

Exhibit :
Issue : Resale Issues
Witness : Thomas F. Hughes
Type of Exhibit : Surrebuttal Testimony
Sponsoring Party : Southwestern Bell Telephone Company
Company : Southwestern Bell Telephone Company
Case No. : TO-2000-667

SOUTHWESTERN BELL TELEPHONE COMPANY

CASE NO. TO-2000-667

SURREBUTTAL TESTIMONY

OF

THOMAS F. HUGHES

FILED²
DEC 11 2000
Missouri Public
Service Commission

St. Louis, Missouri

December, 2000

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
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Missouri Public
Service Commission

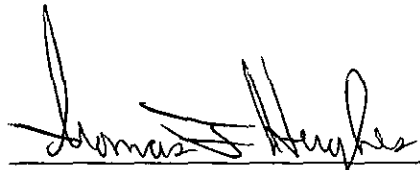
In the Matter of the Investigation into the Effective) Case No. TO-2000-667
Availability for Resale of Southwestern Bell Telephone)
Company's Local Plus Service by Interexchange)
Companies and Facilities-Based Competitive Local
Exchange Companies.

AFFIDAVIT OF THOMAS F. HUGHES

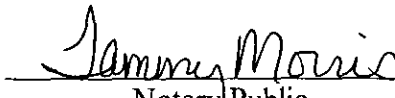
STATE OF MISSOURI)
) SS
COUNTY OF COLE)

I, Thomas F. Hughes, of lawful age, being duly sworn, depose and state:

1. My name is Thomas F. Hughes. I am presently Vice President – Regulatory in Missouri for Southwestern Bell Telephone Company.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal 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.


Thomas F. Hughes

Subscribed and sworn to before this 7th day of December, 2000


Notary Public

My Commission Expires: Apr. 4, 2004

TAMMY R MORRIS
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. APR. 4, 2004

1 **SURREBUTTAL TESTIMONY OF THOMAS F. HUGHES**

2

3 **Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?**

4 A. My name is Thomas F. Hughes. My business address is 101 W. High Street,
5 Jefferson City, Missouri.

6

7 **Q. ARE YOU THE SAME THOMAS HUGHES WHO FILED DIRECT**
8 **TESTIMONY IN THIS CASE?**

9 A. Yes, I am.

10

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A. The purpose of my testimony is to respond to the Rebuttal Testimonies of Staff
13 witness Tom Solt; Alltel witnesses Jack Renfern and Martin Deitling; MITG witness
14 David Jones; and STCG witness Robert Schoonmaker.

15

16 **I. AVAILABILITY OF LOCAL PLUS®**

17 **Q. IN THEIR REBUTTAL TESTIMONIES, OTHER PARTIES HAVE**
18 **QUESTIONED SWBT'S COMPLIANCE WITH THE COMMISSION'S**
19 **DIRECTION THAT SWBT MAKE LOCAL PLUS AVAILABLE TO OTHER**
20 **CARRIERS. WHAT IS SWBT'S OBLIGATION TO MAKE LOCAL PLUS**
21 **AVAILABLE?**

22 A. In its September 17, 1998 Report and Order in Case No. TT-98-351, at p. 38. the PSC
23 stated:

1 Since Local Plus has characteristics of both local and toll, i.e. is a hybrid, it is
2 appropriate to use terminating access as a method of intercompany compensation.
3 However, imputation of access charges would not be necessary if this type of
4 service is available for resale at a wholesale discount to CLECs and IXC's. In
5 order to enable customers to obtain this type of service by using the same dialing
6 pattern, the dialing pattern functionality should be made available for purchase to
7 IXC's and CLECs on both a resale and unbundled network element basis.
8

9 **Q. HAS SWBT COMPLIED WITH THESE REQUIREMENTS?**

10 A. Yes. In my Direct Testimony, at pp. 2 – 8, I outlined specifically what we have done
11 to comply with these requirements.
12

13 **Q. WHY THEN WOULD STAFF AND OTHER PARTIES EXPRESS**
14 **CONCERNS ABOUT SWBT'S WILLINGNESS TO MAKE LOCAL PLUS**
15 **AVAILABLE TO OTHER CARRIERS?**

16 A. I believe there simply may be a misunderstanding of the terminology in this area and
17 how Local Plus is technically provided. At least on SWBT's part, there is no
18 disagreement that we currently have an obligation to make Local Plus available to
19 other carriers in accordance with the Commission's directive quoted above. It has been
20 and remains our intention to comply with the order, and we believe we have done so.
21

