

Exhibit No.:

Issues: General Terms &
Conditions: 1-7,
Comprehensive
Billing: 1-4 and
Intercarrier
Compensation: 2(a), 2(b)
Witness: Richard T. Guepe
Sponsoring Party: AT&T Communications of
the Southwest, Inc., TCG
Kansas City, Inc., and
TCG St., Louis, Inc.
Type of Exhibit: Rebuttal Testimony
Case No.: TO-2005-0336

**AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.,
TCG KANSAS CITY INC., AND TCG ST. LOUIS, INC.**

REBUTTAL TESTIMONY

OF

RICHARD T. GUEPE

TO-2005-0336

May 19, 2005

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME.**

3 A. Richard T. Guepe.

4 **Q. ARE YOU THE SAME RICHARD T. GUEPE THAT SUBMITTED**
5 **DIRECT TESTIMONY ON BEHALF OF AT&T?**

6 A. Yes.

7 **II. PURPOSE AND EXECUTIVE SUMMARY**

8 **Q. PLEASE STATE THE PURPOSE OF YOUR TESTIMONY.**

9 A. The purpose of my rebuttal testimony is to respond to the direct testimony of SBC
10 witnesses addressing General Terms and Conditions, Comprehensive Billing, and
11 Intercarrier Compensation issues. In the following sections, I address each of
12 these areas. To the extent I do not specifically address an argument raised by
13 SBC or an issue in the precise language stated by SBC, that should not be taken as
14 agreement with SBC's position. Instead, in those instances, I would refer the
15 Commission to my direct testimony which I believe already fully addresses these
16 issues in their entirety and for the reasons described in my direct testimony,
17 AT&T's proposed language should be adopted.

18 **Q. CAN YOU SUMMARIZE THE GENERAL TERMS AND CONDITIONS**
19 **ISSUES YOU ADDRESS?**

20 A. Yes, I provided testimony on the seven unresolved GT&C issues outstanding
21 between SBC and AT&T. The limited number of outstanding disputes with
22 regard to the GTCs to be included in the new Interconnection Agreement between
23 AT&T and SBC in Missouri involve practical business issues. My testimony
24 explains why SBC's proposed contract language and refusal to accept certain

1 AT&T proposals should be rejected. AT&T has proposed language that enables
2 reasonable business practices and allows AT&T to provide the service its
3 customers require.

4 For example, SBC's proposed language for GT&C issue 1 would, if
5 adopted, have a negative effect on Missouri consumers, as it would give them less
6 competitive choice. SBC's language would effectively vacate Missouri law,
7 Missouri Commission orders and even Section 271 unbundling obligations by
8 specifically stating that SBC has "no obligation" to provide UNEs or
9 interconnection except as enumerated in Section 251 of the federal 1996
10 Telecommunications Act. SBC's proposed language does not limit applicability
11 of the Agreement, SBC's proposed language limits the applicability of any UNE
12 obligation not included in the Agreement or Section 251 of the Act.

13 In GT&C issues 2 and 7, which involve products or services that are not
14 available in the ICA, but are available through SBC tariffs or generic offerings,
15 SBC proposes language that effectively delays the availability of products or
16 services to Missouri consumers. In contrast, AT&T's proposed language enables
17 it to purchase such products and services from SBC's Missouri tariff or generic
18 contract under the prices and terms and conditions contained in the tariff or
19 generic contract. This enables AT&T to provide service to its customers without
20 the undue delays that would result if, before AT&T can purchase the product or
21 service, it must first amend its ICA as SBC's language would require. AT&T is
22 not seeking the ability to "mix and match" tariff prices with Agreement terms and

1 conditions or vice-versa. AT&T is not asking SBC to bill for a service from both
2 the tariff and ICA. AT&T is merely requesting the ability to obtain products and
3 services from SBC under terms which it is already required to provide them. The
4 issue that separates the parties is only the necessity to have an amendment prior to
5 ordering a product or service under existing tariffs or generic contract terms.
6 SBC's proposal would delay AT&T's use of terms in a tariff or generic contract
7 even while acknowledging AT&T's right to such terms.

8 . In GT&C issue 3, which concerns any rate in the Agreement that may be
9 marked as "To be determined," "TBD," AT&T agrees with SBC when a rate,
10 price or charge is subsequently established by SBC MISSOURI for that Product
11 or Service and incorporated into SBC MISSOURI's current state-specific generic
12 pricing schedule as published on SBC's CLEC website, that the rate may be the
13 applicable rate.. However, SBC proposed language includes additional provisions
14 that introduce uncertainty into the contract by stating that marks such as "dashes
15 or blanks" should be afforded the same treatment as instances where the Parties
16 agree to use "TBD" as the appropriate rate. The Parties may agree that a specific
17 product or service will be subject to a rate, price or charge to be established at a
18 future date, but a meeting of the minds must be clearly reflected in the
19 Agreement, and there is no good reason why only a "TBD" should not be used for
20 that purpose.

21 In GT&C issue 4, both AT&T and SBC have the same interest in retaining
22 the ability to transfer the rights and obligations of the Agreement to a third party.

1 SBC's language would retain that right to itself only, while denying that right to
2 AT&T. AT&T's language provides that each Party has the ability to reject the
3 assignment of the Agreement to the third Party, provided that permission for the
4 assignment to a third party is not withheld unreasonably. The issues that either
5 Party can use to justify its response to a request for an assignment should be
6 applied reasonably to assure both Parties that any assignee has the financial and
7 technical ability to perform under this Agreement.

8 In GT&C issues 5 and 6, which concern discontinuing collocation or
9 interconnection related functions, services, products, or facilities, AT&T believes
10 that in order to protect the customers of Missouri, the discontinuance of functions,
11 facilities, products and services should be subject to the billed party's right to
12 dispute such discontinuance of service pursuant to the mutually negotiated dispute
13 resolution provisions of the Agreement. AT&T's language is narrowly tailored
14 to protect consumers from over-reaching self help measures by either party. It
15 ensures that AT&T will pay bills properly rendered by SBC while protecting
16 Missouri consumers by affording AT&T the opportunity to ensure that any
17 disconnection of interconnection facilities are done pursuant to the terms of the
18 Agreement.

19 **Q. CAN YOU SUMMARIZE THE COMPREHENSIVE BILLING ISSUES**
20 **YOU ADDRESS?**

21 **A.** Yes. There are four unresolved comprehensive billing issues between AT&T and
22 SBC. All four of these issues involve the ability to efficiently and correctly
23 render billing and collect revenues from customers for services rendered and to

1 verify and correctly pay for services received which are undeniably a prerequisite
2 for any business to survive. The language AT&T has proposed in Attachment
3 28 – Comprehensive Billing is designed to make this possible. SBC’s proposed
4 language presents obstacles to this basic business requirement.

5 In Comprehensive Billing issue 1, SBC proposes language that would give
6 SBC the unilateral ability to discontinue industry standard billing format for
7 unbundled network elements should an element be “delisted” as a section 251
8 UNE. SBC should be obligated to retain the industry standard CABS-formatted
9 billing for previously purchased unbundled network elements for as long as an
10 item remains a network element, whether under section 251 or section 271 of the
11 Telecommunications Act, and an OBF (Ordering and Billing Forum) guideline
12 exists. Any deviation from industry standards can lead to costly and time
13 consuming manual processing which is prone to error.

