13

14 On interLATA toll calls, IXC traffic exchanged  
15 between the Sprint United tandem and Time Warner  
16 should be handled using industry Meet Point Billing  
17 procedures. This acknowledges the participation of  
18 each local service provider in the provision of  
19 access.

20

21 Time Warner recognizes the requirement for incoming  
22 calls to Time Warner customers who keep their  
23 Sprint United local telephone numbers would go  
24 through the Sprint United tandem and/or the end  
25 office containing the old telephone number. When a

1 toll call comes to that ported number from an IXC  
2 or another LEC, it goes to the Sprint United end  
3 office, is translated to the Time Warner office  
4 number, and continues to that Time Warner customer.  
5 Normally on terminating toll calls, the local  
6 service provider would receive access charge  
7 revenues from the toll provider. With a ported  
8 number, however, the call loses its identity as a  
9 toll call when it gets to Sprint United's central  
10 office, even though it continues on to Time  
11 Warner's office. If compensation for this is not  
12 provided, Sprint United would pay Time Warner  
13 according to whatever local interconnect  
14 arrangement is in effect, and Time Warner would  
15 lose its switched access charge revenues. Not only  
16 does it produce revenue losses for Time Warner, it  
17 also provides an undeserved windfall to Sprint  
18 United.

19

20 The solution to restoring these revenues is for  
21 Sprint United to measure this traffic, or develop a  
22 surrogate for estimating it, and to remit the  
23 correct switched access charges to Time Warner. If  
24 this cannot be accomplished, an alternative is to  
25 reduce the price for some other element of

1 interconnection to offset Sprint United's revenue  
2 windfall.

3

4 Further, Sprint United should allow two collocated  
5 ALECs to direct connect within the Sprint United  
6 tandem, without going through the tandem switch (a  
7 "hotel" connection), charging only for rates  
8 applied for collocation, and not for switched  
9 access. It is not efficient to exhaust Sprint  
10 United's tandem switch prematurely, nor to impose a  
11 switching cost on other providers when no switching  
12 is needed. This would encourage both efficient  
13 network utilization and encourage competition.

14

15 **Q: WHAT ARE THE APPROPRIATE TECHNICAL AND FINANCIAL**  
16 **REQUIREMENTS FOR THE EXCHANGE OF INTRALATA 800**  
17 **TRAFFIC WHICH ORIGINATES FROM A TIME WARNER**  
18 **CUSTOMER AND TERMINATES TO AN 800 NUMBER SERVED BY**  
19 **OR THROUGH SPRINT UNITED?**

20 **A:** Competition will only develop if the exchange  
21 procedure recognizes the role of both companies in  
22 completing the call. The company originating the  
23 800 call should send the originating call record to  
24 the 800 number owner in order for it to bill the  
25 end user. 800 calls originating from Time Warner

1           should be routed to its signal control point (SCP)  
2           where a query is launched to the service switching  
3           point (SSP). A bill record should be generated by  
4           the SSP provider which will be sent to the 800  
5           number owner, so it can bill the 800 end user  
6           customer. Time Warner should bill Sprint United  
7           originating switched access charges and an 800  
8           query charge. Depending on the contractual  
9           arrangement, companies may also charge for record  
10          provisioning.

11

12   **Q:   WHAT ARE THE APPROPRIATE TECHNICAL ARRANGEMENTS FOR-**  
13   **THE INTERCONNECTION OF TIME WARNER'S NETWORK TO**  
14   **SPRINT UNITED'S 911 PROVISIONING NETWORK SUCH THAT**  
15   **TIME WARNER'S CUSTOMERS ARE ENSURED THE SAME LEVEL**  
16   **OF 911 SERVICE AS THEY WOULD RECEIVE AS A CUSTOMER**  
17   **OF SPRINT UNITED?**

18   **A:   Public safety concerns dictate that Time Warner's**  
19   **customers must have the same level of access to**  
20   **reliable 911 service as Sprint United's customers.**  
21   **A high level of 911 service can only be achieved**  
22   **through a cooperative effort of the local 911**  
23   **coordinator, the incumbent 911 tandem provider**  
24   **(Sprint United), and Time Warner. Thus, Sprint**  
25   **United must configure its 911 tandem to recognize**

1 industry standard 911 signaling for the traffic  
2 originating from Time Warner's switches. Sprint  
3 United should designate a single point of contact  
4 for coordination of installing, testing, and  
5 ongoing 911 and E911 operations. All parties  
6 should work together toward deploying redundant,  
7 reliable, standard facilities. To maintain  
8 standardization, Time Warner should be able to  
9 utilize the same type of facilities in place from  
10 other end offices. Resolving alternate routing and  
11 overflow situations should also be a cooperative  
12 effort between Time Warner and Sprint United. -

13

14 Also, Sprint United should be required to provide  
15 Time Warner with reference data to assist in the  
16 configuration of interconnected dedicated 911  
17 trunks and to ensure that 911 calls are correctly  
18 routed. This should be available to all ALECs,  
19 LECs, and Sprint United, on a nondiscriminatory  
20 tariff basis. Sprint United should also provide  
21 Time Warner a list consisting of each county in  
22 Florida that subscribes to 911 and E911, and the  
23 E911 conversion date for those counties converting.  
24 Further, Sprint United should offer the same level  
25 of priority restoration to Time Warner's 911

1 trunks as it does its own; Sprint United should  
2 provide information on scheduled outages that would  
3 affect 911 service at least 48 hours in advance;  
4 and Sprint United should notify Time Warner  
5 immediately if an unscheduled outage occurs.

6

7 **Q: WHAT PROCEDURES SHOULD BE IN PLACE FOR THE TIMELY**  
8 **EXCHANGE AND UPDATING OF TIME WARNER CUSTOMER**  
9 **INFORMATION FOR INCLUSION IN APPROPRIATE E911**  
10 **DATABASES?**

11 **A:** To satisfy critical public safety concerns, Sprint  
12 United and Time Warner should operate according to  
13 the same standards. Sprint United should be  
14 required to cooperate with Time Warner to ensure  
15 that the Time Warner's customer data is in the  
16 proper format for inclusion in the 911 Automatic  
17 Location Identification (ALI) database. Customer  
18 data, specifically the street addresses, are edited  
19 against a database referred to as the master street  
20 address guide (MSAG) to ensure the uniform listing  
21 of street addresses. The MSAG provides emergency  
22 personnel a consistent reference for every address  
23 which may call for emergency service. Thus, Sprint  
24 United must make the MSAG available to Time Warner  
25 for inclusion of Time Warner's customer records in

1           the ALI database(s). Sprint United should also be  
2           required to permit Time Warner access to the same  
3           mechanized systems Sprint United uses to edit  
4           customer data against the MSAG. This should be  
5           available as soon as possible.

6

7   **Q:   HOW   SHOULD   REPAIR   SERVICE   ARRANGEMENTS   BE**  
8   **DEVELOPED?**

9   **A:**   In the new multi-provider environment, each  
10   participating company must notify other telephone  
11   companies of outages and troubles. Otherwise, it  
12   would be impossible to isolate and clear a problem  
13   in one part of a multi-provider network. To this  
14   end, Sprint United should develop mechanized  
15   systems for network monitoring to which other  
16   providers have access. Further, notification and  
17   repair procedures in the event of outages must be  
18   coordinated between Sprint United and Time Warner.  
19   To ensure competition, Time Warner's high quality  
20   service must not suffer because of a lack of  
21   adequate repair procedures.

22

23   **Q:   WHAT ARE THE APPROPRIATE TECHNICAL REQUIREMENTS FOR**  
24   **OPERATOR TRAFFIC FLOWING BETWEEN TIME WARNER AND**

1           **SPRINT UNITED INCLUDING BUSY LINE VERIFICATION AND**  
2           **EMERGENCY INTERRUPT SERVICES?**

3    A:    There are three scenarios for Time Warner to  
4           provide operator services. Time Warner could self-  
5           provide, hire a third party vendor, or hire Sprint  
6           United. In either the first or second scenario,  
7           Time Warner's only connection to Sprint United  
8           would be an inward trunk from Time Warner's local  
9           switch to the Sprint United operator services  
10          switch. This connection would enable a Time Warner  
11          operator to contact a Sprint United operator when a  
12          local Time Warner customer requires busy line  
13          verify/interrupt of a Sprint United line.  
14          Conversely, if a Sprint United subscriber has a  
15          need to verify/interrupt a Time Warner line, an  
16          inward trunk arrangement needs to be made available  
17          to Time Warner's operator service provider. Time  
18          Warner's operator service provider should be able  
19          to verify/interrupt Time Warner lines without  
20          connecting to Sprint United. If Time Warner  
21          selects Sprint United as the provider, operator  
22          services trunking will be required between Time  
23          Warner's local switch and the Sprint United  
24          operator switch to perform all operator service  
25          functions. Operator services are one aspect of a



1 full array of local telephone services which new  
2 entrants such as Time Warner must be able to offer  
3 if they are to compete with LECs such as Sprint  
4 United.

5

6 **Q: WHAT ARE THE APPROPRIATE ARRANGEMENTS FOR THE**  
7 **PROVISION OF DIRECTORY ASSISTANCE SERVICES AND DATA**  
8 **BETWEEN TIME WARNER AND SPRINT UNITED?**

9 **A:** A comprehensive directory assistance database  
10 benefits everyone--Sprint United, Time Warner, and  
11 end user consumers. For the customers' benefit,  
12 Sprint United should be required to carry Time  
13 Warner's listings (including updates) in its DA  
14 database at no charge to Time Warner. Including  
15 Time Warner customer listings in Sprint United's  
16 database enhances the value of the database for  
17 Sprint United.

18

19 Directory Assistance can be provided by entities  
20 other than Sprint United. Thus, Sprint United  
21 should be required to offer at least three options  
22 for the provision of directory assistance service.  
23 First, Sprint United should provide a resale  
24 option, where Time Warner would simply utilize  
25 Sprint United's directory assistance service for

1 Time Warner's customers. Second, Sprint United  
2 should provide a database access option. Under  
3 this arrangement, Time Warner would use its own  
4 operators, who would be able to "access" the Sprint  
5 United database to obtain listing information.  
6 Third, Sprint United should provide a database  
7 purchase option at an appropriate cost-based price.  
8 These options will allow Time Warner to choose the  
9 most efficient arrangement for the provision of  
10 directory assistance service.

