

Exhibit No:
Issue: Switched Access Compensation
Witness: Sandra Douglas
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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

DIRECT TESTIMONY

OF

SANDRA DOUGLAS

St. Louis, Missouri
May 9, 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 SANDRA DOUGLAS

STATE OF MISSOURI

COUNTY OF ST. LOUIS

I, Sandra Douglas, of lawful age, being duly sworn, depose and state:

My name is Sandra Douglas. I am presently Associate Director-Switched Access
Regulatory for Southwestern Bell Telephone, L.P.

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


Sandra Douglas

Subscribed and sworn to before me this 4 day of May, 2005.


Notary Public

My Commission Expires: Jan 5, 2008

MARYANN PURCELL
Notary Public - Notary Seal
STATE OF MISSOURI
City of St. Louis
My Commission Expires: Jan. 5, 2008

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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Sandra Douglas. My business address is 1010 Pine, 6-E-11, St. Louis, MO 63101.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND, WORK EXPERIENCE, AND CURRENT JOB RESPONSIBILITIES.

A. I graduated from Maryville University in St. Louis, Missouri with a Bachelor of Science in accounting. Additionally, throughout my career I have completed numerous company and industry training courses dealing with separations, cost, financial, and administrative issues. I have been employed by Southwestern Bell Telephone, L.P. for twenty-seven years. I currently hold the position of Associate Director-Switched Access Regulatory. I am responsible for providing regulatory support for SBC's Switched Access and product management group in the thirteen-state region in which SBC's incumbent local exchange carriers (ILECs) operate. This includes researching dockets and orders issued by state commissions and the Federal Communications Commission (FCC), research and analysis of SBC ILEC's and other companies' tariffs, and writing testimony and appearing as a witness on behalf of SBC's operating companies.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION?

A. Yes. I appeared before this Commission in Case No. TO-2001-467 regarding whether Special Access and Switched Access services, SS7 and Line Information Database (LIDB) are competitive.

II. EXECUTIVE SUMMARY

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. My testimony supports SBC Missouri's position on Switched Access compensation as it

1 relates to multi-jurisdictional trunking, 8YY, intraLATA toll and interLATA FX.

2 Generally, the compensation due SBC Missouri and the competitive local exchange
3 carriers (CLECs) for Switched Access interexchange traffic is determined by applicable
4 state and federal access tariffs. Local exchange traffic between SBC Missouri and
5 CLECs, on the other hand, is subject to reciprocal compensation under the terms of the
6 agreement. While my testimony focuses on the Switched Access issues, other SBC
7 Missouri witnesses discuss the compensation due for local exchange traffic.

8
9 My testimony begins with a discussion of the application of Switched Access charges.
10 *See Part III, infra.* As I note in my testimony, Switched Access has been available for
11 over twenty years, and is available pursuant to the federal access tariffs (for interstate
12 interexchange service) and state access tariffs (for intrastate, interexchange service). It is
13 important to note that Section 251(g) of the Telecommunications Act of 1996 (Act)
14 provides that local exchange carriers providing exchange access services (which includes
15 Switched Access service) are to continue to do so after the effective date of the Act just
16 as before the effective date of the Act. In other words, the status quo is to be maintained,
17 until regulations issued by the FCC require otherwise. The FCC has not issued
18 regulations changing the rules for interexchange Switched Access traffic, and it remains
19 subject to Switched Access charges under the tariffs. This includes ISP-bound traffic that
20 begins with an end user located within one mandatory local calling area and routed to an
21 ISP located within another mandatory local calling area, since this traffic—even though it
22 is ISP-Bound—is interexchange traffic subject to Switched Access charges. Further,
23 Switched Access charges are applicable to interexchange traffic, regardless of the

1 technology used to transmit such traffic. In other words, the application of Switched
2 Access is *technology neutral*.

3
4 The next part of my testimony, *Part IV*, discusses the appropriate trunking to be used to
5 carry traffic subject to Switched Access charges. To generate the proper records to
6 enable proper billing by SBC Missouri as well as the independent companies
7 interconnected to SBC Missouri's network, it is necessary for the parties to segregate
8 different types of traffic on different trunk groups. When a CLEC uses either its local
9 interconnection service or its Switched Access service for both Section 251(b)(5) traffic
10 and Section 251(g) traffic (so-called multi-jurisdictional trunks), neither the CLEC nor
11 SBC Missouri are able to isolate or measure the volume of each type of traffic. This, in
12 turn, leads to many problems. First, lacking accurate volume counts, the parties are
13 forced to use estimated percentages, which are a poor substitute for bills generated from
14 call detail records. Prohibiting interexchange traffic from being carried over local
15 interconnection trunks will help ensure that terminating parties are compensated
16 adequately, and protects both the CLEC and SBC Missouri. Second, SBC Missouri's
17 state and federal access tariffs do not allow Switched Access to be combined with local
18 services. Third, SBC Missouri's Carrier Access Billing System (CABS), which was
19 developed in compliance with industry standards to bill access customers for access
20 traffic will not be able to distinguish the type of traffic for proper billing and
21 compensation where local interconnection trunks are used for both local service and
22 access service. Not only does this create the possibility of inaccurate billing, but it could
23 lead to abuses where local interconnection trunks are used to avoid paying access

1 charges. Thus, appropriate trunking leads to more accurate bills, and helps to prevent the
2 fraudulent avoidance of Switched Access Charges.

3
4 In the next part of my testimony (*Part V*), I explain that under longstanding FCC
5 precedent, 8YY service (i.e., 800-number service under which a caller's toll charges are
6 paid by the 800-number subscriber) is an interexchange service and—under Section
7 251(g)—is appropriately subject to Switched Access charges.

8
9 *Part VI* of my testimony specifically discusses *intraLATA* toll, and discusses why this
10 type of traffic is subject to Switched Access charges. This includes ISP-bound traffic,
11 which is made by a customer calling from one mandatory local calling area to an ISP
12 located in another mandatory local calling area. The *ISP Remand Order* did not create an
13 exception to the applicability of Switched Access charges to interexchange ISP-Bound
14 traffic. This specific issue highlights the necessity for appropriate trunking for specific
15 types of traffic (SBC believes that interexchange traffic should be placed on trunks apart
16 from local interconnection trunks, specifically, Feature Group D equivalents.)

17
18 Next (*Part VII*), my testimony addresses the appropriate compensation for interLATA FX
19 traffic. Like all other interexchange traffic, FX traffic is subject to appropriate Switched
20 Access charges. The parties' interconnection agreements should make this clear, to avoid
21 any ambiguity on a going-forward basis.

22
23 I also discuss (*Part VIII*), why CLECs' access charges should be capped at SBC

1 Missouri's Switched Access charges in each exchange. This concept should be
2 unobjectionable; the Commission has already made this its policy and the CLECs have
3 not offered any reason why this should change.