14 In Comprehensive Billing Issue 2, AT&T is asking that SBC be required
15 to provide the logic of how the call detail records (CDRs), which are records that
16 include usage information such as the caller, date, time and recipient of the call,
17 map to the usage billing elements SBC bills to AT&T on the wholesale bill. The
18 purpose of this information is to enable AT&T to validate UNE-P billings from
19 SBC. To do this, AT&T is simply asking for the “roadmap” used by SBC to
20 create bills from usage records. AT&T is not requesting any change to the format
21 or content of the DUF or its CABS bill. Therefore, there is no need, as SBC
22 suggests, to defer or present this issue to the OBF. All AT&T requests is the very

1 same mapping or logic SBC uses internally to create AT&T's wholesale bill from
2 the CDRs. It should not be a burden since SBC itself uses it to generate AT&T's
3 bill from the CDRs. AT&T is certainly entitled to it because it is only fair that
4 AT&T be able to verify that the charges it receives from SBC are, in fact, the
5 charges AT&T owes.

6 Comprehensive Billing Issue 3 concerns the provision of the OCN or CIC,
7 as appropriate, of third party originating carriers when AT&T is terminating calls
8 as an unbundled switch user of SBC. SBC possesses all relevant and sufficient
9 information required to accurately identify the originating third party carriers
10 terminated by AT&T using SBC's unbundled local switching element. More
11 importantly, since SBC is the carrier with a direct interconnection/interface to the
12 third party carrier, SBC is the only entity with sufficient information to accurately
13 identify these third party carriers. SBC proposes language that qualifies when it
14 will furnish the OCN. Such language is inappropriate.

15 SBC is the only entity with sufficient information to accurately identify
16 the billable carrier in all cases (e.g., calls originating from SBC, calls originating
17 from third party interexchange carriers and calls originating from third party
18 facilities-based local exchange carriers). Without the OCN and/or CIC, AT&T
19 simply has no way of identifying the originating carriers. Therefore, requiring
20 SBC to identify the facility-based carrier customer on a per call basis is both
21 reasonable and necessary. In fact, this basic level of customer identification is --
22 indeed, must be -- routinely performed for SBC's own billing purposes when calls

1 terminate to its subscribers. Consistent with approved industry practice, if SBC
2 fails to provide the OCN or CIC, AT&T should be permitted to bill SBC on a
3 default basis. If this information is not provided to AT&T, AT&T only knows the
4 call came in on SBC's network and it is appropriate to bill SBC.

5 The final unresolved billing issue, Comprehensive Billing Issue #4,
6 involves alternative billing mechanisms for resale services and for facilities based
7 services. The terms and conditions for alternatively billed services (ABS) should
8 not be part of the interconnection agreement. Arrangements for ABS calls are in
9 the nature of billing and collection agreements. Interconnection agreements under
10 section 252 of the Act are for the purpose of establishing interconnection for the
11 exchange of traffic and the sale by the incumbent carrier of certain services such
12 as UNEs and collocation to a CLEC. A billing and collection agreement that
13 makes AT&T SBC's agent for billing end users for retail services provide by
14 SBC, or other carriers, is not required by the Act.

15 AT&T seeks to make these processes subject to a separate negotiated
16 agreement whereby all the details with respect to these billing and collection costs
17 and responsibilities are part of a separate defined agreement. AT&T is prepared
18 to enter into such discussions with SBC at any time. Such an agreement should be
19 separate from the interconnection agreement because billing and collection
20 agreements for retail services provided by third parties are not required by the
21 Act.

1 **Q. CAN YOU SUMMARIZE THE RECIPROCAL COMPENSATION ISSUES**
2 **YOU ADDRESS?**

3 A. Yes. I address two intercarrier compensation sub-issues, 2(a) and (b). SBC seeks
4 to require AT&T to enter into agreements with third party carriers to whom
5 AT&T originates traffic and for whom AT&T terminates traffic. SBC does not
6 have the right to dictate agreements AT&T must reach with third parties. AT&T
7 expects to appropriately bill (and be billed by) third party carriers; however,
8 formal agreements with such parties are not required. On top of this requirement,
9 SBC's proposal would require AT&T to indemnify SBC when AT&T has not
10 entered into such arrangements. Intertwined with this issue is the fact that SBC
11 seeks to escape its responsibility to provide records to AT&T that are necessary
12 for AT&T to bill the correct party. SBC should not be relieved of liability and
13 indemnified by AT&T when SBC fails to provide information necessary (e.g.,
14 identifying information of the third party carrier or providing a complete set of
15 call detail records) to allow AT&T to bill the appropriate carrier.

16 **III. GENERAL TERMS AND CONDITIONS**

17 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?**

18 A. The purpose this section of my testimony is to respond to the testimony offered by
19 SBC witnesses Ms. Suzette Quate and Mr. Michael Silver relating to certain
20 unresolved issues regarding the General Terms and Conditions portion of the
21 parties' interconnection agreement ("GT&C").

1 **Issue 1(a): Should the Interconnection Agreement obligate SBC to provide**
2 **UNEs, collocation and resale services outside SBC MISSOURI's incumbent**
3 **local exchange area?**
4

5 **Issue 1(b): Should the Agreement include obligations under Section 271 of**
6 **the Act or should it only cover Section 251?**

7 **Q. DO YOU AGREE WITH SBC WITNESS SILVER'S CONTENTION THAT**
8 **THE LANGUAGE PROPOSED BY AT&T WOULD LEAD TO**
9 **CONFUSION (DIRECT, P. 129)?**

10 A. No. SBC witness Silver implies that the language proposed by AT&T would lead
11 to confusion. The fact is that SBC's language would result in confusion and
12 complaints from Missouri consumers who would not be able to complete calls as
13 a result of SBC's failure, in accordance with the language SBC proposes, to open
14 NPA-NXX codes assigned to AT&T in exchanges *outside* of SBC's franchised
15 territory but within the areas served by SBC's currently-deployed tandem
16 switches. As I indicated in my direct testimony, John Schell fully addresses this
17 issue in his direct testimony on Network Architecture Issue 16.

18 **Q. DOES SBC WITNESS QUATE (DIRECT, P. 5) COMPLETELY EXPLAIN**
19 **THE EFFECT OF SBC'S PROPOSED LANGUAGE SUPPORTING ISSUE**
20 **1(B)?**

21 A. In my opinion, no. SBC's proposed language would limit its obligations to § 251
22 requirements only. SBC's language would not only exclude § 271 obligations
23 from scope of the Agreement (which is in itself wrong), but it would also exclude
24 from the scope of the Agreement any SBC obligation not identified in § 251 of
25 the federal Act, including any state-imposed obligation. In fact, SBC's proposed
26 language goes one step further by stating explicitly that it is "only obligated to
27 make available" interconnection UNEs, and resale services under Section 251 of

1 the Act, either under the Agreement or outside of the Agreement.¹ SBC's
2 proposed language is contrary to this Commission's uncontested authority to rely
3 on state law to adopt, in interconnection arbitrations, pro-competitive obligations
4 consistent with the federal Act. AT&T's language seeks to make clear that SBC's
5 obligations are not merely limited to those contained in § 251 of the Act, but also
6 those set forth in § 271 and state law.

7 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

8 A. AT&T asks that SBC's proposed language be rejected so that the Commission
9 will be free to enforce SBC's full compliance with both the Act and Missouri law.

