

Exhibit No. :  
Issues : Provision of COS  
Witness : David Jones  
Type of Ex. : Rebuttal Testimony  
Sponsor : The Mid-Missouri Group  
Case No. : TW-97-333

FILED  
MAY 23 1997  
MISSOURI  
PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN  
INVESTIGATION INTO THE  
PROVISION OF COMMUNITY OPTIONAL  
CALLING SERVICE IN MISSOURI  
CASE NO. TW-97-333

REBUTTAL TESTIMONY  
OF  
DAVID JONES  
ON BEHALF OF  
THE MID-MISSOURI GROUP

Jefferson City, Missouri  
May 2, 1997

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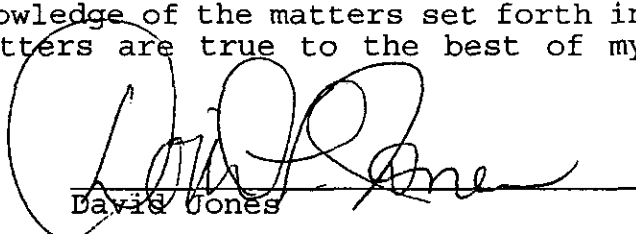
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of an Investigation into )  
the Provision of Community Optional ) Case No. TW-97-333  
Calling Service in Missouri. )

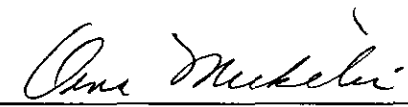
AFFIDAVIT OF DAVID JONES

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

David Jones, of lawful age, on my oath states, that I have participated in the preparation of the foregoing testimony in question and answer form, consisting of 10 pages, to be presented in this case; that the answers in the foregoing testimony were given by me; that I have knowledge of the matters set forth in such answers; and that such matters are true to the best of my knowledge and belief.

  
David Jones

Subscribed and sworn to before me this 1<sup>st</sup> day of  
May, 1997.

  
Notary Public

ORNA MICKELIS  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Callaway County  
My Commission Expires:  
My Commission Exp. Apr. 16, 1999

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- 1 Q. Please state your name and address.
- 2 A. David L. Jones, P.O.Box 38, 215 Roe, Pilot Grove,  
3 Missouri, 65276.
- 4 Q. On whose behalf do you present this testimony ?
- 5 A. The Mid Missouri Group of local exchange companies, as  
6 individually identified in their application to  
7 intervene.
- 8 Q. What is your current position ?
- 9 A. I am currently Executive Vice President of the Mid-  
10 Missouri Telephone Company, and have held that position  
11 since 1985.
- 12 Q. What topics will this rebuttal address ?
- 13 A. My testimony will briefly address the provision of 2 way  
14 COS via an 800\888 number database, and the intercompany  
15 compensation topics of SWB direct testimony.
- 16 Q. What background and experience do you bring to these  
17 topics ?
- 18 A. I was involved in the proceedings and negotiations  
19 underlying the creation of the PTC Plan, as well as the

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1 expanded calling plans adopted by this Commission. I  
2 participated in the task forces, working groups,  
3 workshops, and dockets which preceded these plans.  
4 Before and after the Telecommunications Act of 1996, I  
5 have been involved in all Commission dockets created in  
6 anticipation of local competition, and have previously  
7 expressed positions and concerns to the Commission with  
8 respect to the retention of the PTC Plan and expanded  
9 calling plans in a presubscribed intraLATA setting.

10 The Mid Missouri Group has participated in all  
11 dockets and technical groups which have considered the  
12 establishment, implementation, or modification of  
13 expanded calling plans, including COS. These dockets  
14 were created after the elimination of EAS, and included  
15 proceedings regarding the establishment of COS,  
16 establishment of the intitial intercompany compensation  
17 mechanism, modification of that mechanism, use of remote  
18 call forwarding versus billing systems to provision 2 way  
19 COS, as well as recent dockets in which the continued  
20 provision of COS in the face of intraLATA presubscription

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1 was addressed. The Mid Missouri Group has participated  
2 in Commission appointed task forces evaluating expanded  
3 calling plan desires and structures, as well as on  
4 technical committees working out implementation details  
5 for these services.

6 Q. Do you agree with SWB witness Bouerneuff that  
7 provisioning 2 way COS via an 800/888 database will  
8 prematurely exhaust number availability ?