4
5 Finally, in *Part IX*, I discuss some of the appropriate definitions to be used in connection
6 with certain Switched Access services. As I note in my testimony, SBC Missouri's
7 definitions are consistent with FCC and Commission policies and should be adopted.

8
9 To summarize, the Commission should approve SBC Missouri's proposed language
10 governing the definition of Switched Access traffic. To ensure the appropriate
11 application of Switched Access charges to all interexchange traffic not subject to
12 exceptions listed explicitly in the agreement, the Commission should approve SBC
13 Missouri's proposed language requiring the parties to establish procedures to remove
14 interexchange traffic from local interconnection trunks to switched access trunks and to
15 require the parties to use local interconnection trunks for local traffic and Switched
16 Access service for toll traffic.

17 **III. ASSESSMENT OF SWITCHED ACCESS CHARGES TO INTEREXCHANGE** 18 **TRAFFIC**

19 **AT&T Issues IC SBC 1b & 1c, IC SBC 1f, NIA SBC Issue 18a:**

20 **Issue statement IC SBC 1b & 1c:** *What is the proper routing, treatment and*
21 *compensation for Switched Access Traffic including, without limitation, any PSTN-IP-*
22 *PSTN Traffic and IP-PSTN Traffic?*

23 **Issue statement IC SBC 1f:** *What is the appropriate routing, treatment and*
24 *compensation of ISP calls on an Inter-exchange basis, either IntraLATA or InterLATA?*

25 **Issue statement NIA SBC 18a:** *What is the proper routing, treatment and compensation*
26 *for Switched Access Traffic including, without limitation, any PSTN-IP-PSTN Traffic and*
IP-PSTN Traffic?

CLEC Coalition IC Issue 15b:

Issue statement: *What is the proper routing, treatment and compensation for Switched Access Traffic including, without limitation, any PSTN-IP-PSTN Traffic and IP-PSTN Traffic?*

MCIm Issues NIM/ITR SBC 15a, NIM/ITR SBC 28a, IC SBC 6a, IC SBC 15a:

Issue statement NIM/ITR SBC 15a: *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?*

Issue statement NIM/ITR SBC 28a: *What is the proper routing, treatment and compensation for Switched Access Traffic including, without limitation, any PSTN-IP-PSTN Traffic and IP-PSTN Traffic?*

Issue statement IC SBC 6a: *What is the appropriate treatment and compensation for SIP exchanged between the Parties outside of the local calling scope?*

Issue statement IC SBC 15a: *What is the proper routing, treatment and compensation for Switched Access traffic including, without limitation, any PSTN-IP-PSTN*

Navigator Issue 1b:

Issue statement Compensation 1b: *What is the proper routing, treatment and compensation for Switched Access Traffic including, without limitation, any PSTN-IP-PSTN Traffic and IP-PSTN Traffic?*

Sprint IC Issues SBC 10b, Sprint 10c:

Issue statement SBC 10b: *What is the proper routing, treatment and compensation for Switched Access Traffic including, without limitation, any PSTN-IP-PSTN Traffic and IP-PSTN Traffic?*

Issue statement Sprint 10c: *What is the proper routing, treatment and compensation for PSTN-IP-PSTN Traffic and IP-PSTN Traffic?*

WilTel Issues ITR 3a, IC 5b:

Issue statement ITR 3a: *What is the proper routing, treatment and compensation for Switched Access Traffic including, without limitation, any PSTN-IP-PSTN Traffic and IP-PSTN Traffic?*

Issue statement IC 5b: *What is the proper routing, treatment and compensation for Switched Access Traffic including, without limitation, any PSTN-IP-PSTN Traffic and IP-PSTN Traffic?*

Q. WHAT IS THE PROPER TREATMENT AND COMPENSATION FOR SWITCHED ACCESS INTEREXCHANGE TRAFFIC INCLUDING, WITHOUT LIMITATION, ANY PSTN-IP-PSTN TRAFFIC AND IP-PSTN TRAFFIC?

A. As discussed in the more detail in the testimony of SBC Missouri witness Jason Constable, Section 251(g) of the Act preserved the rules and regulations governing exchange access services. Therefore, all interexchange traffic not explicitly excluded within the parties' interconnection agreement or exempted by an FCC order is subject to

Switched Access charges listed in each party's access tariffs filed with the FCC and this Commission.

Switched access service has been available for 20+ years. Part 69 of the FCC's rules govern access charges and are technology neutral. For example, the FCC does not have separate rules for the provisioning of Switched Access service over analog, digital, or packet technology, therefore, SBC Missouri does not have Switched Access rates for analog technology and separate Switched Access rates for digital technology.

Accordingly, the Commission should reject AT&T's definitions of Exchange Access Traffic in Section 2.1 of Appendix 12.

Q. AT&T'S PROPOSED LANGUAGE IN SECTION 2.1 OF APPENDIX 12 STATES "EXCHANGE ACCESS REFERS TO NON-ISP BOUND TRAFFIC BETWEEN THE PARTIES' CUSTOMERS THAT ORIGINATES IN ONE LOCAL CALLING AREA...AND TERMINATES IN A DIFFERENT LOCAL CALLING AREA." IS AT&T CORRECT THAT ACCESS CHARGES NEVER APPLY TO ISP-BOUND TRAFFIC?

A. No. If an end user dials a long distance call to connect to the Internet Service Provider (ISP), then like any other long distance call, the call is routed to an Interexchange Carrier (IXC) who pays both originating and terminating Switched Access.

Q. IT HAS BEEN ARGUED IN OTHER STATES' PROCEEDINGS THAT SINCE SBC IS NOT BILLING SWITCHED ACCESS SERVICES ON IP ENABLED SERVICES TODAY, THE STATUS QUO IS THAT SWITCHED ACCESS CHARGES DO NOT CURRENTLY APPLY TO IP ENABLED SERVICES. DO YOU AGREE?

A. No. SBC Missouri routes and compensates all calls the same regardless of technology. Simply put, access charges are assessed on a technology neutral basis. Further, I do not agree that current billing problems can—or should set the "status quo" for appropriate billing practices. In fact, a recent FCC action supports my opinion. For example, AT&T was not paying Switched Access charges on its IP in the middle service (i.e., PSTN-IP-

1 PSTN) because AT&T unilaterally chose to terminate the traffic over Primary Rate
2 Interface (PRI) lines as if it were local traffic. The FCC's *Access Avoidance Order* made
3 it clear that AT&T should have been paying Switched Access charges. In such a
4 circumstance, I think it is hardly defensible for AT&T to refuse to pay appropriate
5 charges otherwise due and thereby claim its improper actions set a "status quo." In fact,
6 this proves the opposite: the FCC determined such charges were due all along and that
7 AT&T attempted to change the status quo. The FCC found this improper. This
8 Commission should do the same. It should maintain the status quo by requiring the
9 payment of access charges on interexchange traffic—regardless of the technology used—
10 until such time as the FCC may change current requirements. Merely because some
11 carriers find ways to avoid the appropriate access charges does not establish a new
12 compensation scheme.