11

12 **Q: UNDER WHAT TERMS AND CONDITIONS SHOULD SPRINT-**  
13 **UNITED BE REQUIRED TO LIST TIME WARNER'S CUSTOMERS**  
14 **IN ITS UNIVERSAL WHITE AND YELLOW PAGES DIRECTORIES**  
15 **AND TO PUBLISH AND DISTRIBUTE THESE DIRECTORIES TO**  
16 **TIME WARNER'S CUSTOMERS?**

17 **A:** A unified white pages directory is of great value  
18 to consumers, businesses, and local service  
19 providers. Time Warner is willing to provide its  
20 customer listings to Sprint United. In exchange  
21 for providing this valuable asset, Sprint United  
22 should provide a single line white page listing for  
23 Time Warner's customers at no charge to either Time  
24 Warner or the end user. Sprint United will benefit  
25 from the additional Time Warner listing by having a

1 comprehensive directory to sell to directory  
2 providers.

3  
4 For business customers, Sprint United should also  
5 provide a single line yellow page listing at no  
6 charge as well. Just as Time Warner will do,  
7 Sprint United should be required to ensure accuracy  
8 and timeliness in these listings. Additional  
9 revenues will be realized when Sprint United sells  
10 its listings to its yellow pages affiliate. Also,  
11 Sprint United will have the opportunity for  
12 additional revenues by selling yellow page ads to  
13 Time Warner's customers.

14  
15 Sprint United should also provide a user  
16 guide/informational insert to Time Warner to be  
17 published in both the white pages information  
18 section and the yellow pages sections, at no charge  
19 to Time Warner. The purpose of the informational  
20 section of the phone book is to assist customers  
21 with their telephone services, in a readily  
22 accessible manner. For this information to be  
23 complete and for the telephone book to not provide  
24 Sprint United an undeserved market advantage,

1 information on Time Warner (and other ALECs) should  
2 be included.

3  
4 Sprint United should be required to provide and  
5 deliver directories to all customers (of both  
6 Sprint United and Time Warner) in the same manner  
7 and recycle the directories at no charge to Time  
8 Warner. Any costs Sprint United incurs for these  
9 functions will be recovered through directory  
10 advertising Sprint United gains from Time Warner's  
11 business customers.

12

13 **Q: WHAT ARE THE APPROPRIATE ARRANGEMENTS FOR THE**  
14 **PROVISION OF BILLING AND COLLECTION SERVICES**  
15 **BETWEEN TIME WARNER AND SPRINT UNITED, INCLUDING**  
16 **BILLING AND CLEARING CREDIT CARD, COLLECT, THIRD**  
17 **PARTY CALLS AND AUDIOTEXT CALLS?**

18 **A:** There are numerous intercompany arrangements  
19 necessary for the proper billing of services in a  
20 multiple provider environment, most of which are  
21 already in existence between Sprint United and  
22 other telecommunications providers today. All of  
23 the arrangements benefit not only Sprint United's  
24 customers, but also Time Warner (and other  
25 providers') customers. For example, Time Warner

1           must be able to validate credit card or third party  
2           calls where the customer is a Sprint United  
3           customer. This is accomplished through a line  
4           identification database (LIDB), to which Time  
5           Warner must have access under reasonable terms and  
6           conditions. For efficiency's sake, Sprint United  
7           should treat Time Warner the way it treats other  
8           LECs today in the clearing of such fund transfers,  
9           through standard industry procedures and systems.

10

11   **Q:   WHAT ARRANGEMENTS ARE NECESSARY TO ENSURE THE**  
12   **PROVISION OF CLASS/LASS SERVICES BETWEEN TIME**  
13   **WARNER'S AND SPRINT UNITED'S NETWORKS?**

14   **A:   To ensure fully functional networks between Time**  
15   **Warner and Sprint United, Time Warner's point codes**  
16   **(end office addresses) need to be translated in all**  
17   **Sprint United end offices that support CLASS/LASS**  
18   **features. Likewise, the point code of Sprint**  
19   **United end offices need to be translated in Time**  
20   **Warner's switch. In addition, both STP pairs (Time**  
21   **Warner's and Sprint United's) must be translated to**  
22   **allow an exchange of messages between end offices.**  
23   **Finally, Sprint United should offer unbundled**  
24   **elements of its SCP for use by Time Warner.**

1 Q: PLEASE SUMMARIZE YOUR TESTIMONY.

2 A: Time Warner has petitioned the Commission because  
3 negotiations have not been fruitful. Time Warner  
4 must have certain resolution of all interconnection  
5 issues in order to enter the market. Further, Time  
6 Warner requires that a complaint process be  
7 available to resolve prospective issues that may  
8 develop as details are worked out and networks are  
9 actually connected.

10

11 For Time Warner to have a reasonable chance to  
12 compete so that consumers receive the benefits of  
13 local competition, Time Warner requests an  
14 interconnection arrangement that permits and  
15 encourages the following (in addition to the issues  
16 addressed by Time Warner witnesses Engleman and  
17 Wood):

- 18 • access for Time Warner to adequate numbering  
19 resources
- 20 • compensation to Time Warner for terminating  
21 access charges to ported numbers
- 22 • options for access by Time Warner to Sprint  
23 United's operator services

- 1 • input of directory assistance and directory
- 2 listings by Sprint United provided at no
- 3 charge to Time Warner
- 4 • options by Time Warner for the provision of
- 5 directory assistance from Sprint United
- 6 • free white page/yellow page listings in Sprint
- 7 United directories for Time Warner customers
- 8 • an information page for Time Warner in the
- 9 Sprint United directory
- 10 • directories provided and distributed free of
- 11 charge to Time Warner customers by Sprint
- 12 United
- 13 • directory affiliates of Sprint United
- 14 marketing their yellow pages to Time Warner's
- 15 customers;
- 16 • equal priority notification on outages by
- 17 Sprint United and Time Warner
- 18 • cooperative 911 network arrangements and
- 19 database access between Sprint United, Time
- 20 Warner, and the 911 coordinator, with equal
- 21 prioritization and notice in the case of
- 22 outages.

23 In short, the Commission should develop a structure  
24 that encourages competition by permitting Time

1 Warner to exercise reasonable control over its cost  
2 of doing business.

3

4 Q: DOES THIS COMPLETE YOUR TESTIMONY?

5 A: Yes, it does.



1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
2                                   **DOCKET NO. 950985-TP**  
3                   **(CONTINENTAL PETITION SPRINT/CENTEL/UNITED)**  
4                                   **INTERVENOR DIRECT TESTIMONY OF**  
5                                   **JOAN McGRATH**  
6                   **ON BEHALF OF TIME WARNER AxS OF FLORIDA, L.P.**  
7                                   **AND DIGITAL MEDIA PARTNERS**  
8  
9       **Q:    FOR THE RECORD, PLEASE STATE YOUR NAME AND BUSINESS**  
10           **ADDRESS.**  
11       **A:    My name is Joan McGrath, and my business address is**  
12           **Time Warner Communications, 160 Inverness Drive**  
13           **West, Englewood, Colorado, 80112.**  
14  
15       **Q:    ON WHOSE BEHALF ARE YOU TESTIFYING TODAY?**  
16       **A:    I am testifying on behalf of Time Warner AxS of**  
17           **Florida, L.P. ("Time Warner AxS") and Digital Media**  
18           **Partners ("DMP") (collectively "Time Warner").**  
19  
20       **Q:    HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PRO-**  
21           **CEEDING?**  
22       **A:    Yes.**

- 1 -

DOCUMENT NUMBER-DATE  
00154 JAN-58  
FPSC-RECORDS/REPORTING

1 Q: WHAT IS THE PURPOSE OF YOUR INSTANT TESTIMONY?

2 A. The purpose of this testimony is to provide the  
3 Commission with additional information to use in  
4 resolving the Continental Petition to establish  
5 rates, terms, and conditions for interconnection  
6 with Sprint/Centel and Sprint/United. To this end,  
7 and to avoid needless duplication, I adopt as  
8 Intervenor Direct Testimony in the Continental  
9 Petition my Direct Testimony that was filed in the  
10 Time Warner Petition for the Commission to estab-  
11 lish rates, terms, and conditions for interconnec-  
12 tion with Sprint/United.

13

14 Q: DOES THIS CONCLUDE YOUR TESTIMONY?

15 A: Yes, it does.

1           **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
2                           **DOCKET NO. 950985-TP**  
3           **MFS PETITION FOR SPRINT/CENTEL/UNITED AND GENERAL**  
4                           **INTERVENOR DIRECT TESTIMONY OF**  
5                           **JOAN McGRATH**  
6           **ON BEHALF OF TIME WARNER AxS OF FLORIDA, L.P.**  
7                           **AND DIGITAL MEDIA PARTNERS**  
8  
9    **Q:    FOR THE RECORD, PLEASE STATE YOUR NAME AND BUSINESS**  
10           **ADDRESS.**  
11   **A:    My name is Joan McGrath, and my business address is**  
12           **Time Warner Communications, 160 Inverness Drive**  
13           **West, Englewood, Colorado, 80112.**  
14  
15   **Q:    ON WHOSE BEHALF ARE YOU TESTIFYING TODAY?**  
16   **A:    I am testifying on behalf of Time Warner AxS of**  
17           **Florida, L.P. ("Time Warner AxS") and Digital Media**  
18           **Partners ("DMP") (collectively "Time Warner").**  
19  
20   **Q:    HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**  
21           **PROCEEDING?**  
22   **A:    Yes.**

1 Q: WHAT IS THE PURPOSE OF YOUR INSTANT TESTIMONY?

2 A. The purpose of this testimony is to provide the  
3 Commission with additional information to use in  
4 resolving the Metropolitan Fiber Systems of  
5 Florida, Inc. ("MFS") Petitions to establish rates,  
6 terms, and conditions for interconnection with  
7 Sprint/Centel and Sprint/United and General  
8 Telephone of Florida ("GTEFL"). To this end, and  
9 to avoid needless duplication, I adopt as Interve-  
10 nor Direct Testimony in the MFS Petitions my Direct  
11 Testimony that was filed in the Time Warner  
12 Petition for the Commission to establish rates,  
13 terms, and conditions for interconnection with  
14 Sprint/United.

