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RECORDS AND
REPORTING

July 24, 1998

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 951232-TI

Dear Ms. Bayo:

Enclosed for filing in the captioned docket are an original and fifteen copies of the following documents:


1. Rebuttal Testimony of Mary Jo Daurio on behalf of Transcall America d/b/a ATC Long Distance; ~~07012-98~~ 98
2. Rebuttal Testimony of Dennis Sickle on behalf of Transcall America d/b/a ATC Long Distance; and ~~07012-98~~ 98
3. Rebuttal Testimony of Douglas S. Metcalf on behalf of Transcall America d/b/a ATC Long Distance. ~~07012-98~~ 98

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

Thank you for your assistance with this filing.

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Sincerely,

 Albert T. Gimbel

cc: Mr. Brian Sulmonetti
 Parties of Record

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Dade County Circuit Court referral of)
certain issues in Case No. 92-11654 (Transcall)
America, Inc. d/b/a ATC Long Distance v.)
Telecommunications Services, Inc. and)
Telecommunications Services, Inc. vs. Transcall)
America, Inc., d/b/a ATC Long Distance) that)
are within the Commission's jurisdiction.)

Docket No. 951232-TI

REBUTTAL TESTIMONY

of

MARY JO DAURIO

ON BEHALF OF

TRANSCALL AMERICA, INC. d/b/a ATC LONG DISTANCE

JULY 24, 1998

DOCUMENT NUMBER-DATE
07846 JUL 24 8
FPSC-RECORDS/REPORTING

- 1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**
- 2 **A. I am Mary Jo Daurio. My business address is 1515 South Federal Highway,**
3 **Boca Raton, Florida.**
- 4 **Q. ARE YOU THE SAME MARY JO DAURIO WHO EARLIER FILED**
5 **DIRECT TESTIMONY ON BEHALF OF TRANSCALL IN THIS**
6 **PROCEEDING?**
- 7 **A. Yes, I am.**
- 8 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**
- 9 **A. I am appearing to respond to the direct testimony of Joel Esquenazi of**
10 **Telecommunications Services, Inc. (TSI) regarding his assertions that**
11 **Transcall failed to comply with the Agreement.**
- 12 **Q. WHAT IS YOUR RESPONSE TO MR. ESQUENAZI'S TESTIMONY**
13 **AT PAGE 4, LINES 22 TO 24 REGARDING DIRECT BILLING?**
- 14 **A. As I discussed in my direct testimony, there was a problem with direct billing**
15 **that occurred during the first year due to a computer problem. However,**
16 **contrary to Mr. Esquenazi's belief, this was not done with any intent to steal**
17 **his customers – it was a computer problem and nothing more. Once the**
18 **computer change was put into effect, the direct billing stopped.**
- 19 **Q. DO YOU HAVE ANY RESPONSE TO MR. ESQUENAZI'S**
20 **TESTIMONY AT PAGE 4, BEGINNING AT LINE 25, REGARDING**
21 **THE SOLICITATION OF TSI'S CUSTOMERS?**
- 22 **A. He is wrong to claim that we advertised to and solicited TSI's customers**
23 **contrary to a course of dealing with the intent to steal customers. First, the**
24 **Agreement does not prohibit one party from soliciting the customers of the**

1 other. In truth, he actively solicited our customers – otherwise we would not
2 have had the direct billing problem. But the fact is, as he acknowledged at
3 page 2, this is a competitive business, and the only way you get customers is
4 to convince them to change from their existing carrier. Of course we ran
5 advertising that may have been received by his customers. That's what you
6 are supposed to do in a competitive business. The key is, there was no
7 "understanding" prohibiting such competitive activities, and we never used
8 information obtained from him to target his customers.

9 **Q. WHAT IS YOUR RESPONSE TO MR. ESQUENAZI'S TESTIMONY**
10 **AT PAGE 5, LINES 3 TO 4, REGARDING BILLING FOR**
11 **UNANSWERED CALLS?**

12 **A. I don't doubt that there was billing for incomplete or unanswered calls, but**
13 **there was nothing improper about this. During the time of the Agreement,**
14 **there was an industry-wide problem due to the fact that the local exchange**
15 **companies failed to provide hardware answer supervision on all calls.**
16 **Consequently, we, like other carriers, used software answer supervision**
17 **programs in an attempt to address this problem. Both TSI and Transcall had**
18 **specific tariff provisions to address this situation, and anyone that knew**
19 **anything about the business understood this. Again, from my standpoint,**
20 **when Mr. Esquenazi raised these issues, we issued credits to him. The credits**
21 **we issued were at the higher retail rate charged his customers instead of at the**
22 **wholesale rate charged TSI.**

