

Exhibit No.:

Issues:	General Terms & Conditions: 1-7, Comprehensive Billing: 1-4 and Inter-carrier Compensation: 2(a), 2(b)
Witness:	Richard T. Guepe
Sponsoring Party:	AT&T Communications of the Southwest, Inc., TCG Kansas City, Inc., and TCG St. Louis, Inc.
Type of Exhibit:	Direct Testimony
Case No.:	TO-2005-0336

**AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.,  
TCG KANSAS CITY INC., AND TCG ST. LOUIS, INC.**

**DIRECT TESTIMONY**

**OF**

**RICHARD T. GUEPE**

**TO-2005-0336**

**May 9, 2005**

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1 **I. INTRODUCTIONS AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Richard T. Guepe. My business address is 1230 Peachtree Street,  
4 Atlanta, Georgia 30309.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by AT&T Corp. as a District Manager in its Law & Government  
7 Affairs organization, providing support for AT&T's regulatory advocacy related  
8 to AT&T's intrastate telecommunications services.

9 **Q. BRIEFLY OUTLINE YOUR EDUCATIONAL BACKGROUND AND**  
10 **BUSINESS EXPERIENCE IN THE TELECOMMUNICATIONS**  
11 **INDUSTRY.**

12 A. I received a Bachelor of Science Degree in Metallurgical Engineering from the  
13 University of Notre Dame in South Bend, Indiana. I received a Masters of  
14 Business Administration Degree from the University of Tennessee in Knoxville,  
15 Tennessee. My telecommunications career began in 1973 with South Central Bell  
16 Telephone Company in Maryville, Tennessee, as an outside plant engineer.  
17 During my tenure with South Central Bell, I held various assignments in outside  
18 plant engineering, buildings and real estate, investment separations and division  
19 of revenues. At divestiture (1/1/84), I transferred to AT&T where I have held  
20 numerous management positions in Atlanta, Georgia and Basking Ridge, New  
21 Jersey with responsibilities for investment separations, analysis of access charges  
22 and tariffs, training development, financial analysis and budgeting, strategic  
23 planning, regulatory issue management, product implementation, strategic

1 pricing, docket management activities, unbundled network element cost case  
2 support and support for interconnection agreements.

3 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY STATE PUBLIC**  
4 **SERVICE COMMISSION?**

5 A. Yes, I have testified on behalf of AT&T in Alabama, Florida, Georgia, Kansas,  
6 Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee,  
7 and Texas on product implementation issues, access and pricing issues, and policy  
8 issues.

9 **II. PURPOSE AND STRUCTURE**

10 **Q. PLEASE STATE THE PURPOSE OF YOUR TESTIMONY.**

11 A. This testimony is submitted on behalf of AT&T Communications of the  
12 Southwest, Inc., TCG Kansas City, Inc., and TCG St. Louis (collectively,  
13 "AT&T"). My testimony supports AT&T's proposed language to be included in  
14 the new Interconnection Agreement between AT&T and SBC in Missouri.  
15 Specifically, I will address General Terms and Conditions issues, Comprehensive  
16 Billing issues, and Intercarrier Compensation issues. In the remaining sections of  
17 my testimony I address issues that remain open in each of these areas.

18 **III. GENERAL TERMS AND CONDITIONS**

19 **Q. PLEASE STATE THE PURPOSE OF THIS SECTION OF YOUR**  
20 **TESTIMONY.**

21 A. The purpose of my testimony is to provide the practical business perspective  
22 supporting AT&T's proposals to resolve the limited number of outstanding  
23 disputes with regard to the General Terms and Conditions ("GTC") to be included

1 in the new Interconnection Agreement between AT&T and SBC in Missouri. I  
2 explain why SBC MISSOURI'S proposed contract language and refusal to accept  
3 certain AT&T proposals should be rejected.

4 **Issue 1(a): Should the Interconnection Agreement obligate SBC to provide**  
5 **UNEs, collocation and resale services outside SBC MISSOURI's incumbent**  
6 **local exchange area?**

7 **Issue 1(b): Should the Agreement include obligations under Section 271 of**  
8 **the Act or should it only cover Section 251?**

9 **Q. PLEASE EXPLAIN AT&T'S PRIMARY OBJECTION TO SBC'S**  
10 **PROPOSED LANGUAGE ON THIS ISSUE.**

11 A. SBC's proposed language states that: "The Parties acknowledge and agree that  
12 SBC MISSOURI is *only obligated* to make available" Interconnection, UNEs and  
13 Resale under Section 251 of the Act. (Section 1.1) Thus, SBC's proposed  
14 language does far more than simply put obligations other than those specifically  
15 enumerated in Section 251 of the Act outside the scope of the Agreement. SBC's  
16 language would effectively vacate Missouri law, Missouri Commission orders and  
17 even Section 271 unbundling obligations by specifically stating that SBC has "no  
18 obligation" to provide UNEs or interconnection except as enumerated in Section  
19 251 of the federal 1996 Telecommunications Act. In other words, SBC's  
20 proposed language does not limit applicability of the Agreement, SBC's proposed  
21 language limits the applicability of any UNE obligation *not included* in the  
22 Agreement or Section 251 of the Act.

23 Clearly, the intended effect of SBC's proposed language is to limit SBC's  
24 obligations to provide UNEs to AT&T when AT&T seeks to compete in the

1 Missouri telecommunications market. SBC's proposed language, if adopted,  
2 would have a negative effect on Missouri consumers, as it would give them less  
3 competitive choice

4 **Q. OTHER THAN LIMITING SBC'S OBLIGATION TO PROVIDE UNES,**  
5 **HOW ELSE WOULD SBC'S PROPOSED LANGUAGE FOR GT&C**  
6 **ISSUE 1 AFFECT LOCAL COMPETITION?**

7 A. SBC's proposed language to resolve GT&C Issue 1 would harm Missouri  
8 consumers in other ways as well. For example, SBC proposes broad, vague  
9 language that would allow it to refuse to open NPA-NXX codes assigned to  
10 AT&T in exchanges *outside* of SBC's franchised territory but within the areas  
11 served by SBC's currently-deployed tandem switches, thereby discriminating  
12 against AT&T. According to SBC, it does not have to do *anything* to facilitate  
13 traffic exchange with AT&T where that traffic originates or terminates outside of  
14 SBC's serving territory. The effect of SBC's position, however, is to prevent  
15 calls from being completed between SBC's and AT&T's customers. In other  
16 words, SBC's position directly threatens the ubiquitous phone service that  
17 Missouri consumers expect and deserve. AT&T believes that Section 251 of the  
18 Act clearly requires SBC to take such steps. This issue is addressed by John  
19 Schell in his direct testimony on Network Architecture Issue 16.

20 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

21 A. AT&T asks that SBC's proposed language be rejected, that SBC be required to  
22 comply with all of its federal law obligations and its Missouri state law  
23 obligations, and that the Commission retain the authority to enforce those

1 obligations. SBC's language would hinder the Commission in its duty to promote  
2 competition in the provision of telecommunications services in Missouri and in  
3 the exercise of its authority to ensure that the pro-competitive concessions  
4 extracted from SBC to gain Section 271 relief remain in effect. AT&T urges the  
5 Commission to retain firm regulatory control of the telecommunications industry  
6 in Missouri by rejecting SBC Missouri's attempt to circumvent valid state and  
7 federal law. The Commission has the authority to hold SBC Missouri  
8 accountable under state law and the balance of the Act. SBC seeks to avoid the  
9 exercise of that authority by insisting that its interconnection obligations be  
10 dictated solely by its Section 251 obligations and through conduct that appears to  
11 even defy its Section 251 obligations. AT&T respectfully requests that the  
12 Commission adopt AT&T's proposed language and reject SBC's proposed  
13 language.

