Exhibit No:
Issues:
Witness: James Hamiter
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Southwestern Bell Telephone, L.P., d/b/a SBC Missouri
Case No: TO-2005-0336

SOUTHWESTERN BELL TELEPHONE, L.P.,

d/b/a SBC MISSOURI

CASE NO. TO-2005-0336

REBUTTAL TESTIMONY

OF

JAMES HAMITER

Dallas, Texas
May 19, 2005

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Southwestern Bell Telephone, L.P., d/b/a SBC Missouri's Petition for Compulsory Arbitration of Unresolved Issues for a Successor Agreement to the Missouri 271 Agreement ("M2A")	)))	Case No. TO-2005-0336

AFFIDAVIT OF JAMES HAMITER

STATE OF TEXAS)

COUNTY OF DALLAS

I, James W. Hamiter, of lawful age, being duly sworn, depose and state:

1. My name is James W. Hamiter. I am presently Area Manager-Interconnection for SBC Operations, Inc..

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

James W. Hamiter

Subscribed and sworn to before me this 11th day of May, 2005.

MARY L. REED
MY COMMISSION EXPIRES
October 5, 2008

Notary Public

My Commission Expires: October 5, 2008

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is James W. Hamiter. My business address is Three SBC Plaza, 308 Akard Street, Dallas, Texas 75202.

Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?

A. I am employed by SBC Operations, Inc. ("SBC Ops"). My title is Area Manager, Network Regulatory - Interconnection.

Q. ARE YOU THE SAME JAMES W. HAMITER THAT SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes, I am.

II. EXECUTIVE SUMMARY

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. In their direct testimony, CLEC witnesses purport to support their positions on various disputed issues. In this rebuttal testimony, I will show how their statements do not in fact support their positions. I rebut direct testimony submitted by the following CLEC witnesses:

AT&T witness John D. Schell, Jr.
Charter witness Mike Cornelius
CLEC Coalition witness Charles D. Land
CLEC Coalition (Xspedius) witness James C. Falvey
CLEC Coalition witness R. Matthew Kohly
MCImetro witness Don Price
MCImetro witness Dennis L. Ricca
Pager witness Dale Smick
Sprint witness Peter Sywenki
Sprint Witness James R. Burt

Q. IN SUMMARY, WHAT ARE THE IMPORTANT ISSUES SBC MISSOURI WANTS HIGHLIGHTED

A. The following summarizes SBC Missouri's position on the key issues:

GENERAL NETWORK / TYPES OF TRAFFIC / DEFINITIONS:

The CLECs' direct testimony reflects that they have ignored or are silent on many of the disputed definitions and other related issues. For instance, AT&T only addresses four of the 19 definition terms to which they disagreed in their original DPL (and their assertions are not well taken even as to these four). Although other CLECs are likewise silent on many of the disputed definitions, some continue to attempt to alter or omit time-honored definitions – but it is apparent that they do so for the purpose of delivering traffic inappropriately, to avoid access charges, or to connect unconventional types of equipment to SBC Missouri's network for establishing improper interconnections. CLECs cannot complain of definitions on which they have chosen to remain silent, nor should the Commission tolerate inappropriate behavior of the types mentioned above. SBC Missouri's proposed definitions should be approved. .

COMBINING TRAFFIC:

This is a major issue on which SBC Missouri and the CLECs continue to disagree. My rebuttal testimony demonstrates that the CLECs' statements in their direct testimonies do not support their positions. I refute the notion that combining traffic is not costly to SBC Missouri, as some CLECs have stated. I also show how the combining of traffic onto one trunk group will only benefit the CLECs and create inefficiencies in the network that will only harm SBC

Missouri. SBC Missouri's position and proposed languages on combining of traffic will ultimately benefit all carriers and should, therefore, be approved.

TRUNK REQUIREMENTS:

My rebuttal testimony shows that some of the CLECs still remain under the impression that trunking to every SBC Missouri Local Calling area necessarily means creating multiple POIs in a LATA. Again, I stress that SBC Missouri is not opposed to Single POI architecture within the LATA, and I illustrate how the CLECs' objections to SBC Missouri's trunking requirements work with single POI. I refute each CLEC's argument that they will be burdened with additional facility costs and forced to operate with inefficient trunking arrangements if SBC Missouri's proposed trunking requirements are adopted.

ONE-WAY VERSUS TWO-WAY TRUNKING:

In their direct testimony, the CLECs argue against SBC Missouri's efforts to work toward a more efficient network. The CLECs' arguments against two-way trunking are unconvincing, and my rebuttal testimony specifically refutes them. In doing so, I emphasize once again that SBC Missouri's proposed language allows those CLECs with existing one-way architecture to transition to a two-way architecture. Nonetheless, SBC Missouri's proposal that new trunks be two-way is reasonable and should be adopted by the Commission.

MEET-POINT TRUNKS, MASS CALLING, ANCILLARY TRUNKS:

Some CLECs argue that there is a need for some of the ancillary trunks required by SBC Missouri. Basically, this argument centers around the fact that the CLECs do not want to pay for the facilities associated with these services - in fact, they expect SBC Missouri to provide the facilities for ancillary services.

Additionally, the CLECs propose alternative methods of providing ancillary services, such as "choke," that are not as reliable or effective as the methods proposed by SBC Missouri. My rebuttal testimony refutes all of the CLECs' claims and arguments regarding Meet-Point Trunks, Choke, 911, and ancillary services in this testimony.

TRUNK SPECIFICATIONS / TRUNK UTILIZATION AND RE-SIZING:

My rebuttal testimony addresses and refutes the CLECs' proposals to adopt methods that would lead to non-standard intervals that could, in turn, lead to some CLECs receiving more favorable work intervals than other CLECs. I refute arguments that the trunking tables proposed in SBC Missouri's language is less accurate than those proposed by the CLECs. I refute the CLECs' argument that SBC Missouri should be required to guarantee that all orders submitted by CLECs will be worked within 30 days.

TRUNK FORECASTING:

Although MCIm and the CLEC Coalition submitted forecasting issues in their DPL, they offered no direct testimony on these issues. SBC Missouri emphasizes that forecasting future trunk requirements remains necessary and important..

EXPENSIVE INTERCONNECTION - SINGLE VERSUS MULTIPLE POI – AND INTERCONNECTION WITHIN SBC MISSOURI'S NETWORK:

Although these two sections were presented separately in my direct testimony, I combine them here because the CLECs argued the issues associated with them in similar fashion. My rebuttal testimony refutes the CLECs' arguments against interconnecting on SBC Missouri's network. I provide further cited authorities that support SBC Missouri's position and that refute the CLECs' position. I also

rebut the CLECs' claims that they have a right to select a POI at any location and provide cites that prove SBC Missouri's position.

DIRECT END OFFICE TRUNK GROUPS ("DEOTS") REQUIREMENTS:

In this section, I rebut CLECs' claims that SBC Missouri is forcing CLECs to adopt inefficient trunking arrangements and to incur burdensome and unnecessary facility costs. I provide citations from other arbitrations in other states where it was determined that establishing DEOTs does not impose a financial burden on CLECs.

MUTUAL AGREEMENT OF TECHNICALLY FEASIBLE METHODS OF INTERCONNECTION:

Mutual agreement seems to have a different meaning to the CLECs than to SBC Missouri. The CLECs argue that they have the right to select a Point of Interconnection at any technically feasible point – which essentially amounts to any point unilaterally chosen by them. This does not equate to "mutual agreement." I present rebuttal testimony that refutes the CLECs' views.

INTRABUILDING CABLING:

In this section of my rebuttal testimony, I refute arguments presented by AT&T and Xspedius that intrabuilding cabling or adjacent POP hotels are feasible methods of interconnection. The Commission should reject these CLECs' views.

LEASING OF CLEC FACILITIES:

I refute Xspedius' claims that language regarding SBC Missouri leasing facilities from a third party should be included in the ICA. As stated in my direct testimony, SBC Missouri does not lease facilities from CLECs. Thus, no language directed to the subject is needed.

INFORMATION REQUIREMENTS:

I dispel the notion that there is any need for Xspedius' proposed language by refuting in particular Mr. Falvey's position that the language is necessary. As I noted in my direct testimony, SBC Missouri and Xspedius have already agreed upon language in other sections of the ICA that determines that SBC Missouri will issue TGSRs and Xpedius will issue ASRs. The Commission should reject Xspedius' proposed language.

Q. IN SUMMARY, HOW SHOULD THE COMMISSION RULE ON THE ISSUES ON WHICH YOU PROVIDE REBUTTAL TESTIMONY?

A. In summary, the Commission should rule in favor of SBC Missouri.

III. GENERAL NETWORK / TYPES OF TRAFFIC / DEFINITIONS

AT&T Attachment 11: Network Architecture Issue 1:

Should Attachment 11 include definitions of terms used in SBC Missouri's proposed language? If so, are SBC Missouri's proposed definitions appropriate?

Charter Appendix GT&C Issue 6a, 6b and 6c:

(a) Should this definition extend beyond Local 251 services? (Local Exchange Services)

(b) and include Telephone Exchange Service? **RESOLVED**

(c) and include Telephone Exchange Service instead of local Exchange Service? **RESOLVED**

Charter Appendix GT&C Issue 12:

Which Party's definition is correct? (Interconnection- in the Act) **RESOLVED**

Charter Appendix GT&C Issue 17:

Should this definition be included in the ICA? ("POTS") **RESOLVED**

Charter Appendix GT&C Issue 19:

Which Party's definition is correct? (Trunk Side) **RESOLVED**

Charter Appendix GT&C Issue 20:

Which Party's definition is correct? (Line Side) **RESOLVED**

CLEC Coalition Attachment 11b, Appendix ITR Issue 3b:

(b) Should the ICA use the defined term "Local Interconnection Trunk Groups?

MCIm NIM/ITR Issue 2:

Should SBC Missouri's definition of "Access Tandem" be included in the Agreement?

MCIm NIM/ITR Issue 3:

Should SBC Missouri's definition of "Local Tandem" be included in the Agreement?

MCIm NIM/ITR Issue 4:

Should SBC Missouri's definition of "Local/Access Tandem" be included in the Agreement?

MCIm NIM/ITR Issue 5:

Which Parties' definition of "Local Interconnection Trunk Group" should be included in the Agreement?

MCIm NIM/ITR Issue 6:

Should SBC Missouri's definition of "Local/IntraLATA Tandem" be included in the Agreement?

MCIm NIM/ITR Issue 7:
Should SBC Missouri's definition of "Offers Service" be included in the Agreement?

MCIm NIM/ITR Issue 8:
Which party's definition of points of interconnection should be included in the Agreement

MCIm Appendix Definition Issue 7:
Which Party's definition of "Rate Center" should be included in the Agreement?

Pager Company Appendix NIA Issue 2a:
(a) Should the definition of "Local Tandem" be included in the Agreement?

Pager Company Appendix NIA Issue 2b:
(b) Should the agreement utilize the term "Local Only Tandem Switch?"

Sprint Attachment NIM Issue 3b:
(b) Should SBC's term Section 251(b)(5)/IntraLATA Toll Traffic be included in this Attachment?

Q. WHAT ARE AT&T'S PRINCIPAL OBJECTIONS TO SBC MISSOURI'S PROPOSED DEFINITIONS, AS SHOWN BY AT&T'S DIRECT TESTIMONY?

A. AT&T's objections to the definitions SBC Missouri has proposed in the ICA are limited to the direct testimony of AT&T witness Mr. Schell. His direct testimony centers around two major points of dispute between the parties. These are Points of Interconnection ("POI") and Trunking. In Mr. Schell's direct testimony, at page 5, he states that "the principle reason SBC is proposing many of its definitions is to lay the foundation for its inappropriate network architecture point-of-interconnection ('POI') and trunking proposals."

While I address his claim below, I will address it further in Expensive Interconnection – Single vs Multiple POI – Interconnection within SBC Missouri's Network.

Q. HAS SBC MISSOURI PROPOSED THAT DEFINITIONS OF TERMS BE INCLUDED IN THE ICA SO AS TO LAY A FOUNDATION FOR INAPPROPRIATE POI AND TRUNKING PROPOSALS?

A. No. In my direct testimony, at pages 9-40, I explained SBC Missouri's reasons for including each term's definition in the ICA by discussing these terms within several categories, for ease of discussion – Switch types, Trunk Group Types, Traffic Types, Calling Areas, Services, and Miscellaneous. As I explained, it is important that the agreement be certain and clear, so that any possibility for future disputes based on ambiguity be reduced, if not eliminated altogether.

Q. OF THE 25 DISPUTED TERMS COVERED IN SECTION III OF YOUR DIRECT TESTIMONY, WHICH OF THOSE DOES AT&T ADDRESS IN ITS DIRECT TESTIMONY?

A. AT&T's lone witness on the subject is Mr. Schell. He admits that "AT&T does not disagree with every definition SBC proposes" (Schell Direct, p. 5) and, in fact, only addresses four definitions in his discussion of AT&T Network Architecture Issue 1. These terms are "Local Interconnection Trunk Groups", "Local Only Trunk Groups", "Local Only Tandem Switch", and "Offers Service." In my direct testimony, I identified that AT&T had earlier objected to 19 of SBC Missouri's proposed 25 definitions in my direct. Given that just four terms are discussed in Mr. Schell's direct testimony, AT&T would no longer appear to seriously dispute the definitions for the remaining 19 terms. At a minimum, SBC Missouri and AT&T should be able to resolve their dispute over the other 15 terms originally disputed by AT&T.

Q. OF THE 25 DISPUTED TERMS COVERED IN SECTION III OF YOUR DIRECT TESTIMONY, WHAT DISPUTED TERMS DOES CHARTER FIBERLINK OBJECT TO IN ITS DIRECT TESTIMONY?

A. SBC Missouri and Charter Fiberlink have resolved their dispute on GT&C issues 6b, 6c, 12, 17, 19, and 20. As a result, the only remaining issue at dispute between these parties is GT&C issue 6a, which involves whether the Charter term, "Telephone Exchange Services", rather than SBC Missouri's proposed term, "Local Exchange Services", should be used in the definition of "End Office Switch" or "End Office" in GT&C Section 1.1.26.1. SBC Missouri objects to the term Charter proposes, because the ICA should be limited to terms and conditions established by Section 251 of the Act. Interestingly, neither "Telephone Exchange Services", "Local Exchange Services", "End Office Switch", nor "End Office" appear in Charter witness Cornelius' direct testimony. Consequently, it is unclear to SBC Missouri what Charter's dispute on GT&C issue 6(a) really is.

Q. HAVE SBC MISSOURI AND THE CLEC COALITION REACHED AGREEMENT IN THEIR DISPUTE OVER THE DEFINITION OF "LOCAL INTERCONNECTION TRUNK GROUPS" IN CLEC COALITION ITR ISSUE 3(B)?

A. Concerning CLEC Coalition ITR Issue 3(b), "Local Interconnection Trunk Groups", Xspedius' witness Mr. James C. Falvey testifies that Xspedius accepts SBC Missouri's definition and this issue is resolved. (Falvey Direct, p. 26) CLEC Coalition witness, Mr. Charles D. Land, does not address this issue in his direct testimony. For the same reasons stated in my rebuttal of Mr. Schell's direct on this same definition, the Commission should adopt SBC Missouri's definition of "Local Interconnection Trunk Groups." It no longer appears objectionable to the CLEC Coalition.

Q. MCI METRO WITNESS DENNIS L. RICCA ARGUES AGAINST NUMEROUS ISSUES REGARDING DEFINITIONS OVER WHICH SBC MISSOURI AND MCIM ARE IN DISPUTE. WHAT ARE THE TERMS ASSOCIATED WITH THOISE DEFINITIONS?

A. The definitions Mr. Ricca covers in his direct testimony, at pages 3 – 6, are:

MCIm Definition Issue 7: "Rate Center";
MCIm NIM ITR Issue 2: "Access Tandem":
MCIm NIM ITR Issue 3: "Local/Access Tandem";
MCIm NIM ITR Issue 4: "Local/IntraLATA Tandem":
MCIm NIM ITR Issue 6: "Local/IntraLATA Tandem";
MCIm NIM ITR Issue 7: "Offers Service";
MCIm NIM ITR Issue 8: "Points of Interconnection" or "POI".

Q. WHAT IS MCIM'S POSITION ON THE ISSUES NOT DISCUSSED IN MR. RICCA;S DIRECT TESTIMONY?

A. Mr. Ricca states, "…it is not necessary for the Commission to rule on the nineteen issues that MCIm has identified as moot under the 13-State Amendment." (Ricca Direct, page 5)

Q. DOES SBC MISSOURI AGREE WITH THE STATEMENT MR. RICCA MAKES?

A. No. SBC Missouri disagrees with Mr. Ricca's statement and his assessment that these terms are moot and, therefore, not important. These terms are very important and should be included in the new ICA the parties currently are negotiating. MCIm wants the Commission to order SBC Missouri and MCIm to extend the now expired 13-State Agreement, thereby allowing MCIm to ignore the type of traffic each SBC Missouri tandem (identified in NIM ITR Issues 2, 3, 4, and 6) handles and to improperly route traffic. These results are precisely what SBC Missouri is trying to avoid, and MCIm's discussion demonstrates why the Commission should adopt SBC Missouri's proposed language on these issues.

