

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DIRECT TESTIMONY**

3 **OF**

4 **MICHAEL R. HUNSUCKER**

ORIGINAL

5
6
7 **Q. Please state your name, employer, current position and business address.**

8
9 A. My name is Michael R. Hunsucker. I am employed by Sprint/United
10 Management Company as Director-Regulatory Policy. My business address is
11 6360 Sprint Parkway, Overland Park, Kansas 66251.

12
13 **Q. Please describe your educational background and work experience.**

14
15 A. I received a Bachelor of Arts degree in Economics and Business Administration
16 from King College in 1979.

17
18 I began my career with Sprint in 1979 as a Staff Forecaster for Sprint/United
19 Telephone - Southeast Group in Bristol, Tennessee, and was responsible for the
20 preparation and analysis of access line and minute of use forecasts. While at
21 Southeast Group, I held various positions through 1985 primarily responsible for
22 the preparation and analysis of financial operations budgets, capital budgets and
23 Part 69 cost allocation studies. In 1985, I assumed the position of Manager - Cost

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1 Allocation Procedures for Sprint United Management Company and was
2 responsible for the preparation and analysis of Part 69 allocations including
3 systems support to the 17 states in which Sprint/United operated. In 1987, I
4 transferred back to Sprint/United Telephone - Southeast Group and assumed the
5 position of Separations Supervisor with responsibilities to direct all activities
6 associated with the jurisdictional allocations of costs as prescribed by the FCC
7 under Parts 36 and 69. In 1988 and 1991, respectively, I assumed the positions of
8 Manager - Access and Toll Services and General Manager - Access Services and
9 Jurisdictional Costs responsible for directing all regulatory activities associated
10 with interstate and intrastate access and toll services and the development of Part
11 36/69 cost studies including the provision of expert testimony as required.

12
13 In my current position as Director - Regulatory Policy for Sprint/United
14 Management Company, I am responsible for developing state and federal
15 regulatory policy and legislative policy for Sprint's Local Telecommunications
16 Division. Additionally, I am responsible for the coordination of regulatory/
17 legislative policies with other Sprint business units.

18
19 **Q. Have you previously testified before state regulatory commissions?**

20
21 **A.** Yes. I have previously testified before state regulatory commissions in South
22 Carolina, Florida, Illinois, Pennsylvania, Nebraska and North Carolina.

23
24 **Q. What is the purpose of your testimony?**

1 A. The purpose of my testimony is to provide input to the Florida Public Service
2 Commission ("FPSC") regarding Sprint's Petition for Arbitration of certain issues
3 that Sprint and BellSouth Telecommunications, Inc. ("BellSouth") discussed
4 during the course of negotiating a renewal of their Interconnection Agreement,
5 but were unable to resolve. I will present Sprint's position relative to the ILEC's
6 requirement to provision unbundled network element combinations and enhanced
7 extended loops (EELS) as identified by Issue 4 and Issue 6 in this proceeding.

8
9 **INTRODUCTION:**

10 **Q. Please provide an overview of all pertinent FCC and/or Court Orders that**
11 **provide the foundation or framework for the provisioning of unbundled**
12 **network element (UNE) combinations.**

13
14 A. In August 1996, the FCC issued its First Report and Order in Docket No. 96-98 in
15 which they addressed the provisioning of UNE combinations and promulgated rules
16 in Section 51.315. The following are the original rules as adopted by the FCC in
17 August 1996:

18
19 **51.315 Combination of unbundled network elements.**

20 (a) An incumbent LEC shall provide unbundled network elements in a manner
21 that allows requesting telecommunications carriers to combine such network
22 elements in order to provide a telecommunications service.

23 (b) Except upon request, an incumbent LEC shall not separate requested network
24 elements that the incumbent LEC currently combines.