14 **Issue 2: If AT&T orders a Product or Service not covered by this**  
15 **Agreement, should the Parties have to negotiate the applicable rates, terms**  
16 **and conditions or should SBC's tariff or generic contract apply to such**  
17 **Product or Service?**

18 **Q. WHAT IS THE DISPUTED LANGUAGE SURROUNDING THIS ISSUE?**

19 A. The proposed language is<sup>1</sup>:

20 4.4.1 In the event that AT&T orders, **and SBC ILEC provisions**, a  
21 Product or Service to AT&T for which there are not rates, terms  
22 and conditions in this Agreement, but for which there are rates,  
23 terms and conditions in applicable SBC MISSOURI intrastate

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<sup>1</sup> Underline represents language proposed by AT&T and opposed by SBC Missouri. **Bold represents language proposed by SBC Missouri and opposed by AT&T.**

1 tariff or generic contract **AT&T understands and agrees that one**  
2 **of the following will occur:**  
3

4 4.4.1.1 AT&T shall pay for the Product or Service provisioned to  
5 AT&T at the rates set forth in SBC MISSOURI's  
6 applicable intrastate tariff(s) for the Product or Service or,  
7 to the extent there are no tariff rates, terms or conditions  
8 available for the Product or Service in the applicable state,  
9 then AT&T shall pay for the Product or Service at SBC  
10 MISSOURI's current generic contract rate for the Product  
11 or Service set forth in SBC MISSOURI's applicable state-  
12 specific generic pricing schedule as published on SBC  
13 MISSOURI's website; **or**  
14

15 4.4.1.2 AT&T's purchase will be billed and shall pay for of the  
16 Product or Service as provided in Section 4.4.1.1, above,  
17 shall be further subject to the terms and conditions  
18 contained in SBC MISSOURI's applicable intrastate tariffs  
19 for the Product or Service or, to the extent there are no  
20 tariff rates, terms or conditions available for the Product or  
21 Service in the applicable state, then AT&T's purchase of  
22 the Product or Service will be subject to SBC MISSOURI's  
23 current generic contract rates, terms and conditions for the  
24 Product or Service. Further, if provisioned pursuant to an  
25 applicable SBC MISSOURI tariff or generic contract,  
26 either AT&T or SBC Michigan may request that this  
27 Agreement be amended either to (i) adding a pointer that  
28 such product or service will be ordered from the SBC  
29 MISSOURI tariff or generic contract, as the case may be,  
30 or (ii) incorporate by amendment the conditions contained  
31 in such SBC MISSOURI tariff or generic contract that are  
32 material to a particular product or service, including, but  
33 not limited to, the rates for the selected product or service,  
34 and the terms and conditions regarding provisioning. **and**  
35 **SBC MISSOURI may, without further obligation, reject**  
36 **future orders and further provisioning of the Product**  
37 **or Service until such time as applicable rates, terms and**  
38 **conditions are incorporated into this Agreement as set**  
39 **forth in this Section 4.0.**  
40

41 4.4.1.3 SBC MISSOURI's provisioning of orders for such  
42 Products or Services is expressly subject to this Section  
43 4.4.1 and in no way constitutes a waiver of SBC

1 MISSOURI's right to charge and collect payment for such  
2 Products and/or Services.  
3

4 **Q. WHAT IS AT&T PROPOSING CONCERNING THE APPLICABILITY**  
5 **OF AN SBC TARIFF OR GENERIC CONTRACT TO PRODUCTS OR**  
6 **SERVICES NOT COVERED BY THE AGREEMENT BETWEEN THE**  
7 **PARTIES?**

8 A. As a CLEC, AT&T may order products or services either out of the Agreement or  
9 from a valid SBC tariff or general contract, if applicable. Each option provides  
10 AT&T an independent avenue to purchase a product or service from SBC.  
11 Because of the complexity of the product and service mix offered by SBC, it is  
12 foreseeable that the Parties may not include a service or product in the ICA that  
13 AT&T needs to serve its customers in Missouri. Additionally, products and  
14 services unavailable during negotiations may well be made available at a later  
15 date by SBC through a tariff or generic contract. AT&T's proposed language  
16 enables it to purchase such products and services from SBC Missouri's tariff or  
17 generic contract under the prices and terms and conditions contained in the tariff  
18 or generic contract. This enables AT&T to provide service to its customers  
19 without the undue delays that would result if, before AT&T can purchase the  
20 product or service, it must first amend its ICA. AT&T is not seeking the ability to  
21 "mix and match" tariff prices with Agreement terms and conditions or vice-versa.  
22 Subsequent to purchasing the products or services from an SBC Missouri tariff or  
23 general contract, the Agreement could be amended to include these tariff or  
24 contract terms and conditions. AT&T provides for such amendment to the  
25 agreement in its proposed Section 30.2.1, addressed in Issue 7, below.

1 Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?

2 A. AT&T respectfully requests that the Commission adopt the AT&T proposed  
3 language and reject the SBC proposed language.

4 **Issue 7: What are the appropriate terms surrounding AT&T ordering**  
5 **products or services from an SBC MISSOURI tariff?**

6 Q. WHAT LANGUAGE REMAINS TO BE RESOLVED ON THIS ISSUE?

7 A. Since arbitration negotiations began, AT&T has modified its proposed language.

8 The following reflects the current dispute<sup>2</sup>:

9 30.2.1 AT&T may also order from a tariff a product or service that is  
10 available in its Agreement, provided that (1) if ordered from the tariff  
11 the terms, conditions and rates of the applicable tariff shall apply to  
12 such product or service, and (2) either AT&T or SBC MISSOURI  
13 may request that the ICA be amended **prior to ordering such**  
14 **product or service, AT&T amends its Agreement** to remove the  
15 rates, terms and conditions associated with the product or service it is  
16 ordering from the tariff and either (i) adds a pointer stating that such  
17 product will be ordered from the tariff. or (ii) incorporate by  
18 amendment the conditions contained in such tariff that are material to  
19 the particular tariff offering, including, but not limited to, the rates  
20 for the selected product or service, and the terms and conditions  
21 regarding provisioning. Similarly, this Section does not impair SBC  
22 MISSOURI's right to file tariffs nor does it impair SBC  
23 MISSOURI's right to file tariffs proposing new products and  
24 services and changes in the prices, terms and conditions of existing  
25 products and services, including discontinuance or grandfathering  
26 of existing features or services, of any telecommunications  
27 services that SBC MISSOURI provides or hereafter provides to  
28 AT&T under this Agreement pursuant to the provision of  
29 Attachment 1: Resale, nor does it impair AT&T's right to contest  
30 such tariffs before the appropriate Commission, subject to any  
31 defenses or arguments SBC MISSOURI might make in response to  
32 AT&T's contesting of such tariffs.

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<sup>2</sup> Underline represents language proposed by AT&T and opposed by SBC Missouri. **Bold represents language proposed by SBC Missouri and opposed by AT&T.**

1 **Q. UNDER WHAT CONDITIONS SHOULD AT&T BE ABLE TO ORDER**  
2 **PRODUCTS OR SERVICES FROM SBC'S TARIFF?**

3 A. Where the Commission has already determined through its review of a tariff  
4 proceeding the just and reasonable terms, conditions and/or rates for particular  
5 SBC offerings, public policy is advanced by allowing AT&T to order from such  
6 tariff. As discussed in connection with Issue 10 above, AT&T should have the  
7 ability to meet business needs by ordering products and services from SBC out of  
8 the tariff without having to amend the Agreement prior to submitting its order.  
9 Requiring an Amendment as a condition of obtaining the product or service, as  
10 SBC proposes, inhibits AT&T's ability to serve its Missouri customers and serves  
11 no public purpose. The language proposed by AT&T permits AT&T the  
12 flexibility to meet customer needs and to effectively compete with SBC, who is  
13 likely already offering the tariffed product or service. With the ability to  
14 subsequently incorporate the language into the Agreement, the Parties are best  
15 able to ensure that any potential operational and billing issues are addressed.  
16 Additionally, by including the terms in the Agreement, such terms would be also  
17 subject to the Agreement's dispute resolution provisions.

18 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

19 A. AT&T respectfully requests that the Commission adopt the AT&T proposed  
20 language and reject the SBC proposed language.