Q. WHAT IS SBC MISSOURI'S DISPUTE WITH MCIM'S PROPOSED LANGUAGE THAT DEFINES THE TERM "RATE CENTER" IN DEFINITION ISSUE 7 IN MR. RICCA'S DIRECT TESTIMONY?

A. MCIm's language regarding the definition of the term "Rate Center", concerning MCIm Definition Issue 7, does not agree with the accepted industry definitions that I presented in my direct testimony. (Hamiter Direct, pp. 33-35). SBC Missouri's proposed definition for the term "Rate Center" agrees with accepted industry definitions. Consequently, the Commission should adopt SBC Missouri's proposed language concerning this issue.

Q. WHAT DEFINITION FOR THE TERM "OFFERS SERVICE" DOES MCIM PROPOSE IN NIM/ITR SECTION 1.3 (ISSUE 7)?

A. While SBC Missouri offers a definition, MCIm does not. This may be why Mr. Ricca refers to the issues as "hypothetical" at page 5 of his direct testimony - it does not exist in MCIm's language. I fully explained in my direct testimony why it is important to define the term "offers service." (Hamiter Direct, p. 29). SBC Missouri believes this issue is not hypothetical but real, and the definition it proposes for "Offers Service" is reasonable, valid, avoids confusion, and is necessary. Therefore, SBC Missouri submits that the Commission should adopt its language, rather than ignore it as Mr. Ricca proposes.

Q. WHAT IS SBC MISSOURI'S DISPUTE WITH MCIM'S PROPOSED LANGUAGE THAT DEFINES THE TERM "POINTS OF INTERCONNECTION" IN NIM/ITR ISSUE 8? (RICCA DIRECT, P. XXX)

A. Concerning MCI NIM/ITR Issue 8, "Points of Interconnection," MCIm wants the Commission to decide this is a moot issue, as well, and adopt their language. By doing this, MCIm could establish a POI at any location, including one that is not on SBC Missouri's network. I fully explained how a POI, established between SBC Missouri and a CLEC, must be on SBC Missouri's network in my direct

testimony. (Hamiter Direct, pp. 30-31). Additionally, I further explained the importance of POI in Section V. Trunk Requirements of my direct testimony and in Section X. Expensive Interconnection – Single POI vs. Multiple POI, of my direct testimony. (Hamiter Direct, pp. 50, 85). I will also cover the subject of POI later in my rebuttal testimony. The Commission should not ignore this issue, as suggested by Mr. Ricca, and should adopt SBC Missouri's definition.

Q. WHAT IS MCIM'S POSITION REGARDING NIM/ITR ISSUE 5 IN MR. PRICE'S DIRECT TESTIMONY?

A. MCIm witness, Mr. Don Price, disagrees with SBC Missouri's use of the term "Section 251(b)(5)" to identify the type of traffic a "Local Interconnection Trunk Group" should carry. (Price Direct, pp. 143-144).

Q. WHY IS IT IMPORTANT TO USE THE TERM "SECTION 251(B)(5)" IN THE DEFINITION FOR "LOCAL INTERCONNECTION TRUNK GROUP?"

A. It is important to the matter of compensation. As I explained in my direct testimony, SBC Missouri establishes and names trunk groups according to the type of traffic a trunk group will handle. (Hamiter Direct, p. 4). SBC Missouri names the different traffic types carried by SBC Missouri trunk groups according to the type of compensation each type of traffic receives. (Hamiter Direct, pp. 12-13, 23-27). Mr. Price wants the Commission to allow MCIm to route any type of traffic to a local interconnection trunk group regardless of the compensation afforded the traffic. Receiving proper compensation for each traffic type is paramount to SBC Missouri, and MCIm does not provide any valid reason for objecting to using the term "Section 251(b)(5)" in the local interconnection trunk group definition.

Q. IS IT TRUE, AS MCIM SAYS IN MR. PRICE'S DIRECT TESTIMONY, THAT SBC MISSOURI'S PROPOSED LANGUAGE, IN NIM/ITR ISSUE 5, SUGGESTS "THAT ISP-BOUND TRAFFIC IS NOT SUBJECT TO 251(B)(5) OF THE ACT... ?"(PRICE DIRECT, P. 144)

A. No. SBC Missouri's language allows for ISP-Bound traffic on a Local Interconnection Trunk Group, as long as the ISP-Bound traffic that trunk group carries satisfies the definition of Section 251(b)(5) traffic. MCIm's definition of Local Interconnection Trunk Group ignores that some ISP-Bound traffic can actually be interLATA in nature. ISP-Bound traffic that is InterLATA in character is subject to access charges, and is not subject to reciprocal compensation, as MCIm would like it to be. Because of this, the Commission should adopt SBC Missouri's proposed definition of "Local Interconnection Trunk Group" in MCIm NIM/ITR Issue 5.

Q. WHAT IS THE DISPUTE BETWEEN SBC MISSOURI AND SPRINT OVER THE PROPOSED LANGUAGE FOR NIM APPENDIX SECTION 2.6.3 ON SPRINT NIM ISSUE 3(B)? (SYWENKI DIRECT, PP 17 – 24)

A. SBC Missouri uses the term "Section 251 (b)(5)/IntraLATA" Traffic in its proposed definition for the term "Single POI", while Sprint proposes the term "Multi-jurisdictional" traffic. (Sywenki Direct p 18) The term "Multi-jurisdictional" is imprecise. It does not distinguish InterLATA traffic from reciprocal compensation traffic. If allowed to use this term in the definition of single POI, Sprint would combine all traffic types, whether access or local, over a single trunk group. (Sywenki Direct, p 18). SBC Missouri strongly disagrees with this and requests that the Commission adopt the language proposed by SBC Missouri. This language specifies the type of traffic SBC Missouri and Sprint will exchange over heir interconnection facilities once they have connected their networks.

IV. COMBINING TRAFFIC

AT&T Attachment 12: Intercarrier Compensation Issue 6e:
Should Interconnection Trunk Groups only carry Section 251(b)(5)/IntraLATA and ISP-bound Traffic?

AT&T Attachment 11: Network Architecture Issue 10: 1
Should Local Interconnection Trunk Groups carry only Section 251(b)(5)/IntraLATA Toll Traffic?

CLEC Coalition Attachment 11b- Appendix ITR Issue 3(a):
(a) Should CLECs be able to combine InterLATA Toll Traffic on the same trunks with Section 251(b)(5), ISP Bound and IntraLATA Toll Traffic?

Sprint Attachment ITR Issue 3(a):
(a). May Sprint combine originating 251(b)(5) Traffic, intraLATA toll traffic, and interLATA toll traffic on the same trunk groups?

MCIm NIM/ITR Issue 15(a):
(a) What is the proper routing, treatment and compensation for interexchange traffic that terminates on a Party's circuit switch, including traffic routed or transported in whole or part using Internet Protocol?

MCIm NIM/ITR Issue 15(b):
(b) Should the agreement include procedures for handling interexchange circuit-switched traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation?

MCIm NIM/ITR Issue 15(c):
(c) What is the proper routing, treatment and compensation for traffic originated on customer premises equipment of the end user who originated and/or dialed a call in the Internet Protocol format and transmitted to the switch of a provider of voice communication applications or services when such switch utilizes Internet Protocol?

Q. WHAT ARE THE ISSUES IN THIS SECTION OF YOUR REBUTTAL TESTIMONY ABOUT, AND WHY ARE THEY IMPORTANT TO SBC MISSOURI?

A. The issues in this section of my rebuttal testimony refer to the CLECs' combining more than one type of traffic onto the Local Interconnection Trunk Group. The general dispute between SBC Missouri and the CLECs is that the CLECs want to

combine different types of traffic on the Local Interconnection Trunk Group and use less accurate billing methods for the different types of traffic. SBC Missouri wants to separate the individual types of traffic onto trunk groups that are designed to handle specific types of traffic to facilitate more accurate billing of each traffic type. The CLECs argue that a single trunk group that carries more than one type of traffic is more efficient. I explain why this is not so in my rebuttal testimony.

I described the different types of traffic, handled by SBC Missouri, and the different types of trunk groups SBC Missouri uses to handle each type of traffic in my direct testimony. (Hamiter Direct, pp. 9 - 40) I also discussed in my direct testimony the concept of combining traffic and why SBC Missouri opposes it. (Hamiter direct, pp. 40 – 50)

Q. WHAT IS THE NATURE OF THE DISPUTE BETWEEN SBC MISSOURI AND AT&T REGARDING AT&T INTERCARRIER COMPENSATION ISSUE 6(E)?

A. Concerning the dispute over IC Issue 6(e), SBC Missouri and AT&T basically disagree, as Mr. Schell states in his direct testimony (Schell Direct, pp. 140-141), on what types of calls are included in Section 251(b)(5) traffic. AT&T wants to combine types of traffic that are not included in the definition of Section 251(b)(5) traffic. Mr. Schell does not specify, in his discussion of this issue, what traffic AT&T wants included in the definition of Section 251(b)(5) traffic; nor, does he discuss anywhere in his direct testimony what Section 251(b)(5) traffic is. I identified AT&T as being in dispute over the definition of Section 251(b)(5) traffic in my direct testimony. (Hamiter Direct, p. 11) I also explained, in my direct testimony, the significance of Section 251(b)(5) traffic as it applies to Local

Interconnection Trunk Groups. (Hamiter Direct, pp. 23-24.) Additionally, I explained what Section 251(b)(5) traffic is in my discussion on the definitions of the various traffic types in my direct testimony. (Hamiter Direct, pp. 25 & 26)

Q. WHY IS THE DEFINITION OF SECTION 251(B)(5) TRAFFIC AND COMBINING TRAFFIC OVER THE SAME TRUNK GROUP IMPORTANT TO BOTH SBC MISSOURI AND AT&T IN REGARD TO THIS ISSUE?

A. The definition of Section 251(b)(5) traffic determines what types of traffic the Local Interconnection Trunk Group between SBC Missouri and AT&T will carry. The rub for AT&T, if SBC Missouri's language is adopted, is that AT&T will not be allowed to route InterLATA access traffic over the Local Interconnection Trunk Group. This means AT&T will have to route InterLATA access traffic and other non-Section 251(b)(5) traffic, such as IXC-carried IntraLATA access traffic, over some other trunk group to which access or other rates apply. Obviously, AT&T would prefer to pay a lower rate for the extra traffic types it wants to include in the definition of Section 251(b)(5) traffic.

If AT&T's proposed language is adopted, SBC Missouri will have to accept the additional traffic – both InterLATA and IXC-carried IntraLATA access – that AT&T sends over the Local Interconnection Trunk group. The Commission should not allow that to occur because when traffic is combined on the same trunk group, there is no way to separate the two types of traffic in the billing processes it uses.

Q. DO ANY OF THE OTHER CLECS IN THIS ARBITRATION WANT TO COMBINE TRAFFIC ON A SINGLE TRUNK GROUP.

A. Yes. Sprint wants to use multi-jurisdictional trunk groups to exchange traffic with SBC Missouri. (Sywenki Direct, p. 17) The CLEC Coalition also wants to

combine traffic and adopts AT&T's assertion that combining traffic on one trunk group is more efficient. (Land Direct, p. 20) MCIm has also submitted direct testimony that addresses this same issue. (Price Direct, p. 115) They want to combine traffic under the guise of more efficient trunking. The matter of combining traffic to avoid proper billing is a major concern for SBC Missouri. If the CLECs assume SBC Missouri will know how much to bill each of them for each type of traffic they deliver to SBC Missouri over a single trunk group, their assumption is wrong.

Q. HOW WOULD SBC MISSOURI KNOW HOW MUCH TO BILL FOR EACH TYPE OF TRAFFIC COMBINED ON A SINGLE TRUNK GROUP AS AT&T PROPOSES? (SCHELL DIRECT, PP. 66, 140)

A. Actually, SBC Missouri really has no way of knowing how much to bill for each traffic type that a CLEC combines on a single trunk group. So, Mr. Schell proposes a compromise solution that apportions a percentage to each traffic type. The percentage for each traffic type would then be applied to the total minutes of use on the trunk group to determine how many minutes belong to each traffic type. The appropriate billing rate would then be applied to the minutes for each traffic type, which would provide the amount of compensation each carrier would either pay or receive.

Q. WHAT IS SBC MISSOURI'S PROBLEM WITH THE PERCENT OF USE METHOD FOR COMBINED TRAFFIC?

A. SBC Missouri has several problems with the Percent Usage Method of determining minutes of use for different traffic types combined on a single trunk group. First, determining the actual percentages to be used is a labor intensive undertaking. Secondly, this method is not accurate.

Q WHY IS IT NOT ACCURATE?

A. The percent usage method is in actuality a projection that is only a proxy for measuring actual use. Moreover, the applied percentages are only useful (if at all) for the period of time over for which traffic information was analyzed. Once applied to the billing process, the same percentages are used until either carrier decides to re-evaluate them, re-calculate the percentages, and begin using them. The longer the same set of percentages are in use, the more likely the actual percentages of use for each traffic type will have changed. A good analogy for this is, if one wanted to have a picnic outdoors today, one would not go to last week's paper to see what the weather will be this afternoon. If it was raining on Thursday of last week, would one decide to not have a picnic - even though the sun is shining? If last Thursday was a sunny day, surely one wouldn't go on a picnic today, despite the rain. The answer, of course, is no – one looks at the information that is available now. In the case of the picnic, one would merely look out the window.

Consequently, SBC Missouri prefers to segregate different traffic types it receives from other carriers on single trunk groups. The appropriate billing is then applied to all of the traffic carried buy that trunk group. The correct amount of money is collected or paid with little or no worry of how the traffic patterns may have fluctuated during the billing cycle.

Q. WHAT IS AT&T'S POSITION ON INTERCARRIER COMPENSATION ISSUE 6(E)?

A. Regarding AT&T IC issue 6(e), AT&T wants the Commission to decide what types of calls are included in Section 251(b)(5) traffic. (Schell Direct, p. 141)

Q. WHAT IS SBC MISSOURI'S POSITION ON AT&T NA ISSUE 6(E)?

A. SBC Missouri believes the Commission should adopt its language on this issue, because it defines Section 251(b)(5) traffic within the parameters of Section 251(b)(5) of the Act. Additionally, SBC Missouri asks the Commission to adopt SBC Missouri's proposed language regarding the terms "Local Interconnection Trunk Group."

Q. WHAT IS THE NATURE OF THE DISPUTE BETWEEN SBC MISSOURI AND AT&T REGARDING AT&T NETWORK ARCHITECTURE ISSUE 10?

A. SBC Missouri and AT&T basically disagree, as Mr. Schell states in his direct testimony (Schell Direct, pp. 140-141), on what types of calls are included in Section 251(b)(5) traffic. This is true for both IC Issue 6(e) and NA issue 10. AT&T wants to combine all types of calls over the interconnection trunk group, while SBC Missouri wants to limit the traffic routed to the interconnection trunk group to just those calls that are subject to reciprocal compensation. SBC Missouri's position in the dispute over these two issues is that Section 251(b)(5) traffic should only include those calls that are subject to reciprocal compensation. This precludes Interexchange calls, which are not subject to reciprocal compensation, and Transit traffic, which also is not subject to reciprocal compensation.

Q. WHAT IS AT&T'S POSITION ON NETWORK ARCHITECTURE ISSUE 10?

A. Regarding AT&T IC issue 6(e), AT&T wants the Commission to decide what type calls are included in Section 251(b)(5) traffic. (Schell Direct, p. 140)

Q. DOES THIS COMMISSION'S RULES ADDRESS THE ISSUE OF COMBINING INTERLATA OR INTEREXCHANGE TRAFFIC WITH OTHER TRAFFIC?

A. Yes. Recently, the MoPSC adopted 4 CSR 240-29.090. In this, the Commission makes the following statement regarding Interexchange traffic:

> "InterLATA wireline telecommunications traffic shall not be transmitted on the LEC-to-LEC network, but must originate and terminate telecommunications traffic with the use of an interexchange carrier point of presence . . . Nothing in this section shall preclude a tandem carrier from routing interLATA wireline traffic to a non-affiliated terminating carrier over the LEC-to-LEC network, provided such terminating carrier has agreed to accept such traffic from the tandem carrier and such acceptance is contained in a commission-approved interconnection agreement."[1]

Q. WHAT DOES THIS MEAN IN REGARD TO THIS ARBITRATION?

A. If the Commission applies the rules of 4 CSR 240-29.090 to its decision on this arbitration, the CLECs would have to separate InterLATA traffic from local traffic just as SBC Missouri has to separate InterLATA traffic delivered to other ILECs.

Q. HAS THE MOPSC EVER RULED ON TRANSIT TRAFFIC?

A. Yes. In the recently issued *Order of Rulemaking Adopting 4 CSR 240-29.090*, the Commission make the following statement regarding Transit traffic:

> "We find that a set of local interconnection rules is particularly necessary for transiting traffic because parties receiving this traffic are not involved in the negotiations leading to the traffic delivery. Moreover, and as will be further explained, all terminating carriers must be given more leeway in managing their own networks when receiving traffic from originating carriers. This is particularly true in instances for which the terminating carrier has no traffic termination or interconnection agreement in place. Equally important to rule creation is an environment, as in Missouri's where the business relationship **does not hold the transiting carrier principally or even secondarily liable for traffic delivered to unsuspecting terminating carriers**."[2]

[1] 4 CSR 240-29.010.

[2] Order of Rulemaking Adopting 4 CSR 240-29.090, p. 8, [emphasis added].

