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BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF JERRY HENDRIX
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 991534-TP

APRIL 21, 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. ARE YOU THE SAME JERRY HENDRIX WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to rebut several assertions in the testimony of Intermedia's witness Heather Gold.

Q. DO YOU AGREE WITH MS. GOLD'S ASSERTIONS, ON PAGES 3 AND 4, THAT PARAGRAPHS 3 AND 4 OF THE JUNE 3, 1998, AMENDMENT ("THE AMENDMENT") PROVIDE THAT "WHEN MTA IS ELECTED

1 AND PROVISIONED THAT THE ELEMENTAL RATES IN
2 ATTACHMENT A WILL BE USED TO BILL LOCAL TRAFFIC” AND
3 “WHEN MTA IS ELECTED AND PROVISIONED, LOCAL TRAFFIC
4 COMPENSATION WILL BE RECIPROCAL BASED ON ATTACHMENT
5 A?”

6
7 A. Absolutely not. Paragraphs 3 and 4 do not address MTA at all. Paragraphs 3
8 and 4 of the Amendment address separate issues and simply state:

9 3. The parties agree to bill Local traffic at the element rates specified
10 in Attachment A.

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

14
15 Ms. Gold seems to be making the assumption that an amendment cannot
16 address multiple issues. This is simply not true. In fact, it is common
17 practice for BellSouth and ALECs to execute amendments that cover multiple
18 issues. Just as an example, BellSouth executed an amendment with ACCESS
19 Integrated Networks, Inc on October 4, 1999. This particular amendment did
20 two things. First, it incorporated Trunk Termination with E&M Signaling.
21 Second, it incorporated a new provision for resale. This amendment was filed
22 with the Florida Commission for approval.

23

24 Q. DO YOU AGREE WITH MS. GOLD’S ASSERTION, ON PAGE 4, THAT
25 PARAGRAPH 5 OF THE AMENDMENT PROVIDED THAT “THE

1 PROVISIONS CONTROLLING LOCAL TRAFFIC COMPENSATION
2 ABSENT THE ELECTION AND PROVISIONING OF MTA" REMAINED
3 IN FULL FORCE AND EFFECT?
4

5 A. Absolutely not. Paragraph 5 states that "all of the other provisions of the
6 Interconnection Agreement" remain in full force and effect. The use of the
7 word "other" makes clear that all provisions not addressed in this Amendment
8 remain in effect. Since local traffic compensation was explicitly addressed in
9 this Amendment, the provisions in the original Agreement dealing with
10 compensation for local traffic did not "remain in full force and effect" under
11 Paragraph 5.

12
13 Q. PLEASE COMMENT ON MS. GOLD'S TESTIMONY ON PAGE 5 ABOUT
14 THE IMPACT OF THE AT&T ORDER.

15
16 A. BellSouth agrees that the ruling in Order No. PSC-96-1579-FOF-TP ("AT&T
17 Order") is not generic. However, the AT&T Order did include rates for many
18 elements, which the Commission established as being cost-based under the
19 Telecommunications Act of 1996. These rates were then incorporated into
20 interconnection agreements between BellSouth and other carriers as the
21 appropriate cost-based rates for use in Florida, and these rates were
22 incorporated into BellSouth's standard interconnection agreement that is sent
23 to carriers requesting to negotiate an interconnection agreement. In fact,
24 BellSouth and Intermedia executed an amendment on February 24, 1997 that
25 incorporates some rates from the AT&T Order into the existing Intermedia

1 agreement. For example, the recurring and nonrecurring rates for a 2-wire
2 ISDN loop and DS1 dedicated transport in that February 24, 1997 amendment
3 are rates that were established in the 1996 AT&T Order. Thus, Ms. Gold's
4 claim on page 6 of her direct testimony that it would make no sense "to import
5 local switching and transport rates, but only those rates, from the AT&T Order
6 to the Intermedia and BellSouth agreement" ignores that other rates were
7 imported from the AT&T Order as well.

8

9 Q. DO YOU AGREE WITH MS. GOLD'S TESTIMONY ON PAGE 6 THAT
10 BELL SOUTH "IS ATTEMPTING DAMAGE CONTROL" BY ARGUING
11 FOR LOWER RECIPROCAL COMPENSATION RATES"?

12

13 A. No. Ms. Gold's claim that BellSouth is "attempting damage control" on the
14 issue of reciprocal compensation for ISP traffic by proposing lower reciprocal
15 compensation rates is absurd. What BellSouth is attempting to do is to get
16 Intermedia to live up to its agreement to bill reciprocal compensation at the
17 rates set forth in the June 3, 1998 Amendment. As I have stated before,
18 BellSouth's purpose in executing the June 3, 1998 Amendment was simply to
19 incorporate cost-based rates for reciprocal compensation into the Intermedia
20 agreement. Ms. Gold's "damage control" theory conveniently ignores that
21 BellSouth has been billing Intermedia the reciprocal compensation rates set
22 forth in the June 3, 1998 Amendment since it was executed. There was not
23 even an order in Florida finding that BellSouth must pay reciprocal
24 compensation for ISP bound traffic as of June 1998.