1           **Issue 3: Where this Agreement shows a rate, price or charge marked as “To**  
2           **be Determined,” “TBD,” or otherwise not specified, should the applicable**  
3           **rate be established in accordance with Section 4.1.1 or should SBC be**  
4           **allowed to apply generic rates for any such products and services?**

5           **Q. IN ORDER TO NARROW THE LANGUAGE IN DISPUTE, HAS AT&T**  
6           **REVISED ITS PROPOSED LANGUAGE ON THIS ISSUE SINCE SBC**  
7           **FILED ITS PETITION WITH THE COMMISSION?**

8           **A.** Yes. Since the filing of SBC’s arbitration petition, AT&T has modified its  
9           proposed language as follows<sup>3</sup>:

10

11                           4.5    **ESTABLISHMENT OF “TBD” RATES.** In the event  
12                           that AT&T orders, and SBC MISSOURI provisions, a Product or  
13                           Service to AT&T for which there are terms and conditions in this  
14                           Agreement but the rate, price or charge in this Agreement is noted  
15                           as “To Be Determined” or "TBD", **a dash, a blank**, or is  
16                           otherwise specified as a product or service for which the price will  
17                           be determined at a future date, the Parties understand and agree  
18                           that when a rate, price or charge is established by SBC MISSOURI  
19                           for that Product or Service and incorporated into SBC  
20                           MISSOURI's current state-specific generic pricing schedule as  
21                           published on SBC’s CLEC website, that rate(s) (“Established  
22                           Rate”) shall **automatically** apply to the affected TBD Product or  
23                           Service provided under this Agreement, retroactively for the  
24                           period of time allowed for back billing pursuant to Attachment 28,  
25                           **back to the effective date of this Agreement** as to any orders  
26                           AT&T submitted and SBC MISSOURI provisioned for that  
27                           Product or Service **without the need for any additional**  
28                           **modification(s) to this Agreement or further Commission**  
29                           **action.** SBC MISSOURI shall provide written notice to AT&T of  
30                           the application of the rate, price or charge that has been  
31                           established, **and AT&T’s billing tables will be updated to reflect**  
32                           **(and AT&T will be charged) the Established Rate, and the**  
33                           **Established Rate will be deemed effective between the Parties**  
34                           **as of the effective date of the Agreement.** The Parties shall  
35                           negotiate a conforming amendment to incorporate which shall

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<sup>3</sup> Underline represents language proposed by AT&T and opposed by SBC Missouri. **Bold represents language proposed by SBC Missouri and opposed by AT&T.**

1 reflect the appropriate rate for such Product or  
2 Service Established Rate to ensure that into the Agreement.  
3 **accurately reflects the specific Established Rate(s) that apply to**  
4 **such Product or Service pursuant to this Section 3.5, and shall**  
5 **submit such Amendment to the state commission for approval.**  
6 If the parties cannot agree, any dispute over the appropriate rate  
7 may be resolved in accordance with the Dispute Resolution  
8 provisions of the Agreement. In addition, as soon as is reasonably  
9 practicable after such Established Rate begins to apply, SBC  
10 MISSOURI shall bill AT&T to reflect the application of the  
11 Established Rate retroactively for the period of time permitted by  
12 Attachment 28, subject to true-up if a different rate is established  
13 for the amendment contemplated by this section 4.5 to the  
14 **effective date of the Agreement between the Parties.**

15  
16 4.5.1 SBC MISSOURI' provisioning of such orders for such  
17 Products or Services is expressly subject to this Section 4.5 and in  
18 no way constitutes a waiver of SBC MISSOURI' right to charge  
19 and collect payment for such Products and/or Services.  
20

21 **Q. WHERE A RATE, PRICE OR CHARGE IS MARKED AS "TO BE**  
22 **DETERMINED", "TBD" OR IS OTHERWISE SPECIFIED IN THE**  
23 **AGREEMENT AS A RATE THAT WILL BE DETERMINED AT A**  
24 **FUTURE DATE, HOW SHOULD THE APPLICABLE RATE BE**  
25 **ESTABLISHED?**

26 A. In the event any rate in the Agreement is marked as "To be determined," "TBD,"  
27 or is otherwise specified in the Agreement as a rate that will be determined at a  
28 future date, AT&T agrees when a rate, price or charge is established by SBC  
29 MISSOURI for that Product or Service and incorporated into SBC MISSOURI's  
30 current state-specific generic pricing schedule as published on SBC's CLEC  
31 website, that rate may be the applicable rate, however, its application must be  
32 subject to certain limitations. SBC's proposed language provides it with far more  
33 power than is appropriate and reasonable.

1    **Q.    PLEASE IDENTIFY AT&T’S PRIMARY OBJECTIONS TO SBC’S**  
2    **PROPOSED LANGUAGE ON “TDB” RATES.**

3    A.    There are two main problems with the language proposed by SBC in Section 4.5  
4           of the General Terms and Conditions. The first is the retroactive application of  
5           the “Established Rate” for a period longer than the agreed-to limited backbilling  
6           period in Attachment 28. The second is that the SBC language requires the  
7           “Established Rate” be automatically incorporated into an amendment to the  
8           interconnection agreement rather than requiring negotiation, and arbitration if  
9           necessary, of the appropriate rate:

10                 First, SBC applies the “Established Rate” retroactively *to the effective*  
11                 *date of the interconnection agreement.* The “Established Rate” is defined in  
12                 SBC’s proposal as a rate determined unilaterally by SBC:

13                         when a rate, price or charge is established by SBC MISSOURI for that  
14                         Product or Service and incorporated into SBC MISSOURI’s current state-  
15                         specific generic pricing schedule as published on SBC’s CLEC website,  
16                         that rate(s) (“Established Rate”) shall automatically apply to the Product  
17                         or Service provided under this Agreement back to the effective date of this  
18                         Agreement as to any orders AT&T submitted . . .  
19

20           The fact that SBC permits itself the right to reach back a potentially long period  
21           of time and bill AT&T for a charge that is unknown until SBC decides to  
22           establish a rate places too much power in SBC’s hands and does not require SBC  
23           to act responsibly in protecting its rights. If there is a TBD rate in the  
24           interconnection agreement, SBC should be responsible for promptly establishing a  
25           rate once AT&T orders a product or service subject to TBD pricing. If it does not  
26           do so, there should be a defined limitation on how far back SBC may bill such a

1 rate. All other billing under the interconnection agreement is subject to the  
2 backbilling restriction contained in Attachment 28 (Section 2.3). That provision  
3 limits backbilling of unbilled or underbilled amounts to six months. Rather than  
4 permitting SBC the right to reach back to the effective date of the interconnection  
5 agreement (potentially years), TBD rates should be subject to the backbilling  
6 limitation and only be charged retroactively for a period of up to six months, but  
7 no longer.

8 Second, SBC's proposed language requires that the interconnection  
9 agreement be amended automatically to incorporate the "Established Rate":

10 The Parties shall negotiate a conforming amendment which *shall reflect*  
11 *the Established Rate* to ensure that the Agreement accurately reflects the  
12 specific Established Rate(s) that apply to such Product or Service . .  
13 .(emphasis added)  
14

15 As discussed above, the "Established Rate" is determined unilaterally by SBC.  
16 While the SBC language uses the word "negotiate" it is hard to imagine how it  
17 can be considered negotiation when the contract language requires that the  
18 "Established Rate" will be incorporated into the amendment. The Parties should  
19 be required to negotiate an amendment; however, it should be a true negotiation in  
20 the first instance. That is, the rate itself should be the subject of the negotiation. If  
21 the parties cannot agree on the appropriate rate (and presumably they won't if  
22 AT&T proposes anything other than the "Established Rate"), then AT&T should  
23 have the ability to seek that the rate be determined by the Commission. If a rate  
24 different from the Established Rate is determined through this process, it should

1 apply retroactively over the backbilling period (as described above) rather than  
2 the Established Rate.