10 **Issue 2: If AT&T orders a Product or Service not covered by this**
11 **Agreement, should the Parties have to negotiate the applicable rates, terms**
12 **and conditions or should SBC's tariff or generic contract apply to such**
13 **Product or Service?**

14 **Q. SBC WITNESS QUATE (DIRECT, P. 6) STATES "WHEN AT&T ELECTS**
15 **TO BUY SOMETHING FOR WHICH THERE ARE NOT RATES, TERMS**
16 **OR CONDITIONS FOR THE PRODUCT IN THE AGREEMENT, IT**
17 **SHOULD AMEND THE AGREEMENT." DO YOU AGREE?**

18 A. Partially. AT&T's proposed language in Section 4.4.1.1 is quite explicit that
19 when AT&T orders and SBC provisions a product or service that is not in the ICA
20 "AT&T shall pay for the Product or Service provisioned to AT&T at the rates set
21 forth in SBC MISSOURI's applicable intrastate tariff(s) for the Product or
22 Service or, to the extent there are no tariff rates, terms or conditions available for
23 the Product or Service in the applicable state, then AT&T shall pay for the
24 Product or Service at SBC MISSOURI's current generic contract rate for the

¹ SBC Proposed GT&C § 1.1

1 Product or Service set forth in SBC MISSOURI's applicable state-specific generic
2 pricing schedule as published on SBC MISSOURI's website." As such, AT&T is
3 merely requesting the ability to obtain products and services from SBC under
4 terms which it is already required to provide them. Thus, the issue that separates
5 the parties is only the necessity to have an amendment *prior to* ordering a product
6 or service under existing tariffs or generic contract terms. SBC's proposal would
7 delay AT&T's use of terms in a tariff or generic contract even while
8 acknowledging AT&T's right to such terms. AT&T also proposes language in
9 Section 30.2.1 that addresses amending the Agreement *subsequent* to purchasing
10 the product or service from an SBC Missouri tariff or general contract.
11 Amending the agreement is consistent with Ms. Quate's testimony; however,
12 AT&T and SBC disagree as to the timing of the amendment. Under SBC's
13 proposed language, AT&T would need to amend the ICA prior to ordering the
14 product or service, thus depriving AT&T's customers the ability to utilize the
15 product or service without any delays that would result if it were required to first
16 amend the ICA. SBC's proposed language does not facilitate competition and is
17 not in the interest of Missouri consumers.

18 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?**

19 A. AT&T respectfully requests that the Commission adopt the revised language
20 proposed by AT&T for this issue and reject SBC's proposed language.

1 **Issue 3: Where this Agreement shows a rate, price or charge marked as “To**
2 **be Determined,” “TBD,” or otherwise not specified, should the applicable**
3 **rate be established in accordance with Section 4.1.1 or should SBC be**
4 **allowed to apply generic rates for any such products and services?**

5 **Q. DOES SBC WITNESS QUATE PROPERLY DESCRIBE HOW AT&T’S**
6 **PROPOSED LANGUAGE AFFECTS RATES LISTED AS A BLANK OR**
7 **“TBD” IN THE AGREEMENT?**

8 A. No. Since the filing of the arbitration petition by SBC, AT&T proposed new
9 language in an attempt to resolve this issue and Ms. Quate’s characterization of
10 this issue seems to be based on the unrevised AT&T language. My direct
11 testimony clearly explains the deficiencies of SBC’s proposed language and I will
12 not repeat these here.

13 **Q. PLEASE PROVIDE THE LANGUAGE THAT IS CURRENTLY IN**
14 **DISPUTE BETWEEN THE PARTIES.**

15 A. AT&T and SBC further narrowed language in dispute on May 13, 2005, so that
16 the current language reads as follows (with AT&T proposed language that SBC
17 disputes underlined and SBC proposed language that AT&T disputes in bold):

18 4.5 ESTABLISHMENT OF “TBD” RATES **OR RATES**
19 **INADVERTENTLY OMITTED.** In the event that AT&T
20 orders, and SBC MISSOURI provisions, a Product or Service to
21 AT&T for which there are terms and conditions in this Agreement
22 but the rate, price or charge in this Agreement is noted as “To Be
23 Determined” or “TBD”, **a dash, a blank, or is** otherwise specified
24 as a product or service for which the price will be determined at a
25 future date **or for which a rate was inadvertently omitted**, the
26 Parties understand and agree that if and when a rate, price or
27 charge is established by SBC MISSOURI for that Product or
28 Service and incorporated into SBC MISSOURI’s current state-
29 specific generic pricing schedule as published on SBC’s CLEC
30 website, that rate(s), price(s) or charge(s) (collectively,
31 “Established Rate”) shall apply to the affected Product or Service
32 provided under this Agreement, retroactively for the period of
33 time allowed for back billing pursuant to Attachment 28, as to any

orders AT&T submitted and SBC MISSOURI provisioned for that Product or Service. SBC MISSOURI shall provide written notice to AT&T of the application of the Established Rate, and the Parties shall negotiate a conforming amendment to incorporate the Established Rate into the Agreement, unless AT&T disputes the Established Rate, and then the Parties shall attempt to negotiate the applicable rate for that Product or Service for a period of thirty (30) days after SBC Missouri's notice of the Established Rate. In addition, as soon as is reasonably practicable after such Established Rate or such other agreed to rate begins to apply, SBC MISSOURI shall bill AT&T to reflect the application of the Established Rate retroactively for the period of time permitted by Attachment 28, subject to true-up if a different rate is established for the amendment contemplated by this section 4.5. Notwithstanding anything to the contrary in this Agreement, if the Parties fail to complete their negotiation of an amendment to incorporate the Established Rate or such agreed to rate into the Agreement for such Product or Service within thirty (30) days of the date of SBC Missouri's Notice of the Established Rate, SBC MISSOURI will begin to bill for the applicable Product or Service at the Established Rate, **including the billing of any additional charges or credits**, commencing on the 31st day after SBC Missouri's Notice. The Parties may continue negotiations on the amendment, or, at either Party's option, initiate a dispute in connection with the amendment, to be resolved in accordance with Section 9 of the General Terms and Conditions of this Agreement.

Q. COULD SBC'S PROPOSED LANGUAGE HAVE UNINTENDED CONSEQUENCES FOR PRODUCTS OR SERVICES FOR WHICH A "DASH" OR "BLANK" IS LISTED AS THE PRICE?

A. Yes. Not only is there no reason whatsoever why products or services for which a "dash" or "blank" is listed as the price should have the automatic retroactive rate treatment suggested by SBC, but there is no reason even to have a dash or blank in the place of a price in the agreement. Either there is an established price – which can legitimately be \$0.00 – or it must be "TBD" (or "to be determined"). Additionally, I understand that the use of Microsoft software can inadvertently change a "0" to a dash. In other words, AT&T and SBC could actually negotiate

1 the rate of “0”, and as a result of peculiarity of the Microsoft program, SBC
2 would be able to get retroactive adjustments to the beginning of the contract in
3 sharp contrast to the procedure AT&T and SBC have agreed to for the
4 modification of all other rates. This makes no sense at all, of course, and may be
5 beyond even what SBC intended. The one sure way to resolve the issue is simply
6 to reject SBC’s proposed language.

7 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?**

8 A. AT&T respectfully requests that the Commission reject SBC’s proposed language
9 for this issue, and instead adopt the language proposed by AT&T for this issue.

