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General Attorney

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BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(404) 335-0763

RECORDS AND
REPORTING

March 17, 2000

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 991534-TP (Intermedia)

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Direct Testimony of Jerry D. Hendrix and David P. Scollard, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

Sincerely,

E. Earl Edenfield, Jr.

E. Earl Edenfield, Jr.

(2)

AFA	_____	
APP	_____	Enclosures
CAF	_____	
CMW	<u>Jerry</u>	
CTR	_____	cc: All Parties of Record
GA	_____	Marshall M. Criser III
JRG	<u>J</u>	R. Douglas Lackey
MAS	<u>White</u>	Nancy B. White
OPC	_____	
RRR	_____	
SEC	_____	
WAW	<u>1</u>	
OTH	_____	

Hendrix
DOCUMENT NUMBER-DATE

03435 MAR 17 8

FPSC-RECORDS/REPORTING

Scollard
DOCUMENT NUMBER-DATE

03436 MAR 17 8

FPSC-RECORDS/REPORTING

**CERTIFICATE OF SERVICE
Docket No. 991534-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via


(*) Hand Delivery and (+) Federal Express this 17th day of March, 2000 to the following:

C. Lee Fordham (*)
Staff Counsel
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2540 Shumard Oak Boulevard
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E. Earl Edenfield Jr.
(28)

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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF JERRY HENDRIX
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 991534-TP
MARCH 17, 2000

Q. PLEASE STATE YOUR NAME AND COMPANY NAME AND ADDRESS.

A. My name is Jerry Hendrix. I am employed by BellSouth Telecommunications, Inc. as Senior Director – Customer Markets Wholesale Pricing Operations. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Morehouse College in Atlanta, Georgia, in 1975 with a Bachelor of Arts Degree. I began employment with Southern Bell in 1979 and have held various positions in the Network Distribution Department before joining the BellSouth Headquarters Regulatory organization in 1985. On January 1, 1996, my responsibilities moved to Interconnection Services Pricing in the Interconnection Customer Business Unit. In my current position as Senior Director, I oversee the negotiation of interconnection agreements between BellSouth and Alternative Local Exchange Carriers (“ALECs”) in BellSouth’s nine-state region.

Q. HAVE YOU TESTIFIED PREVIOUSLY?

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A. Yes. I have testified in proceedings before the Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina public service commissions, the North Carolina Utilities Commission, and the Tennessee Regulatory Authority.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to show that the June 3, 1998 Amendment to the Interconnection Agreement between BellSouth and Intermedia Communications, Inc. ("Intermedia") replaced the billing structure and rates for reciprocal compensation for all local traffic set forth in the original agreement (the applicability of reciprocal compensation for ISP-bound traffic is currently the subject of an appeal).

Q. WHAT WERE THE RECIPROCAL COMPENSATION TERMS FOR LOCAL TRAFFIC IN THE ORIGINAL INTERCONNECTION AGREEMENT BETWEEN BELLSOUTH AND INTERMEDIA?

A. Section IV.B, of the July 1, 1996, Interconnection Agreement between BellSouth and Intermedia states:
Each party will pay the other for terminating its local traffic on the other's network the local interconnection rates as set forth in Attachment B-1, by this reference incorporated herein.

1 Attachment B-1 sets forth a Composite rate of \$.01028 per minute of use for
2 dedicated traffic and a Composite rate of \$.01056 for tandem switched traffic.

3

4 Q. DID THE PARTIES AMEND THE AGREEMENT TO CHANGE THAT
5 RECIPROCAL COMPENSATION ARRANGEMENT?

6

7 A. Yes. On June 3, 1998, the parties executed an Amendment to the original
8 Interconnection Agreement which, among other things, changed the reciprocal
9 compensation structure and rates for all local traffic. This Amendment states:

10 3. The Parties agree to bill Local traffic at the elemental rates specified
11 in Attachment A.

12 4. This amendment will result in reciprocal compensation being paid
13 between the Parties based on the elemental rates specified in
14 Attachment A.

15

16 Q. DID THIS AMENDMENT INCLUDE PROVISIONS FOR ANY OTHER
17 ARRANGEMENTS?

18

19 A. Yes. The purpose of the June 3, 1998, Amendment was twofold. First, it
20 provided for Intermedia Multiple Tandem Access ("MTA"), which allows an
21 ALEC to interconnect at a single access tandem, or, at a minimum, less than all
22 access tandems within the LATA for certain terminating and transit traffic.
23 Second, the Amendment incorporated new reciprocal compensation rates that
24 the parties agreed to charge and to pay for the transport and termination of
25 local traffic. These new reciprocal compensation rates for Florida were based

1 on the Florida Public Service Commission rates established in Order No. PSC-
2 96-1579-FOF-TP.

