



ORIGINAL

Florida Cable Telecommunications Association

Steve Wilkerson, President

**VIA HAND DELIVERY**

March 25, 2002

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

**RE: Docket No. 000075-TP**

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and 15 copies of the Florida Cable Telecommunications Association's Rebuttal Testimony of William J. Barta.

Copies of the Rebuttal Testimony have been served on the parties of record pursuant to the attached certificate of service. Please acknowledge receipt of filing of the above by stamping the duplicate copy of this letter and returning the same to me.

Thank you for your assistance in processing this filing. Please contact me with any questions.

Sincerely,

Michael A. Gross  
Vice President, Regulatory Affairs &  
Regulatory Counsel

MAG/mj

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Enclosure

cc: All Parties of Record

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Florida Cable Telecommunications Association's Rebuttal Testimony of William J. Barta in Docket 000075-TP has been furnished by U.S. Mail delivery this 25<sup>th</sup> day of March, 2002:

ALLTEL

Stephen Refsell/Bettye Willis  
One Allied Drive  
Little Rock, AR 72203-2177

AT&T Communications  
Virginia C. Tate  
1200 Peachtree St.,  
Suite 8100  
Atlanta, GA 30309

Ausley Law Firm  
Jeffry Wahlen  
P.O. Box 391  
Tallahassee, FL 32302

Broadband Office Communications, Inc.  
Julian Chang  
951 Mariner's Island Blvd, Suite 700  
San Mateo, CA 94404-3238

Kimberly Caswell, Esquire  
Verizon Select Services, Inc.  
P.O. Box 110, FLTC0007  
Tampa, FL 33601

Peter M. Dunbar, Esquire  
Marc W. Dunbar, Esquire  
Pennington, Moore, Wilkinson, Bell &  
Dunbar, P.A.  
P.O. Box 10095  
Tallahassee, FL 32302-2095

Carolyn Marek  
Vice President of Regulatory Affairs  
Southeast Region  
Time Warner Communications  
233 Bramerton Court

Franklin, Tennessee 37069

Kenneth A. Hoffman  
Rutledge, Ecenia, Underwood,  
Purnell & Hoffman, P.A.  
P.O. Box 551  
Tallahassee, FL 32302-0551

Messer Law Firm  
Norman Horton, Jr.  
215 S. Monroe Street, Suite 701  
Tallahassee, FL 32301

Nancy H. Sims  
BellSouth Telecommunications, Inc.  
150 S. Monroe Street, Suite 400  
Tallahassee, FL 32301-1556

Marsha Rule  
AT&T Communications of the Southern  
States, Inc.  
101 N. Monroe St., Suite 700  
Tallahassee, FL 32301-1549

Donna Canzano McNulty  
MCI WorldCom  
325 John Knox Road, Suite 105  
Tallahassee, FL 32301

Intermedia Communications, Inc.  
c/o Kelley Law Firm  
Jonathan Canis  
1200 19<sup>th</sup> Street NW, Fifth Floor  
Washington, DC 20036

Nanette Edwards  
ITC DeltaCom  
4092 S. Memorial Parkway  
Huntsville, Alabama 35802

Supra Telecom  
Doris Franklin/Mark Buechele  
1311 Executive Center Drive, Suite 200  
Tallahassee, FL 32301

US LEC of Florida, Inc.  
Wanda Montano  
401 N. Tryon Street, Suite 1000  
Charlotte, NC 28202

Wiggins Law Firm  
Charlie Pellegrini/Patrick Wiggins  
P.O. Drawer 1657  
Tallahassee, FL 32302

e.spire Communications, Inc.  
James C. Falvey, Esq.  
133 National Business Parkway, Suite  
200  
Annapolis Junction, MD 20701

Global NAPS, Inc.  
10 Merrymount Road  
Quincy, MA 02169

Moyle Law Firm  
Jon Moyle/Cathy Sellers  
The Perkins House  
118 North Gadsden Street  
Tallahassee, FL 32301

Sprint-Florida, Inc.  
Charles J. Rehwinkel/Susan Masterton  
P.O. Box 2214  
MS: FLTLH00107  
Tallahassee, FL 32316-2214

Mr. Woody/Traylor  
Broadband Office  
Communications, Inc.  
2900 Telestar Court  
Falls Church, VA 22042-1206

Jill Butler  
Cox Communications

4585 Village Avenue  
Norfolk, VA 23502-2035

Felicia Banks, Staff Counsel  
FPSC  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399-0850