3 AT&T's changes to SBC's proposed language address both of these  
4 concerns.

5 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

6 A. AT&T respectfully requests that the Commission adopt AT&T's modified  
7 proposed language and reject the SBC proposed language. AT&T's modified  
8 language proposes changes necessary to address the deficiencies in SBC's  
9 proposal I describe above.

10 **Issue 4: Should the assignment provision be reciprocal?**

11 **Q. WHAT IS THE DISPUTED CONTRACT LANGUAGE ASSOCIATED**  
12 **WITH THIS ISSUE?**

13 A. The disputed contract language reads as follows:<sup>4</sup>

14 5.1.1 Neither AT&T nor SBC MISSOURI may **AT&T may not**  
15 assign or transfer (whether by operation of law or otherwise) this  
16 Agreement (or any rights or obligations hereunder) to a non-affiliate third  
17 person without the prior written consent **of SBC MISSOURI the other**  
18 **Party,** which consent shall not be unreasonably withheld, conditioned or  
19 delayed. Any attempted assignment or transfer that is not permitted is void  
20 ab initio.

21 5.1.2 SBC MISSOURI and AT&T may assign or transfer this  
22 Agreement to its Affiliate(s) or a Third Party by providing the other Party  
23 written notice sixty (60) calendar days' prior to such assignment or transfer;  
24 provided such assignment is not inconsistent with Applicable Law  
25 (including the Affiliate's obligation to obtain any required Commission  
26 certification and approvals) or the terms and conditions of this Agreement.  
27 Notwithstanding the foregoing, AT&T may not assign or transfer this  
28 Agreement (or any rights or obligations hereunder) to its Affiliate(s) or any

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<sup>4</sup> Underline represents language proposed by AT&T and opposed by SBC Missouri. **Bold represents language proposed by SBC Missouri and opposed by AT&T.**

1 Third Party if that Affiliate(s) or Third Party is a party to a separate  
2 agreement with SBC MISSOURI under Sections 251 and 252 of the Act.  
3 Any attempted assignment or transfer of this Agreement that is not  
4 expressly permitted or allowed shall be void.  
5

6 **Q. WHY IS IT IMPORTANT THAT THE TERMS OF THE AGREEMENT**  
7 **REGARDING THE ASSIGNMENT OR TRANSFER OF THE ICA BE**  
8 **RECIPROCAL?**

9 A. Both AT&T and SBC have the same interest in retaining the ability to transfer the  
10 rights and obligations of the Agreement to a third party. SBC's language would  
11 retain that right to itself only, while denying that right to AT&T. Further, SBC's  
12 language could be used to prohibit a third party from providing some portion of  
13 AT&T's service. The inability to partner with a third party would deny AT&T  
14 the ability to provide services to its end users with the assistance of a third party.  
15 AT&T's ability to work with third parties to provide facilities-based services to  
16 end users is crucial if AT&T is to effectively compete in the local  
17 telecommunications marketplace.

18 **Q. WHAT INTEREST DOES AT&T HAVE IN SBC'S RIGHT TO**  
19 **TRANSFER OR ASSIGN ALL OR PART OF ITS OBLIGATIONS UNDER**  
20 **THE AGREEMENT?**

21 A. AT&T relies on SBC's products and services to provide its own products and  
22 services to its Missouri customers. This includes, but is not limited to,  
23 interconnection with SBC and access to collocation facilities and unbundled  
24 network elements provided by SBC. Therefore, it is important that AT&T have  
25 the right to reasonably ensure that any such third party chosen by SBC has the  
26 ability to perform in accordance with this Agreement.

1 Q. IN CASES WHERE ONE PARTY ASSIGNS SOME OR ALL OF ITS  
2 RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT TO  
3 ANOTHER PARTY, DOES AT&T'S PROPOSED LANGUAGE INCLUDE  
4 SAFEGUARDS TO THE OTHER PARTY?

5 A. Yes, it does. AT&T's language provides that each Party has the ability to reject  
6 the assignment of the Agreement to the third Party, provided that permission for  
7 the assignment to a third party is not withheld unreasonably. The issues that  
8 either Party can use to justify its response to a request for an assignment should be  
9 applied reasonably to assure both Parties that any assignee has the financial and  
10 technical ability to perform under this Agreement.

11 Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?

12 A. AT&T respectfully requests that the Commission adopt the AT&T proposed  
13 language and reject the SBC proposed language.

14 **Issue 5(a): Should the Billing Party be permitted to discontinue collocation or**  
15 **interconnection related functions, services, products, or facilities if the Billed**  
16 **Party fails to pay following the receipt of the second notice or must the**  
17 **Billing Party rely on other remedies provided under this Agreement?**

18 Q. WHAT LANGUAGE REMAINS TO BE RESOLVED ON THIS ISSUE?

19 A. Since arbitration negotiations began, AT&T has modified its proposed language.

20 The following reflects the current dispute<sup>5</sup>:

21 10.5.2 discontinue providing any Resale Services, **Collocation,**  
22 Unbundled Network Elements, functions, facilities, products or  
23 services furnished under this Agreement., subject to the Billed  
24 Party's right to dispute such discontinuance of service pursuant to  
25 Section 9.0, Dispute Resolution.

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<sup>5</sup> Underline represents language proposed by AT&T and opposed by SBC Missouri. **Bold represents language proposed by SBC Missouri and opposed by AT&T.**

1 **Q. PLEASE SUMMARIZE THE NATURE OF THE DISPUTE BETWEEN**  
2 **AT&T AND SBC.**

3 A. Obviously, the discontinuance of interconnection facilities between the Parties  
4 would stop communications between the customers of both Parties, including,  
5 potentially, 911 calls. Certainly, it would be counter to public policy to allow a  
6 billing dispute between the Parties to hamper telecommunications services to  
7 Missouri end users and to cause potential safety concerns. AT&T believes that in  
8 order to protect the customers of Missouri, the discontinuance of functions,  
9 facilities, products and services should be subject to the billed party's right to  
10 dispute such discontinuance of service pursuant to the mutually negotiated dispute  
11 resolution provisions of the Agreement. AT&T's language is narrowly tailored  
12 to protect consumers from over-reaching self help measures by either party. It  
13 ensures that AT&T will pay bills properly rendered by SBC while protecting  
14 Missouri consumers by affording AT&T the opportunity to ensure that any  
15 disconnection of interconnection facilities are done pursuant to the terms of the  
16 Agreement.

17           Conversely, SBC provides no language whatsoever to protect Missouri  
18 end users in case of a billing dispute between the Parties. In fact, SBC only  
19 increases such uncertainty by specifically reserving the right to discontinue  
20 providing collocation to AT&T after the Billing Party provides a second notice of  
21 nonpayment. Since interconnection is attained through collocation, the  
22 discontinuance of collocation would directly affect interconnection between the  
23 Parties and, thus, service to Missouri end users. Therefore, AT&T's proposed

1 language should be accepted and SBC's request to include the word "Collocation"  
2 should be rejected by the Commission.

3 **Issue 6: Must SBC obtain an order from the Commission prior to**  
4 **terminating this Agreement or suspending or discontinuing any services**  
5 **provided under this Agreement?**

6 **Q. HAVE THE PARTIES NARROWED THE LANGUAGE IN DISPUTE ON**  
7 **THIS ISSUE DURING ARBITRATION NEGOTIATIONS?**

8 A. Yes. AT&T has modified its proposed language as follows<sup>6</sup>:

9 10.5.6 Only when required by Applicable Law will SBC  
10 MISSOURI be required to obtain an order from a governmental,  
11 administrative, or regulatory body or a court of competent  
12 jurisdiction approving such termination and/or disconnection, prior  
13 to terminating this Agreement and/or disconnecting the other  
14 party's Resale Services, Unbundled Network Elements,  
15 Collocation, functions, facilities, products or services furnished to  
16 the other Party under this Agreement. Notwithstanding the  
17 foregoing, in the event that SBC seeks pursuant to this Section  
18 10.5 to disconnect AT&T's Resale services, Unbundled Network  
19 Elements, Collocation, interconnection arrangements, functions,  
20 facilities, products or services furnished under this Agreement,  
21 AT&T may invoke the dispute resolution process pursuant to  
22 Section 9 of this Attachment to prevent such disconnection.  
23

24 **Q. PLEASE SUMMARIZE THE DISPUTE BETWEEN AT&T AND SBC.**

25 A. The parties agree that when required by applicable law, SBC will be required to  
26 obtain an order from a governmental, administrative, or regulatory body or a court  
27 of competent jurisdiction approving such termination and/or disconnection prior  
28 to terminating this Agreement or suspending or discontinuing any services  
29 provided under this Agreement. The current dispute arises from SBC's

<sup>6</sup> Underline represents language proposed by AT&T and opposed by SBC Missouri. **Bold represents language proposed by SBC Missouri and opposed by AT&T.**

1 disagreement that AT&T would have the right to invoke the dispute resolution  
2 process pursuant to the agreed to language in Section 9 of this Attachment to  
3 avert such disconnection.

