STATE OF 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

FILED
JUN 9 1997
MISSOURI
PUBLIC SERVICE COMMISSION

AFFIDAVIT OF DAVID W. EVANS

STATE OF MISSOURI)
) ss
COUNTY OF ST. CHARLES)

David W. Evans of lawful age, being duly sworn, deposes and states:

1. My name is David W. Evans. I am Staff Administrator - Rate Design for GTE Telephone Operations.

2. Attached hereto and made 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.

David W. Evans

Subscribed and sworn to before me this 5th day of June, 1997.

Staci A. Huth
Notary Public

My Commission Expires: 11-3-97.

STACI A. HUTH
Notary Public – Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires Nov. 3, 1997

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GTE MIDWEST INCORPORATED

SURREBUTTAL TESTIMONY OF DAVID W. EVANS

CASE NO. TW-97-333

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is David W. Evans, and my business address is 1000 GTE Dr., Wentzville, MO 63385.

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

A. I am employed by GTE Telephone Company as a Staff Administrator - Rate Design.

Q. PLEASE DESCRIBE YOUR BACKGROUND, QUALIFICATIONS, AND PROFESSIONAL EXPERIENCE.

A. I received a Bachelor of Science degree from Webster University in 1989, majoring in Business Administration. I have worked in the telecommunications industry for 18 years, working in pricing and cost analysis since 1986.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE STATE REGULATORY COMMISSIONS?

A. Yes, I have testified before the regulatory commissions in Missouri, Kansas, Nebraska, and Texas.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I am sponsoring surrebuttal testimony in support of GTE's cost and rate analysis in the matter of the provision of Community Optional Service (COS) and addressing portions of the rebuttal testimony of Mr. Robert Schoonmaker and Ms. Gay Smith.

Q. ON PAGE 3 OF MR. SCHOONMAKER'S REBUTTAL TESTIMONY, HE COMMENTS ON THE RATE DESIGN PROPOSED BY GTE. DO YOU AGREE WITH HIS ASSESSMENT?

A. No. While Mr. Schoonmaker is correct that GTE's rate design includes an increase for rural customers, it is useful to examine the composition of the costs underlying those rates. The proposed rural rate of $22.15, which is the rate Mr. Schoonmaker refers to, has an underlying cost of $16.18 (before resale adjustment), which includes GTE's switching cost, and the cost to GTE to terminate the COS traffic in the target exchange(s). Fully 89% of that cost, or $14.37 is made up of terminating access charges, including the access charges of the small telephones companies. GTE is very concerned about the needs of its customers but has no control over the rates it must pay the other telcos to terminate COS traffic. Mr. Schoonmaker makes no recommendations to reduce these rates to address the concerns of the customers.

Q. IN GAY SMITH'S REBUTTAL TESTIMONY, SHE REFERS TO POSSIBLE MISUSE OF COS WITH REGARD TO CONCENTRATION OF INTERNET TRAFFIC ALONG THE RETURN ROUTE FROM TARGET EXCHANGES BACK TO THE PETITIONING EXCHANGE. DOES GTE HAVE SIMILAR CONCERNS?

A. Yes. GTE has not fully analyzed the data available, but has drawn some preliminary conclusions.

Along at least one return route studied, the traffic volume terminating to a single number subscribed to by a small telephone company providing Internet service was

larger than is possible for termination to a single line. That is, the traffic volume of 107,385 minutes per month (average monthly over 3 months) is far above the 43,200 minutes which exist in a 30 day period per line. The traffic terminating to this single number also represents over 95% of the total return traffic along this route.

Q. GTE STATES IN SURREBUTTAL TESTIMONY THAT IT NOW SUPPORTS ONE-WAY ONLY COS INSTEAD OF ONE-WAY RECIPROCAL, UNTIL INTRALATA DIALING PARITY IS IMPLEMENTED. DOES THIS HAVE AN EFFECT ON THE RATES GTE HAS PROPOSED?

A. No. The proposed rates were designed for the one-way portion of the plan.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes it does.