Q. DOES THIS MEAN SBC MISSOURI NO LONGER HAS TO CARRY TRANSIT TRAFFIC?

A. No. SBC Missouri will continue to deliver transit traffic, received from CLECs, to other carriers that are not interconnected with the CLECs that are sending transit traffic to SBC Missouri. With this ruling, however, SBC Missouri is not liable for the transit traffic.

V. TRUNK REQUIREMENTS

AT&T Attachment 11: Network Architecture Issue 11:

Should AT&T be required to establish local interconnection trunks to every local calling area in which AT&T offers service?

AT&T Attachment 11: Network Architecture Issue 13:

Should AT&T be required to establish a two-way IntraLATA toll trunk group to the SBC Missouri Access Tandem, when SBC Missouri has a separate local Tandem and Access Tandem in the same local exchange area?

MCIm NIM/ITR Issue 12(b):

(b) Should MCIm be required to trunk to every Local Calling Area in which it Offers Service?

MCIm NIM/ITR Issue 18:

Should MCIm be required to trunk to every Local Calling Area in which it Offers Service?

MCIm NIM/ITR Issue 18(a): RESOLVED

(a) Should MCIm be required to establish separate trunk groups to each SBC access Tandem under which MCIm's NXX's home?

Sprint ITR Issue 3(d):

(d) Should Sprint be required to provide trunking to each local exchange area or LATA?

Sprint NIM Issue 4:

Should Sprint be required to provide trunking to each local exchange area or LATA?

Charter Attachment ITR Issue 1:

Should CLEC be required to establish local interconnection trunks to every local calling area in which CLEC offers service?

Q. WHAT ARE THE ISSUES IN THIS SECTION ABOUT AND WHY ARE THEY IMPORTANT TO SBC MISSOURI?

A. The issues in this section concern a CLEC's establishing a trunk group from its switch to every SBC Missouri Local Calling Area in which the CLEC offers service within the LATA. This is important to SBC Missouri because it enables SBC Missouri to limit or slow the exhaust of tandem resources, thereby controlling cost and maximizing network efficiency. I explained these issues and the importance SBC Missouri placed on trunking to every local calling area in detail in my direct testimony. (Hamiter Direct, pp. 50 – 61) The CLECs, in their direct testimony, claim that trunking to every SBC Missouri local calling area is not necessary, would deny them the right to establish a single POI within the LATA (thereby increasing facility costs), and would not offer any benefit to SBC Missouri. I refute these claims below.

Q. IS IT TRUE THAT, IF AT&T OR ANY OTHER CLEC DOES NOT ESTABLISH A TRUNK GROUP TO EVERY SBC MISSOURI LOCAL CALLING AREA IN WHICH AT&T OFFERS SERVICE, COST WILL NOT BE SHIFTED TO SBC MISSOURI, AS MR. SCHELL ASSERTS? (SCHELL DIRECT, P. 74)

A. No. There are tandem resource costs that SBC Missouri must bear when a CLEC does not trunk to every local calling area in a LATA. I explain this in detail in my direct testimony. (Hamiter Direct, pp. 50 – 57)

Q. SPRINT CLAIMS THAT SBC MISSOURI'S LANGUAGE FORCES SPRINT TO ESTABLISH MULTIPLE POIS IN A SINGLE LATA. (SYWENKI DIRECT, PP. 12-13). IS THIS TRUE?

A. No. Mr. Sywenki has confused trunking with facilities. (I read Mr. Schell's testimony – although he does not explicitly address it – as suggesting that AT&T

may also be concerned about this. (Schell Direct, p. 69)). A POI is where the facilities of two carriers' networks interconnect. Trunks are then established over these facilities to exchange calls between the two carriers. SBC Missouri's language in Sprint ITR Issue 3(d) and NIM Issue 4 merely requires Sprint to establish trunk groups to every SBC Missouri local calling area within the LATA after Sprint's single POI has been established within the LATA. Trunking to each of SBC Missouri's local calling areas enables Sprint to route calls to and receive calls from SBC Missouri more efficiently.

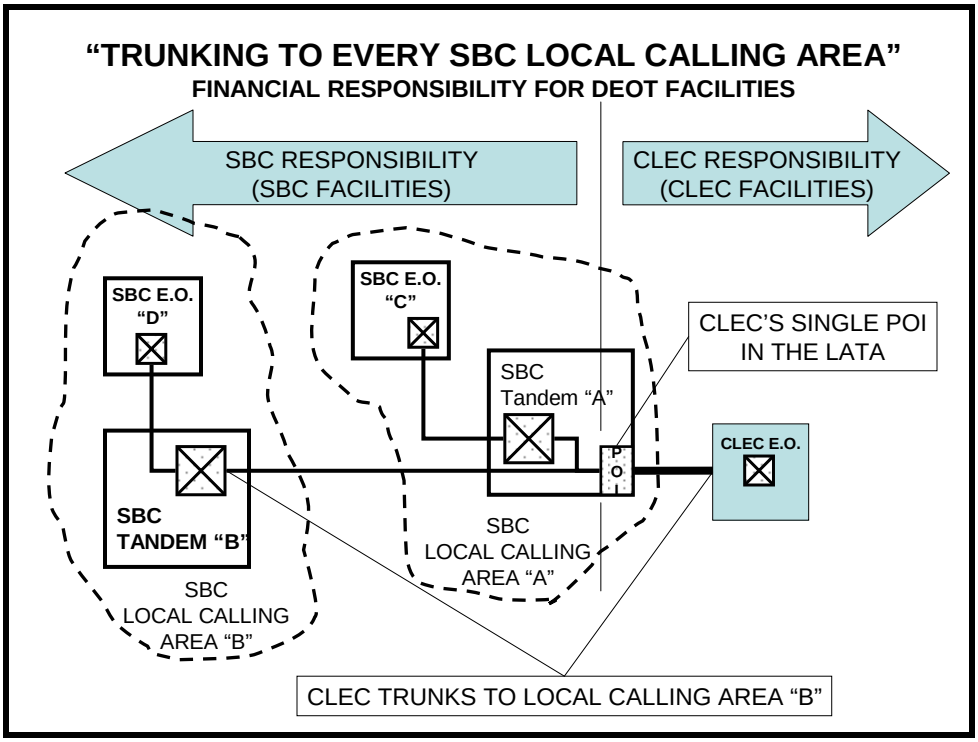
Q. IF SBC MISSOURI HAS SPRINT ESTABLISH TRUNK GROUPS TO EVERY LOCAL CALLING AREA, AND IF EACH LATA CONTAINS MULTIPLE CALLING AREAS, WOULDN'T IT BE TRUE THAT SPRINT TRUNKS WOULD HAVE TO BE DEPLOYED IN EVERY LATA, THUS CREATING POIS IN EVERY LATA?

A. No. If SBC Missouri has Sprint establish any trunk groups to local calling areas, Sprint, or any other CLEC, would have to establish a trunk group only to those local calling areas in which they offer service. Additionally, the deployment of trunks to every local calling area within a LATA does not equate to POI deployment.

Q. IS IT TRUE THAT SBC MISSOURI WANTS SPRINT TO BEAR THE BURDEN OF THE FACILITIES NEEDED TO DELIVER TRUNKS TO THE LOCAL CALLING AREAS, AS MR. CORNELIUS SUGGESTS IN HIS DIRECT TESTIMONY? (CORNELIUS DIRECT, PP. 21 – 22)

A. No. The following drawing illustrates what SBC Missouri's proposed language actually requires the Sprint and the other CLECs to do. In this drawing, the CLEC has establish a single POI in the LATA at the SBC Missouri Tandem "A" in Local Calling Area "A". After establishing the POI at tandem "A", the CLEC established a Local Interconnection Trunk Group to SBC Tandem "A", which serves local calling area "A".

In this example, the CLEC also offers service in SBC Missouri's Local Calling Area "B". Tandem "B" serves Local Calling Area "B", therefore the CLEC has also established a trunk group to SBC Tandem "B" in that local calling area. As noted in the drawing, below, the CLEC is financially responsible for facilities only on its side of the POI. SBC Missouri is responsible for facilities on its side of the POI - including the facilities needed to establish the trunk group from the CLEC to the SBC Missouri Tandem "B".



Q. WHAT IS SBC MISSOURI'S POSITION REGARDING THE CLEC ISSUES GROUPED IN THIS SECTION?

A. SBC Missouri asks the Commission to adopt its language regarding trunking to every SBC Missouri Local Calling area. SBC Missouri's proposed language saves tandem network resources by utilizing them more efficiently. This language does not interfere with or abolish a CLEC's right to a Single POI in a LATA, nor does it require CLECs to incur additional facility costs to implement

the trunking. Rather, it provides quicker, more efficient, and more reliable call delivery than "double tandeming" does, as I explained in my direct testimony. (Hamiter Direct, pp. 56 – 57).

The drawing, above, also refutes Mr. Cornelius' suggestion that SBC Missouri thinks "the Charter switch used to serve subscribers in each local calling area will be physically located in the same local calling area as the subscriber." (Cornelius Direct, p. 20). SBC Missouri is well aware of the fact that CLECs' networks are not similar to SBC Missouri's own network.

Q. CONCERNING CHARTER ITR ISSUE 1, IS SBC MISSOURI ASKING CHARTER, OR ANY OTHER CLEC, TO TRUNK TO EVERY SBC MISSOURI OFFICE IN EVERY SBC MISSOURI CALLING AREA AS CHARTER WITNESS MIKE CORNELIUS SUGGESTS IN HIS TESTIMONY? (CORNELIUS DIRECT. PP. 18 – 24)

A. No. It appears Mr. Cornelius does not understand what SBC Missouri is asking Sprint to do. Whenever SBC Missouri requests a CLEC to trunk to a particular local calling area, SBC Missouri intends for the CLEC to establish a trunk group (not establish a POI) to the appropriate SBC Missouri tandem that serves the local calling area. It is only after this trunk group to the tandem has been established that the parties would consider establishing a DEOT to any SBC Missouri end office in that local calling area. This, of course, would only be done when traffic to that end office through the tandem reaches the DEOT threshold of 24 trunks.

VI. <u>ONE-WAY VERSUS TWO-WAY TRUNKING</u>

MCIm NIM/ITR Issue 16:

If the ICA requires two-way trunking, should the current one-way architecture be grandfathered or should the parties be required to transition to two-way trunks?

Pager Company Appendix ITR Issue 1:
Should the parties utilize two-way trunking or should CLEC have the right to unilaterally decide whether to use one-way or two-way trunking?

Pager Company Appendix ITR Issue 3(a):
(a) Should the parties utilize two-way trunking?

CLEC Coalition Attachment 11a, Appendix NIA Issue 4:
Should the parties utilize two-way trunking or should CLEC have the right to unilaterally decide whether to use one-way or two-way trunking?

Xspedius Issue Statement:
Does the CLEC have the right to utilize one-way trunking?

CLEC Coalition Attachment 11b, Appendix ITR Issue 2:
Should the parties utilize two-way trunking or should CLEC have the right to unilaterally decide whether to use one-way or two-way trunking?

Charter Attachment ITR Issue 2(a):
(a) Should the parties utilize two-way trunking or should CLEC have the right to unilaterally decide whether to use one-way or two-way trunking?

CLEC Coalition Attachment 11a, Appendix NIA Issue 13:
What terms and conditions should apply to the transition of existing interconnection arrangements, if any, to the network architecture described in this agreement?

Q. IS MR. FALVEY CORRECT IN HIS DIRECT TESTIMONY, AT PAGE 10, STATING THAT INTERCONNECTION IS VIA ONE-WAY OR TWO-WAY TRUNKS?

A. No. The parties do not interconnect via trunks. As explained at length in my direct testimony, the parties interconnect via facilities. Trunks ride the facilities, but the issue of one-way versus two-way trunking has nothing to do with the point of interconnection or facilities. Neither SBC Missouri nor CLECs currently charge for trunks. Additionally, Xspedius' cite to a Maryland Commission order requiring the parties to "share the cost of the interconnection facility based upon each carrier's percentage of traffic passing over the facility" (Falvey Direct, p. 17) fails to take into

account each party's responsibility for the facilities on its side of the POI, as well as the FCC's Triennial Review Order ("TRO") and subsequent Triennial Review Remand Order ("TRRO"). In those orders, the FCC ruled that entrance facilities are the responsibility of the competing carrier, not the incumbent, and that "transmission links that simply connect a competing carrier's network to the incumbent LEC's network are not inherently a part of the incumbent LEC's local network."[3] Mr. Falvey seeks to avoid those entrance facilities costs by shifting Xspedius' responsibility for those entrance facilities onto SBC Missouri.

Whether the parties utilize one-way or two-way trunking to exchange traffic, this issue concerns the point of financial responsibility for the facilities on each carrier's side of the POI. SBC Missouri proposes that each party be responsible for providing the necessary equipment and facilities on its side of the POI. Mr. Falvey, on behalf of Xspedius, proposes that each party be responsible for transporting its own traffic from the POI to the other party's switch. This flies in the face of the FCC's First Report and Order concerning interconnection and reciprocal compensation, which clearly ruled that transport and termination are more appropriately recovered in reciprocal compensation, not interconnection.[4]

Mr. Falvey is apparently attempting to initiate a dispute over the manner in which facility charges are treated under its expired agreement, which is not at issue in this proceeding. If Xspedius wishes to dispute issues with its current

[3] TRO ¶¶ 365-367.

[4] First Report and Order ¶ 176 - We conclude that the term "interconnection" under section 251(c)(2) refers only to the physical linking of two networks for the mutual exchange of traffic. Including the transport and termination of traffic within the meaning of section 251(c)(2) would result in reading out of the statute the duty of all LECs to establish "reciprocal compensation arrangements for the transport and termination of telecommunications," under section 251(b)(5).

Interconnection Agreement it should pursue the matter in a separate complaint to this Commission. Mr. Falvey brings this current dispute into both CC ITR Issue 2 and CC NIA Issue 13.

Again, there are no charges for trunks; each party is responsible for the trunk ports on its respective switch. The charges Mr. Falvey erroneously brings into this dispute are for the transport facilities themselves, specifically, the entrance facilities on Xspedius' side of the POI.

Lastly, Mr. Falvey would have this Commission believe that Xspedius is burdened because of "SBC-originated traffic pouring onto the Xspedius network" (Falvey Direct at page 11, line 18). A carrier whose business is centered primarily around serving ISPs or other similar in-bound end users, should be aware of the consequences of their business plan. This was made clear in the FCC's ISP Remand Order, in which the FCC made the following observations:

> 4. Because we determine that intercarrier compensation for ISP-bound traffic is within the jurisdiction of this Commission under section 201 of the Act, it is incumbent upon us to establish an appropriate cost recovery mechanism for delivery of this traffic. Based upon the record before us, it appears that the most efficient recovery mechanism for ISP-bound traffic may be bill and keep, whereby each carrier recovers costs from its own end-users. As we recognize in the *NPRM*, ***intercarrier compensation regimes that require carrier-to-carrier payments are likely to distort the development of competitive markets by divorcing cost recovery from the ultimate consumer of services.*** In a monopoly environment, permitting carriers to recover some of their costs from interconnecting carriers might serve certain public policy goals. In order to promote universal service, for example, this Commission historically has capped end-user common line charges and required local exchange carriers to recover any shortfall through per-minute charges assessed on interexchange

carriers. These sorts of implicit subsidies cannot be sustained, however, in the competitive markets for telecommunications services envisioned by the 1996 Act. In the *NPRM*, we suggest that, ***given the opportunity, carriers always will prefer to recover their costs from other carriers rather than their own end-users in order to gain competitive advantage. Thus carriers have every incentive to compete, not on basis of quality and efficiency, but on the basis of their ability to shift costs to other carriers, a troubling distortion that prevents market forces from distributing limited investment resources to their most efficient uses.***

5. ***We believe that this situation is particularly acute in the case of carriers delivering traffic to ISPs because these customers generate extremely high traffic volumes that are entirely one-directional. Indeed, the weight of the evidence in the current record indicates that precisely the types of market distortions identified above are taking place with respect to this traffic.*** For example, comments in the record indicate that competitive local exchange carriers (CLECs), on average, terminate eighteen times more traffic than they originate, resulting in annual CLEC reciprocal compensation billings of approximately two billion dollars, ninety percent of which is for ISP-bound traffic. Moreover, the traffic imbalances for some competitive carriers are in fact much greater, with several carriers terminating more than forty times more traffic than they originate.[5] There is nothing inherently wrong with carriers having substantial traffic imbalances arising from a business decision to target specific types of customers. In this case, however, ***we believe that such decisions are driven by regulatory opportunities that disconnect costs from end-user market decisions. Thus, under the current carrier-to-carrier recovery mechanism, it is conceivable that a carrier could serve an ISP free of charge and recover all of its costs from originating carriers. This result distorts competition by subsidizing one type of service at the expense of others.***[6]

A. If, as Mr. Falvey suggests, SBC Missouri-originated traffic pours onto the Xspedius network, it is a product of Xspedius' business plan design, and

[5] *See, e.g.,* Verizon Remand Comments at 11, 21.
[6] FCC 01-131 – ISP Remand, released April 27, 2001 (emphasis added) (further citations omitted).

not some plan on the part of SBC Missouri to overwhelm Xspedius' network by soliciting its end user customers to call Xspedius' end user numbers.

