

DOCKET NO. 950984-TP

ORIGINAL  
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DIRECT TESTIMONY OF DON PRICE

ON BEHALF OF

MCI METRO ACCESS TRANSMISSION SERVICES, INC.

November 13, 1995

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Don Price, and my business address is 701 Brazos,  
3 Suite 600, Austin, Texas, 78701.

4 Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

5 A. I am employed by MCI Telecommunications Corporation as  
6 Regional Manager, Local Competition Policy, Southern Region  
7 State Regulatory and Governmental Affairs.

8 Q. WHAT ARE YOUR PROFESSIONAL QUALIFICATIONS AND  
9 EXPERIENCE?

10 A. I have provided as Exhibit \_\_\_ (DGP-1) to this testimony a listing  
11 of my professional qualifications and experience.

12 Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE THIS  
13 COMMISSION?

14 A. Yes. Also, I have testified in a number of regulatory proceedings  
15 in various states in the BellSouth and Southwestern Bell regions.  
16 Included in Exhibit \_\_\_ (DGP-1) is a list of proceedings in which I  
17 have presented testimony.

18 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
19 PROCEEDING?

1 A. My testimony will provide an explanation of MCImetro's rationale  
2 in requesting that BellSouth provide it with unbundled loops and  
3 describe BellSouth's response to that request.

4 Q. WHO IS MCIMETRO ACCESS TRANSMISSION SERVICES, INC.?

5 A. MCImetro Access Transmission Services, Inc. ("MCImetro") is an  
6 wholly-owned indirect subsidiary of MCI Telecommunications  
7 Corporation, the certificated long distance provider. The creation  
8 of MCImetro was announced by MCI on January 4, 1994. That  
9 announcement stated that MCImetro was expected to invest \$2  
10 billion in fiber rings and local switching infrastructure in major U.S.  
11 metropolitan markets, and was the MCI subsidiary that will operate  
12 as a local telecommunications service provider.

13 The 1994 annual report to shareholders of MCI  
14 Communications Corporation stated that the planned capital  
15 expenditures for MCImetro for 1995 were \$500 million. Since its  
16 formation, MCImetro has obtained regulatory approval to provide  
17 competitive local exchange services in 13 states, and has pending  
18 applications for such authority in another 5 states.

19 On June 30, 1995, pursuant to s.364.337(6)(b), Florida  
20 Statutes, MCImetro provided notice to this Commission of its  
21 intent to provide alternative local exchange telecommunications  
22 services. On October 11, 1995, this Commission issued its Order  
23 No. PSC-95-1256-FOF-TX acknowledging MCImetro's intent to  
24 provide alternative local exchange services effective January 1,  
25 1996.

1 Q. WOULD YOU BRIEFLY SUMMARIZE THE NEGOTIATIONS THAT  
2 TOOK PLACE BETWEEN MCIMETRO AND BELLSOUTH?

3 A. Yes. On July 18, 1995, MCImetro and BellSouth met to initiate  
4 discussions on a variety of interconnection and unbundling issues.  
5 Subsequently, at least four other face-to-face meetings and several  
6 conference calls were held to explore whether agreement on these  
7 issues was possible. Some of these issues are still under  
8 discussion.

9 Q. IN MCIMETRO'S COMPLAINT, THE TERM "UNBUNDLED LOOP"  
10 IS USED. WHAT IS AN "UNBUNDLED LOOP"?

11 A. An unbundled loop involves those basic network elements which  
12 provide a connection between the end user's premises and the  
13 LEC's central office switch. The network elements involved would  
14 include the buried cable or aerial facility(ies) and the line card or  
15 other terminating device inside the LEC's central office which  
16 provides connectivity to the switch. These network elements are  
17 today available only on a "bundled" basis, combined with other  
18 network elements in various tariffed offerings to make "finished"  
19 or retail services for end users' use. It is not possible today to  
20 obtain these network elements on an "unbundled" basis -- that is,  
21 without also having to purchase other, perhaps unnecessary,  
22 network elements such as switching and transport. So what is  
23 meant by the term "unbundled loop" is simply the ability to obtain  
24 loop facilities and other related network elements (such as loop  
25 transport and loop concentration) for combination by MCImetro

1 with its own switching and other functions to provide a retail  
2 service. This is more completely described in the testimony of Dr.  
3 Nina Cornell.

4 Q. WHAT IS THE REASON THAT MCIMETRO DESIRES UNBUNDLED  
5 LOOPS?

6 A. The use of unbundled loops would permit the offering of  
7 competitive services where MCI metro does not have facilities.

