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VIA HAND DELIVERY

September 8, 2000

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

Re: Docket No. 00636-TP; Direct Testimony of Richard Warner (public version) and Melissa Cloz.

Dear Ms. Bayó:

Enclosed is the original and fifteen (15) copies of the Prefiled Direct Testimony of Richard Warner (public version) and Melissa Cloz. Mr. Warner's testimony contains confidential information. Sprint has submitted an unredacted copy of his testimony under seal and under separate cover. Additionally, Sprint has submitted a Request for Confidential Classification for this document. Only the redacted public version of the Mr. Warner's testimony is included with this filing. The confidential version is being served on BellSouth. Service has been made pursuant to the attached service list.

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

Sincerely,

Susan Masterton

Susan Masterton

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Enclosures

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CERTIFICATE OF SERVICE

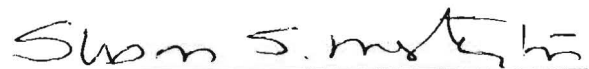
Docket No. 000636-TP

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by e-mail transmission, U. S. Mail, or hand delivery (*) this 8th day of September, 2000, to the following:

Mr. Timothy Vaccaro
Division of Legal Services
Florida Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Nancy B. White
c/o Nancy H. Sims
BellSouth Telecommunications
150 S. Monroe St., Suite 400
Tallahassee, FL 32301-1556

Michael P. Goggin
BellSouth Telecommunications, Inc.
150 West Flagler Street, Suite 1910
Miami, Florida 33130



Susan S. Masterton

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DOCKET NO.000636-TP**

3 **DIRECT TESTIMONY OF RICHARD A. WARNER**

4 **SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP**

5 **September 8, 2000**

6
7 **Q. PLEASE STATE YOUR NAME AND ADDRESS**

8
9 A. My name is Richard A. Warner. My business address is 555 Lake
10 Border Drive, Apopka, Florida.

11
12 **Q. BY WHOM ARE EMPLOYED AND IN WHAT CAPACITY?**

13
14 A. I am employed by Sprint Communications Company Limited
15 Partnership (Sprint) as Director – Operations.

16
17 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND**
18 **AND WORK EXPERIENCE.**

19
20 A. I have a Bachelor of Business Administration degree from the
21 University of Central Florida in Orlando, Florida. I have been
22 employed by Sprint for over 26 years and have been in my current
23 position since October 1997. I began my telecommunications career
24 in 1973 with Florida Telephone Corporation (Sprint) progressing

1 through technical and sales positions and then into management. From
2 1980 through 1990 I held a variety of service and business office
3 management positions until July 1990 when I became the North
4 Division Operations Manager for Sprint, located in Leesburg, Florida.
5 In this capacity, I was responsible for directing state-wide repair
6 service, a business office with 200 service representatives and two
7 service centers with 90 and 100 employees respectively. These
8 operations responded to billing inquiries and processed service
9 activation and repair requests for the North Division. In 1992 I
10 became the Manager-Quality Systems for Sprint, located in Altamonte
11 Springs, Florida. In this position I participated in the leadership of the
12 development and implementation of Sprint's Total Quality
13 Management program within Florida. In September 1993 I accepted
14 the position of Manager-Residential Market Support for Sprint in
15 Altamonte Springs, Florida. In this capacity I was responsible for
16 managing a team of technical professionals who maintained the
17 support systems for Sprint's Local Telecommunications Division's
18 residential customers. In September 1995 I accepted the position of
19 Operations Manager for Sprint Metropolitan Networks, Inc. (SMNI,
20 now Sprint Communications Company Limited Partnership). In this
21 position I directed the deployment of Sprint's ALEC network
22 infrastructure in Orlando and all aspects of operational and customer
23 support.

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Q. WHAT ARE YOUR PRESENT RESPONSIBILITIES?

A. My present responsibilities include the direction of the daily operations of Sprint's ALEC business in Orlando, Florida. I also partner with the marketing team to develop the market strategy and am responsible for the financial performance of the organization.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide input to the Florida Public Service Commission ("FPSC") that is relevant to its consideration of Sprint's Complaint against BellSouth in Docket No. 000636 . Specifically my testimony will provide additional information regarding Sprint's billing of BellSouth for reciprocal compensation and BellSouth's response and actions to those bills. I will also identify the amount Sprint has billed as well as the amount paid by BellSouth and my efforts to receive an explanation from BellSouth for the variance.

Q. HOW IS YOUR TESTIMONY STRUCTURED?

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A. I will address the first issue as identified in this proceeding.
Issue NO.1: Under their Florida Interconnection Agreement are Sprint Communications Company Limited Partnership and BellSouth Telecommunications, Inc. required to compensate each other for delivery of traffic to Internet Service Providers (ISPs)? If so, what actions, if any should be taken?

Q. WERE YOU PERSONALLY INVOLVED WITH THE BILLING OF BELLSOUTH FOR RECIPROCAL COMPENSATION?

A. Yes.

Q. WHEN DID BELLSOUTH FIRST BEGIN TO BILL SPRINT FOR TERMINATION OF SPRINT'S TRAFFIC?

A. BellSouth began to bill Sprint in January of 1998 and continues to bill Sprint for termination of Sprint's traffic.

Q. WHEN DID SPRINT BEGIN TO BILL BELLSOUTH AND HOW HAS SPRINT BILLED BELLSOUTH SINCE THEN?

1 A. Sprint sent its first bill to BellSouth on April 13, 1999. The invoice
2 included local interconnection usage from January 1998 through
3 December 1998. Sprint sent a second invoice on April 29, 1999
4 representing the time period of January 1999 through March 1999. Since
5 that date, Sprint has billed BellSouth monthly for each successive month
6 of local interconnection usage.