22 **Q. WHERE DO YOU BELIEVE THE CONFUSION LIES?**

23 A. I believe that there may be a misunderstanding of the distinction between resale and
24 the provision of service on a facility basis (i.e., using one's own facilities, unbundled
25 network elements ("UNEs") purchased from another carrier, or a combination of the
26 two).
27

1 **Q. WHY IS IT IMPORTANT THAT THIS DISTINCTION BE UNDERSTOOD?**

2 **A.** Resale and the provision of UNEs are two entirely different methods of providing
3 service. What is sought by the purchasing carrier (i.e., CLEC or IXC) under each is
4 different. What is supplied by the providing carrier (i.e., SWBT) is different. The
5 contract provisions are different. The inter-carrier pricing is different. And the rules
6 that govern each carrier's rights and obligations are different.

7
8 **Q. WHAT IS MEANT BY RESALE?**

9 **A.** Under resale, one carrier is simply selling another carrier's retail telecommunications
10 service. The main difference is that the reseller offers the service to retail customers
11 under its own brand, rather than under the brand of the carrier physically providing the
12 underlying telecommunications service. Section 251(c)(4)(A) of the federal
13 Telecommunication Act ("the Act") imposes on all incumbent LECs the duty to offer
14 for resale "any telecommunications service that the carrier provides at retail to
15 subscribers who are not telecommunications carriers." The FCC has interpreted this to
16 mean that "the 1996 Act does not require an incumbent LEC to make a wholesale
17 offering of any service that the incumbent LEC does not offer to retail customers."
18 First Report and Order, FCC Docket No 96-98, released August 8, 1996, paras.871 and
19 872.

1 **Q. AT THIS POINT, SHOULD THERE BE ANY QUESTION THAT SWBT HAS**
2 **FULLY SATISFIED THE COMMISSION'S REQUIREMENT OF MAKING**
3 **LOCAL PLUS AVAILABLE FOR RESALE?**

4 A. No. Local Plus has been available for resale by both CLECs and IXC's since the
5 Commission approved our Local Plus tariff. Today there are 16 CLECs reselling this
6 service in Missouri. At pp. 3 – 4 and 7 – 8 of my Direct testimony, I outlined the
7 methods and procedures SWBT has developed to allow both CLECs and IXC's to
8 order Local Plus on a resale basis. To my knowledge, no issue has been raised with
9 the methods by which SWBT makes Local Plus available to CLECs. Even Mr.
10 Redfern of Alltel, at p. 4 of his Rebuttal Testimony, agrees that SWBT has made
11 Local Plus available for resale to non-facility based CLECs. In this case, Mr. Solt of
12 the PSC Staff reviewed the method we have put in place to allow IXC's to resell Local
13 Plus. He testified at pp. 7-9 of his Rebuttal Testimony that he found them
14 satisfactory. SWBT has always been willing and has worked with those IXC's who
15 have expressed a desire to resell the service. As we have demonstrated, we have
16 processed all of the orders we have received requesting Local Plus for resale.

17

18 **Q. MR. JONES OF MITG, AT PP. 3 – 5 OF HIS REBUTTAL TESTIMONY,**
19 **CLAIMS THAT SWBT WILL ONLY ALLOW "RESALE" IF A CLEC**
20 **PURCHASES A SWITCHPORT ON A UNE BASIS. IS THIS ACCURATE?**

21 A. No. Mr. Jones is confusing resale with the provision of service on a facility basis. As
22 indicated above, Local Plus' availability for resale is clearly shown by the number of
23 CLECs that are actually reselling it.

1

2 **Q. HOW IS THE PROVISION OF SERVICE ON A FACILITY BASIS**

3 **DIFFERENT THAN RESALE?**

4 **A.** Unlike resale, a carrier providing service on a facility basis is not selling another
5 carrier's retail telecommunications service. Rather, it is selling a service that it is
6 provisioning itself. A facilities based provider can provide local service to their end
7 user via three methods: 1) A CLEC can purchase some unbundled network elements
8 from SWBT (e.g. purchase an unbundled loop) in combination with its own facilities
9 (e.g. utilize the CLEC's own switch); 2) A CLEC can purchase all the necessary
10 unbundled network elements from SWBT to provide local service (e.g., a CLEC
11 purchases a loop, switch port and cross connect from SWBT); or 3) A CLEC can
12 provide local service entirely over its own facilities (e.g., cable TV network).

