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

Re: Docket No. 971140-TL

Dear Ms. Bayó:

Enclosed herein for filing on behalf of MCI
Telecommunications Corporation are the original and 15 copies of
MCI's Prefiled Direct Testimony of Chip Parker and Tom Hyde.

By copy of this letter these documents have been provided to
the parties on the attached service list.

Very truly yours,

Richard D. Melson

- ACK _____
- AFA 1 _____
- APP _____
- CAF _____
- EMU Jawana _____
- CTR _____
- EAG _____
- LEG 1 _____
- LIN 5/10/98 _____
- OPC _____
- RAT _____
- SEC 1 _____ 104888.1
- WAS _____
- YTH _____

RDM/clp
Enclosures
cc: Per Certificate of Service

Parker 01553-98
Hyde 01554-98

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by hand delivery this 29th day of January, 1998.

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FL Public Service Commission
Gerald L. Gunter Building
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Tallahassee, FL 32399-0850

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MCI TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF CHIP PARKER
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 971140-TP
JANUARY 29, 1998

I. Qualifications

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND EMPLOYMENT.

A. My name is Chip Parker. I am employed by MCI Telecommunications Corporation (“MCI”). My business address is: MCI Telecommunications Corporation, 2520 Northwinds Parkway, 5th Floor, Alpharetta, GA 30004.

Q. PLEASE STATE YOUR BACKGROUND AND QUALIFICATIONS.

A. I hold a bachelor’s degree in economics and a juris doctorate from Mercer University. I am admitted to practice law in the state of Georgia. I have worked with MCI for three years. I began with MCI supporting the MCI State Government and University Market group. I currently work with MCI Southern Financial Operations supporting interconnection efforts with BellSouth.

II. Purpose of Testimony

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to explain how the MCI/BellSouth Interconnection Agreement (“the Agreement”) directly, expressly, and unambiguously decides most of the

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1 issues in this case. The Agreement specifically gives MCI the right to order UNE
2 combinations and specifically obligates BellSouth to provide such combinations. The
3 Agreement prohibits BellSouth from disconnecting elements ordered in combination and
4 prohibits BellSouth from charging a glue charge for combining elements. The Agreement
5 specifies how the prices for combinations of UNEs are determined – the price for UNE
6 combinations is the price of the individual UNEs minus duplicate charges and charges for
7 service not needed. The Agreement makes no distinction between different types of
8 combinations for purposes of this pricing. Finally, the Agreement specifically requires
9 BellSouth to provide usage data to MCI.

10
11 **III. MCI/BellSouth Interconnection Agreement**

12
13 **Q. DOES THE AGREEMENT REQUIRE BELLSOUTH TO PROVIDE UNE**
14 **COMBINATIONS TO MCI?**

15 **A. Yes. Section 2.4 of Attachment III of the MCI/BellSouth Interconnection Agreement**
16 **clearly states that:**

17 BellSouth shall offer each Network Element individually and in
18 combination with any other Network Element or Network Elements in
19 order to permit MCI to provide Telecommunications Services to its
20 subscribers.

21 Section 2.2.15.1 of Attachment VIII provides:

22 MCI may order and BellSouth shall provision unbundled Network
23 Elements either individually or in any combination on a single form.

24 Network Elements ordered as combined shall be provisioned as combined
25 by BellSouth unless MCI specifies that the Network Elements ordered in

1 combination be provisioned separately.

2 **Q. DOES THE AGREEMENT PERMIT BELLSOUTH TO DISCONNECT**
3 **CURRENTLY COMBINED ELEMENTS WHEN MCI ORDERS THOSE**
4 **ELEMENTS IN COMBINATION?**

5 A. No. Section 2.2.15.3 of Attachment VIII provides:

6 When MCI orders Network Elements or Combinations that are currently
7 interconnected and functional, Network Elements and Combinations shall
8 remain connected and functional without any disconnection or disruption
9 of functionality.