13 **Q. DOESN'T THE ENHANCED SERVICE PROVIDER (ESP) EXEMPTION APPLY**
14 **TO ALL ISP-BOUND TRAFFIC?**

15 A. No. The ESP Exemption enables "enhanced service providers [to purchase] local
16 business rates and interstate subscriber line charges for their Switched Access
17 connections to local exchange company central offices"¹ instead of purchasing an access
18 product. Like any end user, the ISP would not be charged access charges, however, as I
19 stated previously, if the end user originates a long distance call to connect to the ISP, the
20 end user's IXC will be charged access charges.

21 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

¹ Order, *In the Matter of Amendments of Part 69 of the Commission's Rules Relating to Enhanced Service Providers (ESP Exemption Order)*, CC Docket 87-215, released April 27, 1988 (FCC 88-151), Footnote 8.

1 A. In accordance with Section 251(g) of the Act, the Commission should find that Switched
2 Access charges continue to apply to all interexchange traffic not explicitly exempted by
3 Commission order or within the Agreement.

4 **Q. AS PART OF THIS ISSUE, NAVIGATOR HAS STATED “INTRA-LATA TOLL**
5 **CALLS SHOULD NOT BE SUBJECT TO ACCESS CHARGES.”² DOES YOUR**
6 **TESTIMONY ADDRESS THE APPLICATION OF ACCESS CHARGES TO**
7 **INTRALATA LONG DISTANCE TRAFFIC?**

8 A. Yes, Section VI. of my testimony addresses access charges on intraLATA interexchange
9 Switched Access traffic.

10 **AT&T Issue NIA 14a:**

11 **Issue statement:** *Should this agreement contain terms and conditions for Feature Group*
12 *B and D traffic?*

13 **MCI Issue IC MCI 15:**

14 **Issue statement:** *What terms and conditions should apply for switched access traffic?*

15 **Sprint Issue IC SBC 1d:**

16 **Issue statement:** *Is it appropriate to include terms and conditions for the exchange of*
17 *InterLATA Toll Traffic in this Appendix?*

18 **Q. SHOULD THE INTERCONNECTION AGREEMENT CONTAIN TERMS AND**
19 **CONDITIONS FOR SWITCHED ACCESS INTERLATA FEATURE GROUP B**
20 **(FGB) AND FEATURE GROUP D (FGD) TRAFFIC?**

21 A. No. The terms and conditions for Switched Access services are contained in and
22 controlled by the tariffs approved by the Missouri Commission and the FCC³. These
23 tariffs contain the applicable service descriptions, rate elements, rules and regulations,
24 including ordering and jurisdictional reporting requirements. These tariff terms and
25 conditions should not be duplicated within this agreement. Furthermore, as I have
26 already testified, Section 251(g) makes clear that the Act did not change the rules
27 governing exchange access service and that until such time as the FCC changes its rules

² Navigator's Compensation DPL, page 1.

³ PSC Mo – No. 36 and Tariff FCC No. 73.

1 regarding exchange access service, the rules will stay in place. The access tariffs reflect
2 the rules currently in effect for Switched Access service.

3 **Q. WHAT LANGUAGE IS AT ISSUE?**

4 A. AT&T states in its position statement that although SBC Missouri's position is terms and
5 conditions for FGB and FGD should not be in the agreement, SBC Missouri proposes
6 language within the agreement governing the transmission and routing of FGB and FGD
7 traffic.

8 **Q. IS SBC MISSOURI TAKING AN INCONSISTANT POSITION ON THIS ISSUE?**

9 A. No. AT&T has overlooked the difference between technical details, such as routing, and
10 the terms and conditions of providing service, such as a customer must have a Carrier
11 Identification Code (CIC) for Switched Access service. The terms and conditions for
12 FGB and FGD are within SBC Missouri's tariffs, which include a description of the
13 service, rate elements and how the rates are assessed. However, the tariff does not
14 contain detailed language regarding routing and transmission for specific situations, such
15 as that being discussed in the language proposed in Section 2.1.

16 In addition, AT&T proposes language in Sections 2.1.2 and 2.1.3 that AT&T will
17 provide transport, at its discretion, and SBC Missouri will provide tandem switching at
18 AT&T's request specifically for FGB and FGD traffic. It is up to the IXC to tell the local
19 exchange carrier (LEC) whether it wishes to be tandem routed or direct routed to the end
20 office serving the end user, as discussed in section 6 of SBC Missouri's access tariff. The
21 language already agreed to in Section 2.1 addresses tandem switching specifically for the
22 meet point relationship between SBC Missouri and AT&T.

23 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

24 A. The Commission should find that rules and regulations, including jurisdictional reporting,

rate element descriptions and service descriptions already located within the Switched Access section of SBC Missouri's access tariffs need not be duplicated within the agreement.

IV. MULTI-JURISDICTIONAL TRUNKING TRAFFIC

AT&T Issues IC SBC 6e, IC SBC 7, NIA SBC 10:

Issue statement IC SBC 6e: *Should Interconnection Trunk Groups only carry Section 251(b)(5)/IntraLATA and ISP bound Traffic?*

Issue statement IC SBC 7: *Should AT&T be required to use toll connecting trunks to deliver interLATA traffic?*

Issue statement NIA SBC 10: *Should Local Interconnection Trunk Groups carry only Section 251 (b) (5) /IntraLATA Toll Traffic?*

CLEC Coalition Issues NIA 3, ITR 3:

Issue statement NIA3: *Should CLECs be allowed to combine interLATA traffic on the same trunk groups with Section 251(b)(5), ISP Bound and IntraLATA Toll Traffic?*

Issue statement ITR3: *Should CLECs be able to combine InterLATA Toll Traffic on the same trunks with Section 251(b)(5), ISP Bound and IntraLATA Toll Traffic?*

MCI Issue NIM/ITR 15:

Issue statement: *If MCI provides SBC MISSOURI with the jurisdictional factors required to rate traffic, should MCI be permitted to combine InterLATA traffic on the same trunk groups that carry Local and IntraLATA traffic?*

Sprint Issues IC Sprint 1b, IC Sprint 9, IC SBC 9, ITR 3a, NIM Sprint 3a, NIM SBC 3a:

Issue Statement IC Sprint 1b: *Is it appropriate to include terms and conditions for the exchange of InterLATA Toll Traffic in this Appendix when such traffic rides the same facilities as non-toll traffic?*

Issue statement IC Sprint 9: *Should a party be required to separate traffic types onto separate trunks as a means of ensuring that the terminating party may receive proper compensation?*

Issue statement IC SBC 9: *Should a party be prohibited from delivering interLATA traffic over Section 251(b)(5) Local Interconnection trunks so that the terminating party may receive proper compensation?*

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

Issue statement NIM Sprint 3a: *May the parties combine originating 251(b)(5) Traffic, intraLATA toll traffic, and interLATA toll traffic on the same trunk groups?*

Issue statement NIM SBC 3a: *May Sprint combine originating 251(b)(5) Traffic, intraLATA toll traffic, and interLATA toll traffic on the same trunk groups?*

WilTel Issues IC 4:

1 **Issue statement 4:** *Should Interconnection Trunk Groups only carry Section*
2 *251(b)(5)/IntraLATA and ISP bound Traffic?*

3 **Q. SHOULD AT&T BE REQUIRED TO USE TOLL CONNECTING TRUNKS, E.G.,**
4 **SWITCHED ACCESS (EXCHANGE ACCESS) TRUNKS, TO DELIVER**
5 **INTERLATA TRAFFIC?**

6 A. Yes. In fact, AT&T appears to agree that this is appropriate but recognizes that a
7 disagreement arises due to the “appropriate regulatory classification and treatment for IP
8 Enabled Service Traffic”⁴. SBC Missouri witness Jason Constable discusses IP enabled
9 services in detail, however, at a minimum, to the extent AT&T’s language could be
10 interpreted to mean that any service utilizing IP may be combined with local traffic on
11 local interconnection trunks, it should be rejected. As Mr. Constable testifies, the FCC
12 has already determined that the compensation for all traffic that terminates to the PSTN is
13 the same regardless of the technology used to originate the call. Therefore, to the extent
14 that any such call is interLATA, it should be carried over a Switched Access service,
15 such as FGD.

16 **Q. WHY IS IT IMPROPER FOR INTEREXCHANGE SWITCHED ACCESS**
17 **TRAFFIC TO BE DELIVERED OVER LOCAL INTERCONNECTION TRUNK**
18 **GROUPS?**

19 A. It is improper for Switched Access Traffic to be carried over local interconnection trunks
20 for two reasons. First, this can be used as a method to avoid Switched Access charges.
21 Second, proper trunking allows all affected parties to generate appropriate billing records.
22 As SBC Missouri witness Chris Read discusses in detail, there are different types of
23 records that enable SBC Missouri, as well as the independent companies interconnected
24 to SBC Missouri’s network, to bill appropriate charges. As Mr. Read discusses, the type
25 of record that is generated is driven by the service being provided by SBC Missouri; and

⁴ AT&T Appendix 12: Intercarrier Compensation, AT&T position on SBC issue 1b & 1c.

1 local interconnection trunks and Switched Access services do not generate the same
2 records. Therefore, unless proper trunking is used, SBC Missouri does not receive the
3 data necessary to enable SBC Missouri or independent companies interconnected to SBC
4 Missouri's network to bill Switched Access charges.

5 **Q. SHOULD INTERCONNECTION TRUNK GROUPS ONLY CARRY SECTION**
6 **251(B)(5)/INTRALATA AND ISP BOUND TRAFFIC?**

7 A. Yes, a party should be prohibited from delivering interLATA traffic over local
8 interconnection trunks. Nothing in the Act or the FCC's rules requires SBC Missouri to
9 allow a CLEC to combine interLATA traffic on local interconnection trunks. Therefore,
10 neither Part 69.5 nor SBC Missouri's state and federal access tariffs support Switched
11 Access traffic being mixed with local traffic on a single trunk group. Nor does Part 69.5
12 or SBC Missouri's state and federal access tariffs support ratcheting. SBC Missouri's
13 access tariffs do allow shared use, also known as ratcheting⁵, of Special Access to enable
14 the same facility to be used to carry Switched Access traffic, but nothing similar exists
15 for local interconnection trunks that would enable SBC Missouri to bill for Switched
16 Access on shared use trunks. Such billing arrangements are not commercially reasonable
17 or cost effective in the present market, as they would require extensive modifications to
18 both SBC Missouri's billing system for reciprocal compensation and its system for billing
19 access charges.

⁵ Ratcheting is described in the following example. 1) The customer orders a Special Access DS1, which comprises 24 channels. 2) The customer decides to use 12 of the channels for Switched Access. 3) SBC Missouri reduces the Special Access DS1 channel termination monthly recurring charge by 50% to reflect that portion of the trunk that is being used for Switched Access. 4) SBC Missouri then bills Switched Access on the 12 channels ratcheted off of the Special Access DS1.

1 In conclusion, the Commission should require CLECs to use each service, i.e.,
2 local interconnection trunks and Switched Access service, for the purpose for which they
3 were intended.

4 **Q. WHAT DO THE CLECS PROPOSE WITH RESPECT TO THE TYPE OF**
5 **TRAFFIC THAT MAY BE DELIVERED OVER LOCAL INTERCONNECTION**
6 **TRUNK GROUPS?**

7 A. Sprint proposes language in section 2.7 of the ITR that “Local Multi-jurisdictional
8 Interconnection Trunk Groups” will carry Section 251(b)(5), intraLATA toll traffic and
9 interLATA traffic. Sprint also proposes language in section 5.4.3.3 of the ITR that SBC
10 Missouri shall not impose any restrictions on Sprint’s ability to combine all traffic,
11 including wireless, on the local interconnection trunks. Sprint goes on to propose in
12 Section 5.4.3.5 of the ITR that “the Parties will make a best effort to apportion the traffic
13 among the various jurisdictions, or...provide a percentage of jurisdictional use factors.”
14 However, Sprint does not discuss how such factors, presumably percent local usage
15 (PLU) and percent interstate usage (PIU) would be developed but only the “application of
16 traffic factors is a common practice for inter-carrier compensation.”⁶ However, Sprint
17 overlooks that the development of the PIU factor is covered in SBC Missouri’s Access
18 Service Tariff and Tariff FCC No. 73 and does not allow for development of a PIU when
19 Switched Access traffic is combined with local traffic. Further, the parties’ “best
20 efforts,” as Sprint proposes, would not be necessary if Sprint would simply agree to
21 terminate its interLATA traffic over a Switched Access service, such as FGD, which
22 allows for billing based on the call detail records⁷. Lastly, neither SBC Missouri’s

⁶ Sprint Intercarrier Compensation DPL – Sprint’s position language for sections 3.7 and 4.1.1, page 1.