A. **Q. IS XSPEDIUS' PROPOSAL FOR TRANSITIONING TRUNKING ARRANGEMENTS REASONABLE AND CONSISTENT WITH CURRENT LAW?**

A. A. No. Xspedius' proposal has punitive cost provisions from the previous contracts and go well beyond the simple transition of two way trunking that should not be included in the trunking sections of the new ICA. The proposal makes assumptions that the CLECs will prevail on trunking provisions and issues far removed from trunking, such as POI provisions not included in this section of the contract. This proposal contradicts MCI's proposal to leave the embedded base in place (Price Direct, p. 121).

A. As I previously stated, each carrier is responsible for the facilities on its side of the POI and Xspedius seeks to double-dip in requiring SBC Missouri to pay for the facilities on the CLEC side of the POI and through reciprocal compensation as each call is processed. It is clearly the recip comp vehicle that allows a carrier to recoup its costs and is how this Commission should rule in this matter. As to Mr. Price's desire to leave alone the embedded base, SBC Missouri can work with MCI to transition these trunks at a later date or leave them as is for the time being. It might also be pointed out that efficiencies can be gained for switch ports and equipment utilizations if two-way trunking is used. All trunking experts will agree that two-way trunking is more efficient than one-way and SBC Missouri's language allows for a migration: "The Parties recognize that embedded one-way trunks may exist. The Parties may agree to negotiate a

transition plan to migrate embedded one-way trunks to two-way trunks" (NIA ¶ 10.1).

Q. HOW SHOULD THE COMMISSION RULE ON THE ISSUE OF ONE-WAY VERSUS TWO-WAY?

A. A. The Commission should approve SBC Missouri's language in this section, due to the fact that it follows existing law and is both fair and equitable to all Parties.

VII. MEET POINT TRUNKS, MASS CALLING AND ANCILLARY TRUNKS

MCIm NIM/ITR Issue 11:
Should MCIm be solely responsible for the facilities that carry OS/DA, 911, mass calling and Meet-Point trunk groups?

MCIm NIM/ITR Issue 20:
Should a non 251/252 facility such as 911 interconnection trunk groups be negotiated separately?

MCIm NIM/ITR Issue 21:
What should the point of interconnection for 911 be?

AT&T Attachment 11: Network Architecture Issue 14(c):
(c) Should AT&T be solely responsible for the Meet Point Trunk Groups and the facilities used to carry them?

AT&T Attachment 11: Network Architecture Issue 17:
Should AT&T be required to establish a segregated trunk group for mass calling for less than 2500 access lines?

Pager Company Appendix ITR Issue 2:
Should CLEC be required to establish a segregated trunk group for mass calling?

CLEC Coalition Attachment 11b, Appendix ITR Issue 6:
Should CLEC be required to establish a segregated trunk group for mass calling?

Charter Attachment ITR Issue 5(a):
(a) Should CLEC be responsible to issue ASRs for Meet Point Trunk Groups?

Charter Attachment ITR Issue 6:

Should Charter be required to trunk to every 911 Tandem in each Local Exchange Area in which it Offers Service?

Charter Attachment NIM Issue 3:

Should CLEC be solely responsible for the facilities that carry OS/DA, E911, Mass Calling, and Meet Point trunk groups?

Q. SHOULD CLECS BE RESPONSIBLE FOR FACILITIES THAT CARRY ANCILLIARY SERVICES, SUCH AS 911, MASS CALLING, MEET POINT AND OS/DA TRAFFIC?

A. Yes. As I stated in my direct testimony (Hamiter Direct, p. 66), these service only benefit the customers for a given CLEC. There is no benefit to SBC Missouri or any other carrier. This is traffic that is not exchanged between SBC Missouri's end users and a CLEC's end users. This is purely CLEC-originated traffic to complete calls in an emergency situation for 911 or to meet an obligation to protect the community at large by installing mass calling trunks.

Mr. Price of MCI has misquoted the Public Utilities Commission of Texas from Docket 28821 (Price Direct, Page 145, Line 1). In reviewing the Final Award by the Commission, at page 16, the commission actually states: "This Commission concludes that, whether for interconnection or for unbundled access to network elements, entrance facilities are not subject to TELRIC rates." Furthermore, the TRRO has recently ruled that these facilities are not impaired, stating that "entrance facilities are less costly to build, are more widely available from alternative providers" (TRRO Page 78 ¶ 138), which further supports SBC Missouri's position for this issue. This Commission should require CLECs to be responsible for these facilities by either providing their own facilities, leasing them from a third party or ordering from SBC Missouri's Access Tariff.

Q. SHOULD MASS CALLING TRUNKS BE REQUIRED TO PROTECT THE PSTN AND COMMUNICATIONS OF THE PUBLIC AT LARGE?

A. Yes. Apparently, many of the CLECs would like to avoid installing the small amount of trunks that are necessary to ensure public safety and allow local communications to remain intact when a mass calling event occurs. A

telecommunications company has the duty and responsibility to install the necessary network equipment that will protect that network from mass calling events that can degrade service in the communities it serves. The example I gave in my direct testimony (Hamiter Direct, p. 70), was real and lasted several hours with all customers in that area affected with poor or no service. With all man-made things there will be failures, but to knowingly create the potential for one that could be avoided is unfathomable. This is a cost of doing business, just as accurate accounting records are, and as I also stated in my direct testimony (Hamiter Direct, p. 71) the industry has previously voted down the AT&T call gapping methodology as inferior to the SBC mass calling trunking solution.

Mr. Schell (Schell Direct, p. 91) states that choke trunks add no benefit to the network where only a few access lines exist. While this sounds like a good story, it runs counter to AT&T's strategy of deploying only a few switches and more facilities. In that scenario, these few customers for each rate center will most likely be served by the same switch and the aggregate of those few customers (2500 for each rate center), can very likely add up to a larger sum with greater abilities than what is portrayed. Also, in Mr. Schell's direct testimony, at page 92, he states that business customers do not participate in mass calling events. While a PBX can be programmed to block the call up front, there is no guarantee that this is always done and that human behavior can always be predictable when there is a contest to win a Ford Mustang for the 10th caller.

Q. HOW SHOULD THE COMMISSION DECIDE ON THESE ISSUES?

A. The Commission should adopt SBC Missouri's language for these issues, consistent with the TRO and TRRO requiring CLECs to provide their own facilities for entrance facilities or order them out of the tariff. The Commission should also to continue to require a greater level of service by requiring CLECs to utilize mass calling trunks.

VIII. TRUNK SPECIFICATIONS / TRUNK UTILIZATION AND RESIZING

MCIm NIM/ITR Issue 24:

For trunk blocking and/or utilization, what is the appropriate methodology for measuring trunk traffic?

MCIm NIM/ITR Issue 25:
Should SBC Missouri be required to provision trunk augments within 30 days?

CLEC Coalition attachment 11b, Appendix ITR Issue 8:
Should SBC be required to note "service affecting" on TGSRs?

CLEC Coalition attachment 11b, Appendix ITR Issue 9:
Should the ICA contain provisioning intervals?

CLEC Coalition Attachment 11b, Appendix ITR Issue 10:
Should SBC be required to expedite any and all orders from CLEC or only those concerning a blocking situation?

CLEC Coalition Attachment 11b, Appendix ITR Issue 11:
Should the ICA contradictory language regarding the issuance of TGSRs and ASRs?

Charter Attachment ITR Issue 7:
When a Joint Planning Discussion is necessary, should SBC be required to process ASRs prior to such discussion?

Sprint Attachment ITR Issue 3(c):
(c) Should Sprint be required to pay all charges associated with ordering trunks and facilities related to establishing and maintaining an efficient Network for purposes of Interconnecting with SBC?

Q. WHAT DISPUTES BETWEEN SBC MISSOURI AND THE CLECS ARE COVERED IN THIS SECTION OF YOUR REBUTTAL?

A. This section covers disputes 1) over trunk requirements and how they should be determined (MCIm); 2) the intervals for augmenting trunk groups (MCIm and CLEC Coalition); 3) ordering trunks (CLEC Coalition and Sprint); and 4) planning discussions.

Q. GENERALLY, WHAT IS THE NATURE OF THE DISPUTE IN MCIM NIM/ITR ISSUE 24? (PRICE DIRECT, PP. 151 - 156)

A. While the issue statement in MCIm NIM/ITR Issue 24 addresses measuring traffic, Mr. Price's discussion in his direct testimony really focuses on several

other issues. First, Mr. Price discusses two methods of determining the busy hour (i.e., use of the "weekly peak busy hour average", proposed by MCIm, versus use of the "'time consistent average busy season busy hour twenty (20) day averaged loads applied to industry standard Neal-Wilkinson Trunk Group Capacity algorithms (use Medium day-to-day Variation and 1.0 Peakedness factor until actual traffic data is available)'", which SBC Missouri has proposed. (Price Direct, p. 151)).

Second, Mr. Price makes assumptions about which method of determining the busy hour should be used to determine trunk group quantities based on differences between SBC Missouri's network and MCIm's network. (Price Direct, p. 153)

Lastly, Mr. Price asserts that the Erlang B trunk algorithm, or statistical table, is superior to the Neal-Wilkinson algorithm/statistical table, and that it should be used to determine trunk requirements on all trunk groups. (Price Direct, p. 154)

Q. WHAT IS SBC MISSOURI'S RESPONSE TO MR. PRICE'S STATEMENTS ON THE FIRST ITEM YOU MENTIONED IN THE LAST QUESTION?

A. For the sake of brevity, I'll refer to the "weekly peak busy hour average" method that Mr. Price talks about as the "5-day method", and the method proposed by SBC Missouri as the "20-day method." Indeed, SBC Missouri does use the 20-day method to determine trunk requirements, and I explained why in my direct testimony. (Hamiter Direct, pp. 75 – 83). As I explained in my direct testimony, the method Mr. Price proposes, is not as accurate as the method used and proposed by SBC Missouri. (Hamiter Direct, p. 78) Mr. Price expresses concern about negative impacts to MCIm's customers (Price Direct, p. 154) the 20-day method might inflict, yet he fails to observe the Bell Communications Research,

now Telcordia Industries, analysis I provided in my direct testimony,[7] which shows that the 5-day method, proposed by MCIm, is less accurate than the 20-day method, proposed by SBC Missouri (and which actually represents one month of data - five days per week/four weeks per period). The Commission, upon review of the analysis statement provided in my direct testimony, should adopt SBC Missouri's proposed language allowing use of the 20-day method.

Q. HOW DO YOU REFUTE MR. PRICE'S STATEMENTS REGARDING THE SECOND ITEM NOTED ABOVE IN YOUR DISCUSSION OF NIM/ITR ISSUE 24?

A. Regarding the second item, Mr. Price states that, because MCIm's network is different from SBC Missouri's, the 5-day method is better for determining trunk requirements on trunk groups between SBC Missouri and MCIm. This broad statement does not withstand scrutiny. Broadly speaking, traffic patterns on MCIm's network are really no different from those experienced across any carrier's network. However, traffic on any particular network can display different patterns. For example, I have no qualms with the Newton's Telecom Dictionary definition of busy season Mr. Price quoted. (Price Direct, p. 153) In his definition, Mr. Newton suggests the typical busy season for a network might be the three months preceding Christmas. That may be the case for some areas of the country. However, based on personal experience as a Trunk Planning Engineer for Southwestern Bell Telephone, the busy season for Houston, Texas typically occurred somewhere around the time public schools let out for summer vacation. While MCIm's traffic volumes may indeed increase from week-to-week, SBC Missouri's methods take this into account. SBC Missouri utilizes a

[7] Special Report SR EOP-00191 (now SR-TAP-000191), issue 1,April 1985

rolling 20-day average. Each week, SBC Missouri re-analyzes the busy hour data for each trunk group. On a quarterly basis, SBC Missouri's forecasting system captures the highest busy hour observed by its servicing system for the previous quarter. The forecasting system maintains four quarters of data for each trunk group. When forecasting trunk requirements, SBC uses the "Rolling Base Option" in its forecasting methods. That is, as the data for a the most recent quarter is stored, the information for the oldest quarter is deleted. The forecasting system selects the quarter, or three-month period, with the highest load offered to a trunk group over the previous year, as the busy season for that trunk group. If the most recent quarter has the highest offered load, it becomes the busy season for that trunk group. The busy season for one trunk group may not be the same as for other trunk groups, so one trunk group may have a busy season around Christmas time, while another trunk group may have a busy season in the summertime.

Finally, both parties agree, in NIM/ITR Section 18.7, that trunk utilization and augments will be based on measurements over a three month period. The 20-day method, proposed by SBC Missouri, is more appropriate for a month-to-month analysis than the weekly collection of data proposed by MCIm.

Q. HOW DO YOU RESPOND TO THE THIRD ITEM NOTED ABOVE IN YOUR DISCUSSION OF NIM/ITR ISSUE 24?

A. Mr. Price seems to be under the assumption that SBC Missouri only uses the Neal-Wilkinson statistical tables to predict trunk requirements. (Price Direct, p.154) This is not the case. SBC Missouri uses both the Neal-Wilkinson and the Erlang B table, as I testify in my direct testimony. (Hamiter Direct, p. 78) I

further explain that the Erlang B tables are used for high usage trunk groups, and the Neal Wilkinson table issued for Direct final trunk groups. What Mr. Price fails to mention, or possibly is not aware of, is that the Erlang B tables do not account for certain traffic characteristics, such as peakedness and Day-to-Day variation. The Erlang B tables are used to size high usage trunk groups because it allows for a very high utilization of the trunk group. High usage trunk groups have an alternate route, so they are typically designed to operate at a high level of utilization. If the tables are applied to final trunk groups - groups that have to meet a specified grade of service – the Erlang tables can cause an insufficient number of trunks to be placed in service. MCIm would be better served to use both tables when designing trunk groups that connect to SBC Missouri switches, and the Commission should adopt SBC Missouri's language in this issue.

Q. HOW DO YOU RESPOND TO MR. PRICE'S DIRECT TESTIMONY ON THE ISSUE OF SBC MISSOURI GUARANTEEING ALL OF MCI'S ORDERS BE WORKED WITHIN 30 DAYS? (PRICE DIRECT, P. 157)

A. SBC Missouri cannot guarantee that MCIm's orders can all be worked in 30 days, for reasons I presented in my direct testimony. (Hamiter Direct, p. 82)

Q. DID EITHER OF THE CLEC COALITION WITNESSES, CHARLES D. LAND OR JAMES C. FALVEY, COMMENT ON CLEC COALITION ITR ISSUE 8 IN THEIR DIRECT TESTIMONY?

A. No. Neither Mr. Land nor Mr. Falvey commented on the CLEC Coalition Issue 8. SBC Missouri recommends the Commission adopt SBC Missouri's language for the reasons I provided in my direct testimony. (Hamiter Direct, pp. 81- 82).

Q. HOW DO YOU RESPOND TO STATEMENTS MADE BY MR. LAND, IN HIS DIRECT TESTIMONY REGARDING CLEC COALITION ITR ISSUE 9 IN HIS DIRECT TESTIMONY? (LAND DIRECT, PP. 46 – 47)

A. The CLEC Coalition wants trunk order work intervals included in the ICA. SBC Missouri is opposed to this, because standard order intervals are available in the CLEC Handbook. Furthermore, negotiating work intervals would lead to non-standard work intervals - that is, some CLECs would have different intervals in which their orders would be worked. The Commission should rule to not negotiate order intervals – they should remain standardized and they should remain available in the CLEC handbook.

Q. HOW DO YOU RESPOND TO STATEMENTS MADE BY MR. LAND, IN HIS DIRECT TESTIMONY REGARDING CLEC COALITION ITR ISSUE 10 IN HIS DIRECT TESTIMONY? (LAND DIRECT, PP. 48 – 49)

A. This issue is similar to CLEC Coalition Issue 8, above. I explain SBC Missouri's position on this issue in my direct testimony. (Hamiter Direct, pp. 81- 82) The language proposed by the CLEC Coalition in this issue would allow expedited orders in situations where blocking is not imminent. For this reason, the Commission should reject the CLEC Coalition's language.

Q. HOW DO YOU RESPOND TO STATEMENTS MADE BY XSPEDIUS WITNESS, JAMES C. FALVEY, IN HIS DIRECT TESTIMONY REGARDING CLEC COALTION ITR ISSUE 11? (FALVEY DIRECT, PP. 26 – 27)

A. SBC Missouri has not proposed language for ITR Section 13, as Xspedius has, because the Parties have already agreed to language that governs the issuance of TGSRs and ASRs in Sections 5.3, 5.4, 6.1.2 and 6.1.3. As Mr. Falvey states in his direct testimony, Xspedius agrees that SBC Missouri will issue TGSRs and Xspedius will issue ASRs. (Falvey Direct, p. 26) However, the language proposed by Xspedius requires SBC to issue ASRs. This is contradictory to the language the

parties have already agreed upon, in the sections mentioned above. Given that the parties have already agreed to language that governs the issuance of TGSRs and ASRs, the language proposed by Xspedius should be rejected due to its contradictory nature and its attempt to impose undue obligations upon SBC.

Q. DOES CHARTER WITNESS, MIKE CORNELIUS, ADDRESS ITR CHARTER ISSUE 7 IN HIS DIRECT TESTIMONY?

A. No. SBC Missouri should not be required to process ASRs prior to a Joint Planning Discussion with a CLEC. One of the purposes of a Joint Planning Discussion is to determine what orders need to be issue. Processing ASRs prior to a Joint Planning Discussion with a CLEC is unnecessary work. The Commission should reject Charters proposed language and adopt SBC Missouri's language.