10 **Issue 4: Should the assignment provision be reciprocal?**

11 **Q. WHY SHOULD SBC ABIDE BY THE SAME ASSIGNMENT**
12 **PROVISIONS AS AT&T (QUATE DIRECT, P. 17-18)?**

13 A. It is important to note that AT&T relies on SBC’s products and services to
14 provide its own service offerings to Missouri consumers. This includes, but is not
15 limited to, interconnection with SBC and access to collocation facilities and
16 unbundled network elements provided by SBC. Therefore, it is important that
17 AT&T have the right to reasonably ensure that any such third party chosen by
18 SBC has the ability to perform in accordance with this Agreement. AT&T’s
19 language ensures that AT&T may protect its rights in a manner that is equivalent
20 to the manner in which SBC seeks to protect its interests, which are purely
21 financial.

22 Ms. Quate suggests that regulatory approvals required before an
23 assignment or merger by SBC can take place should be enough to protect AT&T.

1 However, she ignores the fact that AT&T has a right to represent its interests
2 before the Commission before such an assignment or merger takes place. And
3 she ignores that not all bodies (such as this Commission) have authority to review
4 mergers. As such, the assignment provisions of this Agreement must not be
5 drafted in a manner that could be interpreted to have waived AT&T's rights to
6 participate in any regulatory review of SBC's assignment to, or merger with,
7 another carrier. Thus, clarifying that the assignment provisions are mutual is
8 necessary to ensure that AT&T is not stripped of its rights before the Commission
9 or any other regulatory body or court of competent jurisdiction.

10 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?**

11 A. AT&T respectfully requests that the Commission reject SBC's proposed language
12 for this issue, and instead adopt the language proposed by AT&T for this issue.

13 **Issue 5(a): Should the Billing Party be permitted to discontinue collocation or**
14 **interconnection related functions, services, products, or facilities if the Billed**
15 **Party fails to pay following the receipt of the second notice or must the**
16 **Billing Party rely on other remedies provided under this Agreement?**

17 **Q. SBC WITNESS QUATE (DIRECT, P. 45) STATES THAT SBC'S**
18 **PROPOSED LANGUAGE WOULD "NOT TERMINATE CURRENTLY**
19 **WORKING VITAL SERVICE." DO YOU AGREE THAT THIS IS THE**
20 **ACTUAL EFFECT OF SBC'S PROPOSED LANGUAGE?**

21 A. No. SBC's language would result in the disruption of service to existing
22 customers. SBC specifically reserves the right to discontinue providing
23 collocation. Since interconnection is attained through collocation, the
24 discontinuance of collocation would directly affect interconnection between the
25 parties and currently working service to Missouri end users.

1 **Q. SBC WITNESS QUATE (DIRECT, P. 46) ALSO CLAIMS THAT “AT&T’S**
2 **LANGUAGE DOES NOTHING MORE THAN DELAY PAYMENT FOR**
3 **SERVICES RENDERED.” IS THIS THE INTENT OF AT&T’S**
4 **LANGUAGE?**

5 A. Definitely not. AT&T recognizes the seriousness of actions that impact
6 consumers’ access to the telephone network. It is important to understand that
7 without interconnection facilities between the parties, Missouri end users served
8 by AT&T will be unable to access not only SBC customers, but most importantly,
9 emergency services provided through such interconnection. AT&T’s proposal is
10 in no way meant to delay the payment of bills. In fact, AT&T’s language does
11 not alter AT&T’s responsibility to pay its bills on time. Instead, it is narrowly
12 tailored to protect Missouri consumers.

13 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?**

14 A. AT&T respectfully requests that the Commission reject SBC’s proposed language
15 for this issue, and instead adopt the language proposed by AT&T for this issue.

16 **Issue 6: Must SBC obtain an order from the Commission prior to**
17 **terminating this Agreement or suspending or discontinuing any services**
18 **provided under this Agreement?**

19 **Q. DOES SBC WITNESS QUATE PROVIDE REASONABLE**
20 **JUSTIFICATION FOR REJECTING AT&T’S PROPOSAL THAT AT&T**
21 **MAY INVOKE THE DISPUTE RESOLUTION PROCESS PRIOR TO**
22 **DISCONTINUING ANY SERVICES PROVIDED UNDER THIS**
23 **AGREEMENT?**

24 A. No. As with Issue 5, it is important to understand that the discontinuation of
25 products and services can directly impact Missouri end users. AT&T believes
26 that it is in the public interest and entirely reasonable to allow AT&T recourse to

1 the dispute resolution process prior to SBC's discontinuance of products or
2 services used by Missouri consumers.

3 SBC witness Quate states "If AT&T believes it is being unjustly
4 terminated has the right to seek redress from the Commission." (Quate Direct, P.
5 47). However, this misses the point that damage to AT&T—and more
6 importantly, Missouri consumers—will already have been done. There is simply
7 no adequate redress for AT&T if SBC were to disconnect AT&T's services and
8 thereby abruptly "cut off" AT&T's customers. SBC language provides only the
9 ability to assess damage after the fact. In terms of disconnection, the Commission
10 should provide AT&T and its customers the protections it seeks.

11 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?**

12 A. AT&T respectfully requests that the Commission reject SBC's proposed language
13 for this issue, and instead adopt the language proposed by AT&T for this issue.

14 **Issue 7: What are the appropriate terms surrounding AT&T ordering**
15 **products or services from an SBC MISSOURI tariff?**

16 **Q. IF AT&T WANTS TO PURCHASE A SERVICE UNDER THE TARIFF**
17 **RATHER THAN THE INTERCONNECTION AGREEMENT, IS IT**
18 **NECESSARY FOR AT&T TO FIRST AMEND ITS AGREEMENT AS SBC**
19 **WITNESS QUATE SUGGESTS?**

20 A. No. SBC witness Quate claims that "SBC companies have experienced a great
21 deal of confusion when CLEC customers unilaterally decide to order products and
22 services from tariffs." (Quate Direct, P. 10). However, the remedy that SBC
23 provides is not narrowly tailored to address the potential "confusion" that could
24 be remedied by language providing that AT&T will provide adequate notice of

1 the instrument (Agreement or SBC tariff) from which it will purchase a particular
2 product or service from SBC. Instead, SBC's proposal is overly broad because it
3 denies AT&T the right to purchase services without needless delays that result
4 from requiring amendments be completed prior to ordering the service. Requiring
5 an Amendment as a condition of obtaining the product or service, as SBC
6 proposes, inhibits AT&T's ability to serve its Missouri customers and serves no
7 public purpose. The language proposed by AT&T permits AT&T the flexibility
8 to meet customer needs and to effectively compete with SBC, who is likely
9 already offering the tariffed product or service.

10 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

11 A. AT&T respectfully requests that the Commission adopt the AT&T proposed
12 language and reject the SBC proposed language.

13 **IV. COMPREHENSIVE BILLING**

14 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?**

15 A. The purpose this section of my testimony is to respond to the testimony offered by
16 SBC witnesses Mr. Chris Read and Mr. Roman Smith relating to certain
17 unresolved issues regarding the Comprehensive Billing attachment of the parties'
18 interconnection agreement.

1 **Issue 1: Should SBC have the unilateral ability to discontinue industry**
2 **standard billing format?**

3 **Q. DO YOU AGREE WITH THE TESTIMONY OF MR. SMITH (P. 76 - 77)**
4 **ON THIS ISSUE?**

5 A. No. SBC states its proposal “simply and appropriately notes that the billing
6 requirements for UNEs apply only to UNEs.” (Smith Direct, P. 77) SBC bills
7 many non-UNE items today (e.g., traditional special and switched access)
8 utilizing the CABS – BOS format. AT&T is simply requesting continued
9 compliance with the existing format for any facility formerly designated as an
10 unbundled network element. AT&T does not want element pricing to alter bill
11 format and disrupt an existing and effective interface. The actual language that
12 SBC proposes gives them the ability to unilaterally determine, without regard to
13 industry standards, how it wants to bill AT&T in the event a “251 UNE” is
14 “delisted”. There is no valid reason for SBC to have this unilateral capability to
15 determine an unbundled network element is “incompatible” with the CABS
16 format simply because its designation changes.