9 A. I agree that there will be some acceleration, but I  
10 disagree that this is a reason not to utilize the  
11 resource. 800 numbers were specifically designed to  
12 provide toll free inward dialing not unlike 2 way COS.  
13 I believe 2 way COS is an important and valuable service  
14 which would utilize 800 numbers for their intended  
15 purposes. At page 4, line 9 of Bouerneuff's testimony,  
16 she states that "For those customers with a desire for  
17 toll-free inward calling, there is already a wide array  
18 of competitive 800 service offerings to which they may  
19 subscribe in order to meet their toll-free inward calling  
20 needs." Using this service for the return portion of COS

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1 is merely a pricing issue related to community of  
2 interest calling, and not properly characterized as a  
3 numbering resource issue. There is nothing to stop  
4 competitors from introducing new services tomorrow which  
5 would have the same or similar impacts on depleting  
6 available 800 number resources.

7 Q. Do you still believe that utilization of an 800 database  
8 system is the most viable method of provisioning 2 way  
9 COS in a presubscribed environment ?

10 A. Yes. As SWB witness Bourneuff stated at page 4 lines 11-  
11 13 of her direct testimony, 800 services can be  
12 customized to provide the desired inward calling scope.  
13 The service is currently being used for similar services,  
14 and can be provisioned without imposing new technical  
15 requirements. In addition I do not believe it would  
16 require any changes in the PTC Plan relationships. As  
17 testified by SWB witness Taylor in his direct testimony,  
18 page 12, lines 1-4, SWB has not identified any changes  
19 necessary to the PTC Plan if 2 way COS is provisioned by  
20 800 database.

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1 Q. If the Commission were to decide to modify the return  
2 portion of current COS, is the 45 day advance notice  
3 recommended by SWB witness Bouerneuff adequate ?

4 A. No. Modifications to the return calling would need to be  
5 timed to coordinate with publication of directories.  
6 Currently directories contain instructions for dialing  
7 COS calls. COS target exchange directories contain  
8 petitioning exchange 2 way subscriber telephone numbers,  
9 with the information that calls to those numbers are toll  
10 free from the target exchange. These changes would have  
11 to be made in advance of printing and publication of the  
12 directories to minimize the confusion which will occur  
13 when the structure of COS service is different than  
14 described in the directories. In addition, to assure  
15 any such changes are afforded equal dignity to those  
16 changes which created COS service, customers should be  
17 given advance written notice of proposed service changes,  
18 and the opportunity at public hearing to give input as to  
19 any such changes.

20 Q. What comments do you have with respect to SWB witness

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1 Taylor's direct testimony regarding the financial impact  
2 of some individual COS routes on SWB ?

3 A. As noted on pages 4 and 5 of his testimony, the financial  
4 effects of COS vary widely by company and by route. This  
5 was expected at the time COS was created. This  
6 information is incomplete, has little to do with the  
7 issue of technically feasible methods of provisioning 2 way  
8 COS in a presubscribed environment, and would more  
9 usefully be presented in a separate proceeding designed  
10 to look at overall financial effects of intraLATA toll  
11 provisioning.

12 Q. What aspects of Mr. Taylor's financial analysis are  
13 incomplete ?

14 A. It was contemplated at the time of creation of COS that  
15 toll carriers would suffer individual COS route losses,  
16 just as PTCs suffer losses on individual short haul toll  
17 routes. Even before the creation of COS, PTC's such as  
18 Southwestern Bell were in the position of losing money on  
19 high volume short haul toll routes. The resulting  
20 implementation of COS was never envisioned to remedy this



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1 route specific problem. In order to make a proper  
2 comparison of toll revenues and expenses, all toll  
3 revenues and expenses of the provider should be  
4 considered. Route specific analysis is meaningless.

5 Q. Are there any factors Mr. Taylor fails to include in his  
6 analysis of toll losses ?

7 A. Yes. This analysis fails to recognize PTC access savings  
8 on intraLATA toll calling related to the access rate  
9 reductions done to reflect COS stimulation. The PTCs, as  
10 well as IXCs, experienced reduced access rates on all  
11 intraLATA toll, not just COS and OCA traffic.

12 Q. Please summarize your rebuttal testimony ?

13 A. The Commission should retain 2 way COS utilizing 800  
14 database technology in lieu of the billing system  
15 alternative. All other aspects of COS should remain  
16 unchanged. Implementation should be coordinated to  
17 coincide with directory publications. Customers should  
18 be given appropriate notification in advance of  
19 modifications. Finally, the Commission should consider  
20 intraLATA toll intercompany compensation issues in a

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1 proceeding designed to look at all relevant factors, not  
2 just isolated route specific information.  
3 Q. Does this conclude your testimony ?  
4 A. Yes.