15

16 Q: DOES THIS CONCLUDE YOUR TESTIMONY?

17 A: Yes, it does.

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
2                               **DOCKET NO. 950985D-TP**  
3                               **(TIME WARNER AXS OF FLORIDA, L.P. AND**  
4                               **DIGITAL MEDIA PARTNERS**  
5                               **PETITION SPRINT UNITED)**  
6                               **REBUTTAL TESTIMONY OF**  
7                                       **JOAN MCGRATH**  
8                   **ON BEHALF OF TIME WARNER AXS OF FLORIDA, L.P.**  
9                               **AND DIGITAL MEDIA PARTNERS**

10

11    **Q:    PLEASE STATE YOUR NAME AND ADDRESS.**

12    **A:    My name is Joan McGrath, and my business address is**  
13           **Time Warner Communications, 160 Inverness Drive**  
14           **West, Englewood, Colorado 80112.**

15

16    **Q:    ON WHOSE BEHALF ARE YOU TESTIFYING TODAY?**

17    **A:    I am testifying on behalf of Time Warner AxS of**  
18           **Florida, L.P. ("Time Warner AxS") and Digital Media**  
19           **Partners ("DMP") (collectively "Time Warner").**

20

21    **Q:    HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**  
22           **PROCEEDING?**

23    **A:    Yes.**

- 1 -

DOCUMENT NUMBER-DATE

01007 JAN 26 88

FPSC-RECORDS/REPORTING

1 Q: WHAT IS THE PURPOSE OF YOUR INSTANT TESTIMONY?

2 A: The purpose of this testimony is to offer rebuttal  
3 to the direct testimony filed by Sprint United  
4 witness F. Ben Poag.

5

6 Q: WITNESS POAG STATED THAT DURING SPRINT UNITED'S  
7 DISCUSSIONS WITH TIME WARNER, TIME WARNER HAS NOT  
8 PROPOSED ANY OTHER ALTERNATIVES TO SPRINT UNITED'S  
9 PORT CHARGE. IS THIS A CORRECT CHARACTERIZATION?

10 A: Absolutely not. On several occasions Time Warner  
11 has proposed in kind bill and keep for local  
12 interconnection compensation. Additionally, Time  
13 Warner might be very interested in a port charge if  
14 Sprint United's proposed prices were more  
15 reasonable. However, Sprint continues to propose  
16 port charge prices that are extremely high,  
17 especially compared to what Time Warner has  
18 encountered in other states. For example, NYNEX  
19 has proposed port charges of \$1710 at the tandem  
20 and \$950 at the end office. Sprint United's best  
21 offer to Time Warner was substantially higher than  
22 the NYNEX prices. The prices Sprint has continued  
23 to propose for its flat rate port charges are  
24 simply too high for Time Warner to compete with  
25 basic local exchange rates that are among the

1 lowest in a state which has some of the lowest  
2 rates in the nation.

3  
4 Time Warner has also proposed a LATAwide local  
5 interconnection rate structure, which Sprint United  
6 has not wanted to discuss. Over a period of  
7 months, Sprint United has continued to advance its  
8 flat rate port charge, which applies to Sprint  
9 United-only local traffic (no EAS with other LECs)  
10 on a one-way basis.

11  
12 In frustration over Sprint United's continuing high  
13 priced port charge offers, Time Warner asked if  
14 Sprint United would consider a usage-sensitive rate  
15 similar to the BellSouth structure. Sprint  
16 United's response, several times, has been in the  
17 negative. Sprint United has asserted that it does  
18 not have the capability to measure and bill such  
19 traffic, and that it does not want two price  
20 structures.

21  
22 Witness Poag's response testimony filed January 5  
23 was the first change from the port-charge-only  
24 discussions Time Warner had with Sprint United. On  
25 January 16 Time Warner received a revised proposal

1 from Sprint United offering a high usage-based  
2 charge, in addition to a still expensive port  
3 charge. Time Warner has analyzed these proposals  
4 and finds them extremely expensive and unworkable.  
5

6 Q: IS SPRINT UNITED'S TOLL DEFAULT PROPOSAL  
7 REASONABLE?

8 A: No. The toll default proposal states that in the  
9 event that Sprint United cannot determine whether a  
10 call originating from Time Warner and terminating  
11 to Sprint United is local or toll, Sprint United  
12 will not pay the terminating rate, but will bill  
13 Time Warner originating switched access charges.  
14 This proposal is part of the BellSouth agreement.  
15 Time Warner could only agree to it because of its  
16 belief that BellSouth would work with Time Warner  
17 to obtain adequate numbering resources so that Time  
18 Warner never pays such a charge. Time Warner  
19 continues to be concerned about how this will work,  
20 but is willing to try to make it work. However,  
21 Time Warner does not believe that such a proposal  
22 is the only way to solve the statutory requirement  
23 that toll traffic not terminate over local  
24 interconnection arrangements. One way to resolve  
25 it is through a LATAwide termination arrangement.



1 Another way to resolve it is to simply let the  
2 statutory complaint process be the mechanism. If  
3 Sprint United believes that Time Warner is  
4 terminating interexchange company calls over local  
5 interconnection arrangements, it should file a  
6 complaint with the FPSC.

7

8 **Q: WITNESS POAG HAS DISAGREED WITH TIME WARNER'S**  
9 **REQUEST THAT IT PROVIDE DIRECTORY SERVICES**  
10 **(LISTINGS, BOOKS, DISTRIBUTION) TO TIME WARNER AT**  
11 **NO CHARGE. DO YOU AGREE WITH WITNESS POAG'S**  
12 **RATIONALE FOR THIS?**

13 **A:** No. A unified white pages is of great value to  
14 consumers, businesses, and local service providers.  
15 Although Time Warner acknowledges that it benefits  
16 from having its customers' listings in Sprint  
17 United's phone books, Sprint United does as well,  
18 both by having a complete listing to sell to  
19 others, and by having an increased audience for its  
20 yellow pages, as well as an increased base for its  
21 yellow pages sales. Sprint United also benefits in  
22 the delivery of phone books by not having to  
23 determine which houses get Sprint United phone  
24 books and which do not. Time Warner is willing to  
25 provide its customer listings to Sprint United.

1           Witness Poag's speculation that Sprint United may  
2           change its existing relationship with its directory  
3           publishing company notwithstanding, Sprint profits  
4           significantly from directory publishing. From its  
5           1994 annual report, Sprint United's gross profit  
6           from its directory publishing activities was in  
7           excess of \$44 million. Sprint United's ability to  
8           continue to sell yellow pages to Time Warner's  
9           customers will perpetuate this net profit. Time  
10          Warner believes this is a fair tradeoff for  
11          providing listings and directories to Time Warner  
12          customers.

13

14       **Q: WITNESS POAG PROPOSED THAT ON TOLL CALLS TERMINATED**  
15       **TO PORTED NUMBERS, SPRINT UNITED SHOULD BE ALLOWED**  
16       **TO KEEP THE TANDEM SWITCHING ELEMENT, THE RIC AND**  
17       **MEET POINT TRANSPORT REVENUES, WHILE REMITTING TO**  
18       **TIME WARNER THE REMAINDER OF THE MEET POINT TANDEM**  
19       **REVENUES, LOCAL SWITCHING AND CCL TO TIME WARNER.**  
20       **IS THIS ACCEPTABLE?**

21       **A: No, this is not appropriate. On local calls**  
22       **originating from Sprint United and terminating to a**  
23       **Time Warner ported number there would be no**  
24       **additional compensation to Sprint United for the**  
25       **use of its network. There is no reason that toll**

1 calls should be treated any differently. If those  
2 calls were not ported, Time Warner would receive  
3 all of the terminating access revenues from them,  
4 and Time Warner should not have to share them with  
5 Sprint United because the calls are ported. Sprint  
6 United is already compensated for the costs of  
7 porting these numbers.

8

9 Q: DO YOU AGREE WITH WITNESS POAG'S PROPOSAL FOR  
10 COLLOCATED ALECS CONNECTING THROUGH SPRINT UNITED'S  
11 TANDEM?

12 A: No. Time Warner should be allowed to transmit  
13 traffic through the Sprint United tandems to other  
14 telecommunications provider end offices also  
15 subtending the Sprint United tandems, and without  
16 connecting through Sprint United's collocation  
17 facilities.

18

19 Direct interconnections among the ALECs and among  
20 ALECs and IXCs at Sprint United's wire center  
21 locations, provided that Sprint United is  
22 compensated for at least the incremental cost for  
23 providing the interconnections, furthers local  
24 competition by allowing the creation of a more  
25 efficient network. To the extent that Sprint

1 United is allowed to dictate the terms and  
2 conditions under which ALECs can directly connect  
3 with each other or with an IXC in an economically  
4 efficient manner, local exchange competition will  
5 be stifled. Although Sprint United might argue  
6 that such direct connection ignores the potential  
7 revenue losses it might occur, such a revenue loss  
8 is not necessarily an adverse event, it simply  
9 reflects the emergence of effective local  
10 competition.

11

12 **Q: PLEASE SUMMARIZE YOUR TESTIMONY.**

13 **A:** I have disagreed with Sprint United witness Poag's  
14 assertions about the negotiation process. Several  
15 scenarios have been offered which were rejected out  
16 of hand by Sprint United. I have offered better  
17 alternatives to Sprint United's toll default toll  
18 default proposal, and taken issue with witness  
19 Poag's compensation rationale for directory  
20 services. I have disagreed with witness Poag's  
21 assertion that Sprint United deserves more than the  
22 normal switched access charges (perhaps some shared  
23 transport and tandem switching) on calls  
24 terminating to ported numbers, and have discussed

1           why a direct connection between ALECs and others is  
2           appropriate.

3

4   **Q:   DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?**

5   **A:   Yes.  It does.**

1 Q (By Ms. Weiske) Now Ms. McGrath, if you  
2 could, would you provide a summary for the Commission?

3 A Yes. Time Warner is here today to ask the  
4 Commission to consider a rate structure for mutual  
5 compensation that will enable Time Warner to develop an  
6 efficient network and compete in the marketplace.

7 In addition, we would like to ask the  
8 Commission to consider efficient and cooperative network  
9 coordination, equal priority of notification outages,  
10 cooperative 911 network arrangements, database access,  
11 adequate numbering resources, compensation for  
12 terminating access charges to ported numbers, and access  
13 to and use of existing operator and directory  
14 functions.