- 1 **Q. DO YOU HAVE ANY RESPONSE TO MR. ESQUENAZI'S**
2 **TESTIMONY AT PAGE 5, LINES 5 THROUGH 8, REGARDING THE**
3 **VARIOUS OVERCHARGES HE IDENTIFIED?**
- 4 **A. Over time, in requesting credits from me, Mr. Esquenazi raised these claims.**
5 **My procedure was always the same. While I asked him to document any**
6 **errors that he had, I ultimately granted any credits that he requested except**
7 **for the disputed \$10,000 that I discussed in my direct testimony.**
- 8 **Q. DO YOU HAVE ANY REPLY TO MR. ESQUENAZI'S TESTIMONY**
9 **REGARDING 800 NUMBER PROBLEMS?**
- 10 **A. At page 5, lines 9 through 11, and at page 5 lines 19 through 20, Mr.**
11 **Esquenazi discusses two 800 number issues. The only 800 number problems**
12 **that Mr. Esquenazi raised pertained to the turning up or termination of 800**
13 **number service to his customers, which we took care of.**
- 14 **Q. WHAT IS YOUR RESPONSE TO MR. ESQUENAZI'S TESTIMONY**
15 **AT PAGE 5, LINES 12 AND 13 REGARDING BILLING IN ONE**
16 **MINUTE INCREMENTS?**
- 17 **A. As I discussed in my direct testimony, TSI received a 40 percent discount on**
18 **international calls and a 15 percent discount on domestic calls to compensate**
19 **for the limitations in our billing system. These discounts provided TSI with**
20 **a much greater margin than that provided for in the Agreement.**
- 21 **Q. DO YOU HAVE ANY RESPONSE TO MR. ESQUENAZI'S**
22 **TESTIMONY AT PAGE 5, LINE 14, REGARDING THE BILLING OF**
23 **TRAVEL CARDS THAT CUSTOMERS DID NOT HAVE?**

1 **A.** I do not ever recall Mr. Esquenazi raising this issue with me. Since we had
2 to issue an authorization code to TSI for TSI to then give to its customers, I
3 do not see how the problem he complains of could occur.

4 **Q.** **WHAT IS YOUR REPLY TO MR. ESQUENAZI'S STATEMENT AT**
5 **PAGE 5, LINES 15 TO 16, THAT TRANSCALL CONTINUED TO**
6 **BILL TSI FOR ACCOUNTS AFTER THEIR TERMINATION?**

7 **A.** There were a few isolated incidents where we may not have immediately
8 removed a customer from our switch, but there was no ongoing problem in
9 this area. As I said in my direct testimony, we usually removed a customer
10 from our switch on the same day that we received the fax request from TSI.

11 To the extent that there was a problem in removing customers from
12 our switch, it occurred only when TSI did not provide us with the telephone
13 numbers for the customer on the termination request. When that happened,
14 we would have to hunt through our records for the telephone numbers, and
15 there would have been some delay associated with this effort especially if the
16 customer had multiple numbers, travel cards, 800 number service, or multiple
17 locations. While this made our work more difficult, the fact of the matter is
18 the termination of customers generally occurred promptly upon TSI's request.

19 Mr. Esquenazi's claim that there was billing on accounts "long after
20 the accounts had been canceled by TSI," can relate only to a customer
21 terminating early in the billing cycle. Depending upon when a customer
22 requested termination, that customer may not receive a final bill until six or
23 seven weeks after service was actually terminated since the billing cycle was
24 a calendar month. So for example, if you terminated on the fifth day of the

1 month, you would not receive a final bill until the middle of the following
2 month, depending on how quickly TSI could send out the bills. There may
3 have been a few isolated complaints due to the issuance of final bills, but I
4 just don't remember this being an issue.

5 **Q. HOW DO YOU RESPOND TO MR. ESQUENAZI'S TESTIMONY AT**
6 **PAGE 5, LINES 17 AND 18, THAT TRANSCALL SUPPLIED BILLS**
7 **WHERE THE BILLING DETAIL DID NOT MATCH THE BILLING**
8 **ON THE SUMMARIES?**

9 **A. I do not recall TSI ever raising this as an issue.**

10 **Q. DO YOU HAVE ANY OTHER RESPONSES TO MR. ESQUENAZI'S**
11 **TESTIMONY?**

12 **A. The last comment I would make is in response to his question at page 7, lines**
13 **3 through 6, that we never responded to the billing errors he raised with us.**
14 **As I've already testified, many of the billing issues that he raised affected**
15 **everyone in the industry, and so there was nothing that we could do to**
16 **remedy the problem except give credits when this was brought to our**
17 **attention. The remaining issues that he raised with us either led to computer**
18 **changes or they were routine day-to-day service ordering and provisioning**
19 **issues that we promptly dealt with.**

20 **Q. DID THE COMPANY DO EVERYTHING IT COULD TO**
21 **SUCCESSFULLY IMPLEMENT THE TSI AGREEMENT?**

22 **A. Absolutely, yes. TSI received credits at the rates it charged its customers**
23 **instead of its resellers rate. We gave the 40 percent and 15 percent discounts**
24 **for international and domestic usage. When we tracked down the problem**

1 with direct billing, we not only put in the computer fix, but in doing so we
2 fully credited TSI for the lost revenues plus we took the customer out of our
3 system so we could not bill them ourselves even if the customer also was
4 ours. We went out of our way to make this work, and all he did was ask for
5 more credits and, ultimately, not pay what he owed us.

6 **Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?**

7 **A. Yes.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Rebuttal Testimony of Mary Jo Duario on behalf of Transcall America Inc. d/b/a ATC Long Distance in Docket No. 951232-TI has been furnished by Hand Delivery (*) and/or U.S. Mail to the following parties of record this 24th day of July, 1998:

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Albert T. Gimbel