8 Q. IS THAT SOUND PUBLIC POLICY?

9 A. Yes. Permitting MCI metro to use unbundled loops will more  
10 rapidly spread the benefits of competition to consumers because  
11 MCI metro, and other entrants using unbundled loops, would not be  
12 artificially constrained to offer services only where they have  
13 facilities in place.

14 This concept was endorsed by the Washington Utilities and  
15 Transportation Commission, who said in a recent Order that:

16 The record clearly establishes that unbundling of the local  
17 loop is essential to the rapid geographic dispersion of  
18 competitive benefits to consumers and is in the public  
19 interest. Unbundling allows customers greater opportunity  
20 to choose between a diversity of products, services, and  
21 companies. Unbundling also allows for efficient use of the  
22 public switched network, reduces the likelihood of  
23 inefficient network over-building, and ensures that  
24 competition is not held hostage by being bundled with  
25 bottleneck functions.

1 (Docket Nos. UT-941464 and UT-95-0146, Fourth Supplemental  
2 Order Rejecting Tariff Filings and Ordering Refiling; Granting  
3 Complaints, in Part, October 1995, at 50.)  
4 Q. WHEN DID MCIMETRO REQUEST THAT BELLSOUTH PROVIDE IT  
5 WITH UNBUNDLED LOOPS?  
6 A. MCImetro and BellSouth met in Atlanta on July 18, 1995. During  
7 that meeting, a request for unbundled loops was made.  
8 Subsequent meetings and conversations with BellSouth also  
9 discussed that request.  
10 Q. WHAT HAS BEEN BELLSOUTH'S RESPONSE TO MCIMETRO'S  
11 REQUEST?  
12 A. BellSouth has advised that MCImetro could utilize an existing  
13 tariffed offering from BellSouth's Access Service Tariff --  
14 specifically a Special Access Line -- to serve as an unbundled loop.  
15 A Special Access Line is, however, not acceptable, for the reasons  
16 set forth in the testimony of MCI witness Dr. Nina Cornell.  
17 Q. DOES THIS CONCLUDE YOUR TESTIMONY?  
18 A. Yes, it does.  
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## ACADEMIC AND PROFESSIONAL QUALIFICATIONS OF DON PRICE

### Academic Background:

My academic background is in the social sciences. I received my Bachelor of Arts degree in Sociology from the University of Texas at Arlington in May of 1977, and was awarded a Master of Arts degree in Sociology by the University of Texas at Arlington in December, 1978.

### Professional Qualifications:

From January, 1979 until October, 1983, I was employed by the Southwest telephone operating company of GTE where I held several positions of increasing responsibility in Economic Planning where I became acquainted with such local exchange telephone company functions as the workings and design of the local exchange network, the network planning process, the operation of a business office, and the design and operation of a large billing system.

From November 1983 until November 1986, I was employed by the Public Utility Commission of Texas (PUCT). I initially provided analysis and expert testimony on a variety of rate design issues including setting of rates for switched and special access services, MTS, WATS, EAS, and local exchange service. In 1986 I was promoted to Manager of Rates and Tariffs, and was directly responsible for staff

analyses of rate design and tariff issues in all telecommunications proceedings before the Texas Commission.

I have been with MCI for nearly nine years, all of which has been in the regulatory arena. In my present position, I have broad responsibilities in monitoring and participating in telephone-related state regulatory and legislative proceedings throughout the Southwestern Bell and BellSouth service areas, primarily focused on the policy issues surrounding local competition.

I have presented testimony before a number of state commissions, including the Public Service Commission of Arkansas, the Public Service Commission of Florida, the Kansas Corporation Commission, the Louisiana Public Service Commission, the Missouri Public Service Commission, the North Carolina Utilities Commission, the Corporation Commission of the State of Oklahoma, the Public Service Commission of South Carolina, the Public Service Commission of Tennessee , and the Public Utility Commission of Texas. A list of those proceedings in which I have furnished testimony is provided on the following pages.

**TESTIMONY PRESENTED BEFORE  
REGULATORY UTILITY COMMISSIONS**

Arkansas

Docket No. 91-051-U: IN RE IMPLEMENTATION OF TITLE IV OF THE AMERICANS WITH DISABILITIES ACT OF 1990

Docket No. 92-079-R: IN THE MATTER OF A PROCEEDING FOR THE DEVELOPMENT OF RULES AND POLICIES CONCERNING OPERATOR SERVICE PROVIDERS

Florida

Docket No. 941272-TL: IN RE: SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S PETITION FOR APPROVAL OF NUMBERING PLAN AREA RELIEF FOR 305 AREA CODE

Docket No. 950696-TP: IN RE: DETERMINATION OF FUNDING FOR UNIVERSAL SERVICE AND CARRIER OF LAST RESORT RESPONSIBILITIES.