17 An additional deficiency with SBC’s position is that it assumes that if the
18 FCC finds that SBC is no longer obligated to provide a certain unbundled network
19 element pursuant to Section 251 of the Act, then it has no obligations under
20 Section 271 to continue to provide that element. That is far from settled. The fact
21 that SBC’s obligation to provide an element changes from section 251 of the Act
22 to section 271 of the Act should not, in and of itself, require a change in the
23 billing format.

1 **Q. HOW SHOULD THE COMMISSION RULE ON COMPREHENSIVE**
2 **BILLING ISSUE #1?**

3
4 A. SBC should be obligated to retain CABS formatted billing for previously
5 purchased unbundled network elements for as long as an item remains a network
6 element and a CABS– BOS guideline exists.

7 **Issue 2: Should SBC be required to correlate its recorded data to the Call**
8 **Usage Record Daily Usage File sent to AT&T; and should it similarly be**
9 **required to correlate its recorded data to the bill it sends to AT&T for the**
10 **calls which generate those records?**

11 **Q. DO YOU AGREE WITH MR. READ’S UNDERSTANDING OF THIS**
12 **ISSUE AND POSITION?**

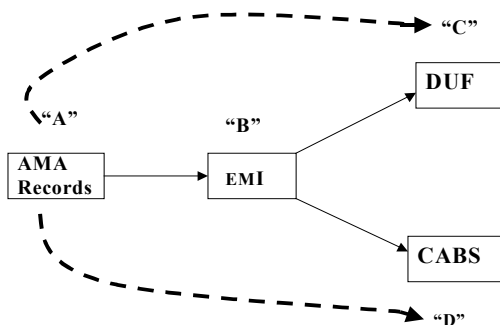
13 A. No, AT&T is not demanding the use of DUF to validate UNE-P usage sensitive
14 billing. AT&T is simply requesting a vehicle to determine the reasonableness of
15 the usage sensitive portion of the SBC Missouri UNE-P invoice. As described in
16 my direct testimony, AT&T requests a vehicle with which to correlate the call
17 detail records (CDR) generated for our UNE-P customers by SBC (and which
18 SBC provides to AT&T) with the UNE-P bill AT&T receives from SBC.

19 **Q. CAN YOU DESCRIBE THE PROCESS YOU ARE REQUESTING?**

20 A. Yes, a CDR is generated for each call placed or received by our UNE-P
21 customers. This is typically in automatic message accounting (AMA) format that
22 is transformed to EMI format.² Simplistically, each CDR is copied by SBC and
23 included in the DUF SBC provides to AT&T. The original CDR is introduced
24 into CABS for posting to a UNE-P invoice (in this case, AT&T’s invoice).

² The standard format for exchange of billing records between LECs is Exchange Message Interface (EMI).

1 AT&T requests a mapping of the billable elements (e.g., local switching, SS7
2 signaling, etc.) associated with each call type (intra-office, inter-office, IXC
3 access, etc.) to the CDRs of its UNE-P customers. AT&T can then compare this
4 mapping logic with the CDRs in the DUF to determine if the usage based charges
5 contained in AT&T's UNE-P invoice are correct. AT&T fully understands and
6 acknowledges that timing differences between the DUFs and the monthly CABS
7 bill will need to be part of the AT&T validation process. The following diagram
8 illustrates AT&T's request.



9
10 AT&T is requesting the logic to get from "A" in the diagram above to "C" and
11 from "A" to "D" to enable it to perform the validation. AT&T is not requesting
12 SBC to develop a validation between "C" and "D". AT&T is not requesting SBC
13 to develop and manage a new process; AT&T is requesting SBC to provide
14 information SBC already possesses. This is information that SBC would need to

1 provide once and would not have to provide again unless it changes the mapping
2 of this information.

3 **Q. DO YOU AGREE WITH SBC THAT THIS MAPPING PROCESS WILL**
4 **PROVIDE NO BENEFITS TO AT&T OR SBC?**

5 A. No, I believe that both companies will benefit. Let me explain by providing some
6 additional background on the DUF and billing processes. SBC bills AT&T
7 monthly for the use of its switch when calls are made or received by the AT&T
8 UNE-P end-user. SBC records the call and sends the call records daily to AT&T
9 in the Daily Usage File. Allowing for a very slight difference primarily
10 associated with timing, the minutes in the monthly DUF files should equal the
11 minutes in the monthly CABS bill. When there are extreme differences in these
12 minutes, which has been the case at times with the bills AT&T receives from
13 many of the SBC companies, by knowing how the call records map to the billing
14 elements, AT&T has a much better chance of being quickly able to identify the
15 error, thereby allowing SBC to more promptly take corrective measures. Without
16 this mapping, when billing discrepancies occur, the companies can waste
17 significant time and resources in attempts to validate one another's collected
18 discrepant data. By providing the mapping process AT&T proposes, errors can be
19 easily recognized and resources could be devoted to error correction rather than to
20 tedious analyses. This upfront process mapping prevents incorrect billing and
21 allows the parties to redirect their resources to constructive tasks.

1 **Q. ARE THERE DISADVANTAGES BY NOT HAVING THIS PROCESS**
2 **MAPPING IN PLACE?**

3 A. Yes. Billing issues with the SBC companies surfaced almost 2 years ago and the
4 companies have almost completed that reconciliation process in California. The
5 companies agree that the billed minutes greatly exceeded the minutes that were
6 being sent in the DUF. Had process mapping been in place, the companies could
7 have quickly agreed that there was an error and resolution of the problem would
8 have been accelerated.

9 **Q. ON PAGE 4 OF HIS TESTIMONY, MR. READ STATES THAT SBC HAS**
10 **MADE AVAILABLE AN ONLINE DUF USER GUIDE AND A SET OF**
11 **CALL FLOWS AVAILABLE TO ASSIST AT&T IN ITS EFFORTS TO**
12 **VALIDATE THE BILLED ELEMENTS AGAINST THE CALL RECORD**
13 **DETAIL. DO THESE TWO DOCUMENTS PROVIDE THE NECESSARY**
14 **INFORMATION FOR AT&T TO VALIDATE THE MINUTES THAT SBC**
15 **IS BILLING ON THE CABS BILLS?**

16 A. No, they do not. The User Guide lists record types and information regarding the
17 transmission of the records, including packaging and the return record process,
18 but does not provide any correlation between the records provided to the rate
19 elements billed to AT&T. Additionally, the call flow diagrams SBC makes
20 available on line are very high level and fail to specify the complete record types
21 SBC provides for specific calls, nor do they specify the rate elements billed for
22 those calls. In fact, most of the diagrams in the SBC on-line handbook state that
23 SBC may bill the rate elements; this type of non-specificity is *exactly* what AT&T
24 is trying to avoid by requesting mapping that provides for the specific billing that
25 will occur. SBC's own witness Michael Silver (Direct, P. 66) refers to these
26 diagrams as "generic call flow information on the CLEC Online website" and

1 further states “the call flows that SBC Missouri has provided are illustrative
2 examples”.