Q. DOES SPRINT WITNESS, MR. CORNELIUS ADDRESS SPRINT ITR ISSUE 3(C) IN HIS DIRECT TESTIMONY?

A. No. I could not find where he may have addressed this issue.

IX. <u>TRUNK FORCASTING</u>

MCIm NIM/ITR Issue 23:
Should trunk forecasts include trunk quantities for all trunking required in this Appendix NIM/ITR?

CLEC Coalition Attachment 11b, Appendix ITR Issue 7:
Should the agreement require yearly forecasted trunk quantities for all trunk groups referenced in the agreement?

Q. HAVE YOU FOUND ANY DIRECT TESTIMONY DIRECTED TO THESE ISSUES?

A. No, I haven't. Notwithstanding that MCIm and the CLEC Coalition earlier listed them as disputed issues, neither have offered any testimony to support their positions on them. As I discussed in my direct testimony, SBC Missouri combines the trunk forecasts of all carriers (including ILECs, LECs, CLECs,

wireless providers and paging providers - with the forecasts of its own trunk groups into SBC Missouri's semi-annual General Trunk Forecast ("GTF"). SBC Missouri uses the GTF to estimate and budget for the network resources needed in future years. While SBC Missouri adjusts forecasts it receives from other carriers, the CLECs' estimates, along with those of other carriers, offer invaluable guidance regarding when central office switching, trunk termination capacity, and inter-office facilities might be in jeopardy of exhaust. This enables SBC Missouri to ensure a sufficient quantity of trunks to fill the planned trunk requests of every carrier. (Hamiter Direct, pp. 6, 83-85)

X. EXPENSIVE INTERCONNECTION – SINGLE VS MULTIPLE POI – AND INTERCONNECTION WITHIN SBC MISSOURI'S NETWORK

AT&T Attachment 11: Network Architecture Issue 4(b):
(b) Should AT&T interconnect at more than one POI per LATA once traffic exceeds a 24 DS1 threshold?

AT&T Attachment 11: Network Architecture Issue 6:
Should each party be financially responsible for the facilities on its side of the POI?

Charter Attachment ITR Issue 3(a):
(a) Should this appendix ITR contain terms and conditions regarding the establishment of additional POIs?

Charter Attachment NIM Issue 1(b):
(b) Should each party be financially responsible for the facilities on its side of the POI?

Charter Attachment NIM Issue 1(c):
(c) When CLEC selects a single POI, should this appendix contain language detailing the need for CLEC to establish additional POIs when CLEC reaches the appropriate threshold of traffic?

Sprint Attachment ITR Issue 7:
Should each party be financially responsible for the facilities on its side of the POI?

Sprint Attachment NIM Issue 5:
Should Sprint be financially responsible for interconnection facilities on its side of the point of interconnection?

CLEC Coalition NIA Issue 9:

Should the Parties establish additional POIs when traffic levels through the existing POI exceed 24 DS1s at peak?

CLEC Coalition NIA Issue 10(b):

(b) Should each party be responsible to transport its traffic from the POI to the other party's switch?

MCIm NIM/ITR Issue 12(a):

When MCIm selects a single POI, should this attachment contain language detailing the need for MCIm to establish additional POIs when MCIm reaches the appropriate threshold of traffic?

MCIm NIM/ITR Issue 14(a):

(a) Should MCIm be required to interconnect on SBC's network?

AT&T Attachment 11: Network Architecture Issue 2(a):

(a) Should the ICA state that AT&T may interconnect with SBC MISSOURI at outside plant and customer premises when those terms are undefined?

AT&T Attachment 11: Network Architecture Issue 4(a):

(a) Should AT&T be required to interconnect on SBC's network?

AT&T Attachment 11: Network Architecture Issue 5:

May AT&T's POI be located outside of SBC's incumbent territory?

Pager Company Appendix NIA Issue 4(a):

(a) Should CLEC be required to interconnect on SBC Missouri's network?

Charter NIM Issue 4(a):

(a) What type of trunk groups should be allowed over the Fiber Meet Point?

Charter NIM Issue 4(b):

(b) Should CLEC be required to interconnect with SBC- Missouri's within SBCMissouri's network?

CLEC Coalition NIA Issue 10(a):

(a) Should CLEC be required to interconnect on SBC Missouri's network?

CLEC Coalition NIA Issue 10(b):

(b) Should each party be responsible to transport its traffic from the POI to the other party's switch?

CLEC Coalition NIM Issue 2:

Should CLEC be required to interconnect with SBC-MISSOURI within SBC Missouri's network?

CLEC Coalition NIM Issue 3:

May a Fiber Meet Point be used for trunk groups other than Local Interconnection Trunk Group?

Sprint ITR Issue 1(b):

(b) Should CLEC be required to interconnect with SBC Missouri within SBC Missouri's network?

Sprint ITR Issue 5:
May Sprints' POI be located outside of SBC's incumbent territory?

Sprint NIM Issue 1:
May Sprint's POI be located outside of SBC's incumbent territory?

Sprint NIM Issue 2: 1
Should Sprint be required to establish a POI on SBC's network?

Q. WHAT IS THE FOCUS OF YOUR TESTIMONY IN THIS SECTION?

A. While my rebuttal testimony in this section is focused mainly on the testimony of AT&T witness Mr. Schell, it is relevant to the testimonies of each CLEC witness with respect to the issues as shown above.

Q. WHAT IS A POI?

A. A Point of Interconnection (POI) is a physical point on SBC Missouri's network where the Parties deliver Interconnection traffic to each other. It serves as a physical demarcation point between the facilities of SBC Missouri and the CLEC and establishes a point a which each party is responsible to provide and maintain their own facilities.

Q. IS THERE A DISTINCTION BETWEEN A POINT OF INTERCONNECTION (POI) AND TRANSPORT?

A. No. CLEC Coalition witness Falvey presents an argument that would separate facilities from transport in his discussion of POI in an attempt to justify an invalid obligation for transport (Falvey Direct, pp. 19-20). This is in direct conflict with the FCC's First Report and Order, ¶ 176.[8]

[8] First Report and Order ¶ 176 - We conclude that the term "interconnection" under section 251(c)(2) refers only to the physical linking of two networks for the mutual exchange of traffic. Including the transport and termination of traffic within the meaning of section 251(c)(2) would result in reading out of the statute the duty of all LECs to establish "reciprocal compensation arrangements for the transport and termination of telecommunications," under section 251(b)(5).

Each party is responsible for the facility cost on its side of the POI. Xspedius attempts even more blatantly to double recover facility charges by proposing the following language at 2.8 of the NIA appendix:

> 2.8 [For Xspedius] In addition, each Party will be responsible to provide the necessary equipment and facilities on its side of its switch. Each Party will be responsible to pay for transport of its traffic from the POI to the other Party's switch at UNE dedicated transport rates, including UNE multiplexing rates.

All carriers are compensated for the transport and termination of traffic on their side of the interconnection through reciprocal compensation. The proposal by Xspedius would allow for double recovery.

Q. HAS ANY OTHER STATE COMMISSION RULED ON WHETHER SBC MUST PROVIDE OR PAY FOR FACILITIES OUTSIDE ITS NETWORK?

A. Yes. The Illinois, Texas and Kansas Commissions have ruled on this issue since the issuance of the TRO. In the MCI – Illinois Docket # 04-0469, the Illinois Commission ruled that SBC is not required to provide entrance facilities pursuant to Sections 251(c) of the Act. The relevant portion of the ruling states the following:

> "As Staff notes, as a result of the *TRO*, SBC is not obligated to provide interconnection facilities (as dedicated transport UNEs) at TELRIC-based rates under Sections 251(c)(3) and 252(d). Nor is SBC required to provide interconnection facilities under Section 251(c)(2), at TELRIC prices."

The Commission also rejected MCI's proposal that SBC pay for a portion of the facilities on MCI's side of the POI:

> "The Commission finds that MCI's proposed "relative use factor" ("RUF") is a novel approach that would depart from the well-established methodology of apportioning the costs to LECs for facilities on their side of the POI. ***The Commission also shares SBC's concern that the RUF would create opportunities for double recovery and arbitrage.*** SBC explained that nothing would limit MCI from over-building capacity and charging for all of it,

> whether or not it is needed. MCI did not refute that contention. Nor does MCI counter SBC's claim that MCI already recovers its cost as an embedded component of reciprocal compensation. Accordingly, the Commission rejects MCI's proposed RUF."[9] (emphasis added)

In the Texas T2A arbitration Docket No. 28821, the Texas Commission ruled that:

> This Commission concludes that, whether for interconnection or for unbundled access to network elements, entrance facilities, which simply connect the ILEC and CLEC networks, are not part of the ILEC's network and therefore are not subject to TELRIC rates.[10]

In the Kansas K2A arbitration Docket No. 28821, the Kansas Commission ruled that, while paragraph 140 of the TRRO was less than clear, it found "SBC's analysis more persuasive and affirms the Arbitrator."[11]

Q. MR SCHELL REFERS TO THE VIRGINIA VERIZON ORDER AT SEVERAL PLACES IN HIS TESTIMONY. ARE THESE REFERENCES PERTINENT?

A. No. In the Virginia proceeding, the Wireline Competition Bureau reviewed this issue "acting through authority expressly delegated by the Commission, [and] stand[ing] in the stead of the Virginia State Corporation Commission (Virginia Commission) for the limited purpose of this arbitration."[12] The Bureau squarely recognized that that pending FCC NPRMs and the FCC's then-upcoming TRO might (and ultimately did) change the landscape, causing the Bureau to specifically note that "our analysis of the issues raised in this proceeding does not reflect any rule changes resulting from the *Triennial Review Order*."[13]

[9] Illinois Docket # 04-0469 at page 104.
[10] Texas T2A Final Arbitration Award – Track I Issues, Issued February 23, 2005
[11] Kansas K2A Docket – Order No. 13: Commission Order on Phase I
[12] *Memorandum Opinion and Order*, Wireline Competition Bureau, August 29, 2003, § 2.
[13] *Memorandum Opinion and Order*, Wireline Competition Bureau, August 29, 2003, § 5.

Q. DID THE FCC'S TRIENNIAL REVIEW ORDER REFLECT ANY CHANGES IN WHAT WOULD BE CONSIDERED AN ILEC'S NETWORK?

A. Yes. The TRO further defined an incumbent LEC's network such that "transmission links that simply connect a competing carrier's network to the incumbent LEC's network are not inherently a part of the incumbent LEC's local network."[14] Notwithstanding the guidance offered by the *Virginia Arbitration Order*, the FCC's TRO is the last word on the subject, and it is definitive.

The Texas Commission came to a similar conclusion in the T2A Docket # 28821 finding:

> In deciding the issues in the current proceeding, the Commission finds that the *Virginia Arb* is persuasive, but not binding, authority.[15] The FCC's Wireline Bureau (in place of the Virginia State Corporation Commission) arbitrated an interconnection agreement for parties in the state of Virginia in the same way that this Commission now arbitrates an interconnection agreement for parties in the state of Texas. Consequently, the Wireline Bureau played the role of a state commission in the *Virginia Arb*. In the more than two years since the issuance of the *Virginia Arb*, the industry has changed significantly. Therefore, because the parties have presented issues in this arbitration that this Commission has previously addressed, the Commission finds that following its own prior decisions in those instances better reflects circumstances specific to this state not otherwise considered in the *Virginia Arb*.[16]

Q. HAVE ANY STATES ISSUED RULINGS ON THE LOCATION OF THE POI WITHIN THE INCUMBENT LEC'S NETWORK SINCE THE RELEASE OF THE TRO?

[14] *Triennial Review Order,* ¶ 366 (emphasis added).

[15] The Commission notes that federal courts have held that arbitration awards do not constitute binding precedent. For example, the Fourth Circuit stated that "arbitration awards have no precedential value." *Peoples Sec. Life Ins. Co. v. Monumental Life Ins. Co.*, 991 F.2d 141, 147 (4th Cir. 1993). The Fifth Circuit noted that "Courts are not bound by arbitral rulings, nor are the arbitrators themselves obliged to follow the rule of *stare decisis*." *Smith v. Kerrville Bus. Co.*, 709 F.2d 914, 918 n.2 (5th Cir.1983).

[16] Texas T2A Final Arbitration Award – Track I Issues, Issued February 23, 2005

A. Yes. The Illinois, Texas and Kansas Commissions have ruled on this issue since the TRO. In the MCI – Illinois Docket # 04-0469, in ruling on Fiber Meet obligations, the Illinois Commission found, consistent with their ruling that the *Triennial Review Order* removed interconnection (or entrance) facilities on an unbundled basis at TELRIC prices,[17] that interconnection pursuant to Section 251(c)(2) of the Act must be "within SBC's network."[18]

In restating its Staff's position, the ICC concurred "that Section 251(c)(2) requires SBC to provide interconnection, but not interconnection facilities."[19]

> "MCI's proposed language goes beyond the requirements imposed by Section 251(c)(2) of the federal Telecommunications Act. First, it does not limit MCI's rights to interconnect with SBC to technically feasible points *within SBC's network*. Rather, MCI's proposal may allow it to demand to interconnect with SBC at a technically feasible point that is not on SBC's network. Second, MCI's proposed Fiber Meet Point interconnection arrangement (Fiber Meet design one) not only requires that SBC provide interconnection (as required under Section 251(c)(2)), but it also requires SBC to provide interconnection facilities, which is beyond the scope of Section 251(c)(2). Therefore, Staff asserts that MCI's Fiber Meet Point interconnection agreement does not fall under Section 251(c)(2). Accordingly, MCI's rights under Section 251(c)(2) do not, in Staff's view, apply to its proposed Fiber Meet Point as described in NIM Appendix 4.4.4.3.1. Consequently, Staff is of the opinion that MCI is not entitled to interconnect with SBC using the Fiber Meet Point interconnection arrangement (Fiber Meet design one). The Commission therefore should adopt SBC's language regarding Fiber Meet Interconnection."[20]

The ICC further ruled that:

> "Fiber Meet (design one) therefore goes beyond the scope of Section 251(c)(2), because it requires SBC to provide

[17] Illinois Docket # 04-0469 at page 95 - MCI is incorrect that the *Triennial Review Order* does not relieve SBC of its obligations to provide interconnection (or entrance) facilities on an unbundled basis at TELRIC prices.
[18] Illinois Docket # 04-0469 at page 94.
[19] *Id*. at page 95.
[20] *Id*. at page 94.

> interconnection facilities as well as interconnection. Therefore, SBC should have veto power over Fiber Meet (design one)."[21]

The Texas Commission recently found that pursuant to the TRO, entrance facilities are no longer a part of the incumbent LEC's network. This ruling by the Texas PUC took the Triennial Review Remand Order (TRRO) into consideration as well.[22]

The Kansas Commission ruled that:

> "47 C.F.R. § 51.305(a) requires the incumbent LEC to provide for interconnection at any technically feasible point within its network. Even though SBC has fiber facilities at a CLEC switch, the Commission cannot find that the CLEC switch is within SBC's network. The Commission finds for SBC on this issue and reverses the Arbitrator."[23]

Q. DID THE FCC CHANGE ITS DECISION WITH RESPECT TO ENTRANCE FACILITIES IN THE TRRO?

A. No. But to understand this decision, we must look at how the FCC addressed the USTA II remand.

The FCC reinstated its prior definition of dedicated transport to include entrance facilities.[24] This was done to comply with the USTA II court's remand, which found that the FCC's exclusion of entrance facilities as dedicated transport was inconsistent with the definition of network elements.[25]

> NETWORK ELEMENT.--The term "network element" means a facility or equipment used in the provision of a telecommunications service.

[21] *Id*. at page 95.
[22] Texas T2A Draft Arbitration Award – Track I Issues – page 12 – Relevant FCC Decisions - Triennial Review Remand Order.
[23] Docket # 05-AT&T-366-ARB, Order No. 13: Commission Order on Phase I
[24] Triennial Review Remand Order - ¶ 137 – In response to the court's remand, we reinstate the Local Competition Order definition of dedicated transport to the extent that in included entrance facilities, but we find that requesting carriers are not impaired without unbundled access to entrance facilities.
[25] TRRO ¶ 136 – Reviewing the Triennial Review Order, the USTA II court indicated that our exclusion of entrance facilities from the definition of dedicated transport was at odds with the definition of "network element" found in section 153(29) or the Act.

> Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service.[26]

In reinstating its prior definition of dedicated transport to include entrance facilities, the FCC conducted an impairment analysis of entrance facilities as suggested by the USTA II court, finding no impairment.[27] The FCC confirmed its prior ruling in the TRO that CLECs are responsible for the deployment and costs of their entrance facilities for the following reasons:

> Entrance facilities are less costly to build, are more widely available from alternative providers, and have greater revenue potential than dedicated transport between incumbent LEC central offices.
>
> ***Entrance facilities*** are used to transport traffic to a switch and often ***represent the point of greatest aggregation*** of traffic ***in a competitive LEC's network***.
>
> Entrance facilities are more likely than dedicated transport between incumbent LEC offices to carry enough traffic to justify self-deployment by a competitive LEC.
>
> ***Competitive LECs have a unique degree of control over the cost of entrance facilities***, in contrast to other types of dedicated transport, because they can choose the location of their own switches.
>
> They can choose to locate their switches close to other competitor's switches, maximizing the ability to share costs and aggregate traffic, or close to transmission facilities deployed by other competitors, increasing the possibility of finding an alternative wholesale supply.