15 In addition, Time Warner respectfully asks the  
16 Commission to consider a structure that encourages  
17 competition by permitting Time Warner to exercise  
18 reasonable control over its cost of doing business.

19 Q Does that complete your summary?

20 A Yes.

21 MS. WEISKE: Ms. McGrath, is available for  
22 cross-examination.

23 CHAIRMAN CLARK: Ms. Wilson?

24 MS. WILSON: Thank you.

25

CROSS-EXAMINATION

1 BY MS. WILSON:

2 Q Good afternoon, Ms. McGrath. I'm Laura Wilson  
3 representing the Florida Cable Telecommunications  
4 Association. Just one question for you.

5 I was wondering, how do you resolve the  
6 apparent inconsistency between your bill-and-keep  
7 position in this docket and the agreement your company  
8 signed with BellSouth earlier?

9 A Yes, it is true that Time Warner signed the  
10 bill-and-keep agreement in an effort to minimize the  
11 risks associated with litigation before the Commission.  
12 We signed the agreement before other decisions were made  
13 by the Commission. In addition, the agreement was  
14 signed at a time when there was uncertainty about the  
15 passage of federal legislation.

16 MS. WILSON: I don't have any further  
17 questions.

18 MR. CROSBY: Continental has no questions.

19 MR. MELSON: No questions.

20 MR. LOGAN: No questions.

21 MR. HORTON: No questions.

22 MR. RINDLER: No questions.

23 CHAIRMAN CLARK: Mr. Gillman?

24 MR. GILLMAN: No questions, Madam Chairman.

25 CHAIRMAN CLARK: Mr. Fons?

1 MR. FONS: Yes, I have some questions.

2 CROSS-EXAMINATION

3 BY MR. FONS:

4 Q Ms. McGrath, my name is John Fons and I'm  
5 representing Sprint-United/Centel and I have some  
6 questions.

7 In response to the question that was just  
8 asked of you concerning your settlement with BellSouth,  
9 were you reading your answer?

10 A Yes, I was.

11 Q So you knew --

12 A And the reason I was reading my answer is this  
13 is the first time I'm witnessing, and I apologize, I'm  
14 nervous.

15 Q Okay. I understand. I just was surprised  
16 that perhaps this question may have been planted with  
17 you?

18 A No.

19 Q Just so we have a common basis for talking  
20 about Time Warner, would you accept that when I use the  
21 term Time Warner, I'm talking about all the various  
22 enterprises for whom you're appearing as a witness?

23 A Yes. If you are speaking about Time Warner  
24 AxS of Florida and Digital Media Partners, yes.

25 Q Just shorthand, I'll use Time Warner, okay?



1           A     Okay.

2           Q     And if anytime I ask you a question you don't  
3 understand me, will you stop me and I'll try to clarify  
4 the question?

5           A     Yes.

6           Q     In your prefiled testimony, you address a  
7 number of issues, and I understand today there's been a  
8 change in the prehearing order that you're also going to  
9 address Issue No. 1, and previously the prehearing order  
10 did not indicate that you would address Issue No. 1?

11          A     Yes.

12          Q     In fact, did you address Issue No. 1 in any of  
13 your filed testimony?

14                MS. WEISKE: Ms. McGrath, do you recall what  
15 Issue No. 1 is, and if you don't, could you clarify that  
16 for her, please?

17                MR. FONS: Sure. We can look at the  
18 prehearing order, and the issue is fairly simple, if I  
19 can ever find the prehearing order.

20 BY MR. FONS:

21           Q     The issue is: What are the appropriate rate  
22 structures, interconnection rates or other compensation  
23 arrangements for exchange of local and toll traffic  
24 between the respective ALECs and United/Centel and GTE,  
25 Florida?

1           A     And would you please repeat your question?

2           Q     Where in your testimony do you speak to Issue  
3 No. 1, and what aspects of Issue No. 1?

4           A     If you would like to refer to Page 4 in my  
5 testimony and direct, I speak about a rate structure for  
6 mutual compensation that enables Time Warner to develop  
7 an efficient network which would include bill-and-keep  
8 arrangement.

9           Q     You have a number of items on Page 4 of your  
10 testimony, if I'm looking at the correct version, the  
11 December 22nd version.

12          A     Yes.

13          Q     Okay, you have a rate structure for mutual  
14 interconnection. So you're only talking to the rate  
15 structure, not the rate level; is that correct?

16          A     Yes.

17          Q     In your selection of a rate structure you  
18 indicated it would be bill and keep?

19          A     Yes.

20          Q     Have you done any analysis as to whether or  
21 not Time Warner's traffic would be in balance or out of  
22 balance as far as local interconnection is concerned?

23          A     I'm not sure I understand your question. What  
24 kind of analysis are you speaking about?

25          Q     Have you done any traffic analysis as to the

1 exchange of traffic between Time Warner and any other  
2 entity that you may be -- that you interconnect with  
3 locally today?

4 A No, I am not an engineer.

5 Q Are you familiar with what the traffic balance  
6 is between Time Warner and Frontier Corporation in  
7 Rochester, New York?

8 A No.

9 Q In your discussion of bill and keep, is there  
10 anywhere else in your testimony, other than on Page 4,  
11 where you talk about bill and keep?

12 A No.

13 Q Indeed, on Page 4 of your testimony, you state  
14 on Line 10, that the rate structure is discussed by Time  
15 Warner witness Don Wood; is that correct?

16 A Excuse me, would you repeat the question? I  
17 was turning the pages.

18 Q On Page 4 of your direct testimony, Line 10,  
19 you state that discussed by Time Warner witness Don  
20 Wood. Does that mean Mr. Wood is the one we should be  
21 asking questions about concerning rate structure and not  
22 you?

23 A Yes.

24 Q Would you turn to Page 7 of your direct  
25 testimony? Actually, beginning at the bottom of Page

1 6. The question that's asked of you: "What are the  
2 implications for the assignment of NXX codes?" And then  
3 you go into a discussion about Time Warner needing NXX  
4 codes.

5           Would you agree that Sprint-United/Centel does  
6 not assign NXX codes?

7           A     Yes.

8           Q     So that if you wanted an NXX code, you  
9 couldn't come to Sprint-United/Centel and get that code;  
10 is that correct?

11          A     I'm sorry, I didn't hear your -- could you  
12 repeat that?

13          Q     Sure. That if you wanted an NXX code, you  
14 could not come to Sprint-United/Centel and get that  
15 code?

16          A     Yes, that's correct.

17          Q     So you're not suggesting that  
18 Sprint-United/Centel should be required to provide you  
19 with NXX codes by this commission?

20          A     Yes.

21          Q     Yes, I am correct?

22          A     Yes, you are correct.

23          Q     Ms. McGrath, does Time Warner believe that if  
24 an ALEC requests a service of a LEC that imposes a cost  
25 on the LEC through its provision, that the LEC ought to

1 be compensated for the provision of that service?

2 A Yes.

3 Q On Page 15 of your testimony, beginning at  
4 Line 9, you talk about, "in the new multi-provider  
5 environment, each participating Company must notify  
6 other telephone companies of outages and troubles." And  
7 then you go on to say, "to this end, Sprint-United  
8 should develop mechanized systems for network monitoring  
9 to which other providers have access." Who is going to  
10 pay for that mechanized system?

11 A I don't know.

12 Q Should Time Warner be required to compensate  
13 Sprint-United/Centel for the development of any such  
14 system?

15 A I don't know.

16 Q Who would know that answer? Would it be  
17 Mr. Wood?

18 A No.

19 Q How about any of the other Time Warner  
20 witnesses here?

21 A No.

22 Q Should the Commission make that decision?

23 A To the -- yes, to the degree that would be  
24 appropriate.

25 Q And should they make that decision consistent

1 with your previous statement that if the ALEC causes the  
2 LEC to incur a cost in the provision of the service,  
3 that the LEC should be compensated?

4 A Yes.

5 Q On Page 16 of your testimony, your direct  
6 testimony, you talk in terms of operator services and  
7 busy line verification and emergency interrupt  
8 services. Are you familiar with that in your testimony,  
9 Page 16?

10 A Yes.

11 Q Again, these are services that you're asking  
12 that Sprint-United/Centel provide to Time Warner, in  
13 particular, an inward trunk from the Time Warner switch  
14 to the Sprint-United operator services switch. Is Time  
15 Warner prepared to compensate Sprint-United/Centel for  
16 that inward trunk if it's supplied by  
17 Sprint-United/Centel?

18 A Yes.

19 Q And likewise, on that -- in that same answer  
20 you talk about the verify and interrupt services.  
21 Again, if Time Warner requests Sprint-United/Centel to  
22 provide those services, should Time Warner compensate  
23 Sprint-United/Centel for those services?

24 A Yes.

25 Q On Page 17 of your testimony, you talk in

1 terms of directory assistance service and data between  
2 Time Warner and Sprint-United. And you again indicate  
3 that Sprint-United should be required to carry Time  
4 Warner's listings, including updates in its DA database,  
5 at no charge to Time Warner. Isn't that correct?

6 A Yes.

7 Q Now, in the provision of DA service, isn't  
8 that a service which Sprint-United/Centel may incur a  
9 cost in its provision?

10 A Yes.

11 Q And if it incurs costs in providing directory  
12 assistance service to Time Warner, shouldn't  
13 Sprint-United/Centel be compensated for that service?

14 A Yes.

15 Q But yet in this -- in your testimony you say  
16 that the DA database and listings should be provided to  
17 Time Warner at no charge?

18 A Yes.

19 Q What is the basis for that? Why this change?

20 A There should be no charge to the ALEC for  
21 having its customers listed in the Sprint directories or  
22 database for -- or for the distribution of directories  
23 to its customers.

24 Q I'm not asking you about the directories or  
25 the distribution of directories to customers. I'm

1 talking about directory assistance.

2           A     Customer listings must be made available to  
3 Sprint and they represent a potential revenue for  
4 Sprint.

5           Q     What revenue would Sprint get from a directory  
6 assistance listing?

7           A     The revenue derived that Sprint gets from  
8 their listings is the revenue that Sprint gets from  
9 selling their directory listings to their affiliates.