Charles Hudak  
Ronald V. Jackson  
Gerry Law Firm  
3 Ravinia Dr., #1450  
Atlanta, GA 30346-2131

Scott Sapperstein  
Intermedia Communications, Inc.  
3625 Queen Palm Drive  
Tampa, FL 33619-1309

Genevieve Morelli  
Kelley Law Firm  
1200 19<sup>th</sup> St., NW, Suite 500  
Washington, DC 20036

Scheffel Wright  
Landers Law Firm  
P.O. Box 271  
Tallahassee, FL 32302

John McLaughlin  
KMC Telecom, Inc.  
1755 North Brown Road  
Lawrenceville, GA 33096

Michael R. Romano  
Level 3 Communications, LLC  
1025 Eldorado Blvd  
Bloomfield, CO 80021-8869

Dana Shaffer  
XO Communications, Inc.  
105 Molly Street  
Suite 300  
Nashville, TN 37201-2315

FCCA  
McWhirter Law Firm  
Joseph McGlothlin/Vicki Kaufman  
117 S. Gadsden St.  
Tallahassee, FL 32301

Florida Digital Network, Inc.  
Matthew Feil  
390 N. Orange Avenue, Suite 2000  
Orlando, FL 32801-1640

Focal Communications Corp. of FL  
Paul Rebey  
200 N. LaSalle St., Suite 1100  
Chicago, IL 60601-1914

Gerry Law Firm  
Charles Hudak/Ronald V. Jackson  
3 Ravinia Dr., #1450  
Atlanta, GA 30346-9500

Hopping Law Firm  
Richard Melson  
P.O. Box 6526  
Tallahassee, FL 32314

Landers Law Firm  
Scheffel Wright  
P.O. Box 271  
Tallahassee, FL 32302

MediaOne  
101 N. Monroe Street, Suite 700  
Tallahassee, FL 32301

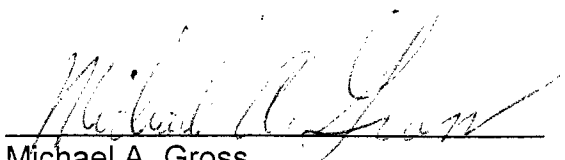
Northeast Florida Telephone Company  
Jim Boykin  
P.O. Box 544  
Macclenny, FL 2063-0544

Orlando Telephone Company  
Herb Bornack  
4558 SW 35<sup>th</sup> Street,  
Suite 100  
Orlando, FL 32811-6541

MCI WorldCom, Inc.  
Brian Sulmonetti  
Concourse Corporate Center Six  
Six Concourse Parkway, Suite 3200  
Atlanta, GA 30328

Rutledge Law Firm  
Ken Hoffman  
P.O. Box 551  
Tallahassee, FL 32302-0551

TCG South Florida  
Lisa Riley  
1200 Peachtree Street, NE, Suite 8066  
Atlanta, GA 30309-3523

  
Michael A. Gross

1                                   **BEFORE THE**  
2                                   **FLORIDA PUBLIC SERVICE COMMISSION**  
3                                   **TALLAHASSEE, FLORIDA**  
4                                   **REBUTTAL TESTIMONY OF**  
5                                   **WILLIAM J. BARTA**  
6                                   **MARCH 25, 2002**  
7                                   **DOCKET NO. 000075-TP**  
8

9   **Q.     Please state your name and business address.**

10 A.    My name is William Barta, and my business address is 7170 Meadow Brook Court,  
11       Cumming, Georgia 30040.  
12

13 **Q.     Have you previously submitted testimony in this proceeding?**

14 A.    Yes. I submitted direct testimony in this docket on March 1, 2002.  
15

16 **Q.     On whose behalf are you testifying in this proceeding?**

17 A.    I am testifying on behalf of the Florida Cable Telecommunications Association ("the  
18       FCTA").  
19

20 **Q.     What is the purpose of your testimony?**

21 A.    The purpose of my rebuttal testimony is to respond to the comments regarding Issue No.  
22       17 that are presented in the direct testimony of the witnesses testifying on behalf of the  
23       incumbent local exchange carriers ("ILECs").  
24

1 **Q. What concern does the Commission seek to address in Issue No. 17?**

2 A. The Commission is seeking to establish the most appropriate compensation mechanism to  
3 govern the transport and delivery of traffic subject to Section 251 of the  
4 Telecommunications Act of 1996 ("the 1996 Act") in the event carriers cannot  
5 successfully negotiate an agreement.  
6