25

1 Q. DO YOU AGREE WITH MS. GOLD'S TESTIMONY ON PAGE 7 THAT IT
2 WAS "IMPERATIVE TO HAVE INCLUDED SPECIFIC LANGUAGE IN
3 THE AMENDMENT EXPRESSING AN INTENT TO IMPORT THE
4 RULINGS OF THE SEVERAL STATE COMMISSIONS"?

5

6 A. No. First, I find it interesting that Ms. Gold speaks so assertively about
7 Intermedia's "purpose" in executing the Amendment since, as I understand it,
8 Ms. Gold was not even employed by Intermedia at the time this Amendment
9 was negotiated and signed. I was directly involved in and signed this
10 Amendment for BellSouth. As I stated in my direct testimony, the purpose of
11 the June 3, 1998, Amendment was provide Intermedia with Multiple Tandem
12 Access ("MTA") interconnection and to incorporate cost-based reciprocal
13 compensation rates that the parties agreed to charge and to pay for the transport
14 and termination of local traffic.

15

16 Second, there was no need to include "specific language in the amendment
17 expressing an intent to import the rulings of the several state commissions"
18 since such intent was evident from the reciprocal compensation rates to which
19 Intermedia and BellSouth agreed in the June 3, 1998 Amendment. These rates
20 were the reciprocal compensation rates approved by the Public Service
21 Commissions in Florida, Georgia, Kentucky, Louisiana, and Mississippi.
22 These rates were established in Order No. PSC-96-1579-FOF-TP in Florida;
23 Order in Docket No. 7061-U in Georgia; Order in Cases 96-431 and 96-482 in
24 Kentucky; Order No. U-22022/22093-A in Louisiana; and Order in Docket No.
25 96-AD-0559 in Mississippi.

1 The rates used in the June 3, 1998 Amendment for the states which had not yet
2 established rates (Alabama, North Carolina, and Tennessee) were the interim
3 elemental rates proposed by BellSouth. Additionally, the interim rates for
4 South Carolina that were used as the final rates were not in effect at the time
5 the amendment was prepared (the rates were effective as of June 1, 1998).

6

7 Third, under Ms. Gold's view, the rates set forth in the June 3, 1998
8 Amendment only apply when Intermedia avails itself of MTA. However, in
9 none of the State Commission Orders from which at least some of those rates
10 were "imported" is there any indication that these commission-approved rates
11 applied to MTA. Rather, these rates were established for reciprocal
12 compensation for local interconnection.

13

14 Q. PLEASE COMMENT ON MS. GOLD'S STATEMENT ON PAGE 8 ABOUT
15 PARAGRAPHS 3 AND 4 OF THE AMENDMENT.

16

17 A. Ms. Gold admits, on lines 2- 4 of page 8:

18 It is true, I suppose, that if those paragraphs were interpreted in
19 isolation, they arguably would support BellSouth's view that the
20 amendment requires the Attachment A rates to be applied region-wide
21 upon execution, without any other linkage.

22 This is exactly BellSouth's point. The paragraphs are to be interpreted in
23 isolation due to the fact that they are separately number paragraphs of the
24 Amendment that were intended to accomplish a specific purpose – namely the
25 establishment of cost-based reciprocal compensation rates.

1 Q. MS. GOLD STATES ON PAGE 8, LINE 17, THAT THE JUNE 3, 1998
2 AMENDMENT IS "NOT OPERATIVE" CURRENTLY BECAUSE
3 INTERMEDIA HAS NOT REQUESTED THAT BELLSOUTH DEPLOY
4 MTA IN FLORIDA. DO YOU AGREE?

5

6 A. No. The Amendment is effective once it is signed by both parties. This
7 Amendment was signed by both parties, and thus, effective, on June 3, 1998.
8 The fact that Intermedia has not ordered MTA in Florida does not in any way
9 negate the rates set forth in the Amendment for reciprocal compensation.

10

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

12

13 A. Consistent with the clear language in the June 3, 1998, Amendment, the
14 Florida Public Service Commission should deny Intermedia's request for relief.
15 The Commission should further confirm that the reciprocal compensation rates
16 set forth in the Amendment dated June 3, 1998 are the effective rates that
17 should be billed and paid by the parties for traffic exchanged after that
18 Amendment became effective.

19

20 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

21

22 A. Yes. Thank you.

23