1 (c) Upon request, an incumbent LEC shall perform the functions necessary to
2 combine unbundled network elements in any manner, even if those elements are
3 not ordinarily combined in the incumbent LEC's network, provided that such
4 combination is:

5 (1) technically feasible; and

6 (2) would not impair the ability of other carriers to obtain access to
7 unbundled network elements or to interconnect with the incumbent LEC's
8 network.

9 (d) Upon request, an incumbent LEC shall perform the functions necessary to
10 combine unbundled network elements with elements possessed by the requesting
11 telecommunications carrier in any technically feasible manner.

12 (e) An incumbent LEC that denies a request to combine elements pursuant to
13 paragraph (c)(1) or paragraph (d) of this section must prove to the state
14 commission that the requested combination is not technically feasible.

15 (f) An incumbent LEC that denies a request to combine elements pursuant to
16 paragraph (c)(2) of this section must prove to the state commission that the
17 requested combination would impair the ability of other carriers to obtain access
18 to unbundled network elements or to interconnect with the incumbent LEC's
19 network.

20
21 Subsequently, upon appeal, the Eighth Circuit Court vacated 51.315(b-f) on the
22 grounds that the rules were inconsistent with Section 251(c)(3) of the Telecom Act.
23

1 On January 25, 1999, the United States Supreme Court issued an order in which it
2 reversed the Eighth Circuit's opinion on 51.315(b). The Supreme Court stated that:

3 In the absence of Rule 315(b), however, incumbents could impose
4 wasteful costs on even those carriers who requested less than the whole
5 network. It is well within the bounds of the reasonable for the
6 Commission to opt in favor of ensuring against an anticompetitive
7 practice.

8 (FCC Rule 51.315(c)-(f) remain vacated following the 8th Circuit's decision in Iowa
9 Utilities Board. FCC, 219F.3d744 (Issued July 18th, 2000)).

10
11 **Issue 4: Pursuant to Federal Communications Commission ("FCC") Rule 51.315**
12 **(b), should BellSouth be required to provide Sprint at TELRIC rates combinations**
13 **of UNEs that BellSouth typically combines for its own retail customers, whether or**
14 **not the specific UNEs have already been combined for the specific end-user**
15 **customer in question at the time Sprint places the order?**

16
17 **Q. What UNE combinations should an ILEC be required to provide?**

18
19 **A.** FCC Rule 51.315(b) requires an ILEC to provide any UNE combination that the
20 ILEC "currently combines". UNE combinations can occur in many different
21 forms. Some carriers may want to combine loop and transport (commonly
22 referred to as enhanced extended loop or EELs), other carriers may want to
23 combine loop and port while providing their own transport (either through self-
24 provisioning or through a third party) while other carriers may want to combine

1 loop, port and transport. These examples are not intended to be all possible
2 combinations but represent a sampling of what carriers may request from an
3 ILEC.

4
5 The standard that the Commission should employ is one of comparability between
6 an ILEC retail product and the UNE combination requested by a particular carrier.
7 For example, ILECs utilize the loop, port and transport when provisioning basic
8 local service to end user customers, therefore, an ILEC should be required to
9 provide a UNE combination of loop, port and transport on a wholesale basis to
10 requesting carriers.

11
12 **Q. Should there be any limitations on the retail comparability standard that the**
13 **Commission should use?**

14
15 **A.** Yes. Consistent with FCC's rules the provisioning of UNE combinations should
16 be limited only by technical feasibility. In the short term, there may be technical
17 or operational concerns that prevent the fulfillment of a request by a
18 telecommunications carrier and the FCC has allowed for this in their definition of
19 technically feasible. However, the FCC does not allow the consideration of such
20 issues as economics, accounting or billing in making a technical feasibility
21 determination. Additionally, ILECs may not provide retail services ubiquitously
22 throughout their service territory. In this case, the provision of UNE

1 combinations consistent with the ILEC retail service would be limited to the
2 appropriate retail service territory.