⁷ SBC Missouri P.S.C. Mo. – No. 36, Section 2.3.13 and Tariff FCC No. 73, Section 2.4.

1 Access Service Tariff nor Tariff FCC No. 73 discuss how to develop a PLU factor.

2 Consequently, Sprint's proposal, such as it is, is woefully incomplete.

3 MCIIm proposes in section 3.3 Reciprocal Compensation to send factors to enable
4 the jurisdictionalization of traffic on local interconnection trunks. MCIIm proposes the
5 parties exchange industry standard PIU and PLU factors. MCIIm also proposes language
6 that the originating Party supply an auditable, customer reported PIU based on the
7 previous three months' traffic to apply to the following three months, IF the originating
8 Party desires to combine interstate and intrastate TOLL traffic.⁸ However, given the dual
9 regulatory scheme already in place, customers combine interstate and intrastate
10 interexchange on Switched Access service under the current access tariffs. The access
11 tariffs discuss the appropriate manner in which to develop a PIU⁹, when a customer
12 reported PIU will be reported¹⁰ and the records to be maintained to enable an audit of the
13 customer provided PIU factor¹¹. Duplication of this language within the agreement or
14 worse, language within the agreement that conflicts with the access tariffs, will only lead
15 to conflict and disputes. Furthermore, this agreement can not force a change to PIU
16 language in Tariff FCC No. 73, which is under the authority of the FCC.

17 MCIIm also proposes the exchange of industry standard PIU factor, however,
18 MCI's language in the Reciprocal Compensation Appendix does not further identify the
19 PIU, and as I have not heard of an industry factor by that name, I am not able to respond
20 to MCI's proposal.

⁸ MCIIm Reciprocal Compensation DPL – MCI's proposed language in section 3.3, page 11.

⁹ SBC Missouri P.S.C. Mo. – No. 36, Section 2.3.13 and Tariff FCC No. 73, Section 2.4.

¹⁰ SBC Missouri P.S.C. Mo. – No. 36, Section 2.3.13(B)(2) and Tariff FCC No. 73, Section 2.4.1(B)(1)(a).

¹¹ SBC Missouri P.S.C. Mo. – No. 36, Section 2.3.13(C) and Tariff FCC No. 73, Section 2.4(D).

1 The CLEC Coalition requests that it be allowed to combine traffic but proposes
2 no language discussing how the traffic will be jurisdictionalized.

3 WilTel agrees to language in Intercarrier Compensation section 12.1 that states:

4 Where a CLEC originates or terminates its own end user inter LATA Toll Traffic
5 not subject to Meet Point Billing, the CLEC must purchase [Feature Group D]
6 FGD access service from [SBC Missouri's] state or federal access tariffs.

7 However, WilTel goes on to propose language to which SBC Missouri objects
8 that states separate trunk groups will not be required. SBC Missouri witness Jim Hamiter
9 discusses provisioning trunk groups, however, I will discuss this issue from a Switched
10 Access tariff point of view. Neither SBC Missouri's state or federal tariff provide for
11 FGD service being combined with local traffic over the same communications path.
12 Therefore, to the extent WilTel's proposed language could be interpreted to enable
13 interLATA toll traffic to be combined with local traffic over the same communication
14 path, it should be rejected.

15 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

16 A. To ensure all carriers, including other Missouri incumbent local exchange carriers to
17 which SBC Missouri is interconnected, are properly compensated for each type of traffic,
18 the Commission should require the CLECs to utilized Switched Access service for
19 Switched Access traffic and local interconnection trunks for Section 251(b) traffic. In
20 addition, it is appropriate to recognize that exchange access traffic is a separate category
21 of service from local exchange traffic.¹²

¹² Report and Order, *In the Matter of an Investigation of the Actual Costs Incurred in Providing Exchange Access Service and the Access Rates to be Charged by Competitive Local Exchange Telecommunications Companies in the State of Missouri*, Case No. TR-2001-65, issued August 26, 2003. Page 18: "Exchange access is a distinct telecommunications service under Missouri law, defined as "a service provided by a local exchange telecommunications company which enables a telecommunications company or other customer to enter and exit the local exchange telecommunications network in order to originate or terminate interexchange telecommunications service[.]" A local exchange telecommunications company (LEC), in turn, is "any company engaged in the provision

1 **AT&T Issue NIA 15a:**

2 **Issue statement:** *May AT&T combine originating Section 251(b)(5) Traffic, intraLATA*
3 *Exchange Access with interLATA Exchange Access Traffic on Feature Group D*
4 *exchange access trunks AT&T obtains from SBC Missouri?*

5 **Q. WHY IS IT IMPROPER FOR LOCAL TRAFFIC TO BE DELIVERED OVER**
6 **SWITCHED ACCESS SERVICES?**

7 A. As I have testified above, it is improper because SBC Missouri's access tariffs do not
8 contemplate local traffic being carried with Switched Access traffic over a Switched
9 Access service. SBC Missouri was not required to alter its access tariffs to allow for
10 local competition. As I testified above, Section 251(g) of the Act preserved the rules and
11 regulations governing exchange access services. Therefore, the access tariffs do not
12 discuss how to develop a PIU when local traffic is carried over a Switched Access service
13 nor the appropriate method to ratchet Switched Access charges to allow for a different
14 compensation scheme for the local traffic.

15 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

16 A. To ensure all carriers are properly compensated for each type of traffic, the Commission
17 should require the CLECs to utilized Switched Access service for Switched Access traffic
18 and local interconnection trunks for Section 251(b) traffic.

19 **AT&T Issue NIA 15b**

20 **Issue Statement:** *If AT&T is permitted to combine Section 251(b)(5) traffic, IntraLATA*
21 *exchange access traffic and interLATA exchange access traffic, will the parties utilize*
22 *factors to determine proper billing?*

23 **Q. IF AT&T IS PERMITTED TO COMBINE SECTION 251(B)(5) TRAFFIC,**
24 **INTRALATA EXCHANGE ACCESS TRAFFIC AND INTERLATA EXCHANGE**
25 **ACCESS TRAFFIC, WILL THE PARTIES UTILIZE FACTORS TO**
26 **DETERMINE PROPER BILLING?**

27 A. Although AT&T does discuss PLU and PIU factors, there is no acknowledgement that
28 SBC Missouri's access tariffs already contain provisions to develop a PIU factor for

of local exchange telecommunications service," which is "telecommunications service between points within an exchange[.]"

Switched Access services and that those provisions do not anticipate local traffic being carried over Switched Access services.

Q. WHAT TYPE OF BILLING HAS AT&T PROPOSED FOR THE COMBINED TRAFFIC IT HAS REQUESTED IN CONNECTION WITH NETWORK ARCHITECTURE/INTERCONNECTION ISSUE?