4 **Q. WHY IS IT APPROPRIATE TO PERMIT THE DISPUTE RESOLUTION**  
5 **PROCESS BE INVOKED?**

6 A. Because the ability to purchase services from SBC is crucial to AT&T's ability to  
7 serve customers in the local marketplace, it is imperative that taking away that  
8 ability occurs only in instances where it is absolutely warranted. The language  
9 proposed by SBC Missouri would allow SBC alone to determine when the  
10 Agreement or a service provided under the Agreement may be terminated. Due to  
11 the substantial consequences both to AT&T and AT&T's customers, it is  
12 appropriate to allow AT&T to utilize the dispute resolution process before such a  
13 drastic remedy is taken.

14 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

15 A. AT&T respectfully requests that the Commission adopt AT&T's proposed  
16 language and reject SBC's proposed language.

17 **IV. COMPREHENSIVE BILLING**

18 **Q. PLEASE STATE THE PURPOSE OF THIS SECTION OF YOUR**  
19 **TESTIMONY.**

20 A. The purpose of my testimony is to explain why SBC Missouri's proposed contract  
21 language, and refusal to accept certain AT&T proposals, in Attachment 28:  
22 Comprehensive Billing of the SBC/AT&T Missouri Interconnection Agreement is  
23 unreasonable and contrary to its obligations. In addition, I will explain why the

1 Commission should approve the AT&T proposed contract language that SBC  
2 Missouri is unwilling to accept.

3 **Issue 1: Should SBC have the unilateral ability to discontinue industry**  
4 **standard billing format?**

5 **Q. HAS ANYTHING CHANGED WITH THIS ISSUE SINCE THE**  
6 **COMMENCEMENT OF NEGOTIATIONS?**

7 A. Yes. Since then, AT&T has modified its proposal for Section 1.3.1 in Attachment  
8 28. AT&T has withdrawn a phrase and a section reference it had previously  
9 proposed. Below is the provision as it now reads. The struck through bold  
10 underlined text is the portion of the AT&T proposal that AT&T has withdrawn.<sup>7</sup>

11 The remainder of the provision is unchanged.

12 1.3.1 Those billing items that are billed today in accordance with CABS  
13 Billing Output Specifications (BOS) format will remain billed in  
14 CABS BOS format **unless the FCC or State Commission rules that**  
15 **the billing item is no longer a UNE and the resultant service is**  
16 **altered in a manner that renders it incompatible with continued**  
17 **CABS billing. At that point, SBC OKLAHAOMA would make a**  
18 **determination on whether the item would remain in CABS billing**  
19 **system.** Any new elements billed in CABS BOS format will be in  
20 accordance to OBF guidelines where they have been developed. The  
21 requirements for CABS BOS billing under this Attachment include the  
22 bill, supporting detail and customer service record information and are  
23 set forth in more detail in Sections 1.8-1.9 and Section 3.0 of this  
24 Attachment. The requirements for resale billing and other charges  
25 billed by agreement of the Parties from SBC MISSOURI's resale  
26 billing system are set forth at Section 4.0 of this Attachment.

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<sup>7</sup> Underline represents language proposed by AT&T and opposed by SBC Missouri. **Bold represents language proposed by SBC Missouri and opposed by AT&T.**

1 **Q. PLEASE DESCRIBE THE DISPUTED SBC MISSOURI LANGUAGE AND**  
2 **WHY IT IS OBJECTIONABLE TO AT&T.**

3 A. SBC Missouri proposes language that would permit SBC Missouri to cease billing  
4 certain billing items in CABS BOS format if that billing item is determined to no  
5 longer be an unbundled network element (“UNE”). AT&T fails to understand  
6 why it would be necessary to remove a billing item from the CABS BOS format  
7 once it is already there. SBC Missouri’s language gives SBC Missouri the  
8 unilateral ability to disrupt the existing billing format and processes upon which  
9 the Parties rely. AT&T has expended considerable resources to achieve industry  
10 standards, both to derive them and to implement them. Once the Parties have  
11 implemented industry standards for billing of products and services under this  
12 Agreement, they should be required to maintain that method for those products  
13 and services absent agreement of the Parties to diverge from those standard  
14 practices since a deviation can lead to costly and time consuming manual  
15 processing, which is prone to error. Standards are implemented to address a  
16 community of needs among carriers. SBC should not be permitted to unilaterally  
17 confound those results.

18 Moreover, there is no reason why SBC cannot bill “non-UNE” products  
19 and services in the CABS billing format. In fact, SBC today bills many non-UNE  
20 items (e.g., traditional special and switched access services) utilizing the CABS  
21 BOS format.

1 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

2 A. AT&T respectfully requests that the Commission approve the AT&T proposed  
3 language and reject the SBC Missouri proposed language.

4 **Issue 2: Should SBC be required to correlate its recorded data to the Call**  
5 **Usage Record Daily Usage File sent to AT&T; and should it similarly be**  
6 **required to correlate its recorded data to the bill it sends to AT&T for the**  
7 **calls which generate those records?**

8 **Q. PLEASE DESCRIBE THE ACRONYM “DUF”.**

9 A. “DUF” stands for Daily Usage File. A DUF contains call records associated with  
10 originating or terminating traffic on a particular telephone line associated with  
11 UNE-P customers. For AT&T’s UNE-P customers, which are served using  
12 SBC’s switch, SBC records all call data. SBC then provides call data in the DUF  
13 it provides to AT&T. As the first part of Issue 4 suggests, AT&T requests that  
14 SBC be required to correlate the call data it records to the call records, including  
15 call usage records, it provides to AT&T as part of the DUF. AT&T also requests  
16 that SBC correlate or “map” the call record data to the bills AT&T receives for  
17 those calls to ensure that its bills are accurate.

18 **Q. WHY ARE DUFs IMPORTANT?**

19 A. Call records contained within the DUF are the basis for SBC’s bills to AT&T for  
20 UNE-P usage. AT&T attempts to use the call records contained in the DUF files  
21 to verify that the UNE-P bills we receive from SBC are accurate. In addition,  
22 AT&T is entitled to bill SBC Missouri and other carriers for terminating access  
23 on UNE-P lines leased by AT&T under certain circumstances (e.g., long distance  
24 calls).

1 **Q. SHOULD SBC BE REQUIRED TO PROVIDE PROCESS MAPPING OF**  
2 **CALL DETAIL INFORMATION TO BILL STRUCTURE?**

3 A. Yes, SBC should be required to provide the logic of how the call detail records  
4 map to the usage billing elements SBC bills to AT&T on the wholesale bill.  
5 SBC's current bills to AT&T do not allow such mapping. In other words, AT&T  
6 needs to know how SBC Missouri generates its bills from the call detail records  
7 associated with UNE-P. This can be accomplished by mapping the Automatic  
8 Message Accounting<sup>8</sup> ("AMA") data, or the copy of the AMA data contained in  
9 the DUF, to the UNE-P bill. This is a fundamental requirement for AT&T to  
10 validate bills sent by SBC. In order for AT&T to validate UNE-P billings from  
11 SBC, AT&T needs to know how SBC derives billed amounts from the call detail  
12 records it captures for the UNE-P calls. Very simply, AT&T is asking for the  
13 "roadmap" used by SBC to create bills from usage records. AT&T needs that  
14 map at least once to input into the AT&T validation process and will need it again  
15 each time SBC's billing logic changes. Obviously, if SBC's billing logic  
16 changes, then the map should be updated by SBC. Since changes to billing logic  
17 are infrequent, AT&T's request is not a burdensome one for SBC.