[26] 47 U.S.C. 153(29).

[27] TRRO ¶ 138 – As the court suggested, we now conduct an impairment analysis with respect to entrance facilities and find that the economic characteristics of entrance facilities that we discussed in the Triennial Review Order support the national finding of non-impairment.

> ***They often can locate their switches close to the incumbent LEC's central office, minimizing the length and cost of entrance facilities***.[28]

Because of the FCC finding of non-impairment with respect to entrance facilities, incumbent LECs are no longer required to provide requesting carriers with entrance facilities as unbundled dedicated transport or at TELRIC rates.[29] The FCC provided a distinction between entrance facilities and interconnection facilities as follows:

> We note in addition that ***our finding of non-impairment with respect to entrance facilities does not alter the right of competitive LECs to obtain interconnection facilities pursuant to section 251(c)(2)*** for the transmission and routing of telephone exchange service and exchange access service. Thus competitive LECs will have access to these facilities at cost-based rates to the extent that they require them to interconnect with the incumbent LEC's network.[30]

It is important to note that the FCC made a clear distinction between *entrance facilities and interconnection facilities.* The FCC did not say competitive LECs could obtain *entrance facilities* at cost-based rates. Rather, the FCC stated competitive LECs could obtain *interconnection facilities* at cost-based rates. The FCC created a distinction between *entrance facilities*, which the FCC clearly held are no longer impaired and are the responsibility of the competitive LEC, and *interconnection facilities pursuant to section 251(c)(2).*

Therefore, we must look at what *interconnection facilities* are addressed under section 251(c)(2). This was recently addressed by the Illinois Commission

[28] *Id*. (emphasis added). The FCC found that "entrance facilities" are "in a competitive LEC's network.")
[29] TRRO ¶ 141 – The evidence described above convinces us that competitive LECs are not impaired without access to entrance facilities. We also conclude that it would be inappropriate to apply the same impairment test to entrance facilities that we have adopted for other types of dedicated transport.
[30] TRRO ¶ 140. (emphasis added).

in an arbitration Docket # 04-0371. In that docket, the ICC concurred with its staff finding that:

> The Commission concludes that SBC's position is correct. First, ***nothing in subsection 251(c)(2) itself mentions ILEC facilities***, much less creates an obligation to provide them. Second***, the FCC's analysis of ILEC duties under that subsection does not create such an obligation either***. The TRO language on which XO relies (in ¶¶ 365, 366 and 368) simply does not support XO's claims to the contrary.
>
> TRO ¶ 365 refers to "the facilities that [ILECs] explicitly must make available for section 251(c)(2) interconnection." ***Since the only facilities explicitly mentioned in 251(c)(2) are CLEC facilities, we must infer that the FCC is alluding to the facilities that an ILEC must have ready to receive those CLEC facilities.*** We cannot infer more, given the definition of "interconnection" in FCC rules as "the linking of two networks for the mutual exchange of traffic," and the specific exclusion of "the transport and termination of that traffic" from that definition. 47 CFR 51.5.
>
> TRO ¶ 366 refers to the facilities needed by CLECs to interconnect with an ILECs network. Once more***, we construe this reference to pertain to the facilities an LEC must have ready to accommodate the CLEC's own facilities used in interconnection***. Again, the ***only facilities identified in 251(c)(2) are CLEC facilities***, and the above-cited FCC rule excludes transport and termination from the definition of interconnection. Thus, the ILEC's obligation is to provide connection to the *CLEC facilities*, including transport and termination facilities, that the CLEC employs to interconnect with the ILEC's network. (emphasis added).

Further, the FCC defined interconnection in the First Report and Order to be:

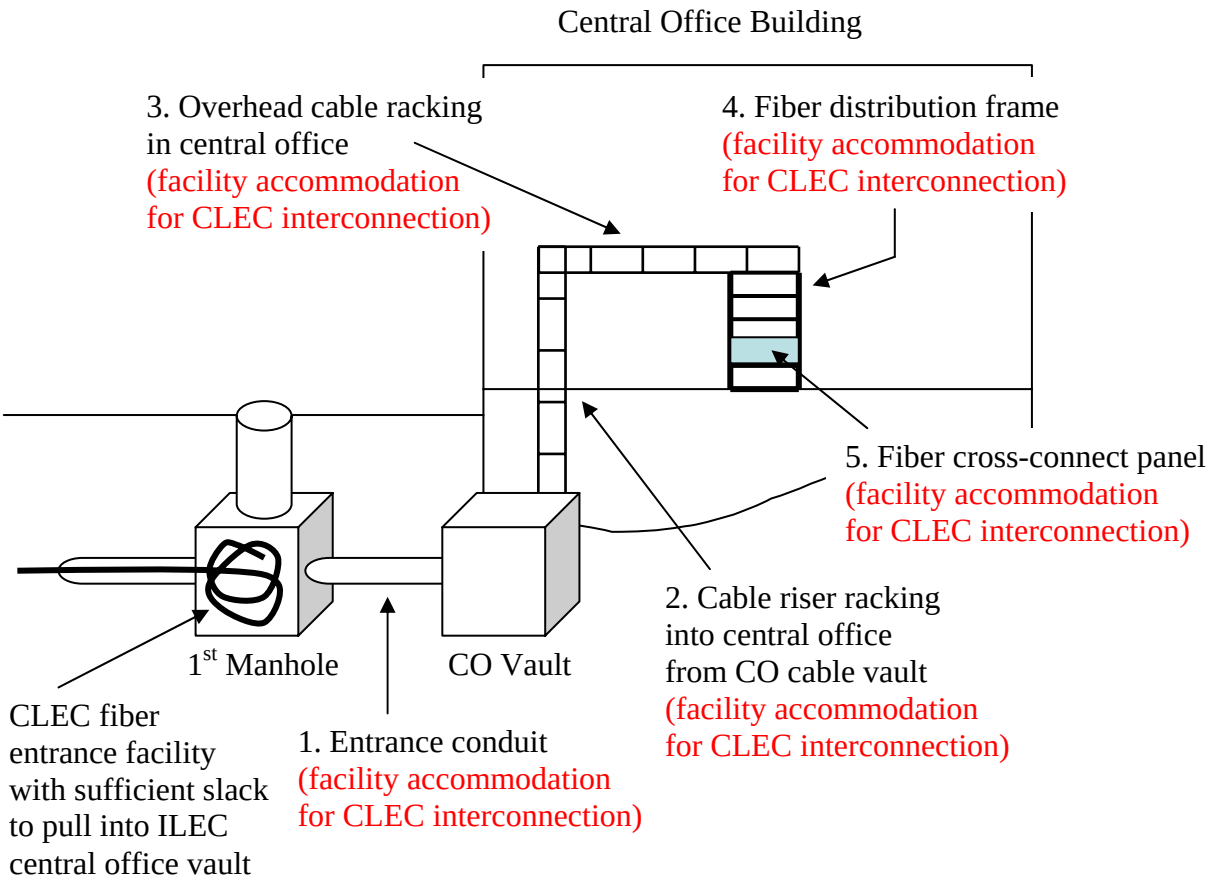
> We conclude that the term "interconnection" under section 251(c)(2) refers only to the physical linking of two networks for the mutual exchange of traffic. Including the transport and termination of traffic within the meaning of section 251(c)(2) would result in reading out of the statute the duty of all LECs to establish "reciprocal compensation arrangements for the transport and termination of telecommunications," under section 251(b)(5). In addition, in setting the pricing standard for section 251(c)(2) interconnection, section 252(d)(1) states it applies when state commissions make determinations "of the just and reasonable rate

for interconnection of facilities and equipment for purposes of subsection (c)(2) of section 251."[31]

Under this definition, interconnection, the physical linking of two networks, does not impose an obligation on the ILEC to provide interconnection facilities, only the interconnection "for the facilities and equipment of any requesting telecommunications carrier."[32]

The drawing below provides an example of the limited build-out of the incumbent LEC's network necessary to accommodate interconnection for the facilities and equipment of a requesting carrier pursuant to section 251(c)(2), consistent with ¶ 198 of the First Report and Order and the Iowa Utilities Board as described above.

[31] First Report and Order ¶ 176. (emphasis added).
[32] FTA - § 251(c)(2) - INTERCONNECTION.--The duty to provide, ***for the facilities and equipment of any requesting telecommunications carrier***, interconnection with the local exchange carrier's network.



Q. DO YOU AGREE WITH MR. SCHELL'S ASSERTION, AT PAGE 27 OF HIS DIRECT TESTIMONY, THAT SBC MISSOURI IS ATTEMPTING TO STRIP AT&T OF ITS RIGHT UNDER SECTION 251(C)(2)(B) TO INTERCONNECT WITH SBC MISSOURI AT ANY TECHNICALLY FEASIBLE POINT?

A. No. Under SBC Missouri's revised proposal, SBC Missouri is simply requesting that, as AT&T grows its customer base, that it take advantage of a "decrease in the cost of high capacity fiber-optic transport facility systems" (Schell Direct, page 29) to share the cost of serving AT&T's customer base.

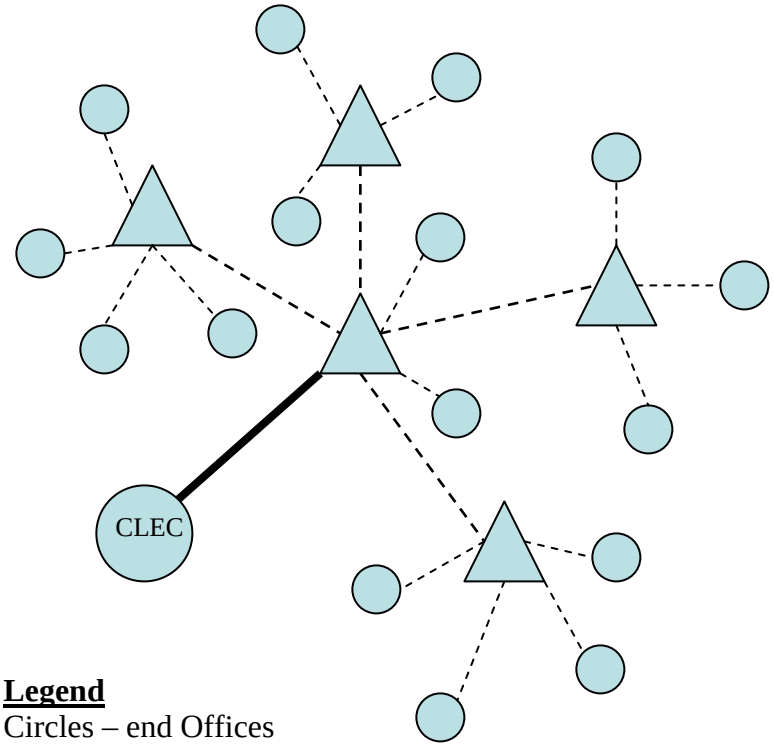
Q. DO THE TECHNOLOGIES OF TODAY SIGNIFICANTLY CHANGE NETWORK DESIGN TOPOLOGIES WITH RESPECT TO DELIVERY OF TRAFFIC, AS MR SCHELL ASSERTS? (SCHELL DIRECT, P. 28)

A. No. Technology was not in the past, nor is it today, the driving factor in network architecture design. Networks are instead designed based on customer location and volume. It makes good business sense to have a "go where the people are"

approach to network deployment. Additionally, traffic is managed more efficiently by bringing it into aggregation points. Whether those aggregation points are tandems, end office switches, or POIs, the aggregation of traffic for transport in a hub-and-spoke arrangement is just as valid today as it was 100 years ago, even as that aggregation and transport architecture evolves with technology.

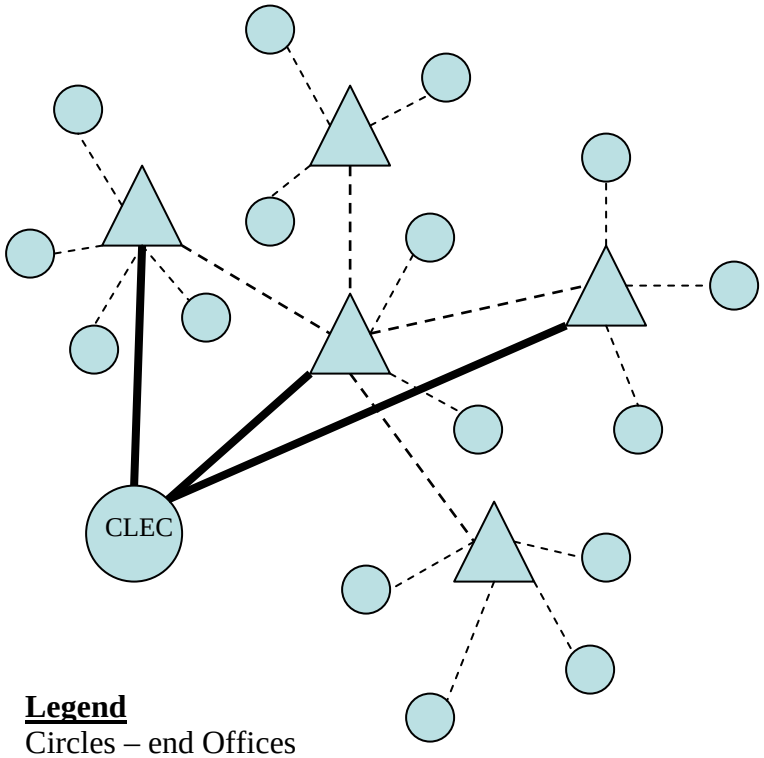
The diagrams below illustrate how, under SBC Missouri's revised proposal, transport investment would be equalized as a CLEC's customer base grows and additional transport facilities and POIs are deployed in support of the CLEC's interconnection needs.

Single POI Architecture



Legend
Circles – end Offices
Triangles – SBC tandems
Solid lines – CLEC provided facilities
Dotted lines – SBC provided facilities

Multiple POI Architecture



Legend
Circles – end Offices
Triangles – SBC tandems
Solid lines – CLEC provided facilities
Dotted lines – SBC provided facilities

This is consistent with Mr. Schell's own testimony that "while SBC deploys tandems to interconnect multiple switches spread throughout a geographic area… AT&T deploys a single switch combined with long transport" (Schell Direct, p. 30) However, Mr. Schell fails to present the entire story. Mr. Schell fails to acknowledge that AT&T also benefits from SBC's tandem deployment by connecting to those tandems to reach SBC Missouri's end offices. Mr. Schell also misrepresents the long transport that is provided (Schell Direct, p. 30).

The FCC clarified in the TRO that "competing carriers have control over where to locate their network facilities to minimize self-deployment costs,"[33] and that their finding "encourages competing carriers to incorporate those costs within their control into their network deployment strategies rather than to rely exclusively on the incumbent LEC's network."[34] Mr. Schell, on the other hand, would only have AT&T responsible for what he calls "long transport on the end-user side of the switch," leaving SBC Missouri with responsibility to provide whatever long transport facilities that are necessary to reach AT&T's chosen switch location. This is precisely what the FCC disallowed in the TRO.[35]

Q. DOES SBC MISSOURI'S POI PROPOSAL ADDRESS MR. SCHELL'S CONCERN THAT NEW ENTRANTS WOULD BE ABLE TO SELECT A SINGLE POI AND ECONOMICALLY GROW AS THEIR CUSTOMER BASE GROWS (SCHELL DIRECT AT PAGE 34, LINE 15)?

A. Yes. Under SBC Missouri's revised proposal, a CLEC would be able to establish a single POI in a LATA, and only after it achieved a specified level of traffic (24 DS1s) to distant areas would the CLEC be required to establish additional POI(s).

Q. HOW WAS THE 24 DS1 THRESHOLD LEVEL ESTABLISHED?

A. It was originally a compromise proposal submitted to the Texas PUC by SBC and MCI. The 24 DS1 threshold would allow a CLEC to grow until such time as traffic exchanged between SBC Missouri and a CLEC from a tandem serving area (TSA) or end office not subtending an SBC Missouri tandem for Section

[33] TRO - ¶ 367.
[34] *Id.*
[35] TRO ¶ 367 – "We also note that transmission facilities used for backhaul from an incumbent LEC office to a competing carrier's network often represents the point of greatest aggregation of traffic in a competing carrier's network, and such carriers are more likely to self-deploy these facilities because of the cost savings such aggregation permits. Moreover, we find that our more limited definition of transport is consistent with the Act because it encourages competing carriers to incorporate those costs within their control into their network deployment strategies rather than to rely exclusively on the incumbent LEC's network."

251(b)(5) traffic (local traffic subject to reciprocal compensation), exceeds 24 DS1s worth of trunks or 576 trunks. At that point, depending on how the CLEC has engineered its network, the CLEC would be serving between 2,000 and 10,000 end user customers depending on its business plan. At that point, the CLEC has moved beyond a new entrant and SBC Missouri's 24 DS1 threshold proposal to establish an additional POI is reasonable.