10          Q     I'm not talking about directory listings here,  
11 Miss McGrath, I'm talking about directory assistance  
12 service. Do you know what directory assistance service  
13 is?

14          A     Yes, I do. And the same listing, whether it  
15 goes into directory assistance or to directory listing,  
16 is the same listing.

17          Q     But directory assistance is a service which  
18 involves an operator and operator position, switches and  
19 other facilities, and if that provision of that service  
20 causes Sprint-United/Centel to incur a cost, shouldn't  
21 Time Warner be responsible for compensating?

22          A     No.

23          Q     And the reason that you've given to me twice  
24 is because you're providing the listings to  
25 Sprint-United/Centel?



1           A     Yes.

2           Q     And yet Sprint-United/Centel is incurring a  
3 cost in providing directory assistance service which is  
4 over and above whatever directory listings they may sell  
5 to a subsidiary, affiliate or anyone else; isn't that  
6 correct?

7           A     No.

8           Q     Are you saying that Sprint-United/Centel  
9 incurs no other cost in providing directory assistance  
10 service than the cost it incurs in publishing  
11 directories?

12          A     No. What I am saying is that Sprint-United  
13 earns revenues from Time Warner listings.

14          Q     Well, we'll get to that in a moment. I'm just  
15 trying to get the question on directory assistance  
16 service requires Sprint-United/Centel to incur costs in  
17 providing the operators -- to providing the database, to  
18 inputting the database, the switches and all of that  
19 facilities, and you're indicating that Time Warner  
20 should not compensate Sprint-United/Centel for the  
21 directory assistance service?

22          A     That's correct, yes.

23          Q     You go on to say that Sprint -- beginning on  
24 Line 20, Sprint-United should be required to offer at  
25 least three options for the provision of directory

1 assistance service. First, Sprint-United should provide  
2 a resale option where Time Warner would simply utilize  
3 Sprint-United's directory assistance service for Time  
4 Warner's customers. Second, Sprint-United should  
5 provide the database access option. And then finally,  
6 that Sprint-United should provide a database purchase  
7 option at an appropriate cost-based price.

8           On option No. 3, where you say Sprint-United  
9 should provide a database purchase option at an  
10 appropriate cost-based price, who is going to pay that  
11 price?

12           A     Could you please give me the page number?

13           Q     Page 18, Lines 6 through 10 -- or 6 and 7,  
14 actually.

15           A     I'm sorry, you'll have to give me the line  
16 number.

17           Q     Line 6 and 7 on Page 18, the third option.

18           A     And your question again, please?

19           Q     You say that it should be provided at an  
20 appropriate cost-based price. And my question was, who  
21 will pay that price?

22           A     If Time Warner elected the third option, Time  
23 Warner would pay the price.

24           Q     Well, if Time Warner would be willing to pay  
25 the price for the third option, why would they not be

1 willing to pay the price for the directory assistance  
2 database, since it would encompass the same general  
3 material?

4 A It may encompass the same general material,  
5 but currently, if Time Warner were to have a database,  
6 they could also generate revenues from that database.  
7 When Time Warner provides listings to Sprint, they're  
8 not receiving the same revenues that are generated.

9 Q Can't Time Warner have a directory assistance  
10 charge that it would charge its customers, just like  
11 Sprint-United/Centel has tariffed in the state of  
12 Florida?

13 A Yes.

14 Q So if you had a charge for directory  
15 assistance, you could collect those revenues from your  
16 customer; isn't that correct?

17 A Yes.

18 Q And indeed, if you were to have such a charge  
19 and collect those revenues but pay Sprint-United/Centel  
20 nothing for maintaining that database, then you would  
21 have pure profit from directory assistance, wouldn't  
22 you?

23 A I don't know the answer to that question.

24 Q You also say on Page 17, on Line 19, that  
25 directory assistance can be provided by entities other

1 than Sprint-United.

2 Do you see that?

3 A Yes.

4 Q Who else other than Sprint-United could  
5 provide directory assistance?

6 A Are you asking me for specific names or  
7 generally speaking?

8 Q Generally speaking, first, and then we'll get  
9 to specifics, if you know of any.

10 A You could have a third party vendor, an  
11 independent vendor provide directory assistance.

12 Q Could you give me an example of who that might  
13 be?

14 A No, I cannot give you the name, but there are  
15 independent vendors as a matter -- I believe there's one  
16 in New York.

17 Q So this is a competitive service?

18 A Yes.

19 Q So if it's a competitive service, why should  
20 Sprint-United/Centel be required to do something that  
21 would be available in the free market?

22 COMMISSIONER GARCIA: Sorry, Mr. Fons. I  
23 didn't hear the last question.

24 Q (By Mr. Fons) I said if it's a competitive  
25 service why should Sprint-United/Centel be required to

1 provide a service that's available in the free market?

2 CHAIRMAN CLARK: Mr. Fons, just so I'm clear,  
3 this is Sprint-United/Centel?

4 MR. FONTS: Yes. I'm sorry, I'm not sure what  
5 you're --

6 CHAIRMAN CLARK: Well, it says United/Centel  
7 on the prehearing order. I'm just trying to keep up  
8 with your corporate structure and it's difficult.

9 MR. FONTS: As it's stated on her testimony,  
10 it's Sprint-United. So I'm adding Centel as well.

11 Did I get an answer?

12 WITNESS McGRATH: Could you repeat the  
13 question?

14 Q (By Mr. Fons) If directory assistance is a  
15 competitive service, why should Sprint-United/Centel be  
16 required by this Commission to provide options that are  
17 available in the free market?

18 A This represents a consumer benefit, having  
19 directory listings in one database. Sprint-United  
20 should provide that service.

21 Q Of the three options that you propose on  
22 Pages 17 and 18, which one of these would be labeled  
23 branding, if any?

24 A I can't answer that question.

25 Q On Page 18, beginning on Line 17, you start

1 talking about a unified white pages directory is of  
2 great value to consumers and that Time Warner is willing  
3 to provide its customer listings to Sprint-United, and  
4 that you expect Sprint-United to provide a single line  
5 white page listing for Time Warner's customers at no  
6 charge to either Time Warner or the end user.

7 Do you see that?

8 A Yes.

9 Q And again, this is -- the basis for this is  
10 because Time Warner is willing to provide its customer  
11 list to Sprint-United; is that correct?

12 A Yes.

13 Q Could Time Warner publish its own directory?

14 A I don't know.

15 Q Is there any legal prohibition against Time  
16 Warner producing its own directory?

17 A I don't know.

18 Q Would it be a business decision on Time  
19 Warner's part as to whether or not it would produce its  
20 own directory?

21 A Yes.

22 Q And what would be the basis of that business  
23 decision?

24 A I don't know.

25 Q But you do concede that the directory listing

1 is a valuable asset?

2 A A valuable asset for whom, please?

3 Q That's my question, for whom? You indicate  
4 "In exchange for providing this valuable asset,  
5 Sprint-United should provide a single line white page  
6 listing." And that's my question. Who is this listing  
7 a valuable asset to?

8 A The listing is of value for the consumer, and  
9 also it benefits having -- let me stop and start over,  
10 please. The value in the listing, not only is it for  
11 the consumer, but also for Sprint in that Sprint does  
12 generate additional revenues from those listings. Not  
13 only do they generate revenues from the listings in the  
14 white pages, they also have value for the yellow page  
15 business in that the prices reflected in the rates that  
16 Sprint commands for the yellow page advertising is  
17 enhanced by the size of its circulation.

18 Q Let me ask you a question. These listings of  
19 customers that Time Warner will make available to  
20 Sprint-United, for the most part won't those customers  
21 be ex-Sprint customers?

22 A Yes.

23 Q So today Sprint already is having those  
24 numbers of customers available for its unified white  
25 pages; isn't that correct?

1           A     Yes.  Those customers potentially can already  
2 be in the pipe.

3           Q     Today they're in the Sprint directory; isn't  
4 that correct?

5           A     If they're existing Sprint customers and  
6 become Time Warner customers, potentially, yes.

7           Q     And under the requirements of this commission,  
8 Sprint-United/Centel is required to provide telephone  
9 number portability; isn't that correct?

10          A     Yes.

11          Q     So there would really be no change in the  
12 listing in the directory, would there?  There would  
13 still be the same name, same address and the same  
14 telephone number, regardless of whether the customer is  
15 served by Sprint or potentially, in the future, Time  
16 Warner?

17          A     Yes.

18          Q     So what you are selling to Sprint-United as a  
19 valuable asset is really something Sprint-United already  
20 has that it had sold to the publisher; isn't that  
21 correct?

22          A     No.

23          Q     Well, where have I missed something?  What has  
24 changed?

25          A     What has changed is the customer is no longer



1 a Sprint customer. The customer is now a Time Warner  
2 customer.

3 Q That may be, but you told me you're going to  
4 sell me the list of the very same customers I already  
5 have in the directory.

6 A No, I did not say I was going to sell them. I  
7 said that they have a value to them.

8 Q But you're going to give them to me?

9 A I said that they had a value to them.

10 Q To whom?

11 A To Sprint, and also it represents a consumer  
12 benefit to have the listings in one directory.

13 Q Isn't it a benefit to Time Warner to have the  
14 telephone numbers in the same directory?

15 A I think I would suggest that it is a benefit  
16 for all of the consumers, whether they're Time Warner  
17 consumers or Sprint-United consumers, to have one  
18 directory.

19 Q And isn't it a benefit to Time Warner to have  
20 one directory?

21 A Yes. In representing Time Warner's customers,  
22 yes, it is a benefit.

23 Q Are you suggesting that these customers that  
24 are listed in this directory, the single directory, will  
25 be identified as being a Sprint customer or Time Warner

1 customer?

2 A No, but they will be represented in one  
3 unified directory.

4 Q Where they are today?

5 A Yes, if they are existing Sprint customers and  
6 become Time Warner customers.

7 Q And there will be no change in those customers  
8 from today to tomorrow if they become a Time Warner  
9 customer, as far as that directory is concerned?

10 A Not necessarily. If the customer moves, then,  
11 yes, there would be a change.

12 Q Well, that would be true even if the customer  
13 moved and stayed a Sprint customer; isn't that correct?

14 A Excuse me, would you repeat your comment?

15 Q Wouldn't it be the same whether the customer  
16 moved and remained a Sprint customer? I mean we're not  
17 talking about movement, we're talking about changing  
18 from Sprint to Time Warner.

