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REBUTTAL TESTIMONY OF DON PRICE

3 ON BEHALF OF

4 MCI METRO ACCESS TRANSMISSION SERVICES, INC.

5 December 12, 1995

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7 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

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

10 Q. ARE YOU THE SAME DON PRICE WHO PREVIOUSLY FILED
11 TESTIMONY IN THIS PROCEEDING?

12 A. Yes, I am.

13 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

14 A. My testimony is in response to the testimony filed by Mr. Robert
15 C. Scheye.

16 Q. BASED ON MR. SCHEYE'S TESTIMONY, DOES IT APPEAR THAT
17 BELL SOUTH INTENDS TO RECOGNIZE ALECS AS CO-EQUAL
18 CARRIERS IN A "NETWORK OF NETWORK" ENVIRONMENT?

19 A. No. Throughout Mr. Scheye's testimony, he indicates his view
20 that BellSouth's role is to be a "provider" of services to ALEC
21 "customers" and that BellSouth should be permitted to unilaterally
22 decide what it should and should not offer to ALECs. By virtue of
23 the enormous market power BellSouth possesses, such a view is
24 of serious concern to MCI metro because it indicates that BellSouth
25 intends to use its market power against MCI metro and other ALECs

1 to obtain an artificial competitive advantage, notwithstanding the
2 statutory directive to this Commission to prevent anticompetitive
3 behavior.

4 Q. AT PAGE 13 OF MR. SCHEYE'S TESTIMONY, HE DISCUSSES
5 WHAT HE CALLS "AN INTERMEDIARY FUNCTION." TO WHAT IS
6 HE REFERRING?

7 A. Mr. Scheye's reference is to a situation where traffic needs to flow
8 between two carriers that both interconnect with BellSouth but not
9 with each other. Mr. Scheye argues that BellSouth should not be
10 obligated to allow the carriers to interconnect through its network.
11 By virtue of BellSouth's historical position as the monopoly local
12 service provider, however, it is uniquely positioned to provide this
13 function, because it is interconnected with all carriers who provide
14 telecommunications services in its service territory: LECs serving
15 nearby territories, cellular carriers, and interexchange carriers.

16 Q. DO YOU AGREE WITH MR. SCHEYE THAT BELL SOUTH SHOULD
17 BE EXCUSED FOR ANY RESPONSIBILITY FOR SUCH TRAFFIC?

18 A. No. It is interesting that there is no good reason provided by Mr.
19 Scheye in support of his position. Mr. Scheye states (page 13)
20 that his objection to the use of BellSouth's facilities in this manner
21 is because no BellSouth customer is involved. However, Mr.
22 Scheye overlooks the fact that in the switched access
23 environment, interexchange traffic is frequently passed between
24 Bell's tandem and independent LECs' end offices where no
25 BellSouth customer is involved. There is no merit to Mr. Scheye's

1 objection.

2 If Mr. Schey's position were adopted by the Commission,
3 BellSouth would be able to require, at its discretion, that all carriers
4 in a particular territory directly connect with each ALEC in that
5 area, thereby unnecessarily driving up the carriers' and ALECs'
6 operating costs. Such a result would be inconsistent with the
7 statutory objective of providing for the development of fair and
8 effective competition, and Mr. Schey's position should therefore
9 be rejected.

10 Q. MR. SCHEY DISCUSSES AT PAGES 15-16 THE TECHNICAL
11 ARRANGEMENTS FOR 911 INTERCONNECTION AND THE
12 PROCEDURES FOR EXCHANGE AND UPDATE OF ALEC
13 CUSTOMER DATA. WHAT IS YOUR RESPONSE TO HIS
14 RECOMMENDATION?

15 A. At page 15 of his testimony, Mr. Schey discusses the procedures
16 that he believes must be in place to handle the exchange and
17 update of ALEC customer data for use in providing 911 service.
18 His testimony does not, however, tell the Commission whether
19 BellSouth intends to provide ALECs with mechanized access to the
20 "master street address guide" and other databases to which access
21 is needed if high-quality 911 service is to be provided.

22 Mr. Schey's testimony also fails to address whether, or if
23 so, how, Bell intends to notify ALECs of any testing or
24 maintenance of the 911 network or any outages that may occur.
25 Such notification is critical if ALECs are to be able to respond

1 appropriately. BellSouth should be required to provide the ALECs
2 with advance notification of any scheduled outage on or
3 maintenance of the 911 network, and to furnish immediate
4 notification of any unscheduled outage of the 911 network.