A. AT&T has proposed that SBC Missouri bill AT&T access charges and reciprocal compensation based not upon actual traffic volumes but rather upon estimated percentage factors that AT&T would provide to SBC Missouri. As I testified previously, the access tariffs already state that SBC Missouri will determine the jurisdiction of calls when call details are sufficient. By allowing AT&T to provide factors to determine billing, AT&T is in effect overriding SBC Missouri's access tariff which were approved by this Commission and the FCC.

Q. DOES AT&T'S PROPOSED BILLING APPROACH FOR COMBINED TRAFFIC SUPPORT SBC MISSOURI'S POSITION THAT THIS TRAFFIC SHOULD NOT BE COMBINED?

A. Yes. SBC Missouri's systems are not designed to isolate or measure the volume of each type of traffic that terminates over a single trunk group. Combining this traffic would inappropriately require the use of estimated, percentage factors in lieu of actual measurements to create a bill. By contrast, requiring interexchange traffic to be carried only on access trunks allows the Parties to bill each other the correct interstate and intrastate Switched Access rates for this traffic based on actual call details, which are available for the majority of Switched Access traffic.

Q. PLEASE EXPLAIN HOW ACCESS TRAFFIC IS BILLED BETWEEN SBC MISSOURI AND ACCESS CUSTOMERS TODAY.

A. An access customer purchases FGD Switched Access service to originate or terminate interstate and intrastate interexchange calls between the access customer's customers and

1 the end users served by a local service providers like SBC Missouri. When such traffic is
2 originated on or received at SBC Missouri's tandems or end offices, it is billed to the
3 access customer either as originating or terminating Switched Access. Though not a
4 billing expert, I have a general understanding of access billing. The billing of this traffic
5 is done through SBC's Carrier Access Billing System (CABS). CABS was developed in
6 compliance with industry standards to bill access customers for access traffic. The
7 system has undergone a number of enhancements over the years, but continues to
8 perform as it was originally intended, i.e., as a mechanism to bill access customers the
9 appropriate access elements and usage for each call.

10 CABS is able to differentiate automatically between interstate and intrastate
11 Switched Access traffic based on the originating and terminating telephone numbers
12 when sufficient call details, such as calling party number (CPN) information, are
13 provided by the originating carrier. Occasionally, call detail records lack CPN
14 information to determine the jurisdiction of a call. To cover those exceptions, the access
15 customer provides SBC Missouri with a PIU factor to be used as a proxy for estimating
16 the amount of interstate traffic delivered without CPN to which interstate access charges
17 should apply. The estimated amount of interstate traffic is subtracted from the total
18 unidentified access traffic to determine the intrastate access compensation due SBC
19 Missouri for the portion of unidentified traffic determined to be intrastate traffic. As I
20 have testified previously, development and application of the PIU is accomplished
21 pursuant to section 2 of SBC Missouri's access tariffs.

22 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

23 A. Consistent with the multi-jurisdictional trunking issues, the Commission should find that
24 the PIU language already within SBC Missouri's access tariffs should continue to apply

and that the development of the PLU factors should continue to remain within the agreement.

AT&T Issues NIA SBC 18b, IC SBC 1d

Issue statement NIA SBC 18b: *Is it appropriate for the Parties to agree on procedures to handle interexchange circuit-switched traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation?*

Issue statement IC SBC 1d: *Is it appropriate for the Parties to agree on procedures to handle Switched Access Traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation?*

MCIIm Issues IC SBC 15b, NIM/ITR SBC 15b, NIM/ITR SBC 28b

Issue statement IC SBC 15b: *Is it appropriate for the Parties to agree on procedures to handle Switched Access traffic that is delivered over local interconnection trunk groups so that the terminating Party may receive proper compensation?*

Issue statement NIM/ITR SBC 15b: *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?*

Issue statement NIM/ITR SBC 28b: *Is it appropriate for the Parties to agree on procedures to handle interexchange circuit-switched traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation?*

WilTel Issue ITR 3b:

Issue statement: *Is it appropriate for the Parties to agree on procedures to handle interexchange circuit-switched traffic that is delivered over Local Interconnection Trunk Groups so that the terminating party may receive proper compensation?*

Q. IS IT APPROPRIATE FOR THE PARTIES TO AGREE ON PROCEDURES TO HANDLE INTEREXCHANGE CIRCUIT-SWITCHED TRAFFIC THAT IS MISTAKENLY DELIVERED OVER LOCAL INTERCONNECTION TRUNK GROUPS SO THAT THE TERMINATING PARTY MAY RECEIVE PROPER COMPENSATION?

A. Yes, including such procedures in the interconnection agreement is appropriate. Local interconnection trunk groups are solely for the exchange of local traffic. Occasionally, however, a third-party carrier might improperly route intrastate or interstate interexchange (i.e., Switched Access) traffic over such trunk groups to one of the Parties for delivery to SBC Missouri. In this situation, while SBC Missouri's language would

1 allow the Party receiving this traffic to deliver it to SBC Missouri via the local
2 interconnection trunk groups, it requires the assignment of the appropriate CPN to such
3 traffic so that SBC Missouri and the carriers behind it may be properly compensated.
4 While there is no language that SBC Missouri could propose that would completely
5 eliminate other carriers' attempts to pass this traffic, when the delivering Party is notified
6 that interexchange traffic is being improperly routed, then the Parties should
7 cooperatively work together to eliminate such improper traffic routing, including seeking
8 Commission permission to block the traffic, if necessary.

9 **Q. WHY IS IT IMPORTANT FOR THE PARTIES TO WORK TOGETHER TO**
10 **PREVENT INTEREXCHANGE TRAFFIC FROM BEING DELIVERED OVER**
11 **LOCAL INTERCONNECTION TRUNKS?**

12 A. It enables terminating parties to receive the appropriate Switched Access compensation.

13 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

14 A. Consistent with the multi-jurisdictional trunking issues, the Commission should find that
15 that it is appropriate for the Parties to agree to procedures to handle tariffed Switched
16 Access traffic that is improperly delivered over local interconnection trunks to ensure that
17 all Parties are compensated correctly.

18 **AT&T Issue IC SBC 6c:**

19 **Issue statement:** *Should a Party use commercially reasonable efforts to prohibit the use*
20 *of its local exchange services for the purpose of delivering interexchange traffic?*

21 **Q. SHOULD THE PARTIES USE COMMERCIALY REASONABLE EFFORTS TO**
22 **PROHIBIT THE USE OF LOCAL EXCHANGE SERVICES FOR THE PURPOSE**
23 **OF DELIVERING INTEREXCHANGE TRAFFIC?**

24 A. Yes. SBC Missouri has proposed language that would prohibit the carriage of
25 interLATA traffic over local interconnection trunks. This proposed language properly
26 provides that carriers may not purchase local exchange trunking services to terminate
27 access services and avoid access charges, but must instead purchase Switched Access.