19 A The customer would stay the same. What could  
20 potentially change would be the -- if the customer  
21 moved, if the customer adopted a Time Warner number and  
22 did not keep the ported number.

23 Q Turn to Page 19 of your testimony. On Line 8,  
24 you say that, "Additional revenues will be realized when  
25 Sprint-United sells its listings to its yellow pages

1 affiliates." What additional revenues?

2 A Each time a customer receives a directory,  
3 this becomes a potential for that customer to take on  
4 various services that are advertised in the yellow  
5 pages, and as a result, Sprint has the opportunity to  
6 realize additional revenues through the wider  
7 distribution.

8 Q If we assume again --

9 COMMISSIONER GARCIA: I'm sorry, could you  
10 repeat that answer?

11 WITNESS McGRATH: Yes. Let me rephrase it.  
12 The value of the yellow pages to Sprint is reflected in  
13 the price that Sprint commands for the yellow pages in  
14 its advertising. And with that, it's enhanced by the  
15 size of the circulation.

16 Q (By Mr. Fons) If we assume again,  
17 Ms. McGrath, that the customer, the Time Warner, the  
18 business customer that Time Warner is going to have when  
19 it enters into business, is more likely than not to be a  
20 former Sprint customer, what additional revenues would  
21 Sprint receive if the customer were to keep the same  
22 yellow page listing and the same advertising?

23 A The additional revenues that Sprint would  
24 receive is when the annual renewal of the contract would  
25 come up, that would be -- represent additional revenues

1 for Sprint.

2 Q Would it be revenues for Sprint or for the  
3 publisher?

4 A Are you speaking about white pages or  
5 specifically yellow pages?

6 Q Yellow pages now.

7 A The revenues received would be for the yellow  
8 page affiliate. Sprint --

9 Q Why doesn't Time Warner want to deal directly  
10 with the publisher?

11 A In which regard?

12 Q For white pages and yellow pages. Why go  
13 through Sprint-United? Why doesn't Time Warner approach  
14 the publisher?

15 A What you're suggesting is an alternative  
16 approach. What Time Warner has been proposing is an  
17 approach that is administratively simple and represents  
18 a consumer benefit.

19 Q But you're asking this Commission to require  
20 Sprint-United to do these things as opposed to Time  
21 Warner going into the marketplace and making the best  
22 deal it can with the publisher. Isn't that correct?

23 A Yes, I am.

24 Q On Page 20, you talk in terms, at the top,  
25 beginning on Line 4, that "Sprint-United should be

1 required to provide and deliver directories to all  
2 customers in the same manner and recycle the directories  
3 at no charge to Time Warner." Again, won't  
4 Sprint-United incur costs of delivery and costs of  
5 recycling?

6 A No. Contrarily, Sprint-United would probably  
7 incur more cost to try to figure out what directories  
8 not to deliver.

9 Q Are you saying that Sprint-United/Centel  
10 incurs no cost today in delivering directories and  
11 recycling directories?

12 A No, I did not say that.

13 Q So they're incurring costs today and they will  
14 incur costs when Time Warner enters the market; isn't  
15 that correct?

16 A No. They're not going to incur additional  
17 costs.

18 Q They're not going to incur additional costs in  
19 delivering the directories to the Time Warner customers?

20 A No.

21 Q How is Sprint-United/Centel to know to whom to  
22 deliver the directories?

23 A I do not know what your -- Sprint's current  
24 procedure is for delivering directories.

25 Q Well, then how do you know that

1 Sprint-United/Centel will not incur additional costs  
2 delivering the copies to the Time Warner customers?

3 A I'm referring back to your original comment in  
4 that Time Warner customers were previously Sprint  
5 customers and that for that reason there is no change.

6 Q So on the one hand you're willing to say that  
7 there is no change and therefore Sprint-United/Centel  
8 should incur the costs, but on the other hand you're  
9 saying there's no change, therefore Time Warner  
10 shouldn't compensate Sprint-United/Centel for publishing  
11 and updating the database?

12 A I'm confused by your question.

13 Q Well, you're saying there's a value to  
14 Sprint-United/Centel in having these additional listings  
15 to sell to the publisher, and yet you've just conceded  
16 that there will be no change in those listings when Time  
17 Warner enters the marketplace; that it will be the same  
18 customer, they're just now a customer of Time Warner.  
19 So there won't be anything additional that  
20 Sprint-United/Centel will get out of this transaction?

21 A No, I did not say that. I said that when Time  
22 Warner's customer listings go into your database, to the  
23 Sprint database, Sprint has a value associated with that  
24 listing.

25 Q Turn to Page 23, bottom of 23 of your

1 testimony, Line 23. Do you see where you say, "In  
2 short, the Commission should develop a structure that  
3 encourages competition by permitting Time Warner to  
4 exercise reasonable control over its costs of doing  
5 business"?

6 A Yes.

7 Q And is that reasonable control over the cost  
8 of its doing business to shift the costs to  
9 Sprint-United/Centel?

10 A That was not the essence of my statement  
11 there. My statement represents my request and Time  
12 Warner's request to the Commission to develop a  
13 structure that encourages competition. If you're  
14 speaking about one rate element associated with an  
15 interconnection arrangement, you're speaking about that  
16 out of context. We are requesting that the Commission  
17 encourage competition by accepting and adopting  
18 reasonable rate structures so that we could control our  
19 costs and engage in a competitive environment.

20 Q Where in the litany of items beginning on Page  
21 22, Line 18, through Line 22 of Page 23, do you talk  
22 about the interconnection charge or structure?

23 A If you'll look on Line 14, Page 22, talk about  
24 interconnection arrangement.

25 Q And encourages the following. And where do

1 you talk about interconnection arrangements in the  
2 following.

3 A Are you asking me to define what I'm saying --  
4 I don't quite understand what you're trying to get at  
5 here.

6 Q I want to know where on this list of items or  
7 arrangements do you include interconnection  
8 arrangements, beginning on Line 18 of Page 22 through  
9 Line 22 of Page 23?

10 A Interconnection arrangement begins -- talking  
11 about interconnection arrangement begins on Line 18 and  
12 concludes on Line 22, Page 23.

13 Q And what I'm asking you is, where does that  
14 talk -- what do you mean by interconnection arrangement?

15 A The arrangement between two local exchange  
16 providers that will allow the traffic to be delivered  
17 from one network to the other and serve the consumer  
18 with all of the necessary elements that will provide  
19 them with service and seek parity with the incumbent  
20 LEC.

21 Q For the termination of traffic?

22 A Correct.

23 Q Now, on -- where on Line 22 of Page 22 you're  
24 talking about options for access by Time Warner to  
25 Sprint-United's operator services, does that have



1 anything to do with terminating traffic?

2 A I'm not sure what you're going at here.

3 Q What I'm going at is you've indicated that  
4 when you talk about interconnection arrangements, you're  
5 talking about the arrangements for terminating traffic,  
6 and I'm just trying to find out where on this list  
7 you're talking about items for terminating traffic, or  
8 whether you're talking about ancillary type items.

9 A Let me reclarify. We're talking about  
10 ancillary arrangements that are necessary for an  
11 interconnection.

12 Q And these are the things you're talking about  
13 permitting Time Warner to exercise reasonable control  
14 over its cost of doing business?

15 A Yes.

16 Q Could you turn to your rebuttal testimony,  
17 please, Page 4, beginning on Line 8 -- actually the  
18 question is on Line 6. "Is Sprint-United's toll default  
19 proposal reasonable?" You see that question?

20 A Yes.

21 Q Could you define for me what you mean by toll  
22 default?

23 A The toll default was a term that has been used  
24 in the BellSouth stipulation. The meaning of that was  
25 defined that when in the event that a call could not be

1 distinguished between local or toll, that BellSouth  
2 desired to default to being -- calling that call a toll  
3 call.

4 Q Here we're talking about Sprint-United/Centel,  
5 aren't we, not BellSouth?

6 A Yes, but the term came from BellSouth.

7 Q Did Mr. Poag testify as to toll default in his  
8 testimony?

9 A I'll have to look.

10 Q Why don't you look at the testimony that he  
11 filed on January 5, 1996, Page 22. Do you see that  
12 testimony beginning on the bottom of Page 22, the top of  
13 Page 23?

14 Could you compare what Mr. Poag says about  
15 toll default with what you say beginning on Line 8 of  
16 Page 4 of your rebuttal testimony? Would you agree with  
17 me, having read that, that they are different?

18 A Would you clarify what you mean by different?  
19 We're restating the question here.

20 Q Doesn't -- in your testimony you talk about  
21 toll default as being traffic that the ALEC delivers to  
22 the LEC, where in Mr. Poag's testimony toll default is  
23 the traffic that the LEC delivers to the ALEC, which  
24 cannot be identified. Isn't that correct?

25 A No.

1 Q Well, let's just read, then, on Page 4 of your  
2 testimony, Line 8. "The toll default proposal states  
3 that in the event that Sprint-United cannot determine  
4 whether a call originating from Time Warner and  
5 terminating to Sprint-United is local or toll,  
6 Sprint-United will not pay the terminating rate, but  
7 will bill Time Warner originating switched access  
8 charges." If Time Warner is delivering traffic to  
9 Sprint-United, Sprint-United would not be paying  
10 terminating local interconnection at that point; isn't  
11 that correct?

12 A Repeat your comment, please.

13 Q Which comment?

14 A Your last comment, please.

15 Q My question?

16 A Yes.

17 Q I said if Time Warner is delivering traffic to  
18 Sprint-United, Sprint-United would not be paying Time  
19 Warner terminating local interconnection charges; isn't  
20 that correct?

21 A No.

22 Q You mean if Time Warner delivers traffic to  
23 Sprint-United, that Sprint-United has to pay Time Warner  
24 for that traffic?

25 A Time Warner -- they would pay Time Warner

1 terminating charges, access charges.

2 Q Terminating local interconnection charges?

3 A Terminating access charges.

4 Q That's assuming the call is a toll call. Why  
5 would Sprint-United have to pay terminating access  
6 charges to the person who's delivering the traffic?