7 **Q. What recommendation did you make to the Commission in your direct testimony?**

8 A. In my direct testimony, I noted that the Federal Communications Commission ("the  
9 FCC") had released its Order on Remand and Report and Order ("ISP Remand Order) on  
10 April 27, 2001. In the ISP Remand Order, the FCC asserted its jurisdiction over ISP-  
11 bound traffic by declaring such traffic to be interstate information access traffic under  
12 Section 251(g). I concluded that the ISP Remand Order, although currently on appeal at  
13 the U.S. District Court for the District of Columbia, relieves the Florida Public Service  
14 Commission of the need to address the issue of the appropriate compensation mechanism  
15 for ISP-bound traffic at this time.  
16

17 I recommended – and continue to recommend -- that the Commission should require, as a  
18 default arrangement, a reciprocal compensation mechanism be used to govern intercarrier  
19 compensation of the local exchange traffic that remains under its jurisdiction. The  
20 reciprocal compensation arrangement should be based upon symmetrical rates that reflect  
21 the incumbent local exchange carriers' Total Element Long Run Incremental Costs  
22 ("TELRIC") as approved by the Commission.  
23

24 **Q. What is your understanding of the recommendations that the ILEC witnesses have**

1 **presented to the Commission with respect to Issue No. 17?**

2 A. The BellSouth and Verizon witnesses favor implementation of a bill and keep default  
3 mechanism for the exchange of non-ISP bound local traffic. The witnesses also reference  
4 the uniform intercarrier compensation Notice of Proposed Rulemaking that has been  
5 initiated by the FCC. Verizon's witness, Dennis B. Trimble, recommends: "To avoid  
6 potentially conflicting rulings and subsequent revisions to the state scheme, Verizon has  
7 recommended that the Commission retain the record in this case, but defer any ruling  
8 until the FCC rules" (Direct Testimony, March 1, 2002, page 30).  
9 Elizabeth R. A. Shiroishi, on behalf of BellSouth, states "While this Notice by the FCC  
10 seeks comments beyond the scope of this issue (i.e. bill-and-keep for local usage  
11 elements), the outcome of such proceeding will address this issue" (Direct Testimony,  
12 March 1, 2002, page 11).

13  
14 Sprint states that it has already opted-in to the FCC's interim compensation regime for the  
15 delivery and termination of ISP-bound traffic. As a result of its decision, the company  
16 must agree to exchange all other local traffic (i.e. non-ISP- bound traffic) at the same  
17 rates (Additional Direct Testimony of Michael R. Hunsucker, March 1, 2002, page 9).

18  
19 **Q. Do you agree with the position of the ILECs that the on-going FCC proceeding may**  
20 **resolve some of the concerns that the Commission seeks to address in this docket?**

21 A. Yes. The Commission could require that a reciprocal compensation arrangement, as a  
22 default mechanism, be implemented at this time. However, it would be understandable if  
23 the Commission elected to await the outcome of the rulemaking at the federal level before  
24 establishing a default mechanism. Additionally, I agree with Sprint in the case where an

1 ILEC has adopted the FCC's interim compensation mechanism for ISP traffic. If an  
2 ILEC has opted-in to the FCC's interim compensation mechanism, then a reciprocal  
3 compensation mechanism will apply to rest of the local traffic by default. Therefore, the  
4 need for a default billing mechanism in this docket is moot.

5  
6 **Q. What are some of the shortcomings that the Commission should keep in mind when**  
7 **deliberating whether to establish a bill and keep arrangement as the default**  
8 **compensation mechanism for the local traffic that remains under its jurisdiction?**

9 A. First, the negotiation process may be compromised given that the ILECs will have no  
10 incentive at all to negotiate any reciprocal compensation for local traffic if the default  
11 mechanism (i.e. bill and keep) is already their preferred mechanism.

12  
13 Second, complex regulatory and market issues must be addressed as part of the process to  
14 implement a bill and keep arrangement. A properly structured bill and keep mechanism  
15 must ensure that alternative carriers are not penalized because they cannot readily attain  
16 the economies of scale and scope, and the diversity in customer base, that the incumbent  
17 local exchange carriers have long enjoyed. If the FPSC desires to use bill and keep as a  
18 default mechanism, then the Commission should initiate a separate proceeding in order to  
19 craft an equitable bill and keep arrangement that seeks to balance the interests of the  
20 dominant carriers (i.e. the ILECs) and the new market entrants.

21  
22 **Q. Does this conclude your testimony?**

23 A. Yes.  
24  
25