3 **Q. SBC WITNESS READ (DIRECT, P. 5) SUGGESTS AT&T PURSUE A**
4 **VALIDATION TOOL THROUGH THE ORDERING AND BILLING**
5 **FORUM (OBF). WOULD THIS BE APPROPRIATE?**

6 A. No it would not. AT&T is not requesting SBC to change the format or content of
7 either the CABS bill or the DUF records. If it did involve changing the format or
8 content, this would be an appropriate matter for the OBF. However, since neither
9 the format nor the content is at issue here, it is not an appropriate item to be
10 brought to the OBF.

11 **Q. HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?**

12 A. The Commission should rule in favor of AT&T’s language and should require
13 SBC to provide the logic underlying how the call detail records map to the usage
14 billing elements SBC bills to AT&T on the wholesale bill. This helps ensure
15 billing accuracy by providing an adequate means for AT&T to validate SBC’s
16 billing.

17 **Issue 3(a): Should SBC MISSOURI be required to provide to AT&T the**
18 **OCN or CIC (“Carrier Identification Code”), as appropriate, of 3rd party**
19 **originating carriers when AT&T is terminating calls as an unbundled switch**
20 **user of SBC MISSOURI?**

21
22 **Issue 3(b): Should SBC MISSOURI be billed on a default basis when it fails**
23 **to provide the 3rd party originating carrier OCN or CIC, as appropriate, to**
24 **AT&T when AT&T is terminating calls as the unbundled switch user?**

25
26 **Q. IN DESCRIBING SBC’S POSITION ON PROVIDING OCN AND CIC**
27 **IDENTIFICATION, MR READ (DIRECT, P. 11) INDICATES THAT SBC**
28 **HAS AGREED TO PROVIDE OCN AND CIC DATA TO AT&T. DOES**
29 **SBC’S PROPOSED LANGUAGE ACTUALLY SAY THAT?**

1 A. No. SBC's proposed language does not fully commit to provide the OCN and
2 CIC to AT&T. It does not even address the CIC. In addition, the SBC language
3 provides SBC a loophole to the provision of the OCN by including the language
4 "where technically feasible."

5 **Q. MR. READ IMPLIES THAT AT&T'S PROPOSAL THAT SBC PROVIDE**
6 **AT&T (WHEN IT IS LEASING ULS FROM SBC) WITH THE OCN OR**
7 **CIC OF THIRD PARTY ORIGINATING CARRIERS SO THAT AT&T**
8 **CAN BILL THOSE PARTIES IS OVERLY BROAD (P. 12). DO YOU**
9 **AGREE?**

10 A. No. AT&T's expectation that SBC identify third party originating carriers when
11 AT&T is terminating calls as an unbundled switch user of SBC is not at all
12 unreasonable. In fact, it is *consistent with* the standards developed by the industry
13 for access record creation and record exchange. The industry consensus view is
14 apparent from Ordering and Billing Forum (OBF) resolutions developed to insure
15 that the carrier "customer" is identified by the sending LEC (in this case, SBC) to
16 the recipient LEC (in this case, AT&T) in each detail call record that is
17 exchanged.

18 **Q. HAS SBC SUPPORTED THIS INDUSTRY PRACTICE?**

19 A. Yes. Both AT&T and SBC have supported this industry consensus process
20 established by the OBF. Both companies have expressed the desire and intent to
21 achieve and maintain conformity with standards and guidelines developed by
22 OBF. With this in common, one would expect harmony and agreement on
23 Comprehensive Billing Issue 3(a). Yet SBC objects to AT&T's proposed
24 language. On the chance that SBC has simply misunderstood our intent (which

1 SBC appears to have done since SBC witness Read incorrectly assumes at page
2 12 that AT&T requests SBC to provide originating carrier information even in
3 those circumstances where the originating carrier may be a CLEC working out of
4 another ILEC's switch), AT&T offers the following two points of clarification:

5 (1) AT&T is not demanding that SBC identify third party carriers who
6 originate traffic as unbundled switch users of facilities-based LECs
7 other than SBC; and

8 (2) AT&T is not demanding that SBC provide both a CIC and an OCN
9 identifier for every call. Rather, in accordance with the industry/OBF
10 view, AT&T expects and requires OCN for LEC-carried³ calls and
11 CIC for IXC-carried calls.

12 With the exception of unbundled switch traffic described in (1) above, SBC
13 possesses all relevant and sufficient information required to accurately identify
14 the originating third party carriers terminated by AT&T using SBC's unbundled
15 local switching element. Even more importantly, since SBC is the carrier with a
16 direct interconnection/interface to the third party carrier, SBC is the only entity
17 with sufficient information to accurately identify these third party carriers.

18 **Q. PLEASE EXPLAIN YOUR FIRST CLARIFICATION AS IT RELATES TO**
19 **MR. READ'S TESTIMONY.**

³ As OBF Resolution Statement of Issue 2309 makes clear, a "LEC-carried" call is one that originates, is transported and terminates within the wireline or wireless exchange network via local interconnection trunks. This is in contrast to an "IXC-carried" call, which is transported to or through an interexchange carrier network.

1 A. According to SBC witness Read's testimony, SBC agrees with AT&T that SBC
2 should identify the OCN of 3rd party carriers who originate traffic as unbundled
3 switch users working out of an SBC switch, and SBC agrees to do so. This is not
4 surprising given the fact that AT&T, SBC *and the rest of the industry* recently
5 reaffirmed this approach through resolution of OBF Issue 2638 (which reached
6 final closure 11/15/2004).

7 As I discussed above, however, SBC has either misunderstood or
8 misconstrued AT&T's "demand" relative to Comprehensive Billing Issues 3(a)
9 and 3(b) for calls where SBC is not the originating UNE Services Provider, or
10 USP. Contrary to SBC witness Read's assumption, as I also explained in my
11 direct testimony (p. 34), AT&T does not expect and is not "demanding" that SBC
12 Missouri identify third party carriers who are originating traffic as unbundled
13 switch users of facilities-based LECs other than SBC, i.e., where SBC is not
14 functioning as the originating UNE Services Provider ("USP"). AT&T
15 recognizes that SBC will not possess sufficient information in its switch
16 recordings and supplemental billing tables to identify the CLEC using the
17 unbundled local switching of another ILEC switch unless, coincidentally, SBC is
18 the originating USP for the call.

19 In those call scenarios involving third party originating carriers who are
20 CLECs using the facilities of another ILEC and where SBC is not the originating
21 USP, AT&T simply expects SBC to identify the LEC who *is* functioning as the
22 originating USP by populating the OCN of the underlying, facilities-based LEC in

1 the billing record. To be clear, AT&T proposes the following language for
2 Section 14.4.

3 SBC MISSOURI will include the OCN identifier for calls originated by
4 local exchange 3rd party carriers and the CIC identifier for calls originated
5 by IXC 3rd party carriers in the usage records it provides for calls
6 originated by such 3rd party carriers. Any records received without the
7 originating OCN or CIC, as appropriate, will be treated as though
8 originated by SBC MISSOURI for purpose of billing under this
9 Agreement. In those situations where the third party carrier who
10 originates the call is using the ULS of another ILEC, SBC shall provide
11 the OCN of the underlying, facilities-based ILEC in the billing records it
12 provides to AT&T.

13 OBF standards, specifically the Multiple Exchange Carrier Access Billing
14 (MECAB) Guidelines, provide for a "default" billing arrangement of charging the
15 originating USP for calls originated by unbundled switch users. AT&T is asking
16 for nothing more than SBC's compliance with these OBF standards.