Docket No. 950737-TP: IN RE: INVESTIGATION INTO TEMPORARY LOCAL TELEPHONE NUMBER PORTABILITY SOLUTION TO IMPLEMENT COMPETITION IN LOCAL EXCHANGE TELEPHONE MARKETS.

Kansas

Docket No. 190,492-U: IN THE MATTER OF A GENERAL INVESTIGATION INTO COMPETITION WITHIN THE TELECOMMUNICATIONS INDUSTRY IN THE STATE OF KANSAS

Louisiana

Docket No. U-17957: IN RE: INVESTIGATION OF OPERATING PRACTICES OF ALTERNATIVE OPERATOR SERVICES PROVIDERS TO INCLUDE RATES AND CHARGES

Docket No. U-19806: IN RE: PETITION OF AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC., FOR REDUCED REGULATION OF INTRA-STATE OPERATIONS

Docket No. U-20237: IN RE: OBJECTIONS TO THE FILING OF REDUCED WATS SAVER SERVICE RATES, INTRALATA, STATE OF LOUISIANA

Docket No. U-20710: IN RE: GENERIC HEARING TO CLARIFY THE PRICING/IMPUTATION STANDARD SET FORTH IN COMMISSION ORDER NO. U-17949-N ON A PROSPECTIVE BASIS ONLY, AS THE STANDARD RELATES TO LEC COMPETITIVE TOLL OFFERINGS

Missouri

Case No. TO-87-42: IN THE MATTER OF SOUTHWESTERN BELL TELEPHONE COMPANY FILING ACCESS SERVICES TARIFF REVISIONS AND WIDE AREA TELECOMMUNICATIONS SERVICE (WATS) TARIFF, INDEX, 6th REVISED SHEET, ORIGINAL SHEET 16.01

Case No. TO-95-289, et al: IN THE MATTER OF AN INVESTIGATION INTO THE EXHAUSTION OF TELEPHONE NUMBERS IN THE 314 NUMBERING PLAN AREA

North Carolina

Docket No. P-100, SUB 119: IN THE MATTER OF: ASSIGNMENT OF N11 DIALING CODES

Oklahoma

Consolidated Dockets PUD NO. 000237: IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AN ORDER APPROVING PROPOSED CHANGES AND ADDITIONS IN APPLICANTS' WIDE AREA TELECOMMUNICATIONS SERVICE PLAN TARIFF; and

PUD NO. 000254: IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AN ORDER APPROVING PROPOSED

**ADDITIONS AND CHANGES IN APPLICANTS' ACCESS SERVICE TARIFF AND  
WIDE AREA TELECOMMUNICATIONS SERVICE PLAN TARIFF**

**Consolidated Dockets PUD NO. 920001335: IN THE MATTER OF THE  
APPLICATION OF THE OKLAHOMA RURAL TELEPHONE COALITION, GTE  
SOUTHWEST, INC., ALLTEL OKLAHOMA, INC., AND OKLAHOMA ALLTEL,  
INC. FOR AN ORDER ADOPTING THE OKLAHOMA ALTERNATIVE SETTLE-  
MENT PLAN; and**

**PUD NO. 920001213: IN THE MATTER OF THE APPLICATION OF SOUTH-  
WESTERN BELL TELEPHONE COMPANY FOR AN ORDER IMPLEMENTING  
TERMINATING ACCESS CHARGES IN LIEU OF INTRALATA TOLL AND  
SURCHARGE POOLS; and**

**PUD NO. 940000051: IN RE: INQUIRY OF THE OKLAHOMA CORPORATION  
COMMISSION REGARDING WHETHER THE INTRALATA TOLL POOL AND SUR-  
CHARGE POOL SHOULD CONTINUE TO EXIST IN THE STATE OF OKLAHOMA**

**South Carolina**

**Docket No. 92-606-C: IN RE: GENERIC PROCEEDING TO REVIEW THE USE OF  
N11 SERVICE CODES**

**Tennessee**

**Docket No. 93-07799: IN RE: SHOW CAUSE PROCEEDING AGAINST CERTIFIED  
IXCS AND LECS TO PROVIDE TOLL FREE, COUNTY-WIDE CALLING**

**Docket No. 94-00184: INQUIRY FOR TELECOMMUNICATIONS RULE-MAKING  
REGARDING COMPETITION IN THE LOCAL EXCHANGE**

**Docket No. 93-08793: IN RE: APPLICATION OF MCI METRO ACCESS TRANS-  
MISSION SERVICES, INC. FOR AUTHORITY TO OFFER LOCAL EXCHANGE  
SERVICES WITHIN TENNESSEE**