13

14 **Q. MR. SOLT, IN HIS REBUTTAL TESTIMONY AT P. 4, EXRESSES A**
15 **CONCERN WITH A DR ANSWER SWBT PROVIDED WHICH STATED**
16 **"LOCAL PLUS IS NOT AVAILABLE FOR RESALE THROUGH SWBT FOR**
17 **THOSE USERS RECEIVING LOCAL SERVICE FROM A FACILITY BASED**
18 **CLEC . . . " WITH THIS ANSWER, WAS SWBT TRYING TO BACK AWAY**
19 **FROM ITS OBLIGATION TO MAKE LOCAL PLUS AVAILABLE TO**
20 **FACILITY-BASED CARRIERS?**

21 **A.** No. Not at all. We were simply trying to keep clear the distinction between the
22 provision of service on a resale vs. a facility basis. What we are trying to get across is

1 that when a CLEC uses its own facilities, or UNEs purchased from SWBT, to provide
2 a service exactly like Local Plus, it is not considered to be "resale." It is not the resale
3 of SWBT's retail telecommunications service. Instead, the CLEC would be selling
4 and using its own network to provide its own retail service. The distinction is more
5 readily apparent with respect to a totally facility-based CLEC (e.g., one that uses
6 cable TV facilities). In that case, it is pretty easy to see that the CLEC is the network
7 provider.

8
9 **Q. HAS THE COMMISSION RECOGNIZED THE DISTINCTION BETWEEN**
10 **MAKING LOCAL PLUS AVAILABLE FOR "RESALE" AND THE**
11 **PROVISION OF UNBUNDLED NETWORK ELEMENTS THROUGH**
12 **WHICH A CLEC COULD OFFER ITS OWN LOCAL PLUS SERVICE?**

13 A. Yes. I believe the Commission understands this distinction. In its September 17,
14 1998 Report and Order, at pp. 38 - 39, in case number TT-98-351, the Commission
15 required SWBT to make the Local Plus dialing pattern functionality available both on
16 a resale and a UNE basis: "In order to enable customers to obtain this type of service
17 by using the same dialing pattern, the dialing pattern functionality should be made
18 available for purchase to IXC's and CLEC's on both a resale and an unbundled network
19 element basis". The Commission would not have enumerated both methods unless it
20 perceived that there was a difference.

21
22 **Q. IS SWBT WILLING TO MAKE THIS DIALING FUNCTIONALITY**
23 **AVAILABLE TO CLECS ON A UNE BASIS?**

1 A. Yes. As I indicated in my Direct Testimony at pp. 4 – 5, we have always been willing
2 to negotiate terms and conditions that would allow a CLEC which is purchasing an
3 unbundled switch port to provide a service like Local Plus. If the CLEC is using
4 SWBT's unbundled local switching to provide service, it may request SWBT to
5 modify its switch to permit the CLEC to offer a Local Plus-like service. The CLEC
6 may request a modification that would allow the CLEC to offer the same or a
7 different type service. Once a CLEC provides SWBT with a specific request, SWBT
8 would develop a price. Any price proposed by SWBT would be subject to
9 negotiation with the CLEC under the Act . If the price cannot be agreed to, it would
10 be subject to arbitration under the Act.

11
12 **Q. MR. SOLT, AT P. 5 OF HIS REBUTTAL TESTIMONY, EXPRESSES A**
13 **CONCERN WITH YOUR STATEMENTS THAT SWBT IS WILLING TO**
14 **ENABLE A CLEC PURCHASING UNES TO OFFER A SERVICE "LIKE"**
15 **OR "SIMILAR" TO LOCAL PLUS. HE INDICATES THAT A "SIMILAR**
16 **SERVICE" IS NOT "LOCAL PLUS." DOES YOUR USE OF THESE TERMS**
17 **MEAN THAT CUSTOMERS OF CLECS THAT PROVIDE SERVICE**
18 **THROUGH UNES WILL HAVE LESS FUNCTIONALITY THAN WHAT**
19 **SWBT'S RETAIL LOCAL PLUS CUSTOMERS RECEIVE?**

20 A. No. Not at all. This may be another area where there is a terminology
21 misunderstanding. First I need to point out that "Local Plus" is the registered service
22 mark that SWBT uses to market its service that provides customers with a LATA-
23 wide calling scope with a seven or ten digit dialing pattern. I would expect CLECs

1 would want to develop their own brand by creating a unique name for their product to
2 differentiate themselves from SWBT, even if they are just reselling SWBT's retail
3 Local Plus service. Second, it is possible that a CLEC may not want to offer a service
4 that is technically and functionally the same as SWBT's Local Plus service. While
5 what a CLEC would receive under resale would be technically and functionally the
6 same as SWBT's retail product, that is not necessarily true with UNEs. A CLEC
7 could, for example, request SWBT to modify its switch in order to offer toll free
8 calling to two or more communities that would be toll calls to SWBT customers.