7 A Are you assuming that the call is local or are  
8 you assuming the call is toll?

9 Q I'm just reading what you've said here on Page  
10 4 of your rebuttal testimony, which says, "The toll  
11 default proposal states that in the event that  
12 Sprint-United cannot determine whether a call  
13 originating from Time Warner and terminating to  
14 Sprint-United is local or toll, Sprint-United will not  
15 pay the terminating rate but will bill Time Warner  
16 originating switched access charges." First of all, the  
17 call is terminating from Time Warner to Sprint. You  
18 understand that?

19 A Yes, I do. What this is stating is Sprint's  
20 position on toll default.

21 Q Well, let's read what Mr. Poag says about  
22 default. He says, "If Sprint cannot determine whether  
23 the traffic it delivers to an ALEC is local or toll  
24 because of the manner in which the ALEC uses NXX codes,  
25 Sprint will charge the ALEC originating intrastate

1 network access service charges unless the ALEC can  
2 provide Sprint with sufficient information to make a  
3 determination as to whether the traffic is local or  
4 toll." That's not the same thing that you said in your  
5 testimony about default traffic; is it?

6 A Mr. Poag is stating the toll default mechanism  
7 is based on traffic terminating from Sprint -- or  
8 delivering traffic from Sprint to the ALEC.

9 Q That's correct. But that's not what you say  
10 in your testimony. You say, "The toll default proposal  
11 states that in the event Sprint-United cannot determine  
12 whether a call originating from Time Warner and  
13 terminating to Sprint-United is local or toll,  
14 Sprint-United will not pay the terminating rate, but  
15 will bill Time Warner originating switched access  
16 charges."

17 A Yes.

18 Q Okay. And that's diametrically opposed to  
19 what Mr. Poag has said; isn't it?

20 A Yes.

21 MR. FONS: I have no further questions.

22 CHAIRMAN CLARK: Mr. Edmonds?

23 MR. EDMONDS: Thank you.

24 CROSS-EXAMINATION

25 BY MR. EDMONDS:

1 Q Ms. McGrath, do you have a copy of what's been  
2 marked by Staff as JM-3? And the description is it's  
3 certain answers to interrogatories and production of  
4 document requests?

5 A Yes.

6 Q And these answers, were they prepared by you  
7 or under your direction?

8 A Yes.

9 Q And are they true and correct to the best of  
10 your knowledge?

11 A Yes.

12 MR. EDMONDS: Commissioners, at this time I  
13 would like to have what's been marked as -- by Staff as  
14 JM-3, marked for identification as an exhibit.

15 CHAIRMAN CLARK: JM-3 will be marked as  
16 Exhibit 12.

17 (Exhibit No. 12 marked for identification.)

18 MR. EDMONDS: Thank you.

19 Q (By Mr. Edmonds) Staff just has a few  
20 questions. First, does Time Warner have any competing  
21 customers or clients? And by that I mean any other  
22 certificated carriers in Florida that it provides  
23 services to? And by services I mean, for instance,  
24 dedicated line services.

25 A I don't know the answer to that question.

1 Q Okay. I have a couple questions for you  
2 having to do with Issue 3 and intermediary  
3 interconnection. Some parties have advocated that the  
4 appropriate rate for intermediary handling of local call  
5 would be TSLRIC of the tandem switching function. If  
6 the Commission were not to adopt bill and keep, would  
7 you agree that the use of a TSLRIC-based rate would be  
8 appropriate?

9 A I would have to ask you to defer that question  
10 to Time Warner's witness, Mr. Wood.

11 Q Okay. With respect to the RIC, AT&T's  
12 witness, Mr. Guedel, raised the point that it might be  
13 appropriate to eliminate the RIC all together because  
14 there's no underlying cost associated with it. Are you  
15 familiar with that point?

16 A Yes, I am.

17 Q Do you agree that the RIC should be  
18 eliminated?

19 A Although I am familiar with that point, I do  
20 feel that it would be better served if you would direct  
21 that question to Mr. Wood.

22 Q Okay. Thank you. Staff has no further  
23 questions.

24 CHAIRMAN CLARK: Commissioners. Redirect?

25 MS. WEISKE: Thank you.

## REDIRECT EXAMINATION

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BY MS. WEISKE:

Q Ms. McGrath, you engaged in a conversation with Sprint's counsel about NXX codes, and I want to go back over that for a minute. You said in response to a question that you didn't expect that Sprint would get the NXX codes for Time Warner, but do you have any expectation about Sprint's assistance in getting NXX codes?

A Yes.

Q What are those expectations?

A Time Warner anticipates Sprint will sponsor and support the appropriate NXXs required.

Q You also had a brief conversation with Sprint counsel about -- Sprint-United counsel about busy verification and I have a question about that as well. Does Time Warner intend to provide busy verification and interrupt to Sprint-United customers?

A Yes.

Q Does Time Warner intend to provide it on a reciprocal basis?

A Yes.

Q Now, with the proviso that hopefully I don't leave the record as confused as I think it was earlier, I want to go back over your understanding of directory



1 listings versus your understanding of directory  
2 assistance and Time Warner's position as to those  
3 issues. Could you explain to me what you believe  
4 directory assistance is as a service? What is directory  
5 assistance? What happens from a customer's perspective?

6 A Yes. I can explain it. And from a customer  
7 perspective, directory assistance is utilized when a  
8 consumer does not have access to the telephone number of  
9 an individual that they're trying to reach. In that  
10 event, they can call up the operator and request that  
11 information via the directory assistance database.

12 Q And that was my other question. How is that  
13 different from a directory listing? How does that  
14 differ from directory listings?

15 A The information is not different. The format  
16 is different.

17 Q And your position at the bottom of Page 17 and  
18 the top of Page 18, that deals with Time Warner's  
19 position as to directory assistance; is that correct?

20 COMMISSIONER JOHNSON: What page?

21 MS. WEISKE: Bottom of page 17, top of page 18  
22 of her direct.

23 WITNESS McGRATH: Yes.

24 COMMISSIONER JOHNSON: Could you hold up for a  
25 second? Page 17?

1 MS. WEISKE: The bottom of Page 17, starting  
2 at Line 18, through the top of Page 18, through Line 9.

3 COMMISSIONER JOHNSON: And what was your  
4 question again?

5 MS. WEISKE: That the position stated at the  
6 bottom of Page 17 and the top of Page 18 is Time  
7 Warner's position as to directory assistance services,  
8 and she agreed that it was.

9 Q (By Ms. Weiske) And it's fair to state that  
10 the third option that you were asked about there is a  
11 cost-based pricing option that Time Warner would pay to  
12 Sprint-United; is that true?

13 A Yes.

14 Q Now that differs from Time Warner's position  
15 that you've stated, or articulated here today, as to  
16 what its position is for directory listings; is that  
17 true?

18 A Yes.

19 Q And what is Time Warner's position as to  
20 whether they should pay for directory listings?

21 A There should be no charge to the ALEC or Time  
22 Warner for having its customers listed in the Sprint  
23 directories.

24 Q Now let's talk for a moment about a  
25 Sprint-United directory. Let's talk first about white

1 pages and then about yellow pages.

2           Let's assume we're in a neighborhood of 100  
3 homes, and let's assume it's six months from now and of  
4 those 100, ten customers have gone to Time Warner, ten  
5 of those homes that have gone to MFS and ten of those  
6 homes have gone to MCI Metro. Would it be simpler at  
7 that point for Sprint-United to deliver all 100  
8 directories to those 100 homes, or would it be simpler  
9 from your perspective that they try to determine which  
10 of those homes have gone to which customers?

11           A     It would be simpler from Sprint's perspective  
12 to deliver all directories to all homes, and it would  
13 also be administratively simpler.

14           Q     And that's your belief, not Sprint's belief?

15           A     Correct.

16           Q     Now, if I have Sprint-United and I'm a  
17 directory delivery person and I've delivered all 100  
18 directories as of yesterday, and tomorrow I deliver all  
19 100 directories to those 100 homes, with the variables I  
20 stated about new customers, are my costs any different?

21           A     No.

22           Q     Now if I asked you those same questions as to  
23 yellow pages, the yellow pages directories, would your  
24 answers be the same?

25           A     Yes.

1 Q And if I sell white page listings to a  
2 directory publisher, is there a potential that I would  
3 get revenues for those directory listings? We're  
4 talking about white page listings, directory database.

5 A Yes.

6 Q And if I sell yellow page ads, is it possible  
7 that I get revenues for those ads?

8 A Yes.

9 Q And obviously you've done no cost comparison  
10 between the revenues generated and the costs for those  
11 services; is that true?

12 A Yes.

13 Q Do you have any sense of whether Florida is a  
14 high growth state or not?

15 A No, I do not.

16 Q Do you have any sense of how much churn exists  
17 in Florida in terms of people moving in and out of  
18 neighborhoods?

19 A No, I do not.

20 Q Do you think it's conceivable for a reasonable  
21 person to believe that the directory listings for  
22 Sprint-United today are going to be very different than  
23 the directories listings for Sprint-United in six months  
24 or a year; that the customers will change in those  
25 directories?

1 A Yes, potentially.

2 Q And if they change, is there a benefit that  
3 all those customers get from unified directory?

4 A Yes.

5 Q Isn't it simpler, if I'm a Time Warner  
6 customer, that I can open one directory, rather than  
7 opening a directory specific from MCI, and a directory  
8 specific to MFS, and a directory specific to United  
9 Sprint, if I'm trying to make a phone call?

10 A Yes.

11 Q And wouldn't it be tough for me, as a new Time  
12 Warner customer, if I'm new to the area, if I don't know  
13 where the customer belongs, in terms of which directory?

14 MR. FONTS: Madam Chairman, I've let this go on  
15 fairly long. It's very leading and suggestive and this  
16 has gone way beyond redirect.

17 CHAIRMAN CLARK: Mr. Fons, it may be leading,  
18 but I don't think it's gone beyond your  
19 cross-examination.

20 MS. WEISKE: Thank you, Your Honor.

21 Q (By Ms. Weiske) I wasn't quite sure of one of  
22 your last answers to Sprint-United about your position  
23 on interconnection rates and structure. I know you  
24 deferred some questions to Mr. Wood, but when you stated  
25 that those additional issues, that I think you

1 referenced to in your rebuttal testimony, were ancillary  
2 issues, I think they were operator services and some  
3 additional items?