10 The Agreement clearly recognizes that MCI may migrate existing BellSouth customers
11 to MCI to be served through unbundled Network Elements reusing existing BellSouth
12 facilities. Section 2.2.2.3 of Attachment VIII.

13

14 **Q. BUT DOESN'T THE EIGHTH CIRCUIT'S DECISION SAY THAT**
15 **BELLSOUTH IS NOT REQUIRED TO PROVIDE UNES ON A COMBINED**
16 **BASIS, EVEN IF THEY WERE COMBINED IN BELLSOUTH'S NETWORK**
17 **BEFORE THEY WERE ORDERED BY MCI?**

18 A. The Eighth Circuit did vacate the FCC Rule which required BellSouth to do the
19 combining. However, that decision does not automatically invalidate contractual
20 provisions, such as those in the MCI/BellSouth Interconnection Agreement. I understand
21 that BellSouth does not dispute that, at least at the present time, it is contractually
22 obligated to provide UNEs in combination when they are ordered by MCI.

23

24 **Q. DOES THE AGREEMENT SPECIFY HOW THE PRICE FOR UNE**
25 **COMBINATIONS WILL BE DETERMINED?**

1 A. Yes it does. Attachment 1 of the Agreement sets forth the prices for UNEs. Section 8 of
2 Attachment 1 provides:

3 The recurring and non-recurring prices for Unbundled Network Elements
4 (UNEs) in Table 1 of this Attachment are appropriate for UNEs on an
5 individual, stand-alone basis. When two or more network elements are
6 combined, these prices may lead to duplicate charges. BellSouth shall
7 provide recurring and non-recurring charges that do not include duplicate
8 charges for functions or activities that MCI does not need when two or
9 more network elements are combined in a single order. MCI and
10 BellSouth shall work together to establish recurring and nonrecurring
11 charges in situations where MCI is ordering multiple network elements.
12 Where the parties cannot agree to these charges, either party may petition
13 the Florida Public Service Commission to settle the disputed charge or
14 charges.

15 Table 1 of Attachment 1 sets forth the recurring and non-recurring rates for network
16 elements. If MCI bought a UNE combination today, the rate would be the sum of the
17 rates of the elements which compose that combination. The contract recognizes,
18 however, that this could cause MCI to pay duplicate charges and charges for services not
19 needed. Therefore, the contract creates a mechanism of negotiation and, if necessary,
20 petition to the Commission for removal of these unnecessary charges. As I discuss later,
21 MCI has petitioned the Commission to set the non-recurring charges (NRCs) for four
22 specific loop-port combinations.

23
24 **Q. DOES THE AGREEMENT AUTHORIZE BELLSOUTH TO CHARGE A “GLUE**
25 **CHARGE” TO MCI WHEN MCI ORDERS ELEMENTS IN COMBINATION?**

1 A. No. First, Section 2.2.15.3 of Attachment VIII of the MCI/BellSouth Interconnection
2 Agreement specifically prohibits BellSouth from pulling elements apart when MCI orders
3 them:

4 When MCI orders Network Elements or Combinations that are
5 currently interconnected and functional, Network Elements and
6 Combinations shall remain connected and functional without any
7 disconnection or disruption of functionality.

8

9 Obviously, there is no need to glue elements that are already connected. In any event,
10 Section 2.6 of Attachment III of the Agreement specifically prohibits such charges:

11 With respect to Network Elements. . .charges in Attachment I are
12 inclusive and no other charges apply, including but not limited to
13 any other consideration for connecting any Network Element(s)
14 with other Network Element(s).