18 **Q. WHY IS IT IMPORTANT THAT AT&T HAVE THIS "ROADMAP"?**

19 A. This mapping is necessary because it will allow AT&T to verify the accuracy of  
20 the UNE-P billing. This information enables AT&T to correlate the call detail  
21 records generated for our UNE-P customers by SBC with the UNE-P bill AT&T

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<sup>8</sup> The automatic collection, recording, and processing of information relating to calls for billing purposes.

1 receives from SBC. As a corollary, the UNE-P billing also confirms the  
2 completeness of the call detail records provided to AT&T in the DUF. AT&T  
3 relies upon call detail records to bill its customers (which could be end users, or  
4 third party carriers, including an IXC.) If the call detail records and the UNE-P  
5 bills do not correlate, there could be errors in SBC Missouri's bills to AT&T or in  
6 AT&T's bills to SBC and/or third parties. In fact, there have been situations  
7 where, after exhaustive investigation, SBC admitted that the call detail records it  
8 provided to AT&T were incomplete and did not correlate with the UNE-P bill.  
9 The Parties spend an inordinate amount of time trying to understand the  
10 discrepancies and are not able to do so with any level of detail or accuracy  
11 without mapping.

12 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

13 A. For the reasons stated above, it is reasonable to expect SBC to correlate call detail  
14 records with the resulting UNE-P bills. AT&T respectfully requests that the  
15 Commission adopt AT&T's proposed language in Section 3.3.1 of Attachment  
16 28.

17 **Issue 3(a): Should SBC MISSOURI be required to provide to AT&T the**  
18 **OCN or CIC ("Carrier Identification Code"), as appropriate, of 3<sup>rd</sup> party**  
19 **originating carriers when AT&T is terminating calls as an unbundled switch**  
20 **user of SBC MISSOURI?**

21 **Issue 3(b): Should SBC MISSOURI be billed on a default basis when it fails**  
22 **to provide the 3<sup>rd</sup> party originating carrier OCN or CIC, as appropriate, to**  
23 **AT&T when AT&T is terminating calls as the unbundled switch user?**

24 **Q. SHOULD SBC INCLUDE THE OCN AND/OR CIC, AS APPROPRIATE,**  
25 **OF THE ORIGINATING THIRD PARTY CARRIER IN THE USAGE**

1           **RECORDS IT PROVIDES TO AT&T WHEN AT&T TERMINATES**  
2           **TRAFFIC?**

3    A.    Yes, it should. The originating OCN (Operating Company Number) and/or CIC  
4           (Carrier Identification Code) of the third party carrier is a unique identifier which  
5           distinguishes carrier ownership of the call. (The CIC is applicable to IXCs.) In  
6           other words, OCNs and CICs tell AT&T which carriers are originating calls that  
7           AT&T terminates as a facilities-based carrier or when AT&T leases UNE-P lines  
8           from SBC Missouri. Thus, either the OCN or CIC is required to enable the  
9           terminating carrier to properly bill the originating company. In the case where  
10          AT&T purchases SBC's unbundled network elements, AT&T is totally reliant on  
11          SBC to record the call and provide the record from which AT&T will bill the  
12          originating carrier. As a purchaser of unbundled network elements, AT&T  
13          requires this information on all third party traffic.

14   **Q.    DOES SBC HAVE THIS INFORMATION?**

15    A.    Yes it does. SBC records the call and also knows the identity of the originating  
16          carrier in the various circumstances under which AT&T terminates traffic from  
17          SBC (e.g., when AT&T terminates a call that originates from (i) a CLEC  
18          purchasing SBC's unbundled local switching element or (ii) an IXC or LEC  
19          interconnected with SBC). Thus, although AT&T does not know the identity of  
20          the originating carrier, SBC does have the information. Additionally, for IXC  
21          traffic, SBC has the relationship with the IXC to deliver the traffic and is aware of  
22          what IXC trunk it receives the call on.

1 **Q. DOES SBC PROPOSE TO USE ITS LINE IDENTIFICATION**  
2 **DATABASE (LIDB) AS A SOURCE TO OBTAIN THE ORIGINATING**  
3 **OCN?**

4 A. Yes. SBC proposes the use of its database LIDB as a possible solution in lieu of  
5 its providing AT&T with the CIC or OCN of the originating carrier. However,  
6 there is no established process for using LIDB for this purpose and it is not clear  
7 how SBC proposes that it should work.

8 **Q. HAS THE OBF APPROVED ANY ISSUES THAT APPLY TO SBC**  
9 **PROVIDING A CIC OR AN ORIGINATING OCN?**

10 A. Yes. The OBF issued its resolution statement on Issue 1921<sup>9</sup> which reached final  
11 closure on November 8, 2000. The OBF then further clarified the resolution of  
12 Issue 1921 with subsequent Issue number 2309,<sup>10</sup> which was closed on June 23,  
13 2004. The net result of these resolutions is that the recording company, SBC in  
14 the case of UNE-P, must provide to the terminating carrier on a per call basis, in  
15 the call detail record, the OCN of a carrier originating a local call.

16 In addition, the OBF has recently addressed the issue of whether an ILEC,  
17 such as SBC, must provide to the terminating carrier the OCN of a CLEC that  
18 originates a call using a UNE switch port leased from the ILEC. This is addressed  
19 in OBF Issue 2638,<sup>11</sup> which reached “final closure” on November 15, 2004. The  
20 resolution of this issue requires the UNE services provider (such as SBC, who

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<sup>9</sup> Attached as Schedule RTG-1 is a document with more detailed information about OBF Issue 1921.

<sup>10</sup> Attached as Schedule RTG-2 is a document with more detailed information about OBF Issue 2309.

<sup>11</sup> Attached as Schedule RTG-3 is a document with more detailed information about OBF Issue 2638.

1 owns the switch) to provide the terminating carrier with the OCN of the  
2 originating carrier that has leased the switch port.

3 An OBF “issue” simply represents an industry-affecting issue that the  
4 OBF members have agreed should be the subject of the OBF process for seeking a  
5 consensus resolution. Final closure means that the industry has reached  
6 consensus on the resolution and that it may be implemented as an industry  
7 solution.

8 **Q. DO THESE OBF DECISIONS SUPPORT AT&T’S POSITION THAT FOR**  
9 **NON-IXC CALLS SBC SHOULD INCLUDE THE OCN OF THE**  
10 **ORIGINATING THIRD PARTY CARRIERS IN THE USAGE RECORDS**  
11 **IT PROVIDES TO AT&T WHEN AT&T IS PURCHASING SBC’S**  
12 **UNBUNDLED NETWORK ELEMENTS?**

13 A. Yes it does, as explained above.

14 **Q. WHAT DOES SBC’S LANGUAGE STATE WITH RESPECT TO**  
15 **PROVIDING AN ORIGINATING OCN WHEN THE CALL ORIGINATES**  
16 **FROM A THIRD PARTY UTILIZING AN SBC SWITCH PORT?**

17 A. SBC’s language states:

18 “SBC MISSOURI will include the OCN of the originating carrier  
19 in the usage records it provides for calls originated by 3<sup>rd</sup> party  
20 carriers utilizing an SBC ULS port that terminate to an AT&T  
21 ULS Port, where technically feasible. SBC MISSOURI will begin  
22 providing this OCN after SBC MISSOURI completes its ULS Port  
23 project, which project is targeted for completion during mid-2004.”