This is similar to the finding of the Texas Commission in MCI Docket No. 21791, in which the Commission ruled:

> "While the establishment of a single POI may be efficient during initial market entry, once growth accelerates, what was initially economically efficient may become extremely burdensome for one party. Although the FCC's First Report and Order expressly provides for interconnection at any technically feasible point, it does not appear to state that only one POI is required."[36]

In that docket, the Commission also found that:

> "In order to avoid network and/or tandem exhaust situations, the Commission determines, on this record, that it is reasonable that a process exist for requesting interconnection at additional, technically feasible points."[37]

In that arbitration, the Texas Commission adopted the following language regarding POIs:

> "A POI is required where each carrier provides service to end user customers." [38]

> "Multiple POI(s) will be necessary to balance the facilities investment and provide the best technical implementation of interconnection requirements. Both parties shall negotiate the architecture in each location that will seek to mutually minimize and equalize investment."[39]

[36] MCIW Arbitration Award at 12. May 23, 2000. Docket No. 21791.
[37] Order Approving Interconnection Agreement at 4. Docket No. 21791.
[38] Order Approving Interconnection Agreement at 5. – NIM § 2.2, Docket No. 21791.
[39] *Id*.

Q. IS THE 24 DS1 THRESHOLD PROPOSAL FROM SBC MISSOURI CONSISTENT WITH ANY OTHER RECENT RULINGS OR ARBITRATIONS?

A. Yes. As I addressed in my direct testimony, the Texas Commission in the T2A Docket No. 28821 upheld the 24 DS1 threshold for establishing an additional POI and adopted the following language:

> 1.18 A "Tandem Serving Area" or "TSA" is an SBC Texas area defined by the sum of all local calling areas served by SBC Texas End Offices that subtend an SBC Texas tandem for Section 251(b)(5)/IntraLATA Toll Traffic as defined in the LERG.
>
> 2.2 The Parties will interconnect their network facilities at a minimum of one CLEC designated Point of Interconnection (POI) within SBC Texas' network in the LATA where CLEC offers service.
>
> 2.2.1 A "Single POI" is a single point of interconnection within a LATA on the SBC Texas' network that is established to interconnect SBC Texas' network and CLEC's network for the exchange of Section 251(b)(5)/IntraLATA Toll Traffic.
>
> 2.2.2 The Parties agree that CLEC has the right to choose a Single POI, or multiple POIs.
>
> 2.2.3 CLEC agrees to establish additional POI(s) as follows:
>
> (i) in any SBC Texas TSA separate from any existing POI arrangement when traffic to/from that SBC Texas TSA exceeds twenty-four (24) DS1s at peak over three (3) consecutive months, or
>
> (ii) at an SBC Texas End Office not served by an SBC Texas tandem for Section 251(b)(5)/intraLATA Toll Traffic when traffic to/from that end office exceeds twenty-four (24) DS1s at peak over three (3) consecutive months.
>
> 2.2.4 The additional POI(s) will be established within 90 days of notification that the threshold has been met. [40]

In addition, SBC and Level 3 recently agreed to a 13-State agreement that incorporates the same 24 DS1 threshold language as proposed in this arbitration.

Q. UNDER SBC MISSOURI'S PROPOSAL, DOES SBC MISSOURI

[40] Arbitration Award – Track I Issues, Texas PUC Docket No. 28821, NAI Joint DPL – Final, page 3 of 48. The Texas Commission adopted SBC Texas' proposed contract language.

PROVIDE FOR TRANSPORT TO OTHER TANDEMS OR LOCAL CALLING AREAS IN THE LATA UNTIL THE 24 DS1 LEVEL IS REACHED?

A. Yes. SBC Missouri would be responsible for the transport facilities on its side of the single POI arrangement until such time as the CLEC reaches the 24 DS1 threshold.

Q. YOU STATED THAT MR. SCHELL HAD MISINTERPRETED SBC MISSOURI'S 24 DS1 THRESHOLD PROPOSAL. CAN YOU EXPLAIN?

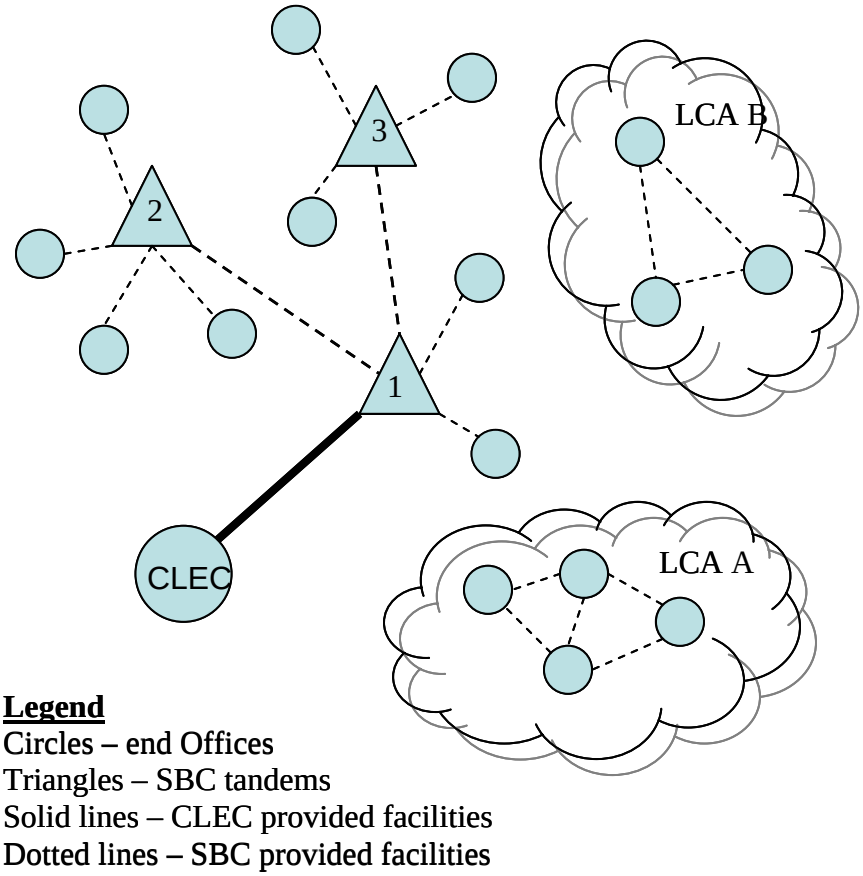
A. Yes. The proposal by SBC Missouri provides the following:

> 1.1.0 Types of Points of Interconnection
>
> 1.1.1 The Parties will interconnect their network facilities at a minimum of one AT&T designated Point of Interconnection (POI) within SBC MISSOURI's network in the LATA where AT&T Offers Service.
>
> 1.1.2 A "Single POI" is a single point of interconnection within a LATA on SBC MISSOURI's network that is established to interconnect SBC MISSOURI's network and AT&T's network for the exchange of Section 251(b)(5)/IntraLATA Toll Traffic.
>
> 1.1.3 The Parties agree that AT&T has the right to choose a Single POI or multiple POIs.
>
> 1.1.4 When AT&T has established a Single POI (or multiple POIs) in a LATA, AT&T agrees to establish an additional POI:
>
> (i) in any SBC MISSOURI TSA separate from any existing POI arrangement when traffic to/from that SBC MISSOURI TSA exceeds twenty-four (24) DS1s at peak over three (3) consecutive months, or
>
> (ii) at an SBC MISSOURI End Office in a local calling area not served by an SBC MISSOURI tandem for Section 251(b)(5)/IntraLATA Toll Traffic when traffic to/from that local calling area exceeds twenty-four (24) DS1s at peak over three (3) consecutive months.
>
> 1.1.5 The additional POI(s) will be established within 90 days of notification that the threshold has been met.

Using the proposed language above, a CLEC may establish a single POI per LATA and might never need to establish additional POIs.

As an example, let's say that SBC Missouri has three TSA's in a LATA as well as two local calling areas where SBC Missouri end offices do not subtend an SBC Missouri tandem for local traffic as shown below:

Single POI Architecture



Legend
Circles – end Offices
Triangles – SBC tandems
Solid lines – CLEC provided facilities
Dotted lines – SBC provided facilities

As a new entrant, the CLEC could choose a single POI as shown. SBC Missouri would provide the facilities for trunking to each TSA as well as the LCAs from the CLEC's single POI. Let us assume that the CLEC has chosen its single POI at TSA 1 because that is a major market where CLEC expects its heaviest competition.

Let's then assume that the CLEC orders the following:

- 30 DS1s worth of trunks to tandem 1, including several DEOTs to its subtending end offices.
- 5 DS1s worth of trunks to tandem 2, including one DEOT to one of tandem 2's subtending end offices.
- 15 DS1s to tandem 3, including several DEOTs
- 6 DS1s to the various end offices in LCA A
- 3 DS1s to the end offices in LCA B

Under this scenario, it is obvious that the CLEC has exceeded 24 DS1 through the POI, however, the CLEC would still only have the single POI arrangement because it has not exceeded 24 DS1s to any one TSA or LCA separate from its existing POI arrangement.

Q. WHAT IF THE CLEC THEN EXCEEDS 24 DS1S TO TSA 3?

A. At such time as the CLEC exceeds the 24 DS1 threshold to TSA 3, then the CLEC would establish an additional POI in TSA 3. However, that would not impact the CLEC with respect to TSA 2, LCA A or LCA B.

Q. MR. SCHELL ALSO STATED THAT SBC MISSOURI'S END OFFICE DEFINITION COULD FORCE THE CLECS TO ESTABLISH ADDITONAL POIS AT END OFFICES INCLUDING REMOTE END OFFICES (SCHELL DIRECT, P. 14). IS THAT TRUE?

A. No. Using the same drawing above, if the CLEC were to exceed 24 DS1s to the end offices in LCA A, then the CLEC would establish a POI in that LCA, which would encompass all of the end offices in that LCA. Remote end offices are connected via an umbilical to a host end office. If that host end office is part of that LCA, then the CLEC's POI to that LCA would cover both end offices. If a remote end office is hosted by an end office that subtends an SBC Missouri

tandem for Section 251(b)(5) traffic, then the CLEC's POI at that tandem would cover both the host as well as the remote end office.

Where the CLEC has established a POI in a TSA, SBC Missouri will be responsible for the transport on its side of the POI for DEOTs to end offices subtending that tandem. For DEOTs to end offices not subtending the tandem where the CLEC has established its POI, SBC Missouri will be responsible for transport of those DEOTs to another TSA or LCA until the 24 DS1 threshold has been met for that TSA or LCA.

Q. WHAT ABOUT SBC MISSOURI END OFFICES THAT SUBTEND ANOTHER ILEC TANDEM AS MR. SCHELL STATES IN HIS TESTIMONY (SCHELL DIRECT, P. 42)?

A. SBC Missouri does not have any end offices that subtend another ILEC tandem for local traffic (Section 251(b)(5) traffic). SBC Missouri has 21 end offices that have trunks to another ILEC's tandem, but home on an SBC Missouri tandem for Section 251(b)(5)/intraLATA traffic. Mr. Schell misrepresents the LERG data where an SBC Missouri end office that does not subtend an SBC Missouri tandem for its local traffic may subtend another ILEC's access tandem for its access traffic (IXC carried traffic). He also states there are six SBC Missouri end offices that subtend an ILEC tandem, when in fact SBC Missouri only has one end office, the Linn, Missouri end office (LINNMOTWDS1), which subtends the Sprint tandem (JFCYMOXA11T) in Jefferson City only for access traffic.

Q. HOW DOES THAT SBC MISSOURI END OFFICE EXCHANGE LOCAL TRAFFIC [SECTION 251(B)(5) TRAFFIC] IF IT DOES NOT SUBTEND AN SBC MISSOURI TANDEM?

A. In the case of the Linn, Missouri end office, DEOTs are used to exchange local traffic [Section 251(b)(5) traffic] with the end offices that are local to the Linn

local calling area. That may include other SBC Missouri end offices as well as independent and rural ILECs as well as larger ILECs such as Verizon. SBC Missouri asks no more from the CLECs than SBC Missouri and the other ILECs do in these local calling areas not served by a tandem for local traffic. It is inappropriate for AT&T to include third party carriers (who are not a party to this agreement) in this ICA.

XI. DIRECT END OFFICE TRUNKING (DEOT) REQUIREMENTS

AT&T Attachment 11: Network Architecture Issue 12:
Should AT&T be required to establish direct end office trunk groups if the traffic exchanged between the parties to a SBC MISSOURI end office exceeds one DS1 for a period of one month, with traffic adjusted for anomalies?

CLEC Coalition OE Issue 5:
Should a CLEC be required to direct end office trunks once OE LEC Traffic exceeds one DS1 (or 24 DS0s) to or from an SBC Missouri end office?

Charter ITR Issue 4:
What type of trunk groups should be allowed over the Fiber Meet Point?

Q. WHAT IS AT&T'S POSITION REGARDING ESTABLISHING DEOTS WHEN TRAFFIC BETWEEN THE PARTIES EXCEEDS ONE DS1 FOR A PERIOD OF ONE MONTH?

A. AT&T witness Schell states in his direct testimony that SBC Missouri suffers no harm if it does not establish a DEOT when traffic between the parties reaches one DS1. (Schell Direct, p. 73). In this discussion, he further states that "if a sustained increase in traffic requires that a certain trunk group should be augmented, the agreement provides for the procedures to be followed by the parties to eliminate excessive call blocking." Mr. Schell confuses DEOTs with blocking, when they are two different things. Network Architecture Issue 12 talks about establishing

DEOTs, which are trunk groups that, when established, reduce the need for Tandem resources. Yet, Mr. Schell is saying the need for DEOTS is not present if the parties augment existing trunk groups in response to blocking. Augmenting a trunk group that terminates on a tandem will do nothing to minimize the use of network resources at that tandem. Mr. Schell's argument does not support his position.

Mr. Schell goes on to state: "Tandem exhaustion can be avoided by proper forecasting and deployment of additional tandem switching capacity." (Schell Direct, p. 73). SBC Missouri does not believe DEOTs will completely prevent the need for tandem resources. However, as I explained in my direct testimony, the use of DEOTS is an effective tool for slowing tandem exhaust. (Hamiter Direct, pp. 101–106). Slowing the rate at which a tandem exhausts - that is, extending the exhaust date further out into the future – defers capital outlay for those resources. This is a necessary and prudent business practice, particularly given that the cost of a new tandem is quite significant. AT&T's proposed language, if adopted, would deny SBC Missouri the ability to defer capital expenditures where appropriate to do so. Rather than establish DEOTS, thereby saving tandem resources, SBC Missouri's capital outlay for those resources would increase.

Q. DO YOU AGREE WITH MR. SCHELL THAT DIRECT END OFFICE TRUNKS (DEOTS) ARE NOT NECESSARY TO ELIMINATE TANDEM EXHAUST?

A. No. Mr. Schell asserts that SBC Missouri can simply add additional tandem switches, and he explains away the issue of tandem exhaust by saying SBC

Missouri can simply add new tandem switches at its own cost (Schell Direct at page 73, line 23 to 74, line 3). DEOTs are an integral part of tandem planning, forecasting, and deployment. As I explained in my direct testimony, SBC Missouri has already identified the SBC Missouri McGhee tandem projected to exhaust by late 2005 (Hamiter Direct at page 57, line 14 to page 59, line 10). DEOTs eliminate the need for tandem switching and conserve limited tandem resources. Tandem switches typically can cost $15 million dollars or more, and can take up to 3 years to install. It also takes the cooperation of the entire industry, not just SBC Missouri, to install the trunks connecting the tandem switch to other carrier networks.

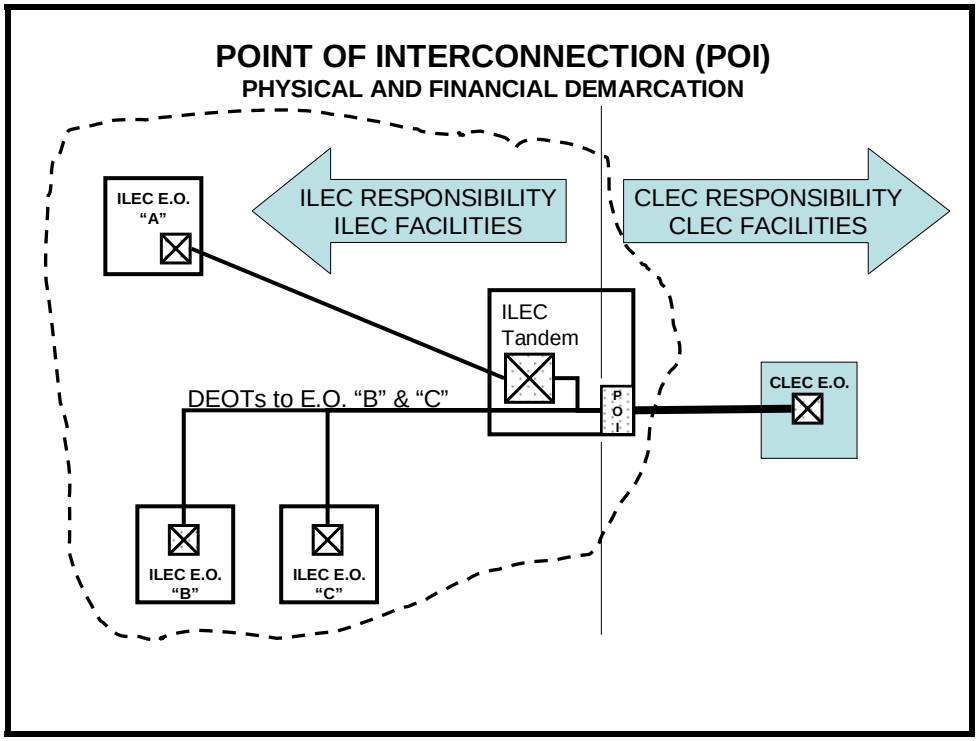
At a cost of approximately $15 Million per switch and 3 years to plan and implement an additional tandem, Mr. Schell's statement that it does not meet the "significant adverse impact" standard established by the FCC (Schell Direct, pp. 73-74) fails to take into account the impact multiple requesting carriers can have with such a cavalier attitude toward the financial impact its decisions have on the incumbent LEC.