15

16 **Q. HAS MCI ATTEMPTED TO NEGOTIATE WITH BELLSOUTH THE**
17 **NONRECURRING CHARGES FOR ANY UNE COMBINATIONS?**

18 A. Yes. MCI has requested NRCs for the following combinations of UNEs:

19 1) 2-Wire analog loop and port for migration of an existing customer;

20 2) 2-Wire IDSN loop and port for migration of an existing customer;

21 3) 4-Wire analog loop and port for migration of an existing customer; and,

22 4) 4-Wire DS1 and port for migration of an existing customer;

23 Such negotiations were unsuccessful, therefore MCI petitioned the Commission to set
24 NRCs for these combinations.

25

1 **Q. WHAT DOES THE PHRASE “FOR MIGRATION OF AN**
2 **EXISTING CUSTOMER” MEAN IN THIS CONTEXT?**

3 A. “Migration of an existing customer” simply means the situation in which a
4 customer who obtains service from BellSouth today chooses MCI to be
5 his local service provider. In that situation, MCI could elect to serve the
6 customer in a number of ways, including “migrating” the customer to
7 service through resale of BellSouth’s retail service or “migrating” the
8 customer to service through the use of a loop/port combination purchased
9 from BellSouth. See Section 2.2.2 of Attachment VIII.

10

11 **Q. UNDER THE AGREEMENT, HOW SHOULD THE NRCs FOR THESE**
12 **COMBINATIONS BE DETERMINED?**

13 A. As explained above, any charges in the stand-alone UNE rates that are duplicative or
14 unnecessary when the elements are ordered as combined must be removed. For example,
15 under the Agreement BellSouth is required to provide these combinations to MCI
16 without disconnecting the loops from the ports. Therefore, any charges relating to
17 connecting or disconnecting the loop or the port must be removed since such activities
18 are unnecessary.

19

20 **Q. HOW HAS BELL SOUTH BEEN TREATING MCI’S UNE COMBINATIONS IN**
21 **FLORIDA?**

22 A. MCI has ordered over 50 UNE loop/port combinations in Florida, and BellSouth has
23 been treating such orders as orders for resale. BellSouth has refused to provide such
24 elements at UNE rates, and instead has billed such combinations as resale.

25

1 **Q. IS THERE ANYTHING IN THE AGREEMENT WHICH AUTHORIZES BELLSOUTH**
2 **TO TREAT ANY ORDERS FOR COMBINATIONS OF UNES AS RESALE?**

3 A. No. In fact, such treatment is contrary to the express language of the Agreement. As
4 discussed above, the Agreement, in Section of 8 of Attachment 1, clearly specifies how
5 UNE combinations shall be priced. The contract makes no distinction between different
6 types of combinations. The Agreement gives only one pricing standard for UNE
7 combinations and creates no exceptions. All combinations are therefore subject to that
8 standard.

9
10 **Q. WHAT ABOUT BELLSOUTH'S POSITION THAT "MIGRATION" CAN ONLY**
11 **TAKE PLACE THROUGH RESALE, NOT THROUGH THE PURCHASE OF**
12 **COMBINATIONS OF UNES?**

13 A. That position is contrary to the specific language of the Agreement. Section 2.2.2.3 of
14 Attachment VIII authorizes MCI to migrate existing BellSouth customers to MCI to
15 be served through unbundled Network Elements reusing existing BellSouth facilities. In
16 contrast, Sections 2.2.2.1 and 2.2.2.2 of Attachment VIII refer to migration for resale.
17 In light of these complementary provisions, it is clear that under the Agreement migration
18 to UNEs is not the same as migration to resale, and that MCI can choose which type of
19 migration to use for a particular customer.

20
21 **Q. DOES THE AGREEMENT OBLIGATE BELLSOUTH TO PROVIDE**
22 **SWITCHED ACCESS USAGE DATA WHEN MCI PROVIDES SERVICE**
23 **USING UNBUNDLED LOCAL SWITCHING PURCHASED FROM**
24 **BELLSOUTH?**

1 A. Yes. Section 4.1.1.3 of Attachment VIII requires BellSouth to provide recorded usage
2 data on all completed calls. See Section 7.2.1.9 of Attachment III. The required usage
3 data is all inclusive, and would include the information on switched access usage that is
4 necessary for MCI to bill interexchange carriers for originating and terminating switched
5 access charges. It is my understanding that BellSouth has not been providing such data
6 to MCI for the UNE combination orders placed in Florida.

7

8 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

9 A. Yes.

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