3

4 Q. WHAT IS THE HISTORY BEHIND THE EXECUTION OF THE JUNE 3,
5 1998, AMENDMENT?

6

7 A. Intermedia requested that the parties amend the Interconnection Agreement to
8 incorporate terms into the Interconnection Agreement whereby BellSouth
9 would make available multiple access tandem arrangements as described
10 above. Coincidentally, BellSouth was in the unrelated process of
11 incorporating the final Commission approved rates of several State
12 Commissions into the BellSouth Standard Interconnection Agreement. In
13 1996, when Intermedia and BellSouth entered into their Interconnection
14 Agreement, the standard rate structure for reciprocal compensation was a
15 composite rate. Subsequent to that time, State Commissions began ordering
16 elemental rates, which BellSouth then incorporated into the BellSouth
17 Standard Interconnection Agreement. Thus, when Intermedia requested an
18 Amendment to the Interconnection Agreement to incorporate Multiple Tandem
19 Access, BellSouth took the opportunity to request that Intermedia amend the
20 Interconnection Agreement to also incorporate the new elemental rates and rate
21 structure for reciprocal compensation for all local traffic established by the
22 Florida Public Service Commission. The parties agreed to the two provisions,
23 and as such, executed the Amendment.

24

25

1 Q. WERE THE RECIPROCAL COMPENSATION RATES IN ATTACHMENT
2 A OF THE AMENDMENT EXCLUSIVELY RELATED TO THE
3 MULTIPLE TANDEM ACCESS PROVISIONS?

4
5 A. No. The new reciprocal compensation structure and rates applied to all local
6 traffic.

7
8 Q. DID BELLSOUTH INTEND, AS INTERMEDIA CLAIMS, FOR THE
9 RECIPROCAL COMPENSATION ARRANGEMENT SET FORTH IN THE
10 JUNE 3, 1998, AMENDMENT, TO ONLY APPLY TO MULTIPLE
11 TANDEM ACCESS ARRANGEMENTS?

12
13 A. No. As I have explained above, the two provisions were not linked. The new
14 reciprocal compensation rate structure and rates as set forth in the Amendment
15 were not exclusively tied to the multiple tandem access, but rather replaced the
16 rates set forth in Attachment B-1 of the original Interconnection Agreement.

17
18 Q. AT THE TIME THIS AMENDMENT WAS EXECUTED, WOULD
19 BELLSOUTH HAVE ENTERED INTO AN ARRANGEMENT WHICH
20 REQUIRED ONE RECIPROCAL COMPENSATION RATE FOR TRAFFIC
21 ROUTED THROUGH A MULTIPLE TANDEM ACCESS
22 ARRANGEMENT AND A DIFFERENT RECIPROCAL COMPENSATION
23 RATE FOR TRAFFIC NOT ROUTED THROUGH A MULTIPLE TANDEM
24 ACCESS ARRANGEMENT?

25

1 A. No. As I was the person who signed this Amendment, I can unequivocally
2 state that BellSouth did not enter into an arrangement which required a
3 different reciprocal compensation rate for traffic routed through a multiple
4 tandem access arrangement than for traffic not routed through a multiple
5 tandem access arrangement. Furthermore, BellSouth would not have entered
6 into such an arrangement because BellSouth cannot bill a different reciprocal
7 compensation end office switching rate when traffic is routed through a MTA
8 arrangement. Mr. Scollard will address the billing system capabilities and
9 limitations in more detail.

10

11 Q. DOES THE JUNE 3, 1998, AMENDMENT CONTAIN A MISTAKE ?

12

13 A. Yes. The reciprocal compensation rate for Florida was incorrectly typed as
14 \$.0175 for the first minute of use for end office switching, and \$.005 for each
15 additional minute of use for end office switching. This was obviously a
16 mistake, as this is the final port usage charge as ordered by the Florida Public
17 Service Commission. Instead, the correct rate is the end office switching rate
18 of \$.002, as ordered by the Florida Public Service Commission. Intermedia
19 was notified of this mistake, and informed that the correct rate of \$.002 would
20 be put in effect. In a letter dated March 25, 1999, (attached as JDH-1)
21 Intermedia acknowledged the mistake and stated that it was open to amending
22 the rate to reflect the accurate rate. This was also the first time that Intermedia
23 expressed to BellSouth any disagreement about the June 3, 1998 Amendment.

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25 Q. WHAT DO YOU BELIEVE THIS COMMISSION SHOULD DO?

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A. Based on the clear, unambiguous language in the June 3, 1998, Amendment, the Florida Public Service Commission should deny Intermedia's request for relief. The Commission should further rule that the rate structure set forth in the Amendment dated June 3, 1998, replaced the original rates for reciprocal compensation contained in Section IV.B of the July 1, 1996 Interconnection Agreement.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes. Thank you.

March 25, 1999

Mr. Stuart Hudnall
Manager – Interconnection Services
BellSouth Telecommunications, Inc.
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

Dear Stuart:

This memorandum is in response to your correspondence dated March 3, 1999 which requested a contract revision regarding the Multiple Tandem Architecture amendment made to the BellSouth – Intermedia interconnection agreement dated June 3, 1998. In your letter you state that the compensation rate for Florida is incorrect due to a Florida Public Service Commission order dated December 31, 1996.

We understand your concern that there may be an error in the above referenced amendment. We are however confused by the statement that BellSouth intends to back bill using the proposed corrected rate for Florida since we have never requested the service provided by the amendment and in fact are currently interconnected with BellSouth at all local tandems. While Intermedia is open to making the requested correction to the amendment, we do feel some clarification is needed from BellSouth as to the basis under which BellSouth would impose the rates contained in the agreement in light of the fact that Intermedia has never requested that BellSouth provide the Multiple Tandem Architecture arrangement.

I look forward to a response from BellSouth on this matter. Please do not hesitate to call me if you have any questions.

Sincerely,



Julia O. Strow
Intermedia Communications Inc.