

Exhibit No.: _____

Issue: Policy Issues

Witness: Jack E. Redfern

Type of Exhibit: Surrebuttal Testimony

Sponsoring Party: ALLTEL Communications, Inc.

Case No.: TO-2000-667

Date Testimony Prepared: December 11, 2000

SURREBUTTAL TESTIMONY OF

JACK E. REDFERN

ON BEHALF OF

ALLTEL COMMUNICATIONS, INC.

Jefferson City, Missouri

December 11, 2000

1 **BEFORE THE PUBLIC SERVICE COMMISSION**
2 **STATE OF MISSOURI**
3
4

5 **IN THE MATTER OF THE INVESTIGATION)**
6 **INTO THE EFFECTIVE AVAILABILITY FOR)**
7 **RESALE OF SOUTHWESTERN BELL)**
8 **TELEPHONE COMPANY'S LOCAL PLUS®)** **Case No. TO-2000-667**
9 **SERVICE BY INTEREXCHANGE)**
10 **COMPANIES AND FACILITIES-BASED)**
11 **COMPETITIVE LOCAL EXCHANGE)**
12 **COMPANIES)**
13
14

15 **SURREBUTTAL TESTIMONY**
16 **OF**
17 **JACK E. REDFERN**
18

19 **Q. Please state your name and business address.**
20

21 A. My name is Jack E. Redfern. My business address is One Allied Drive,
22 Little Rock, Arkansas 72202.
23

24 **Q. By whom are you employed and in what capacity?**

25 A. I am employed by ALLTEL Communications Service Corporation as Staff
26 Manager – State Government Affairs, and I am testifying on behalf of
27 Intervenor ALLTEL Communications, Inc. ("ACI") in this proceeding.
28

29 **Q. Have you previously submitted testimony in this proceeding?**

30 A. Yes. I submitted Rebuttal Testimony on behalf of ACI on November 6,
31 2000.
32

33 **Q. What is the purpose of your surrebuttal testimony?**

1 A. I am filing surrebuttal testimony to respond primarily to two issues
2 discussed in rebuttal testimony and in data request responses submitted
3 on behalf of Southwestern Bell Telephone Company ("SWBT").
4 Specifically, I will address statements made by SWBT witness, Joyce L.
5 Dunlap, in her rebuttal testimony filed with the Missouri Public Service
6 Commission ("Commission") regarding the provision of resold Local Plus®
7 traffic to facilities-based competitive local exchange carriers ("CLECs"). I
8 will also discuss associated terminating access charges.

9
10 **Q. Have you reviewed the rebuttal testimony filed by Joyce L. Dunlap on**
11 **behalf of SWBT?**

12 A. Yes, I have.
13

14 **Q. Does Ms. Dunlap differentiate between pure resellers and facilities-**
15 **based CLECs for the purpose of provisioning resold Local Plus®**
16 **traffic?**

17 A. Yes, she does. On page 9, line 10 of her rebuttal testimony, Ms. Dunlap
18 asserts that there should be a "distinction between Local Plus® traffic that
19 is truly resold and Local Plus® traffic that is being provided by means of
20 Unbundled Network Elements ("UNEs"). She adds that if the service is
21 being provided through the use of UNEs, then the company purchasing
22 the UNE from SWBT and originating the call should bear responsibility "for
23 the creation of intercompany compensation records, the transmission of

1 those records to all parties on the call path and the payment of terminating
2 access."

3
4 **Q. Is it your understanding based on Ms. Dunlap's statements, that**
5 **SWBT is persisting with its claims that Local Plus® service is not**
6 **available to facilities-based CLECs on a resale basis?**

7 A. Yes, that is my understanding.

8
9 **Q. Do you agree that facilities-based CLECs should be denied the right**
10 **to resell Local Plus® traffic?**

11 A. No, I disagree. SWBT should not be allowed to discriminate against
12 facilities-based CLECs. The Commission has already declared
13 unequivocally that it "will not back away from its previously stated
14 requirement that SWBT make Local Plus® available for resale to CLECs
15 and IXCs" in its *Report and Order* issued September 17, 1998 in Case No.
16 TT-98-351. This mandate clearly includes resellers and facilities-based
17 CLECs. Competition for residential telecommunications customers is
18 confined enough without SWBT discriminating against facilities-based
19 CLECs merely on the basis of their classification.