17 **Q. PLEASE EXPLAIN YOUR SECOND CLARIFICATION AS IT RELATES**
18 **TO MR. READ'S TESTIMONY.**

19 A. As the "official recording company" (as defined by the OBF in the Multiple
20 Exchange Carrier Access Billing (MECAB) Guidelines), SBC is the only entity
21 with sufficient information to populate the CIC customer identifier for calls
22 transported by interexchange carriers (IXCs) to SBC's network. It is impossible
23 for AT&T (or any recipient LEC) to derive a carrier's CIC code for any given call
24 using other data in the billing record. The CIC *must* be provided as part of the
25 detail billing record sent to AT&T for every IXC-carried call terminating to
26 AT&T and recorded by SBC, the official recording company. This is not a new

1 requirement but one that has existed since Meet Point Billing began in the mid-
2 1980s.

3 As far as the OCN for LEC-carried calls is concerned, the industry,
4 through OBF, has determined that it *is* reasonable to expect the recording
5 company (in this case SBC) to identify the facility-based LEC customer for LEC-
6 carried calls. Relevant OBF Issues supporting this position include OBF Issue
7 1921 (resolved 11/8/2000), which designated the OCN as the appropriate
8 customer identification code to use for LEC-carried traffic (i.e., traffic that SBC
9 terminates to AT&T but that originates from a CLEC using SBC's switch or from
10 a LEC interconnected with SBC), and OBF Issue 2309 (resolved 6/23/2004),
11 which reiterated and clarified Issue 1921. Issue 2309 very clearly designates the
12 OCN as the required component to be provided in the billing records for LEC-
13 carried calls and the CIC as the required component to be provided in the billing
14 records for IXC-carried calls. AT&T concurs with the OBF resolution that CIC is
15 an optional data element for LEC-carried calls; therefore, AT&T's proposed
16 language is not intended to require SBC to provide a CIC for LEC traffic,
17 although to the extent this additional identifier is available, AT&T does not object
18 to SBC providing it in addition to providing the OCN.

19 **Q. DO THESE CLARIFICATIONS SATISFY SBC WITNESS READ'S**
20 **CONCERNS THAT AT&T SEEKS DATA NOT AVAILABLE TO SBC?**

21 A. They should. With the sole exception of unbundled switch traffic discussed in
22 conjunction with the first clarification above, SBC otherwise possesses all

1 relevant and sufficient information to accurately identify third party originating
2 carriers for purposes of allowing AT&T to bill them for terminating traffic to
3 AT&T's customers. I cannot emphasize enough the fact that SBC is the only
4 carrier with a direct interconnection/interface to the third party *facilities-based*
5 carrier and through the benefit of its direct connectivity, SBC possesses sufficient
6 information to identify the billable carrier customer. In fact, SBC is the *only*
7 entity with sufficient information to accurately identify the billable carrier in all
8 cases (e.g., calls originating from SBC, calls originating from third party
9 interexchange carriers and calls originating from third party facilities-based local
10 exchange carriers). Without the OCN and/or CIC, AT&T simply has no way of
11 identifying the originating carriers. Therefore, requiring SBC to identify the
12 facility-based carrier customer on a per call basis is both reasonable and
13 necessary. In fact, this basic level of customer identification is -- indeed, must be
14 -- routinely performed for SBC's own billing purposes when calls terminate to its
15 subscribers.

16 **Q. SBC WITNESS READ (P. 11) CONTENDS THAT WHEN THE**
17 **IDENTIFICATION DATA IS NOT AVAILABLE IN THE *RECORDED***
18 ***INFORMATION*, IT IS THE RESPONSIBILITY OF THE BILLING**
19 **COMPANY [AT&T] TO INVESTIGATE THE ISSUE AND TO REQUIRE**
20 **THE RECORDING COMPANY [SBC] TO DO SO WOULD "DISTORT"**
21 **THE BILLING PROCESS. DO YOU AGREE?**

22 **A.** No. It appears that SBC is attempting to split hairs as to the precise location of
23 the relevant identifiers in an effort to evade its industry-established
24 responsibilities. SBC appears to contend that investigation into customer identity

1 is the responsibility of the billing company (in this case, AT&T). SBC is out of
2 step with the industry view if, with its specific mention of “*recorded*
3 *information*,” it is attempting to absolve itself of any obligation to identify the
4 originating third party carrier when the “identification data” (i.e., the OCN or
5 CIC) is not available in the switch *recording* itself. In some cases, the customer
6 identity (a LEC OCN, for example) may not be an element intrinsic to the switch
7 recording; however, the OCN can be readily determined using interoffice trunking
8 tables or other information that is maintained as proprietary supplemental data
9 and available only to SBC and its systems. Contrary to SBC’s assertion otherwise,
10 it is not a “distortion” of the billing process to expect SBC to use all information
11 available to it to identify and populate the required third party customer identifier.
12 On this point, the OBF has been consistent and clear: customer identity should be
13 provided and populated by SBC (the sending/recording company) and not by
14 AT&T (the recipient/billing company).

15 As a general matter, inclusion of this basic information is a minimum
16 industry requirement for record exchange. SBC’s obligations are not limited to
17 merely “recording” calls. Strictly speaking, switch recordings are typically in
18 BAF Automatic Message Accounting (AMA) format, which is defined by
19 Telcordia. The standard format for exchange of billing records between LECs is
20 “Exchange Message Interface (EMI),” which is defined by the OBF. SBC’s
21 obligations include recording *and* mediation, a process that takes the “raw” switch
22 recordings and transforms them from AMA-formatted to EMI-formatted records.

1 Determining the originating customer's identity (OCN or CIC, as appropriate) is
2 part of this transformative process and essential to compliance with well-defined
3 and well-documented industry standards. AT&T's language simply requests that
4 SBC be required to adhere to them.

5 **Q. HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?**

6 A. AT&T respectfully requests that the Commission reject SBC's proposed language
7 for this issue, and instead adopt the language proposed by AT&T for this issue.

8 **Issue 4(a): Should the ICA include terms and conditions for billing and**
9 **collection arrangements between the Parties for end user calls involving**
10 **alternative billing mechanisms for resale services?**

11 **Issue 4(b): Should the ICA include terms and conditions for billing and**
12 **collection arrangements between the Parties for end user calls involving**
13 **alternative billing mechanisms for facilities based services?**

14 **Issue 4(c): Should the Agreement include Attachment 20: NICS?**

15 **Q. SBC WITNESS SMITH (DIRECT, P. 82) INDICATES TWO AREAS OF**
16 **DISAGREEMENT BETWEEN SBC AND AT&T ON THIS ISSUE. DO**
17 **YOU HAVE ANY COMMENTS ON MR. SMITH'S DISCUSSION?**

18 A. Yes, concerning alternatively billed services ("ABS") for resale service, as
19 discussed in my direct testimony, AT&T has modified its position on ABS for
20 resale service; and, as a result, I believe Mr. Smith's characterization of AT&T's
21 position on ABS for resale services is not really relevant. Mr. Smith also
22 references the 13 state ABS UNE-P Agreement and notes it was signed with an
23 expiration date of August 1, 2004. It needs to be pointed out that this agreement
24 was extended, remains in effect, and the parties continue to negotiate further
25 extensions. Concerning ABS for facility based services, Mr. Smith correctly

1 acknowledges that AT&T disagrees with SBC's proposal to include its
2 Clearinghouse process in the ICA.