**Docket No. 95-02499: UNIVERSAL SERVICE PROCEEDING, PART 1 -- COST OF  
UNIVERSAL SERVICE AND CURRENT SOURCES OF UNIVERSAL SERVICE  
SUPPORT, AND PART 2 -- ALTERNATIVE UNIVERSAL SERVICE SUPPORT  
MECHANISMS**

Texas

- Docket 4992: APPLICATION OF GENERAL TELEPHONE COMPANY OF THE SOUTHWEST FOR A RATE/TARIFF REVISION
- Docket 5113: PETITION OF PUBLIC UTILITY COMMISSION FOR AN INQUIRY CONCERNING THE EFFECTS OF THE MODIFIED FINAL JUDGMENT AND THE ACCESS CHARGE ORDER UPON SW BELL AND THE INDEPENDENT TELEPHONE COMPANIES OF TEXAS (Phase II)
- Docket 5610: APPLICATION OF GENERAL TELEPHONE COMPANY OF THE SOUTHWEST FOR A RATE INCREASE
- Docket 5800: APPLICATION OF AT&T COMMUNICATIONS FOR AUTHORITY TO IMPLEMENT "REACH OUT TEXAS"
- Docket 5898: APPLICATION OF SAN ANGELO FOR REMOVAL OF THE EXTENDED AREA SERVICE CHARGE FROM GENERAL TELEPHONE COMPANY OF THE SOUTHWEST'S RATES IN SAN ANGELO, TEXAS
- Docket 5926: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY TO ESTABLISH FEATURE GROUP "E" (FGE) ACCESS SERVICE FOR RADIO AND CELLULAR COMMON CARRIERS
- Docket 5954: INQUIRY OF THE PUBLIC UTILITY COMMISSION OF TEXAS INTO OFFERING EXTENDED AREA SERVICE IN THE CITY OF ROCKWALL
- Docket 6095: APPLICATION OF AT&T COMMUNICATION FOR A RATE INCREASE
- Docket 6200: PETITION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AUTHORITY TO CHANGE RATES
- Docket 6264: PETITION OF THE GENERAL COUNSEL FOR INITIATION OF AN EVIDENTIARY PROCEEDING TO ESTABLISH TELECOMMUNICATIONS SUBMARKETS
- Docket 6501: APPLICATION OF VALLEY VIEW TELEPHONE COMPANY FOR AN AMENDMENT TO CERTIFICATE OF CONVENIENCE AND NECESSITY

Docket 6635: APPLICATION OF MUSTANG TELEPHONE COMPANY FOR  
AUTHORITY TO CHANGE RATES

Docket 6740: APPLICATION OF SOUTHWEST TEXAS TELEPHONE COMPANY  
FOR RATE INCREASE

Docket 6935: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY  
TO INTRODUCE MICROLINK II - PACKET SWITCHING DIGITAL SERVICE

Docket 8730: INQUIRY OF THE GENERAL COUNSEL INTO THE MEET-POINT  
BILLING PRACTICES OF GTE SOUTHWEST, INC.

Docket 8218: INQUIRY OF THE GENERAL COUNSEL INTO THE WATS PRORATE  
CREDIT

Docket 8585: INQUIRY OF THE GENERAL COUNSEL INTO THE REASONABLE-  
NESS OF THE RATES AND SERVICES OF SOUTHWESTERN BELL TELEPHONE  
COMPANY

Docket 10127: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY  
TO REVISE SECTION 2 OF ITS INTRASTATE ACCESS SERVICE TARIFF

Docket 11441: PETITIONS OF INFODIAL, INC., AND OTHERS FOR ASSIGNMENT  
OF ABBREVIATED N11 DIALING CODES

Docket 11840: JOINT PETITION OF SOUTHWESTERN BELL TELEPHONE  
COMPANY AND GTE SOUTHWEST, INC. TO PROVIDE EXTENDED AREA  
SERVICE TO CERTAIN COMMUNITIES IN THE LOWER RIO GRANDE VALLEY

Docket 14447: PETITION OF MCI TELECOMMUNICATIONS CORPORATION FOR  
AN INVESTIGATION OF THE PRACTICES OF SOUTHWESTERN BELL  
TELEPHONE COMPANY REGARDING THE EXHAUSTION OF TELEPHONE  
NUMBERS IN THE 214 NUMBERING PLAN AREA AND REQUEST FOR A CEASE  
AND DESIST ORDER AGAINST SOUTHWESTERN BELL TELEPHONE COMPANY