4 A Yes.

5 Q Was it your position that because they're  
6 ancillary, they're somehow not important to be resolved,  
7 related to interconnection?

8 A No.

9 Q But simply from your perspective they are  
10 subissues under interconnection?

11 A Yes.

12 CHAIRMAN CLARK: Ms. Weiske, I would ask you  
13 to make sure your questions are not leading.

14 MS. WEISKE: Okay.

15 Q (By Ms. Weiske) Could you review Page 4 of  
16 your rebuttal testimony, please, dated -- I think it's  
17 your rebuttal dated January 26th. You got into quite a  
18 discussion over toll default. Could you review Lines 8  
19 through 13 and state whether you think those lines are  
20 accurate or not?

21 A The question referenced in Lines 8 through 13  
22 is: "Is Sprint-United's toll default proposal  
23 reasonable?"

24 My answer is, No. The toll default proposal  
25 states that if Sprint cannot identify a call, whether it

1 is local or toll, Sprint would default the call being  
2 classified as toll, and that the burden is on the ALEC  
3 or Time Warner to correct the call type identification.

4 Q But could you look specifically at how you  
5 state which entities receive and bill which revenues and  
6 make sure that you agree that that statement was -- is  
7 correct?

8 MR. FONS: Chairman, again, this is very  
9 leading.

10 CHAIRMAN CLARK: I agree. Would you rephrase  
11 your question, please?

12 MS. WEISKE: I want to make sure she agrees  
13 with how she stated the billing from Lines 8 through 13  
14 on that page.

15 CHAIRMAN CLARK: I think you can ask her if  
16 she has any changes to make to that statement.

17 Q (By Ms. Weiske) Do you have any changes to  
18 that statement?

19 A No.

20 MS. WEISKE: That's all I have. Thank you.

21 COMMISSIONER JOHNSON: But you did state to  
22 the earlier questioning that it was not consistent with  
23 Mr. Poag's definition of toll default; did you not?

24 WITNESS McGRATH: Mr. Poag put the answer in  
25 the reciprocal, in that he used the answer that Sprint

1 was delivering traffic to Time Warner, and this states  
2 it differently.

3 MS. WEISKE: Could I try to clarify that?

4 COMMISSIONER JOHNSON: Yeah, try to clarify  
5 that.

6 Q (By Ms. Weiske) If you reverse that scenario  
7 and substitute the word "Sprint-United" at Line 10 --

8 MR. FONS: Again I'll object. I know where  
9 we're trying to get to correct it. I wish she would  
10 correct it. I know it's an error and I was hoping the  
11 witness would correct during the cross.

12 MS. WEISKE: So was I, but if she's not, she's  
13 not.

14 MR. FONS: We all agree it's an error, except  
15 the witness.

16 MS. WEISKE: If United would stipulate with us  
17 that the words are reversed there, we can close this  
18 out. But I hate to leave that, given the commissioner's  
19 questions in the record, as confused as it is.

20 COMMISSIONER KIESLING: To the extent that I  
21 think I recognize it's an error but I want to be sure,  
22 even though it's leading, if she doesn't ask it, I'm  
23 going to, and maybe if you want to object to my  
24 question, have at it.

25 MR. FONS: My mother didn't raise any dumb



1 bunnies.

2 MS. WEISKE: Maybe you can save me here then,  
3 Commissioner, since I was afraid if I asked --

4 CHAIRMAN CLARK: Commissioner Kiesling and  
5 Commissioner Johnson, go ahead and pursue it so it's  
6 clear in your mind.

7 COMMISSIONER KIESLING: Okay. It was my  
8 understanding during your earlier testimony on cross  
9 that in your rebuttal when you were discussing  
10 Sprint-United's toll default proposal compared to the  
11 mechanism which Time Warner is proposing, that I saw an  
12 internal inconsistency in what you were saying as it  
13 related to what was in your testimony. And I want to  
14 have that clarified as to exactly what your position is  
15 on whether there is a difference between Sprint-United's  
16 toll default proposal and what Time Warner is proposing,  
17 to deal with that same situation. Can you offer that  
18 clarification?

19 WITNESS McGRATH: Let me try. I apologize. I  
20 believe the correct answer that you're looking for is  
21 that the default proposal states, in the event that  
22 Sprint-United cannot determine whether a call  
23 originating from Sprint and terminating to Time Warner,  
24 whether it's local or toll, then Time Warner will not  
25 pay their terminating rate but will bill Sprint

1 originating switched access.

2 COMMISSIONER KIESLING: And that's what  
3 Sprint's position is?

4 WITNESS McGRATH: Yes.

5 COMMISSIONER KIESLING: Then what is Time  
6 Warner's position?

7 WITNESS McGRATH: Time Warner's position is  
8 that they do not believe in a toll default mechanism.  
9 We would like to see adequate numbering resources to  
10 clearly identify whether a call type is local or toll.

11 COMMISSIONER KIESLING: Okay. Did that help  
12 you, Commissioner?

13 COMMISSIONER JOHNSON: It's fine.

14 COMMISSIONER KIESLING: Then I'm willing to  
15 let it go too.

16 CHAIRMAN CLARK: Okay. Exhibits.

17 COMMISSIONER JOHNSON: You know what, I did  
18 have another question. I just got sidetracked on that.  
19 I got really confused on -- with respect to Time  
20 Warner's position on directory assistance, the service,  
21 where I would call the operator versus the directory  
22 listing.

23 And I know that Sprint-Centel/United --  
24 Sprint-United/Centel's counsel asked if you thought the  
25 directory assistance service should be provided at no

1 charge to Time Warner. And what was your response with  
2 respect to the service?

3 WITNESS McGRATH: With respect to the  
4 service --

5 COMMISSIONER JOHNSON: Not the listing, but  
6 the actual -- if there were costs involved in providing  
7 the service, the operator -- me calling the operator and  
8 getting a number, did you think that those -- that Time  
9 Warner should have to pay for that service?

10 WITNESS McGRATH: I think -- if I could step  
11 back, I think the -- where it becomes unclear is that  
12 Time Warner offers their listings into a database that  
13 either feeds into a directory assistance database or  
14 into the directory listings database. And that's --  
15 when I suggested that Time Warner should not pay for  
16 input into these databases because of the value that  
17 Sprint receives is different than if Sprint offered  
18 directory assistance as a service to Time Warner. If  
19 Sprint offered directory assistance as a service to Time  
20 Warner, Time Warner certainly would pay.

21 COMMISSIONER JOHNSON: And is that where you  
22 then get into your Page 17, you go into those different  
23 options?

24 WITNESS McGRATH: Yes.

25 COMMISSIONER JOHNSON: Those are all the

1 options that would address the payment scheme and what  
2 would actually happen with the service?

3 WITNESS McGRATH: Yes.

4 COMMISSIONER JOHNSON: He also asked you on  
5 the third option there, Sprint-United should provide  
6 database purchase option at an appropriate cost-based  
7 price. And I think he asked who should determine the  
8 cost-based price. I think your answer was you don't  
9 know, but I'm not sure if that's what you meant. Is  
10 that -- do you think -- okay, I'm assuming you -- or  
11 your testimony suggests that you do think that someone  
12 ought to pay for it. But to determine the price, is  
13 that something that we do? Is that something that  
14 Sprint-United would suggest to you as to what the price  
15 is, or how do we determine the cost-based price?

16 WITNESS McGRATH: In the context of --

17 COMMISSIONER JOHNSON: Should that be  
18 negotiated between the parties?

19 WITNESS McGRATH: Yes.

20 COMMISSIONER JOHNSON: Okay. That's it.

21 COMMISSIONER DEASON: Madam Chairman, I hate  
22 to do it, but I've got to go back to Page 4, because I'm  
23 totally confused under what you're trying to tell us on  
24 Lines 8 through 13, and perhaps I can get clarification  
25 from Mr. Poag when he takes the stand, but I want to

1 understand what your understanding is. Is this a  
2 situation where there is a call originating from  
3 Sprint-United, and because of the numbering system they  
4 don't know if the destination of that call makes it  
5 local or toll? Is that the problem?

6 WITNESS McGRATH: In the event -- yes, that is  
7 the problem. When -- if -- let me use this as a  
8 hypothetical. If Time Warner were only allowed one NXX,  
9 then it would be difficult to distinguish whether a call  
10 is local or toll. And I reference that example in my  
11 exhibit.

12 COMMISSIONER DEASON: That's the problem that  
13 we're trying to address.

14 WITNESS McGRATH: Yes.

15 COMMISSIONER DEASON: Now, your -- in these  
16 lines you're addressing what your understanding is of  
17 Sprint-United's proposal given that uncertainty. Is  
18 that correct?

19 WITNESS McGRATH: Yes.

20 COMMISSIONER DEASON: Now it's your  
21 understanding that it's their proposal, that since they  
22 don't know if it's local or toll, that they're going to  
23 treat it as toll in regard to originating switched  
24 access charges.

25 WITNESS McGRATH: Yes.

1           COMMISSIONER DEASON: And those originating  
2 switched access charges would be charged to whom?

3           WITNESS McGRATH: If the call is coming from  
4 Sprint to Time Warner, the originating access charges  
5 would go to -- be paid to Sprint.

6           COMMISSIONER DEASON: They would be paid to  
7 Sprint, but they would be charged to whom?

8           WITNESS McGRATH: Time Warner.

9           COMMISSIONER DEASON: Now as far as when you  
10 refer to terminating rate on Line 12, what rate is  
11 that?

12          WITNESS McGRATH: Switched access rate.

13          COMMISSIONER DEASON: Thank you.

14          CHAIRMAN CLARK: Exhibits?

15          MS. WEISKE: Time Warner would ask that  
16 Exhibit 11 be admitted.

17          CHAIRMAN CLARK: Exhibit 11 will be admitted  
18 in the record without objection.

19          MR. EDMONDS: Staff moves Exhibit 12.

20          CHAIRMAN CLARK: Exhibit 12 will be admitted  
21 in the record without objection. We'll take a break  
22 until ten after four.

23                   (Witness McGrath excused.)

24                               \*   \*   \*

25                   (Exhibit Nos. 11 and 12 received into

1 evidence.)

2 (Recess from 4:00 p.m. until 4:21 p.m.)

3 (Transcript continues in sequence in Volume

4 4.)

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