9
10 **Q. CAN A CLEC PROVIDING LOCAL SERVICE THROUGH THE PURCHASE**
11 **OF UNES FROM SWBT OFFER AN EXPANDED CALLING SERVICE**
12 **THAT IS TECHNICALLY AND FUNCTIONALLY THE SAME AS SWBT'S**
13 **RETAIL LOCAL PLUS OFFERING?**

14 **A.** Yes. My only point was that with UNEs, CLECs are not necessarily limited to what
15 SWBT offers its own customers at retail. If they wished, SWBT would enable them
16 through their purchase of UNEs to provide the exact same functionality (i.e., the same
17 dialing pattern and calling scope) to their customers as SWBT's retail Local Plus
18 customers receive. While SWBT's and the CLEC's services in such a case may be
19 priced differently to the end user and have different names, the service received by the
20 end user would be the same.

21
22 Alternatively, CLECs purchasing UNEs could develop their own customized
23 expanded calling plan. For example, a CLEC could offer a more geographically

1 tailored calling plan (e.g., one that would encompass the Cape Girardeau and the
2 Missouri boot-heel area). In this case, the CLEC's service would be "like" or
3 "similar" to Local Plus because it would have a 7 or 10 digit dialing pattern and
4 provide an expanded local calling scope. But it would not be the exact "same"
5 because the calling scope would be different than what SWBT offers with Local Plus.

6
7 **Q. MR. SOLT, AT P. 4 OF HIS REBUTTAL TESTIMONY, DISCUSSES**
8 **WHETHER LOCAL PLUS IS A UNE? IS IT?**

9 A. No. The switch port is the unbundled network element, not Local Plus. Local Plus is
10 a retail service developed by SWBT. It is provided to our customers via translations
11 in the switch and utilizes many network components including: switching, transport
12 facilities and switch translations to complete these calls.

13
14 **Q. ARE THERE CLECS IN MISSOURI PURCHASING UNES TO PROVIDE**
15 **LOCAL SERVICE TO CUSTOMERS?**

16 A. Yes. SWBT has provisioned over 33,500 unbundled switch ports. This type of
17 service has been provisioned in Missouri for over 12 months now.

18
19 **Q. IF THERE ARE CLECS PURCHASING UNES, WHY HASN'T SWBT YET**
20 **DEVELOPED A PRICE FOR MAKING THE LOCAL PLUS DIALING**
21 **FUNCTIONALITY GENERALLY AVAILABLE?**

22 A. As I stated at pp. 5 – 6 of my Direct Testimony, a CLEC can request that specific
23 geographic areas be made available. Until the specific request has been made, SWBT

1 is unsure what service the CLEC wishes to offer its customer. SWBT does not wish
2 to spend time developing a service that may or may not ever be offered by the
3 CLECs.

4
5 **Q. HAS SWBT PREVIOUSLY USED THE "BUILD IT AND THEY WILL**
6 **COME" APPROACH?**

7 A. Yes. A few years back, SWBT, at one CLEC's request, modified its Easy Access
8 Sales Environment system to accept UNE orders from CLECs. After investing much
9 time, many resources and a lot of money, no CLEC has utilized this system for
10 ordering UNEs.

11
12 **Q. IS SWBT ABLE TO OFFER THIS DIALING FUNCTIONALITY WHEN A**
13 **CLEC HAS ITS OWN SWITCH?**

14 A. No. When a CLEC is providing service over its own switch, the CLEC determines
15 and provides the dialing functionality for its customers. As noted at pp. 6 – 7 in my
16 Direct Testimony, by establishing translations in the switch, the CLEC may set the
17 dialing functionality for an expanded calling plan to be exactly like or similar to
18 SWBT's Local Plus service.