3
4 **Q. What is the appropriate definition of “currently combines”?**

5
6 A. Generally, there have been two positions taken on the issue of “currently
7 combines”. First, most ILECs have argued that “currently combines” means
8 “actually combined” on a customer specific basis. In other words, the ILEC must
9 be providing existing service to the end user customer before an ALEC can
10 request a UNE combination to provide service to that particular end user. The
11 second position (and the one advocated by Sprint) is that “currently combines”
12 means “ordinarily combines”. For example, if an ILEC normally combines the
13 requested elements in the provision of a retail service to any customer (subject to
14 the technical limitations discussed above), then the ILEC should be required to
15 provision the requested UNE combination to the ALEC.

16
17 **Q. You state that Sprint believes that the appropriate definition of “currently**
18 **combines” is “ordinarily combines”. Please provide your rationale for why**
19 **this is the appropriate definition.**

20
21 A. Adoption of the “actually combined” definition is anti-competitive and imposes
22 wasteful costs on both ILECs and ALECs. This “actually combined” definition
23 requires that the ILEC must actually be providing service to the particular end

1 user customer at the time that the ALEC requests a UNE combination. This
2 means that the ILEC has the upper hand in a competitive sense in that the ILEC
3 does not have to compete for new customers (i.e., customers without existing
4 ILEC service) against an ALEC that enters the market via a UNE combination
5 strategy. It forces the ALEC to initially provide service to the end user via resale,
6 with the associated non-recurring charges. Nothing prevents the ALEC from
7 placing a UNE combination order the next day to convert the resale service to a
8 UNE combination. At this point, the ALEC will incur additional non-recurring
9 charges and the ILEC will be required to incur wasteful costs to convert the
10 service from resale to UNE combination. This is totally unproductive, wasteful
11 and not beneficial to consumers. The Supreme Court, in its review of the FCC
12 rules, indicated that a high priority should be placed on ensuring against
13 anticompetitive practices and the imposition of wasteful costs on carriers.

14
15 **Q. What action does Sprint request that the Commission take on this issue?**

16
17 A. Sprint requests that the Commission order BellSouth to provide UNE combinations to
18 Sprint that are “ordinarily combined” in BellSouth’s network for the provision of a
19 retail service to any customer, subject only to technical feasibility limitations.

20
21 **Issue 6: Should BellSouth be required to universally provide access to EELs that it**
22 **ordinarily and typically combines in its network at UNE rates?**

1 **Q. Please provide a definition and overview of EELs.**

2

3 A. An EEL is an enhanced extended loop, which is one form of an UNE
4 combination. The EEL is the combining of loop and transport. It allows an
5 ALEC to order loops from multiple ILEC wire centers and combine loops with
6 transport to deliver loops from multiple wire centers to a single (or more)
7 collocation site. This eliminates the need for multiple collocations with an ILEC.

8

9 **Q. What has the FCC said in regards to the provisioning of EELs by ILECs?**

10

11 A. The FCC addressed this issue in the Third Report and Order in Docket No. 96-98.

12 The FCC stated in paragraph 480 of the Order that:

13 To the extent an unbundled loop is in fact connected to
14 unbundled dedicated transport, the statute and our rule 51.315(b)
15 require the incumbent to provide such elements to requesting carriers
16 in combined form. They further state that, ... in specific
17 circumstances, the incumbent is presently obligated to provide access
18 to the EEL. In particular, the incumbent LECs may not separate loop
19 and transport elements that are currently combined and purchased
20 through the special access tariffs. Moreover, requesting carriers are
21 entitled to obtain such existing loop-transport combinations at
22 unbundled network element prices.

1 It is readily apparent that ILECs have the obligation to provision EELs at
2 this time. The FCC has been very clear in their decision on this issue.
3 ILECs should be required to provision EELs.

4

5 **Q. What action does Sprint request that the Commission take on this issue?**

6

7 A. Sprint requests that the Commission order BellSouth to universally provide access to
8 EELs that it ordinarily and typically combines in its network at UNE rates.

9

10 **Q. Does this conclude your direct testimony?**

11 A. Yes, it does.