1 This provision is necessary to ensure that a party terminating interexchange traffic
2 receives appropriate Switched Access compensation. Otherwise, as I stated previously,
3 SBC Missouri is left to rely upon the CLECs' factor process, which SBC Missouri cannot
4 verify unless it conducts a time consuming and resource intensive audit that appears to be
5 at odds with the audit provisions in SBC Missouri's access tariffs.

6 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

7 **A.** Consistent with the multi-jurisdictional trunking issues, the Commission should find that
8 that it is appropriate for the Parties to use commercially reasonable methods to prohibit
9 the use of local interconnection services for the delivery of tariffed Switched Access
10 interexchange services.

11 **V. 8YY TRAFFIC**

12 **AT&T Issue IC 5:**

13 **Issue statement:** *What is the proper treatment and form of intercarrier compensation*
14 *for intraLATA 8YY traffic?*

15 **CLEC Coalition Issue IC 5:**

16 **Issue statement:** *Which Party is responsible for billing an 800 Service Provider when*
17 *the SSP function is performed?*

18 **Q. WHAT IS 8YY SERVICE?**

19 **A.** 8YY service refers to the retail service subscribers purchase to enable calling Parties
20 around the nation to reach them without having to incur toll charges. An example would
21 be the 800 numbers companies provide for their customers to call them toll free to make
22 purchases from catalogs.

23 **Q. HOW IS 8YY TRAFFIC CATEGORIZED?**

24 **A.** The FCC stated:

1 Toll free service is an interexchange service in which subscribers agree in
2 advance to pay for all calls made to them using a predesignated toll free telephone
3 number.¹³

4 The FCC has the authority for approving new toll free access codes, such as 877 and 888,
5 and developing the rules under which the toll free numbers are managed.

6 **Q. WHAT IS THE APPROPRIATE TREATMENT AND FORM OF**
7 **COMPENSATION FOR INTRALATA 8YY TRAFFIC?**

8 A. Since 8YY traffic is interexchange traffic and not local traffic, 8YY traffic should be
9 assessed Switched Access charges.

10 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

11 A. The Commission should require all 8YY traffic be assessed Switched Access charges in
12 accordance with the FCC's determination that 8YY traffic is interexchange traffic.

13 **Q. WHICH PARTY IS RESPONSIBLE FOR BILLING AN 800 SERVICE**
14 **PROVIDER WHEN THE SSP FUNCTION IS PERFORMED?**

15 A. Whether it is a meet/point billing situation under this agreement or a meet/point
16 arrangement between SBC Missouri and another Missouri ILEC as discussed in Section 2
17 of SBC Missouri's access tariffs, each Party to the meet/point arrangement bills for its
18 portion of providing service to an IXC (or other carrier). In the case of an 800 query,
19 whichever company owns the switch containing the SSP software necessary to launch a
20 query is the Party responsible for recovering its costs (i.e., the cost of the query) by
21 billing the 800 service provider for the cost of the query. This is not new and SBC
22 Missouri is merely proposing this language due to misunderstandings in prior agreements
23 regarding billing responsibility of 800 queries.

¹³ Fifth Report and Order in CC Docket No. 95-155, Order in NSD File No. L-99-87 and Order in NSAD File No. L-99-88, *In the Matter of Toll Free Service Access Codes, Database Services Management, Inc. Petition for Declaratory Ruling and Beehive Telephone Company Petition for Declaratory Ruling*, CC Docket No. 95-155, NSD File No. L-99-87 and NSD File No. L-99-88, released July 5, 2000 (FCC 00-237), paragraph 2.

1 **Q. WHY DOES THE CLEC COALITION OPPOSE SBC MISSOURI’S PROPOSED**
2 **LANGUAGE?**

3 A. The CLEC Coalition has not proposed any language nor provided a position statement in
4 opposition to SBC Missouri’s position.

5 **Q. HOW SHOULD THE COMMISSION RULE ON THESE ISSUES?**

6 A. The Commission should accept SBC Missouri’s proposed language as it adds clarity
7 about which Party is responsible for billing of the 800 service provider.

VI. **INTRALATA TOLL COMPENSATION**

8 **CLEC Coalition Issue IC 12b:**

9 **Issue Statement:** *What is the appropriate form of intercarrier compensation for*
10 *IntraLATA Interexchange traffic?*

11 **Q. WHAT IS THE PROPER TREATMENT AND COMPENSATION FOR**
12 **INTRALATA INTEREXCHANGE TRAFFIC?**

13 A As I stated previously, interexchange traffic not explicitly excluded by the agreement or
14 the FCC’s rules is subject to Switched Access charges listed in each party’s access tariffs
15 filed with this Commission and with the FCC, if interstate intraLATA.

16 **Q. WHY DOES THE CLEC COALITION OBJECT TO SBC MISSOURI’S**
17 **PROPOSED LANGUAGE?**

18 A. The CLEC Coalition appears to claim SBC Missouri’s proposed language in sections 5.0,
19 5.1 and 5.2 is contrary to the *ISP Remand Order*¹⁴. However, as I stated previously, if the
20 end user has dialed a long distance call to reach his ISP then this interexchange call will
21 be assessed access charges. This is not contrary to the *ISP Remand Order*. As the FCC
22 concluded in paragraph 1 of the *ISP Remand Order*, “Congress excluded from the
23 “telecommunications” traffic subject to reciprocal compensation the traffic identified in
24 section 251(g), including traffic destined for ISPs”.

¹⁴ Order on Remand and Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and Intercarrier Compensation for ISP-Bound Traffic (ISP Remand Order)*, CC Docket Nos. 96-98 and 99-68, released April 27, 2001 (FCC 01-131).

1 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

2 A. To ensure the consistent application of Switched Access rules and regulations to all
3 carriers and to all interexchange traffic, the Commission should adopt SBC Missouri's
4 proposed language governing the definition of Switched Access, as well as that
5 applicable to all interexchange traffic, including IP-based interexchange traffic discussed
6 in the testimony of SBC Missouri witness Jason Constable. Furthermore, to ensure the
7 appropriate application of Switched Access charges to all interexchange traffic not
8 subject to any exceptions established by the FCC or within this agreement, the
9 Commission should approve SBC Missouri's proposed language providing that the
10 parties establish procedures to move specific interexchange traffic from local
11 interconnection trunks to Feature Group D (or equivalent access service) trunks to ensure
12 the appropriate identification of traffic and rate application by all parties and requiring
13 CLECs to use local interconnection trunks for local traffic and Switched Access trunks
14 for access traffic.