19
20 **Q. DOES ALLTEL AGREE WITH THIS ASSESSMENT?**

21 A. Yes. Mr. Detling at page 5 lines 16 states that "ACI's switch can make the necessary
22 translations changes".

1 **II. RESPONSIBILITY FOR PAYMENT OF TERMINATING ACCESS**

2 **CHARGES**

3
4 **Q. ALLTEL, MITG AND STCG CLAIM THAT SWBT SHOULD ALSO BE**
5 **FINANCIALLY RESPONSIBLE FOR PAYING TERMINATING CARRIERS'**
6 **ACCESS CHARGES ON LOCAL PLUS-TYPE TRAFFIC ORIGINATED BY**
7 **CLECS WHO PROVIDE SERVICE USING UNES FROM SWBT. IS THAT**
8 **APPROPRIATE?**

9 A. No.

10
11 **Q. WHY NOT?**

12 A. SWBT would not be the service provider in this instance, nor would it be SWBT's
13 service. When a CLEC provides service using UNEs, it is a facility-based carrier and
14 is provisioning its own service. Under this method of providing local service, the
15 CLEC is responsible for paying the terminating compensation associated with a call
16 originated by its end users. Conversely, it receives terminating compensation from
17 the originator of a call when a call is terminated to its end user.

18 Even if SWBT's UNEs were used by a CLEC to provide a Local Plus-type service,
19 such calls would originate from the CLEC. In this call flow, SWBT is not the
20 originator of the call, therefore is not obligated to pay terminating compensation.

21 While incumbent LECs are obligated under the Act to supply UNEs to CLECs to
22 enable them to provide service to their own customers, the Act does not require

1 incumbent LECs to bear the access expenses a CLEC might incur in providing service
2 to its customers.

3
4 **Q. IS THE CLEC BUYING UNBUNDLED LOCAL SWITCHING FROM SWBT**
5 **TREATED AS THE RESPONSIBLE PARTY FOR OTHER PURPOSES?**

6 A. Yes. This Commission determined in the second SWBT-AT&T arbitration, Case No.
7 TO-98-115, that CLECs purchasing unbundled local switching from SWBT are
8 entitled to receive access charge revenues generated by calls to and from the CLEC's
9 customers. Case No. TO-98-115, Report and Order, December 23, 1997, pp. 12-13.
10 It would be extremely inappropriate to give the CLEC the benefit of revenues from
11 access charges while making SWBT bear access charge expense.

12
13 **Q. WHO SHOULD THEREFORE COMPENSATE THE ILECS FOR LOCAL**
14 **PLUS CALLS FROM A FACILITY BASED CLEC?**

15 A. The CLEC is obligated to pay the appropriate terminating compensation, since their
16 end user originated the call.

17
18 **Q. ALLTEL IS THE ONLY CARRIER IN THIS CASE THAT HAS EXPRESSED**
19 **AN INTEREST IN PROVIDING A LOCAL PLUS-TYPE SERVICE ON A**
20 **FACILITY BASIS. IS SWBT OPPOSED TO PROVIDING ALLTEL WITH**
21 **FACILITIES TO HELP TERMINATE ITS CUSTOMERS' LOCAL PLUS-**
22 **TYPE TRAFFIC?**

1 A. No. As both Mr. Redfern and Mr. Detling make clear, Alltel is not interested in
2 reselling SWBT's retail Local Plus service. Instead, it is seeking to acquire piece
3 parts of SWBT's network to offer a competing service. SWBT is not opposed to
4 supplying the network elements Alltel appears to be requesting in order to terminate
5 its customers' Local Plus-type traffic. Alltel is requesting interconnection with
6 SWBT as defined in section 251(a)(1) of the Act.

7
8 **Q. WHAT DOES THE ACT STATE REGARDING INDIRECT**
9 **INTERCONNECTION?**

10 A. Section 251(a)(1) of the Act states that each telecommunications carrier has the duty
11 "to interconnect directly or indirectly with the facilities and equipment of other
12 telecommunications carriers." This section obligates SWBT to interconnect with
13 CLECs and transit their calls for termination by the ILECs.

14
15 **Q. IF ALLTEL IS SEEKING INTERCONNECTION AS DEFINED BY THE**
16 **ACT, WHY IS SWBT OPPOSED TO THEIR REQUEST?**

17 A. Alltel's interconnection request is appropriate, but Alltel goes farther and seeks to
18 hold SWBT responsible for expenses that are properly Alltel's. Using its own switch
19 and UNEs purchased from SWBT, Alltel would be offering and providing its own
20 service, not reselling SWBT's service. Alltel should therefore be responsible for
21 paying terminating access charges on its own traffic.
22 Essentially Alltel appears to be requesting that the Commission reinstitute a version
23 of the PTC plan for Alltel customers. Except here, it would be worse for SWBT.