7

8 **Q. WHAT WAS THE AMOUNT OF THE FIRST INVOICE AND**
9 **WHAT WAS BELLSOUTH'S RESPONSE TO THE INVOICE?**

10

11 A. The April 13, 1999 invoice was for [REDACTED] BellSouth deducted
12 [REDACTED] for what it claimed was ISP usage and [REDACTED] for
13 incorrect rates. BellSouth paid [REDACTED].

14

15 **Q. WHAT REASON DID BELLSOUTH GIVE FOR NOT PAYING**
16 **THE INVOICE IN FULL?**

17

18 A. The June 30, 1999 letter from BellSouth (Attachment 1) indicated a
19 deduction for "ISP" usage with an assumption for how much of the traffic
20 was ISP related. The letter also indicated a difference of opinion
21 regarding the proper rates to be applied and indicated BellSouth would not
22 pay the amount owed for January 1998, citing a one-year statute of
23 limitation.

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Q. DID SPRINT CONCUR WITH BELLSOUTH'S APPROACH TO PAYING THE INVOICE?

A. Not entirely. Sprint agreed with BellSouth regarding the proper rates to charge and modified future bills to use the rates both Sprint and BellSouth agreed were the proper rates. Sprint did not agree with BellSouth that ISP usage was not subject to reciprocal compensation nor did Sprint agree with BellSouth's unilateral and arbitrary decision to not pay for what they determined was ISP usage. In addition, no "statute of limitation" for reciprocal compensation was ever discussed or agreed to by the parties.

Q. DID BELLSOUTH CITE ANY PROVISIONS OF THE SPRINT/BELLSOUTH INTERCONNECTION AGREEMENT AS THE BASIS FOR ITS ACTION TO WITHHOLD RECIPROCAL COMPENSATION PAYMENTS FOR THOSE CALLS IT DEEMED TO BE ISP-RELATED?

A. No.

Q. DID BELLSOUTH OFFER TO DISCUSS PAYMENT OF THE USAGE THEY DETERMINED WAS ISP USAGE?

1 A. No.

2

3 **Q. DID BELL SOUTH OFFER TO DISCUSS THEIR RATIONALE**
4 **FOR THEIR CALCULATION OF THE ISP USAGE?**

5

6 A. No. The original letter detailing their refusal to pay for what they
7 determined was ISP traffic simply included the name and telephone
8 number of an individual to contact for questions.

9

10 **Q. DID YOU CALL THE CONTACT AND IF SO, WHAT WAS THE**
11 **RESULT?**

12

13 A. Yes, shortly after receiving BellSouth's letter in June 1999, I called the
14 designated contact from the letter. She was unable to provide any
15 information other than stating: "This is our policy."

16

17 **Q. WHAT ACTION, IF ANY, DID YOU TAKE AT THIS POINT?**

18

19 A. I asked for the director in charge of interconnection billing. I was
20 provided with the name, Richard McIntire. I contacted Mr. McIntire and
21 he committed to providing me with information on how BellSouth
22 determines ISP usage.

23

1 **Q. DID MR. McINTIRE PROVIDE THE INFORMATION YOU**
2 **REQUESTED?**

3

4 **A. No.**

5

6 **Q. DID YOU FOLLOW-UP WITH MR. MCINTIRE?**

7

8 **A. Yes. I followed-up with Mr. McIntire after I did not receive the promised**
9 **information within a month. His response to my second call was that he**
10 **would get it to me within the month. When I did not receive it within**
11 **another month I called again. This time his response was that he had been**
12 **on vacation and he would get it to me the next month. When I did not get**
13 **the information after a few more months I called again left a message for**
14 **Mr. McIntire. He did not return my call.**

15

16 **Q. DID YOU EVENTUALLY RECEIVE THE INFORMATION**
17 **REGARDING HOW BELLSOUTH CALCUALTED ISP USAGE?**

18

19 **A. On June 19, 2000, after the complaint was filed with the Florida Public**
20 **Service Commission, we received the information.**

21

1 **Q. DOES THE BELLSOUTH PROPOSED FORMULA**
2 **DIFFERENTIATE BETWEEN ISP CALLS AND NON ISP CALLS**
3 **FROM A TECHNICAL PERSPECTIVE?**

4
5 **A. No. Under BellSouth's unilateral and arbitrary approach, which was not**
6 **contained in or referred to in the interconnection agreement, they purport**
7 **to identify ISP traffic solely based on the length of the call. Any call over**
8 **a designated length is automatically assumed to be an ISP call.**

9
10 **Q. FROM 1998 WHEN SPRINT BEGAN BILLING BELLSOUTH,**
11 **HOW MUCH HAS SPRINT BILLED BELLSOUTH FOR**
12 **INTERCONNECTION USAGE AND HOW MUCH HAS**
13 **BELLSOUTH PAID?**

14
15 **A. Through June of 2000, Sprint has billed BellSouth [REDACTED]. Of that**
16 **amount Sprint and BellSouth have agreed [REDACTED] was incorrectly**
17 **billed due to the incorrect rate being applied. (As discussed earlier, this**
18 **was discovered in June 1999 after the delivery of the first bill and has been**
19 **correct since.) BellSouth has refused to pay [REDACTED], classifying it**
20 **as ISP usage and has paid the remaining [REDACTED]. BellSouth has also**
21 **refused to pay [REDACTED] for delayed billing for services provided to**
22 **them by Sprint.**

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Q. HOW MUCH IS SPRINT OWED AS OF THE DATE OF THIS TESTIMONY?

A. Sprint is owed a total [REDACTED]. This amount will increase based on monthly billing for as long as BellSouth refuses to pay the total amount owed.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.