24 As I discussed above, there is now an OBF resolution of the issue regarding what  
25 sort of data SBC must provide in its usage records (the OCN), yet SBC continues  
26 to insist on qualifying language such as “where technically feasible” despite that  
27 fact that, as I understand it, SBC has almost fully implemented this solution in  
28 most of its 13-state region. In addition, SBC’s proposed language oddly refers to

1 completion of its ULS Port project, which makes AT&T's ability to bill third  
2 party carriers subject to the whims of SBC's project planning. This language is  
3 not a binding commitment to complete the project, but appears to be merely a  
4 statement of intent. Moreover, SBC's language eliminates altogether any  
5 obligation to provide the CIC of the interexchange carrier when it terminates an  
6 interexchange call to AT&T. In fact, its proposed language never even mentions  
7 the CIC. Accordingly, SBC's proposed language is totally inappropriate in this  
8 instance. AT&T's proposed language, in contrast, clearly and simply obligates  
9 SBC to provide the OCN and CIC. SBC should be required to implement the  
10 OBF Issue resolutions described above, and should be required to provide the  
11 OCN, and/or the CIC, as appropriate, of the originating carrier without further  
12 delay.

13 For an IXC-carried call, it has been a long-established industry standard  
14 that the official recording company (SBC, when it is interconnected with the IXC)  
15 will identify for the terminating carrier the CIC of the IXC to be billed. As noted  
16 above, SBC's language fails to provide AT&T with the CIC in any circumstance  
17 at all and must, therefore, be rejected.

18 **Q. WHAT DOES AT&T PROPOSE SHOULD SBC FAIL TO PROVIDE THE**  
19 **THIRD PARTY'S ORIGINATING OCN OR CIC?**

20 A. Absent SBC providing the OCN or CIC, AT&T is unable to bill the originating  
21 third party carrier. Because this information is in SBC's—and only SBC's—  
22 possession, AT&T proposes to bill SBC on a default basis. SBC has this

1 information and if it is not provided to AT&T then AT&T only knows that the  
2 call came in on SBC's network. Therefore, it is appropriate to bill SBC.

3 **Q. IS AT&T'S PROPOSAL TO BILL SBC UNDER THIS CIRCUMSTANCE**  
4 **CONSISTENT WITH ESTABLISHED INDUSTRY PRACTICES?**

5 A. Yes. As noted by the OBF in my attachment Exhibit RTG-3, "The Billing  
6 Committee reaffirmed the existing language in MECAB Section 14 (Jointly  
7 Provided Service in an Unbundled Environment) that provides a default billing  
8 arrangement of charging the originating USP for ULEC-originated traffic." Thus,  
9 the default billing proposed by AT&T is consistent with approved industry  
10 practices.

11 **Q. HAS AT&T AGREED TO CLARIFY ITS LANGUAGE TO ALLEVIATE**  
12 **ONE OF THE CONCERNS SBC HAS RAISED WITH AT&T'S**  
13 **PROPOSED LANGUAGE?**

14 A. Yes, it has. In the recent SBC Indiana and AT&T/TCG Indiana arbitration, SBC  
15 complained that AT&T's language could be interpreted to require SBC to provide  
16 the OCN or CIC of the originating carrier when the originating carrier is a carrier  
17 using the unbundled local switching of a facilities-based ILEC. SBC contended  
18 that it would not have the OCN of the originating third party carrier in this  
19 circumstance. Because that is not what AT&T intended, AT&T agreed to clarify  
20 its language to add the following sentence to its proposed language for Section  
21 14.4 of the Comprehensive Billing Attachment: "In those situations where the  
22 third party carrier who originates the call is using the ULS of another ILEC, SBC  
23 shall provide the OCN of the underlying, facilities-based ILEC in the billing  
24 records it provides to AT&T." AT&T offers that same clarification here.

1 **Q. DOES THIS ISSUE HAVE ANY RELATION TO GENERAL TERMS AND**  
2 **CONDITIONS LANGUAGE IN THE ICA?**

3 A. Yes. The language in the GT&C Sections 7.1.2 and 7.2.1 is dependent on the  
4 outcome of this issue. In these GT&C sections, a reference to Section 14.4 of  
5 Article 28, will be included if AT&T prevails on this Comprehensive Billing  
6 Issue. If SBC prevails on this issue, the reference to Section 14.4 will not be  
7 included.

8 **Issue 4(a): Should the ICA include terms and conditions for billing and**  
9 **collection arrangements between the Parties for end user calls involving**  
10 **alternative billing mechanisms for resale services?**

11 **Issue 4(b): Should the ICA include terms and conditions for billing and**  
12 **collection arrangements between the Parties for end user calls involving**  
13 **alternative billing mechanisms for facilities based services?**

14 **Issue 4(c): Should the Agreement include Attachment 20: NICS?**

15 **Q. PLEASE EXPLAIN WHAT ALTERNATIVELY BILLED SERVICES ARE.**

16 A. An alternatively billed service (ABS) is a service that allows end-users to bill  
17 calls to accounts that may not be associated with the originating line. There are  
18 three types of ABS calls: calling card, collect and third number billed calls.

19 **Q. WHAT IS THE DISAGREEMENT WITH SBC CONCERNING**  
20 **ALTERNATIVELY BILLED CALLS FOR RESALE SERVICES?**

21 A. When negotiations began for the ICA, AT&T proposed that the separate  
22 agreement on alternatively billed services (“ABS”) for UNE-P, the ABS  
23 Agreement, also include resale services. SBC objected to this.

1 **Q. HAS AT&T MODIFIED ITS POSITION ON THIS ISSUE?**

2 A. Yes. AT&T continues to believe the billing and compensation for ABS calls  
3 exchanged between AT&T and SBC should be handled in an agreement separate  
4 from the ICA; however, AT&T will no longer seek to require resale service to be  
5 included in the ABS Agreement in this proceeding

6 **Q. SHOULD THE BILLING OF ABS CALLS FOR RESALE SERVICES BE**  
7 **PART OF THIS INTERCONNECTION AGREEMENT?**

8 A. No. This topic should be covered in a separate agreement between the parties.  
9 This would be consistent with the separate billing and collection agreement  
10 involving ABS calls for the UNE-P product that the Parties negotiated. However,  
11 in order to facilitate the resolution of disputed issues and develop a workable ICA,  
12 AT&T has agreed to include information on ABS calls in the Resale Attachment.  
13 Section 11.0 of the Resale Attachment addresses the responsibility for ABS calls.

14 **Q. SHOULD PROVISIONS FOR SETTLEMENT OF FACILITIES BASED**  
15 **ABS TRAFFIC BE INCLUDED IN THE ICA?**

16 A. No. Arrangements for ABS calls are in the nature of billing and collection  
17 agreements. Interconnection agreements under section 252 of the Act are for the  
18 purpose of establishing interconnection for the exchange of traffic and the sale by  
19 the incumbent carrier of certain services such as UNEs and collocation to a  
20 CLEC. A billing and collection agreement that makes AT&T SBC's agent for  
21 billing end users for retail services provide by SBC, or other carriers, is not  
22 required by the Act. As a result, arrangements for ABS calls should not be

1 included in an interconnection agreement and should not be the subject of an  
2 arbitration under section 252 of the Act.

3 **Q. WHY DOES AT&T OBJECT TO SBC'S PROPOSAL?**

4 A. As stated above, AT&T is not required by the Act to enter into a billing and  
5 collection arrangement with SBC for ABS calls. The completion of these calls  
6 can generate a billing relationship with a third party that is not a party to this  
7 interconnection agreement, or it can involve a billing relationship with SBC for  
8 services that are not provided pursuant to the interconnection agreement between  
9 AT&T and SBC. Moreover, under the SBC proposal, AT&T would be required  
10 to automatically bill on SBC's behalf at a rate that doesn't begin to cover its costs.  
11 AT&T will then be required to collect those charges from its customer that  
12 accepted those charges when it has no ability to control call completion. As a  
13 result, SBC's proposal shifts to AT&T all the costs and risks of billing and  
14 collection for a service AT&T did not even provide. SBC's proposal exposes  
15 AT&T to costs of billing, costs of collection and the risk of being unable to  
16 collect. These are all topics that require negotiation. AT&T and SBC need to  
17 take the time to negotiate terms of an arrangement for alternatively billed calls.  
18 SBC should not be allowed to leverage this arbitration to avoid such a negotiation  
19 or to force its one-sided terms on AT&T.