1 Under the PTC plan, SWBT received its tariffed rate for the toll services it provided
2 to Secondary Carriers' customers and paid all access charges associated with the call.
3 As indicated by Mr. Redfern at page 5 of his Rebuttal Testimony, Alltel expects
4 SWBT to be responsible for the access charges associated with its customers' Local
5 Plus-type calls, but Alltel would only pay SWBT its "tariffed rate, less applicable
6 avoided cost discount, for Local Plus service."
7

8 **Q. MR. JONES REFERS TO SWBT AS THE "GATEKEEPER" ON PAGE 8 OF**
9 **HIS REBUTTAL TESTIMONY. DO YOU AGREE WITH THIS TERM?**

10 A. No. CLECs and ILECs are free to negotiate interconnection terms and conditions that
11 they deem appropriate. As stated in section 251(C)(1) of the Act, the incumbent
12 LECs have a duty to negotiate. The negotiations between ILECS and CLECs,
13 however, do not relieve SWBT of its duties under the Act regarding interconnection.
14

15 **Q. MR. SOLT, AT P. 5 OF HIS REBUTTAL TESTIMONY, INDICATES THAT**
16 **STAFF VIEWS THE LANGUAGE OF THE PSC'S REPORT AND ORDER IN**
17 **CASE NO. TT-98-351 AS STATING "AN INTENT FOR SWBT TO MAKE ITS**
18 **LOCAL PLUS SERVICE AVAILABLE TO CLECS AND IXCS ON BOTH A**
19 **RESALE AND A UNE BASIS TO AVOID HAVING TO IMPUTE ACCESS**
20 **CHARGES." DOES SWBT CONCUR WITH STAFF'S INTERPRETATION**
21 **OF THE PSC'S ORDER?**

22 A. No. The second sentence of the paragraph from the Report and Order Mr. Solt refers
23 to (which I have quoted in full on page 1 above) makes clear that only resale is

1 required for the imputation test to be excused: "However, imputation of access
2 charges would not be necessary if this type of service is available for resale at a
3 wholesale discount to CLECs and IXC's". Since SWBT has made the service
4 available for resale to both CLECs and IXC's, SWBT has met its obligation to the
5 Commission as well as to our wholesale customers.

6
7 SWBT understands the next sentence in that paragraph, which requires SWBT to
8 make UNEs available for purchase, as a separate requirement for the purpose of
9 enabling customers being served through UNEs to be able to obtain this type of
10 service using the same dialing pattern.

11
12 **Q. MR. SOLT, AT P. 6 OF HIS REBUTTAL TESTIMONY, INDICATES**
13 **STAFF'S BELIEF THAT THE COMMISSION INTENDED THAT "A CLEC**
14 **PROVIDING LOCAL PLUS ON A UNE BASIS WOULD NOT BE REQUIRED**
15 **TO PAY SWBT TERMINATING ACCESS TO [SIC.] THOSE CALLS**
16 **TERMINATING TO SWBT SUBSCRIBERS SINCE SWBT WAS NOT**
17 **REQUIRED TO IMPUTE ACCESS IN ITS PRICING OF LOCAL PLUS." DO**
18 **YOU AGREE WITH STAFF'S POSITION?**

19 **A.** No. Nowhere is such an intent indicated in the Commission's Report and Order in
20 Case No. TT-98-351. As indicated above, all the Commission required for the
21 imputation test to be excused was for SWBT to make Local Plus available for resale
22 by CLECs and IXC's. SWBT has done that. Further, Staff's interpretation conflicts
23 with express language in all of the interconnection agreements SWBT has with

1 CLECs, which have been approved by the Commission. These agreements all call for
2 the CLEC to be responsible for paying SWBT access charges to terminate CLEC
3 customers' interexchange calls. For example, paragraph 5.1 (Reciprocal
4 Compensation for Termination of IntraLATA Interexchange Traffic) of Attachment
5 12 – Compensation to the AT&T/SWBT Interconnection Agreement states that “for
6 intrastate intraLATA traffic compensation for termination of intercompany traffic will
7 be at access rates as set forth in each Party’s own applicable intrastate access tariffs.”

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

9 A. Yes it does.

10