15 **VII. INTERLATA FOREIGN EXCHANGE (FX)**

16 **AT&T Issues IC SBC 1h and IC AT&T 1h:**

17 **Issue statement IC SBC 1h:** *What is the appropriate form of intercarrier compensation*
18 *for interLATA FX traffic?*

19 **Issue statement IC AT&T 1h:** *Should the ICA include language referencing SBC's*
20 *access tariff for interLATA FX traffic?*

21 **Q. WHAT IS THE APPROPRIATE FORM OF INTERCARRIER COMPENSATION**
22 **FOR INTERLATA FX TRAFFIC?**

23 A. The appropriate form of compensation for interLATA FX is access charges. As the FCC
24 found in paragraph 71 of the *CCL Refund Order*¹⁵:

¹⁵ Memorandum Opinion and Order, *AT&T Corporation, MCI Telecommunications Corporation, et al., Complainants, v. Bell Atlantic-Pennsylvania, et al., Defendants (CCL Refund Order)*, File Nos. E-95-006,

1 [i]n interLATA FX service...the home and foreign end offices are in different LATAs,
2 connected by the IXC's interstate private lines.

3 The FCC went on to say in paragraph 79:

4 [t]here is no question that the closed end of interLATA FX service is a dedicated facility
5 – consisting of LEC special access and other dedicated LEC or IXC components – that is
6 directly linked to the foreign central office, because the line cannot be used to call anyone
7 within the home LATA without incurring interLATA toll charges.

8 Finally, in paragraph 80 the FCC stated:

9 [o]ur conclusions here are consistent with Section 69.105(b)(iii) of the Commission's
10 rules, which provides that "[a]ll open end minutes on calls with one open end (e.g., an
11 800 or FX call) shall be treated as terminating minutes." This rule recognizes that the
12 sole CCL charge for an FX call is the one attributable to the common line of the non-
13 subscriber who originates a call to, or receives a call from, the FX subscriber.

14 Therefore, since CCL (Carrier Common Line) is provided "in conjunction with line side
15 and trunk side Switched Access Service"¹⁶, it is clear Switched Access charges also
16 apply.

17 **Q. WHAT IS AT&T'S OBJECTION TO SBC MISSOURI'S PROPOSED**
18 **LANGUAGE?**

19 A. AT&T does not object to SBC Missouri's proposed language in section 2.2.2 but only
20 argues that it is inappropriate to include the language in the Interconnection Agreement.

21 **Q. WHAT IS SBC MISSOURI'S PROPOSED LANGUAGE IN SECTION 2.2.2 OF**
22 **AT&T'S APPENDIX 12?**

23 A. InterLATA FX traffic will be subject to SBC's access tariffs, interstate or intrastate,
24 whichever is applicable.

25 **Q. WHY IS SBC MISSOURI PROPOSING THE INCLUSION OF THIS**

E-95-007, E-95-009, E-95-010, E-95-015, E-95-016, E-95-017, E-95-018, E-95-021, E-95-022, E-95-030, E-95-035, released December 9, 1998.

¹⁶ SBC Missouri's Access Services Tariff, P.S.C. Mo. – No. 36, Section 3. See also 1) United Telephone Company of Missouri's P.S.C. Mo. – No. 26, Section 3.1: "Carrier Common Line Access is provided where the customer obtains Telephone Company Switched Access Service under this tariff"; and 2) Sprint Communications Company L.P.'s Missouri P.S.C. Tariff No. 5, Section 3: "The Company will provide Carrier Common Line Access Service (Carrier Common Line Access) to customers in conjunction with Switched Access Service provided in Section 6 of this tariff."

1 **LANGUAGE?**

2 A. SBC Missouri is proposing this language to ensure the contract is clear.

3 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

4 A. The Commission should find that although SBC Missouri agrees with AT&T that this
5 language typically should not be included within the Agreement, that is appropriate in
6 this case to include SBC Missouri's proposed language to ensure a consistent
7 understanding among all Parties. This would recognize that some Parties do confuse the
8 retail service sold to end users with the interLATA services sold to other carriers.

9 **VIII. CLECs' SWITCHED ACCESS CHARGES**

10 **AT&T Issue IC 4:**

11 **Issue statement:** *Should AT&T be able to charge an intrastate intraLATA Access rate*
12 *higher than the incumbent?*

13 **Q. SHOULD THE INTRASTATE SWITCHED ACCESS CHARGES A CLEC CAN**
14 **CHARGE BE HIGHER THAN THE INCUMBENT'S INTRASTATE SWITCHED**
15 **ACCESS CHARGES?**

16 A. This Commission has already determined that a CLEC's intrastate Switched Access
17 charges may not be higher than the incumbent LEC's charges in each exchange except
18 under very specific circumstances. In Case No. TO-99-596 the Commission established
19 an interim cap and in Case No. TR-2001-65 the Commission determined:

20 That applications for certificates of service authority to provide basic local
21 telecommunications service as a competitive company shall be granted only on
22 condition that the applicant shall not charge rates for exchange access service in
23 excess of those charged by the incumbent local exchange carrier in each exchange
24 within its service area, except as the Commission may otherwise authorize upon a
25 showing that higher access rates are justified by costs.

26 This Report and Order became effective on September 5, 2003, which is less than two
27 years ago. There is nothing in any of the Parties' positions that support overturning that
28 Report and Order.

1 **Q. HOW SHOULD THE COMMISSION FIND ON THIS ISSUE?**

2 A. The Commission should accept SBC Missouri's proposed language consistent with the
3 Commission's Order in Case No. TR-2001-65.

4 **IX. DEFINITIONS**

5 **Charter Issue GT&C 13:**

6 **Issue statement:** *Which Party's definition [intraLATA toll] is correct?*

7 **Q. WHAT IS THE CORRECT DEFINITION OF INTRALATA TOLL TRAFFIC?**

8 A. SBC Missouri has proposed intraLATA toll traffic be defined as traffic originating and
9 terminating within the same LATA and terminating in a local calling area that is different
10 that the originating calling area. In other words, a long distance call.

11 **Q. WHY DOES CHARTER OPPOSE SBC MISSOURI'S LANGUAGE?**

12 A. Charter has not provided a statement in support of its proposed language.

13 **Q. WHY DOES SBC MISSOURI OPPOSE CHARTER'S PROPOSED LANGUAGE?**

14 A. Charter's proposed language does not clearly indicate that the call does not originate and
15 terminate within the same local calling area.

16 **Q. HOW SHOULD THE COMMISSION DECIDE THESE DEFINITIONS?**

17 A. The Commission should accept SBC Missouri's definitions as they conform to the
18 terminology most are accustomed to using when discussing Switched Access services.

19 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

20 A. Yes.