20 In addition, the terms proposed by SBC are one-sided, do not recognize  
21 the risks of collection, all the while insuring that SBC receives a fee for every call  
22 because SBC seeks to perform the clearinghouse function. AT&T's preference

1 for the ABS Agreement is based on the fact that it is a negotiated agreement that  
2 does take all of these factors into account. For example, the ABS Agreement  
3 provides AT&T with a 40% discount on accounts that it has to collect and AT&T  
4 is paid \$.05 per record for performing the collection function. In addition, the  
5 ABS Agreement has specific provisions dealing with unbillables and rejects, as  
6 well as high risk calls, such as those originating from prisons. There is also a  
7 provision concerning billing services to be provided by SBC. In contrast,  
8 Attachment 20 proposed by SBC in this proceeding does not deal with any of  
9 these issues and only compensates AT&T at \$.05 per call. There is no discount to  
10 take into account the risk of uncollectibles. The bottom line is that there is no  
11 difference in collection risk for facilities-based calls versus UNE-P calls.  
12 Consequently, AT&T should have the opportunity to negotiate terms that  
13 recognize those risks rather than have SBC's Attachment 20 foisted upon AT&T  
14 in an arbitration proceeding.

15 **Q. HAVE ANY OTHER COMMISSIONS RECOGNIZED THAT IT IS**  
16 **APPROPRIATE THAT AGREEMENTS FOR ALTERNATIVELY**  
17 **BILLED CALLS SHOULD NOT BE INCORPORATED IN**  
18 **INTERCONNECTION AGREEMENTS?**

19 A. Yes. The Texas Commission addressed the issue of whether alternately billed  
20 calls should be included in interconnection agreements in Docket No. 24542 and  
21 found

22 "that the detail and complexity of the issues related to Alternately Billed  
23 Traffic (ABT) over the UNE platform, the parties' disagreements over  
24 even the basic definitions of terms, and the fact that ABT issues involve  
25 multiple carriers, not merely the parties to the interconnection agreement,  
26 all support a finding that ABT over the UNE platform should be addressed

1 in a separate billing agreement between the parties and should not be  
2 incorporated into an interconnection agreement. Where parties are unable  
3 or unwilling to develop a comprehensive billing agreement to address  
4 ABT, then the provider of the Incollect or Outcollect services shall bill the  
5 end use customer directly.”<sup>12</sup>

6 **Q. WHAT IS AT&T PROPOSING AS AN ALTERNATIVE SOLUTION?**

7 A. AT&T seeks to make these processes subject to a separate negotiated agreement  
8 whereby all the details with respect to these billing and collection costs and  
9 responsibilities are part of a stand-alone defined agreement. AT&T is prepared to  
10 enter into such discussions with SBC at any time. Such an agreement should be  
11 separate from the interconnection agreement because billing and collection  
12 agreements for retail services provided by third parties are not required by the  
13 Act.

14 **Q. WHAT DOES AT&T SEEK FROM THE COMMISSION ON THIS ISSUE?**

15 A. AT&T urges that the Commission recognize that arrangements for ABS calls do  
16 not belong in an interconnection agreement and are not subject to the arbitration  
17 requirement of section 252 of the Act. If the Commission does not make this  
18 finding, AT&T requests a reasonable period of time to negotiate the terms of such  
19 an arrangement with SBC.

20 **V. INTERCARRIER COMPENSATION**

21 **Q. PLEASE STATE THE PURPOSE OF THIS SECTION OF YOUR**  
22 **TESTIMONY.**

23 A. The purpose of my testimony is to describe the position of AT&T regarding  
24 Intercarrier Compensation issues 2(a) and 2(b) and explain why AT&T’s

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<sup>12</sup> TPUC Docket No. 24542, Revised Arbitration Award at p. 212 (October 3, 2002).

1 proposed language should be approved by this Commission. The remaining  
2 Intercarrier Compensation issues are discussed in the testimony of Mr. John  
3 Schell.

4 **Issue 2(a): Should SBC be permitted to dictate in this interconnection**  
5 **agreement a requirement that AT&T enter into agreements with third party**  
6 **carriers?**

7 **Q. PLEASE EXPLAIN THIS ISSUE.**

8 A. SBC Missouri seeks to require AT&T to enter into agreements with third party  
9 carriers to whom AT&T originates traffic and for whom AT&T terminates traffic.  
10 In essence, SBC Missouri seeks to dictate AT&T's arrangements with third  
11 parties.

12 **Q. WHY DOES AT&T OBJECT TO THIS SBC MISSOURI PROPOSED**  
13 **LANGUAGE?**

14 A. SBC does not have the right to dictate agreements AT&T must reach with third  
15 parties. AT&T expects to appropriately bill (and be billed by) third party carriers;  
16 however, formal agreements with such parties are not required. The bigger issue  
17 here is that SBC Missouri seeks to escape its responsibility to provide records to  
18 AT&T that are necessary for AT&T to bill the correct party. When AT&T uses  
19 its terminating recordings to bill carriers for calls completing to its network,  
20 AT&T is unable to bill the correct originating carrier when that carrier is utilizing  
21 SBC Missouri's switch on an unbundled basis. The reason is that the call appears  
22 as an SBC Missouri-originated call. In addition, when AT&T uses the unbundled  
23 switching element, if SBC Missouri does not provide the correct information

1 identifying the originating carrier, AT&T has no ability to bill the originating  
2 carrier and SBC Missouri should not be relieved of responsibility for this.

3 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

4 A. AT&T respectfully requests that the Commission reject SBC Missouri's proposed  
5 language.

6 **Issue 2(b): Should SBC be protected from liability when carriers depend on**  
7 **SBC for records with all relevant information needed to bill the correct party**  
8 **and to validate bills they receive?**

9 **Q. PLEASE EXPLAIN THIS ISSUE.**

10 A. This issue is related to Issue 2(b) above and deals with the same SBC Missouri  
11 proposed language – Section 8.8, Attachment 12. Not only does SBC Missouri  
12 seek to require AT&T to enter into arrangements with third party carriers, SBC  
13 Missouri's proposal would require AT&T to indemnify SBC Missouri when  
14 AT&T has not entered into such arrangements.

15 **Q. WHY DOES AT&T OBJECT TO THIS SBC PROPOSAL?**

16 A. As explained for Issue 2(a) above SBC Missouri should not be relieved of liability  
17 and indemnified by AT&T when SBC Missouri fails to provide information  
18 necessary (e.g., identifying information of the third party carrier or providing a  
19 complete set of call detail records) to allow AT&T to bill the appropriate carrier.  
20 Moreover, this issue is already addressed in at least two places in the  
21 interconnection agreement being arbitrated. First, Attachment 28, Comprehensive  
22 Billing, contains detailed language regarding the obligation of SBC Missouri to  
23 provide records that AT&T requires as the purchaser of a UNE switching element  
24 in order to appropriately bill other carriers. In addition, when a third party carrier

1 uses an SBC Missouri UNE switch to provide service, AT&T must have records  
2 from SBC Missouri in order to bill the proper carrier for call termination. These  
3 issues are addressed in Attachment 28. The second place where the SBC  
4 Missouri proposed Section 8.8 is already addressed is in the indemnification  
5 provisions in Section 7 of the General Terms and Conditions. The separate  
6 indemnification provided in SBC Missouri's proposed Section 8.8 is self-serving  
7 and misleading because SBC Missouri seeks indemnification here without being  
8 willing to accept the responsibilities associated with proving the record  
9 information AT&T needs to bill, as set forth in Attachment 28.

10 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

11 A. For the reasons stated above, AT&T respectfully requests that the Commission  
12 reject SBC Missouri's proposed Section 8.8 and require SBC to take on  
13 responsibility to provide records as proposed by AT&T in Attachment 28.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes, it does, although I reserve the right to file rebuttal testimony.