5 Q. WHAT IS YOUR RESPONSE TO MR. SCHEYE'S DISCUSSION OF
6 THE TECHNICAL AND FINANCIAL ARRANGEMENTS FOR THE
7 PROVISION OF OPERATOR TRAFFIC?

8 A. Mr. Scheye states at pp. 16-17 that ALECs should obtain busy line
9 verification and emergency interrupt pursuant to Bell's Access
10 Service Tariff. Bell should be required to provide such functions to
11 ALECs at the same rates, terms, and conditions that the functions
12 are made available to other LECs, whether other LECs obtain these
13 functions by contract or tariff.

14 Q. THE ISSUE OF DIRECTORY ASSISTANCE TRAFFIC IS DISCUSSED
15 BY MR. SCHEYE AT PAGES 17-18. WITH WHICH PART OF HIS
16 RECOMMENDATION DO YOU DISAGREE?

17 A. I disagree with Mr. Scheye's conclusion that ALECs should be
18 responsible for any "additional costs" that might be incurred to
19 store ALEC customer listings in the database. Mr. Scheye
20 conveniently overlooks the fact that BellSouth will generate
21 revenue when it responds to end users' directory assistance
22 requests for the ALECs' customer listings.

23 Regarding use of Bell's directory assistance database, Mr.
24 Scheye's testimony fails to address MCImetro's request that it be
25 permitted an interface to Bell's directory assistance database for

1 use in providing its own directory assistance service to end users.
2 Bell should be required to make available such an interface upon
3 request.

4 Q. WHAT IS MR. SCHEYE'S POSITION ON APPROPRIATE
5 ARRANGEMENTS FOR PHYSICAL INTERCONNECTION OF LEC
6 AND ALEC NETWORKS?

7 A. Mr. Scheye's testimony (page 23) again underscores BellSouth's
8 view that it should be permitted to unilaterally decide what
9 arrangements ALECs require for interconnection. Mr. Scheye's
10 statement that the "only technically feasible arrangement" is
11 interconnection at either the tandem or the end office
12 demonstrates a startling myopia, because Bell frequently
13 interconnects with independent LECs on a "mid-span" basis. The
14 fact of such interconnection means that it is "technically feasible."
15 Furthermore, the fact that Bell would seek to deny to ALECs a form
16 of interconnection that is used to connect with other incumbent
17 LECs again demonstrates Bell's incentive and ability to use its
18 market power to drive up ALECs' costs to its own competitive
19 advantage.

20 Q. DOES MR. SCHEYE RESPOND TO THE MCIMETRO ISSUE OF
21 FINANCIAL ARRANGEMENTS FOR TERMINATING ACCESS
22 CHARGES TO A TELEPHONE NUMBER WHICH HAS BEEN PORTED
23 TO AN ALEC USING INTERIM NUMBER PORTABILITY
24 MECHANISMS?

25 A. No. Mr. Scheye's testimony merely states (page 24) that:

1 ...BellSouth would bill its switched access rate elements to
2 the interexchange carrier and would anticipate that ALECs
3 would do likewise.

4 There is nothing in Mr. Scheye's testimony that even attempts to
5 refute my statement that Bell has no basis to claim any terminating
6 access revenues to a number that has been "ported" to MCImetro
7 using RCF.

8 Q. WHAT IS MR. SCHEYE'S POSITION REGARDING ARRANGEMENTS
9 FOR OTHER OPERATIONAL ISSUES?

10 A. Mr. Scheye only states (page 24) that the parties should be able to
11 negotiate resolution of operational issues such as handling of repair
12 calls, white pages directory information pages, and order
13 processing. This position completely overlooks the fact that "the
14 parties" bring to the bargaining table an overwhelming imbalance
15 of bargaining power. The fact is that Bell possesses massive
16 market power that it has both the ability and incentive to use to its
17 competitive advantage. Because of this imbalance, negotiations
18 cannot yield results that are socially optimal.

19 It appears that the objective of Mr. Scheye's testimony is to
20 postpone the Commission's consideration of this issue. Therefore,
21 I would reiterate my original recommendation that Bell be required
22 to develop mechanized systems for ordering such functions as
23 unbundled loops, interoffice facilities, interim number portability
24 mechanisms, and customer listing databases, to name some
25 examples. Furthermore such mechanized systems should be

1 developed as soon as possible but in any even within one year.

2 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

3 A. Yes, it does.

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