This same issue was arbitrated in the Texas T2A and the Texas Commission agreed with SBC that DEOTs do, in fact, conserve scarce tandem resources. Additionally, the Texas Commission agreed that, because SBC bears the cost of transport for DEOTs, CLECs are not financially harmed.[41]

[41] Texas Docket No. 28821 Proposed Arbitration Award, page 18 - The Commission agrees with the concerns that tandem exhaust, cost, network integrity and ability to serve multiple CLECs together suggest that CLECs should establish direct end office trunking (DEOT) once the parties exchange traffic in excess of 1 DS1… Further, in the current proceeding, SBC Texas has offered not to charge CLECs for transport facilities from a POI to end offices located in the same local calling area. This proposal should alleviate the cost concerns raised by the CLECs.

Q. PLEASE PROVIDE A DRAWING THAT SUPPORTS THE TEXAS T2A DECISION AND ILLUSTRATES THOSE FACILITIES FOR WHICH SBC MISSOURI IS RESPONSIBLE AND THOSE FACILITIES FOR WHICH A CLEC IS RESPONSIBLE WHEN DEOTS ARE IMPLEMENTED.

A. The following drawing illustrates those facilities for which SBC Missouri is responsible, and those facilities for which the CLEC is responsible. It supports the decision made by the Texas PUC. In this drawing, SBC Missouri is represented by "ILEC".



Q. MR. SCHELL, AT PAGE 73 OF HIS DIRECT TESTIMONY, SUGGESTS THAT SBC MISSOURI'S PROPOSED LANGUAGE WOULD REQUIRE AT&T TO ESTABLISH DEOTS TO MOST END OFFICES WITHOUT REGARD TO A DS-1 THRESHOLD. IS THIS TRUE?

A. No. Mr. Schell reads additional requirements into language where none exists. A similar occasion was the case in the Oklahoma O2A proceeding where Mr. Schell claimed that SBC Oklahoma's proposed POI language was different from the

SBC Texas awarded POI language and would require establishing DEOTs to most end offices in Oklahoma. Yet, when given the opportunity on redirect by his own counsel to explain how this was true, Mr. Schell became confused requiring his counsel to bail him out with a loaded question, in which he was not required to provide an adequate explanation.

> Q And finally, Mr. Schell, Mr. Russell asked you whether the language the Texas Commission approved, and he pointed you to some language in the DPL from Texas was the same as SBC's proposal in Oklahoma, do you recall that, Mr. Schell?
> A Yes.
> Q Could you clarify how SBC's proposal in Oklahoma is different?
> A Yes, I can if you will give me a moment please. SBC's proposal in Oklahoma and I am reading from Attachment 11, network architecture, SBC's proposed language for Section 1.1.5 and it reads as follows, when AT&T has established a single POI (or multiple POIs) in a LATA, AT&T agrees to establish an additional POI at an SBC Kansas tandem separate from the existing POI or II, at an end office not serviced by an SBC – let me go back. Let me read that section over. I have muddled it, I am sorry.
>
> Their proposed language for 1.1.5 states, when AT&T has established a single POI (or multiple POIs) in a LATA, AT&T agrees to establish an additional POI, little i, at an SBC Oklahoma tandem separate from the existing POI arrangement, or double I, at an end office not served by an SBC Oklahoma Local Tandem, when the traffic through the existing POI arrangement to that tandem and its subtending end offices, or to the end office not served by an SBC Oklahoma Local Tandem exceeds twenty-four (24) DS1's at peak over three consecutive months. That's the language between the parties in Oklahoma.
>
> The language between the parties in Texas I believe was when CLEC has established a single POI (or multiple POIs) in a LATA, CLEC agrees to establish an additional POI at an SBC Texas TSA, and that stands for tandem serving area, separate from the existing POI arrangement when the traffic through the existing POI arrangement to that SBC Texas TSA exceeds 24 DS1's at peak over three consecutive months, or two, at an SBC Texas end office in a local calling area not served by an SBC tandem for Section 251 B-5/intraLATA toll traffic when traffic through the existing POI arrangement to that local calling area exceeds 24 DS1's at peak over three consecutive months.
>
> Now, let me try to put that in some perspective. That's a lot of words. Mr. Albright in his testimony, for example, has a question that appears at page 31, line 29. You stated that Mr. Schell has misinterpreted SBC's Oklahoma's 24 DS1 threshold. What their threshold requires in Oklahoma is that we provide trunking to each of the end offices or as what their proposal in Oklahoma required, I mean in Texas required was to a tandem serving area. And a tandem serving area can include and does include multiple local calling areas. So they are just different proposals.
>
> **Under their proposal, for example, in the Oklahoma LATA where they have an Oklahoma tandem here in Oklahoma City, when the traffic from a single, from the existing POI, if it was not at that tandem, but when the traffic exceeded – let me back up.**
> Q Mr. Schell, perhaps I could ask another question.
> A All right.
> Q Is it fair to say that SBC's proposed language in Oklahoma would require that a CLEC establish trunking to more end offices than the language from Texas?

A **Yes. Thank you, that's where I was trying to get to.**[42]

In other words, Mr. Schell made an incorrect claim that SBC's proposed language would require trunking to most SBC Oklahoma end offices, yet, when given the opportunity by his own counsel to explain using the SBC Oklahoma proposed language, he could not. Mr. Schell "was trying to get to" something that did not exist.

Q. IS IT UNFAIR FOR SBC MISSOURI TO ASK CLECS TO ESTABLISH DEOTS TO SBC MISSOURI END OFFICES WHEN SBC MISSOURI DOES NOT REQUEST THIS SAME ARRANGEMENT OF IXCS, AS MR SCHELL ARGUES IN HIS DIRECT TESTIMONY AT PAGE 74?

A. No. Mr. Schell inappropriately compares the IXC arrangements, which are governed through the federal tariff, to CLEC arrangements, which are governed by agreements that are under state jurisdiction. SBC Missouri witness, Sandra Douglas, discusses the federal tariff in her testimony.

Q. WHAT ARE YOUR COMMENTS REGARDING CLEC COALITION WITNESS R. MATTHEW KOHLY'S DIRECT TESTIMONY REGARDING CLEC COALITION OE ISSUE 5? (KOHLY DIRECT, PP. 17 - 20)

A. Mr. Kohly objects to SBC Missouri's language that requires CLECs to connect directly to an SBC Missouri end office when they are operating as an Out of Exchange Local Exchange Carrier ("OE-LEC"), as described in his direct testimony. (Kohly Direct, p. 17) As mentioned above, SBC Missouri trunks directly to other exchanges and carriers when its end offices are located behind other ILEC tandems. An OE-LEC situation is similar to this, and SBC Missouri expects no more of the CLEC Coalition than it expects of itself. The Commission

[42] Transcript from O2A PUD Cause #200400493 starting at page 63 - pud2004-477-492.etc

should reject the CLEC Coalition's proposal and adopt SBC Missouri's proposed language in this appendix.

XII. MUTUAL AGREEMENT OF TECHNICALLY FEASIBLE METHODS OF INTERCONNECTION

MCIm NIM/ITR Issue 9:

When is mutual agreement necessary for establishing the requested method of interconnection?

AT&T Attachment 11: Network Architecture Issue 7:

Should the Parties mutually agree to the method of obtaining interconnection or should AT&T be able to solely specify the method of interconnection?

MCIm NIM/ITR Issue 14(b): (b)

Should the Fiber Meet Design option selected be mutually agreeable to both Parties?

Q. DOES MUTUAL AGREEMENT ON THE INTERFACE AS PROPOSED BY SBC MISSOURI AFFECT THE CLECS' ABILITY TO INTERCONNECT AT ANY TECHNICALLY FEASIBLE POINT AS CLAIMED BY MR. SCHELL (SCHELL DIRECT AT PAGE 51) AND MR. PRICE (PRICE DIRECT, P. 121)?

A. No. Where the requesting carrier selects a technically feasible point on SBC Missouri's network, the parties will mutually agree. However, vesting the CLECs with unilateral decision-making authority, such as several CLECs have proposed, would allow them to define what constitutes "technically feasible." Some CLECs have even gone so far as to provide language that merely states they may "interconnect at any technically feasible point," (Schell Direct, pp. 26, 41, 45, 52, 62, 63, 70, 79) conveniently omitting any reference to "within" the incumbent LEC's network. Mutual agreement simply protects SBC Missouri. By vesting themselves with "sole discretion," the CLECs seek to exempt themselves

from any rules or orders of this Commission, the FCC, or courts, and would deny SBC Missouri, as provider of last resort, the right to manage and protect its network integrity.

XIII. INTRABUILDING CABLING

AT&T Network Architecture Issue 9: In central office buildings where both parties have a presence, may AT&T use intra-building cable for interconnection?

CLEC Coalition Attachment 11, Appendix NIM Issue 5: In central office buildings where both parties have a presence, may CLEC use intrabuilding cable for interconnection?

CLEC Coalition Attachment 11, Appendix NIA Issue 14: May CLEC use intrabuilding cable for interconnection in central office buildings where both parties have a presence?

Q. HAS AT&T WITNESS MR. SCHELL FULLY EXPLAINED THE DISPUTE BETWEEN SBC MISSOURI AND AT&T REGARDING INTRABUILDING CABLING?

A. No. Mr. Schell fails to mention the section of AT&T's proposed language that would redefine the term "intrabuilding" to include cabling between different buildings. Additionally, AT&T fails to address the distance limitations of coax cable for DS3 interconnection, rather that "such cable will be installed via the shortest practical route" Lastly, AT&T would deny SBC Missouri the right to manage and control its building as provided for in the First Report and Order.[43]

Q. MR. SCHELL ARGUES THAT THE VIRGINIA ARBITRATION ORDER SUPPORTS AT&T'S PROPOSAL FOR INTRA-BUILDING CABLING (SCHELL DIRECT, P. 63). IS HE CORRECT?

[43] First Report and Order - ¶. We also conclude, however, that legitimate threats to network reliability and security must be considered in evaluating the technical feasibility of interconnection or access to incumbent LEC networks. Negative network reliability effects are necessarily contrary to a finding of technical feasibility. Each carrier must be able to retain responsibility for the management, control, and performance of its own network.

A. No for several reasons. In that award, the Wireline Competition Bureau acknowledged that its award only applied to the issues as presented by the parties as they operated in the state of Virginia.[44] Secondly, and most importantly, the Bureau stated that their decision did not take into account the FCC's upcoming TRO.[45]

Q. DID THE TRO IMPACT THE VIRGINIA ARBITRATION AWARD REGARDING INTRA-BUILDING CABLING AS PROPOSED BY AT&T?

A. Yes. As I discuss in my testimony (Hamiter Direct, p. 97), the FCC ruled in the TRO, and later confirmed in the TRRO that transport facilities that connect the requesting carrier to the incumbent LEC's network are not part of the incumbent LEC's network. Therefore, intra-building cabling as proposed by AT&T to include locations such as CLEC hotels not within SBC Missouri's network as well as AT&T's redefinition of intra-building to include inter-building cabling between adjacent buildings ignores the TRO. Therefore, whether intra-building cabling as proposed by AT&T in this ICA was awarded in the Virginia Arbitration prior to the TRO is beside the point, because that conclusion is no longer valid post-TRO.

Q. DO ANY OTHER CLECS CLAIM THAT THEY SHOULD ALSO BE ALLOWED TO INTERCONNECT VIA INTRA-BUILDING CABLING?

A. Yes. Xspedius has adopted the AT&T proposed language as their own. Xspedius witness Mr. Falvey inappropriately argues the issue of intra-building cabling

[44] Memorandum Opinion and Order, Wireline Competition Bureau, August 29, 2003, § 3 - Our application of existing Commission rules is narrowly tailored to the detailed evidence in the record before us, in order to resolve the numerous specific issues presented by the parties regarding their operations in Virginia

[45] Memorandum Opinion and Order, Wireline Competition Bureau, August 29, 2003, § 5 - Thus, our analysis of the issues raised in this proceeding does not reflect any rule changes resulting from the Triennial Review Order.

within a central office building, to also apply to POP hotels (See Falvey Direct at page 24, line 13). As I stated above, the TRO has clarified that interconnection must be within the incumbent LEC's network and locations such as a POP hotel would not qualify.

Xspedius provides AT&T with the argument that AT&T's proposal does not provide AT&T with more favorable conditions than other CLECs. However, AT&T conveniently forgets to mention that, while AT&T may enjoy the advantage of condo arrangements with SBC Missouri due to its prior status under the former Bell System, other requesting carriers such as Xspedius do not. This fact was recognized by the Texas Commission in the recent T2A Award in Docket # 28821, in which that Commission rejected the language as proposed by AT&T, finding:

> "Commission finds that this Section should not be included in the ICA. Commission does not find the language proposed by CLECs to be acceptable. The cabling that the CLEC's are proposing to be utilized is not part of the SBC Texas network and therefore is not available as a point to interconnect. In addition, it would not be competitively neutral to allow Intra-building cabling to be used. Therefore, the Commission rejects AT&T's contract language."

Q. WHAT ABOUT MR. SCHELL'S CLAIM THAT THE KANSAS COMMISSION RECENTLY AWARDED THIS LANGUAGE IN THE K2A (SCHELL DIRECT, P. 66)?

A. The Kansas Commission provided conflicting rulings. Even though the Commission awarded intra-building cabling, the Kansas Commission also ruled that:

> "47 C.F.R. § 51.305(a) requires the incumbent LEC to provide for interconnection at any technically feasible point within its network. Even though SBC has fiber facilities at a CLEC switch, the Commission cannot

find that the CLEC switch is within SBC's network. The Commission finds for SBC on this issue and reverses the Arbitrator."[46]

Therefore, the Kansas Commission would preclude locations not within SBC's network (like intra-building cable). This would include locations such as POP hotels or adjacent buildings as proposed by AT&T and Xspedius.

Q. WHAT ABOUT MR. SCHELL'S CLAIM THAT THE ILLINOIS COMMISSION HAS ALSO ALLOWED INTRA-BUILDING CABLING (SCHELL DIRECT, P. 63)?

A. AT&T witness Schell does not provide an adequate cite for SBC Missouri or this Commission to make a true determination as to the credibility of Mr. Schell's claim. While SBC Missouri does not dispute the possibility that such language may exist in an ICA between SBC Illinois and AT&T, such language may be from an expired agreement or from an agreement ordered prior to the FCC's TRO. Because AT&T and SBC jointly own or share central office building arrangements dating from pre-divestiture, it is possible that this language dates as far back as 1984. Therefore, any unsubstantiated claim by Mr. Schell regarding intra-building arrangement language in an Illinois ICA should be appropriately discounted.

XIV. LEASING OF CLEC FACILITIES

CLEC Coalition Attachment 11, Appendix NIM, Issue 4 – Should this agreement contain language that references SBC's leasing of facilities from third parties?

Q. DOES SBC MISSOURI LEASE FACILITIES FROM THIRD PARTIES FOR INTERCONNECTION BETWEEN SBC MISSOURI AND CLECS?

A. No. Mr. Falvey does not argue that SBC Missouri does not lease facilities from third parties (Falvey Direct, p. 30). Further, since the FCC ruled in the TRO and

[46] Docket # 05-AT&T-366-ARB, Order No. 13: Commission Order on Phase I

later confirmed in the TRRO that entrance facilities are the responsibility of the requesting carrier, the language proposed by Xspedius is unnecessary in this ICA. I discuss this at length in my direct testimony (Hamiter Direct, pp. 97, 113).

XV. INFORMATION REQUIREMENTS

CLEC Coalition Attachment 11, Appendix ITR, Issue 11:

Should the ICA contradictory language regarding the issuance of TGSRs and ASRs?

Q. XSPEDIUS WITNESS FALVEY STATES THAT SBC MISSOURI AND XSPEDIUS HAVE AGREED THAT SBC MISSOURI WILL ISSUE TGSRS AND XSPEDIUS WILL ISSUE ASRS (FALVEY DIRECT, P. 26), YET HE THEN STATES THAT XSPEDIUS WILL ISSUE TGSRS TO SBC MISSOURI TO MAKE CHANGES TO TRUNK GROUPS (ID. P. 27). HOW DO YOU RESPOND?

A. Mr. Falvey is incorrect. This issue is also discussed in this rebuttal testimony regarding Trunk Specifications/Trunk Utilization and Re-sizing. From Mr. Falvey's testimony, Xspedius would leave it to SBC Missouri to determine Xspedius' trunk requirements. If Xspedius believes that trunks between SBC Missouri and Xspedius need to be augmented, changed or modified, then the appropriate action is for Xspedius to issue an ASR for the necessary trunk group changes. Interconnection trunks between SBC Missouri and Xspedius are based on Xspedius' business plan. SBC Missouri would have no way of knowing what trunking requirements Xspedius would need.

Based on Mr. Falvey's own testimony at page 26, the Parties have agreed that SBC Missouri will issue TGSRs and Xspedius will issue ASRs. Xspedius' proposed language is inappropriate.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.