20 SWBT's witnesses continue to advocate the notion that it is not
21 technically feasible for SWBT to offer Local Plus® for resale when a
22 facilities-based CLEC uses its own switch to provide the end user local
23 service. This is simply not true as evidenced by previous testimony

1 offered on behalf of ACI by Martin L. Detling. To reiterate, a CLEC's switch
2 can make the necessary translation changes and send the call to SWBT
3 for transport to its destination. Additionally, settlement records created on
4 the CLEC's switch could be forwarded to SWBT for delivery to any non-
5 SWBT ILEC to which a Local Plus® call terminates. Given a CLEC's
6 switch making the necessary translation changes and generating the
7 applicable settlement records, there is no reason why a facilities-based
8 CLEC should not be allowed to resell SWBT's Local Plus® service like any
9 other reseller. Basically, it is not that SWBT *cannot* offer Local Plus® for
10 resale to a facilities-based CLEC, it is that SWBT *will not* offer the service.
11 This discriminatory behavior impedes competition and is in direct violation
12 of this Commission's previous order.

13
14 **Q. Did ACI submit data requests to SWBT during the course of this**
15 **proceeding?**

16 A. Yes. On October 11, 2000, ACI submitted three data requests to SWBT
17 concerning the Local Plus® service and its availability to facilities-based
18 CLECs.

19
20 **Q. Did SWBT respond to ACI's data requests?**

21 A. On November 14, 2000, SWBT provided ACI with its responses. To begin,
22 SWBT simply reiterated its prior claim that it cannot technically and
23 feasibly offer Local Plus® for resale when a facilities-based CLEC

1 provides the end user local service through its own switch. Additionally,
2 SWBT alleged that ACI, as the originating carrier, would be responsible for
3 providing records for those calls and for paying the tariffed access
4 charges.

5
6 **Q. Do you agree that ACI, or any CLEC reselling the Local Plus®**
7 **service, should be responsible for paying the associated terminating**
8 **access charges?**

9 A. No, I do not agree. As explained on page 5, line 9 of my rebuttal
10 testimony, a non-SWBT ILEC terminating a Local Plus® call is entitled to
11 terminating access revenue for that call and would thus require a
12 settlement record in order to bill SWBT for that terminating access.
13 However, in the case of the resold Local Plus® service, SWBT remains
14 liable for the terminating access charges. In developing the rate for Local
15 Plus®, SWBT considered or should have considered terminating access
16 expense to non-SWBT terminating ILECs and should have imputed
17 terminating access to Local Plus® calls terminating to its own exchanges.

18 For these reasons, ACI concurs with the rebuttal testimony of
19 Robert C. Schoonmaker on behalf of GVNW Consulting, Inc. (pg. 5, line
20 23), David Jones on behalf of the Missouri Independent Telephone
21 Company Group (pg. 3, line 8), and Thomas A. Solt on behalf of the
22 Commission's Telecommunications Division (pg. 10, line 1) that SWBT
23 should be responsible for all terminating access outside of its own

1 exchanges. Any CLEC reselling Local Plus® (whether facilities-based or
2 not) should only be responsible for paying SWBT the service's discounted
3 recurring rate. If not, SWBT would realize a revenue windfall and prevent
4 Local Plus® from being offered to facilities-based CLECs as a competitive
5 service.

6 Principles of fairness and true competition demand that SWBT not
7 be allowed to discriminate against facilities-based CLECs with regard to
8 the resale of its Local Plus® service. Furthermore, as noted by most of
9 the parties to this proceeding, SWBT is clearly the entity responsible for
10 the associated terminating access charges.

11
12 **Q. Does this conclude your testimony?**

13 **A.** Yes, it does.
14