3 **Q. SBC WITNESS SMITH (DIRECT, P. 82-83) REFERS TO A**
4 **CLEARINGHOUSE PROCESS FOR FACILITIES BASED ABS CALLS.**
5 **IS THIS PROCESS AN APPROPRIATE ISSUE TO BE INCLUDED IN**
6 **THE ICA?**

7 A. No. AT&T objects to SBC's proposal to include its Clearinghouse process in the
8 ICA for several reasons. First, as I explained in my direct testimony, AT&T is
9 not required by the Act to enter into a billing and collection arrangement with
10 SBC for ABS calls. The completion of these calls can generate a billing
11 relationship with a third party that is not a party to this interconnection agreement,
12 or it can involve a billing relationship with SBC for services that are not provided
13 pursuant to the interconnection agreement between AT&T and SBC; therefore,
14 agreements covering these calls should be negotiated outside of the ICA. Second,
15 under the SBC Clearinghouse proposal, AT&T would be required to collect these
16 charges from its customer that accepted the charges, and would be required to
17 automatically compensate SBC for the charges for these ABS calls, whether or
18 not the customer actually pays the charges. Third, the terms proposed by SBC are
19 one-sided and do not recognize the risks of collection, all the while insuring that
20 SBC receives a fee for every call. As a result, SBC's proposal shifts to AT&T all
21 the costs and risks of billing and collection for a service AT&T did not even
22 provide. SBC's proposal exposes AT&T to costs of billing, costs of collection
23 and the risk of being unable to collect. These are all topics that require
24 negotiation. AT&T and SBC should negotiate terms of an arrangement for

1 alternatively billed calls. SBC should not be allowed to leverage this arbitration
2 to avoid such a negotiation or to force its one-sided terms on AT&T.

3 **Q. WOULD YOU PLEASE IDENTIFY THE KEY SUBSTANTIVE**
4 **OBJECTIONS TO SBC'S CLEARINGHOUSE PROPOSAL?**

5 A. AT&T has several objections, however, the most significant are (i) the lack of an
6 uncollectibles discount and (ii) SBC's insistence on a records process that has
7 been abandoned by the OBF and AT&T no longer uses. The most significant
8 problem is that SBC's clearinghouse proposal provides no discount to recognize
9 the risk of uncollectibles. The ABS Agreement between AT&T and SBC makes a
10 40% discount available. This demonstrates SBC's acknowledgment and
11 understanding that risks of collection exist. However, SBC has never been able
12 to, and cannot, substantiate its view that the risk of collection is reduced for a
13 facilities based provider versus a UNE-P provider. The risks are the same and
14 discounts of the same magnitude are required. The other problem of significance
15 is that SBC seeks to use records ("Category 92" records) that have been phased
16 out and are not industry standard.

17 **Q. HAS SBC RECOGNIZED THE FACT THAT FACTORS OTHER THAN**
18 **PROCESSING CHARGES AND BILLING CHARGES ARE RELEVANT**
19 **AND SHOULD BE ACCOUNTED FOR IN AN ABS AGREEMENT?**

20 A. Yes. Even though SBC's proposed Clearinghouse does not take issues such as
21 uncollectibles into account, SBC did negotiate the ABS Agreement with AT&T,
22 which does account for the costs and risks of billing and collection. It is hard to
23 understand why SBC acknowledges that these factors are relevant to UNE-P

1 ABS, but refuses to recognize the relevance of these factors for facilities-based
2 ABS.

3 **Q. WHAT IS AT&T PROPOSING TO DECIDE THIS ISSUE?**

4 A. AT&T seeks to make these processes subject to a separate negotiated agreement
5 whereby all the details with respect to these billing and collection costs and
6 responsibilities are part of a stand-alone defined agreement. As I stated in my
7 direct testimony, AT&T is prepared to enter into such discussions with SBC at
8 any time. Such an agreement should be separate from the interconnection
9 agreement because billing and collection agreements for retail services provided
10 by third parties are not required by the Act.

11 **Q. HAS AT&T PROPOSED NEW LANGUAGE ADDRESSING**
12 **ALTERNATIVELY BILLED SERVICES – FACILITY BASED**
13 **SERVICES?**

14 A. Yes, AT&T's proposed language is⁴:

15 16.2.1 Recording and billing of alternately billed intrastate intraLATA,
16 local and/or toll calls that terminates to an end user that is serviced by
17 either UNE-P or facility based services will be handled through a separate
18 agreement between the Parties

19 **Q. IS IT COMMON PRACTICE IN THE INDUSTRY FOR THE BILLING**
20 **AND COMPENSATION ARRANGEMENTS FOR SERVICES TO BE IN**
21 **SEPARATE, STAND ALONE AGREEMENTS?**

22 A. Yes. It is not unusual for these agreements to be negotiated independently. For
23 example, SBC and AT&T have negotiated separate, stand alone agreements for
24 ABS UNE-P services and Billing and Collections for LD services.

⁴ Underline represents language proposed by AT&T and opposed by SBC Missouri. Bold represents language proposed by SBC Missouri and opposed by AT&T.

1 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?**

2 A. AT&T urges the Commission to recognize that arrangements for ABS calls do not
3 belong in an interconnection agreement and are not subject to the arbitration
4 requirement of section 252 of the Act. As such, AT&T respectfully requests that
5 the Commission reject SBC's proposed language for this issue, and instead adopt
6 the revised language proposed by AT&T for this issue.

7 **V. INTERCARRIER COMPENSATION**

8 **Q. PLEASE STATE THE PURPOSE OF THIS SECTION OF YOUR**
9 **TESTIMONY.**

10 A. In this section of my testimony, I respond to the testimony of SBC witnesses Mr.
11 Michael Silver and Mr. Scott McPhee concerning Intercarrier Compensation issue
12 2.

13 **Issue 2(a): Should SBC be permitted to dictate in this interconnection**
14 **agreement a requirement that AT&T enter into agreements with third party**
15 **carriers?**

16 **Issue 2(b): Should SBC be protected from liability when carriers depend on**
17 **SBC for records with all relevant information needed to bill the correct party**
18 **and to validate bills they receive?**

19 **Q. HOW DOES SBC CHARACTERIZE THIS ISSUE?**

20 A. SBC describes this issue (SBC Issue 2(a)) as follows:

21 Should AT&T have the sole obligation to enter into compensation
22 arrangements with third party carriers that terminate traffic to AT&T when
23 SBC MISSOURI is the ILEC entity providing the use of the end office
24 switch (e.g., switching capacity) to such third party carrier, and if it does
25 not enter into such arrangements, should it indemnify SBC when the third
26 party carriers seek compensation from SBC?

1 My direct testimony on issues 2(a) and 2(b) frames this matter somewhat
2 differently from SBC's characterization, but both have to do with SBC's proposed
3 Section 8.8 in Attachment 12, Inter-carrier Compensation.

4 **Q. THERE APPEARS TO BE SOME CONFUSION REGARDING THE**
5 **CRUX OF THIS ISSUE. PLEASE CLARIFY WHAT THIS ISSUE IS**
6 **REALLY ABOUT.**

7 A. Mr. Silver (Direct, P. 133) and Mr. McPhee (Direct, P. 58) state that SBC's
8 language is needed to clarify that SBC has a "non-role" in the circumstance of
9 CLEC to CLEC traffic, including UNE-P traffic; that it is the CLEC's
10 responsibility to pay inter-carrier compensation to other carriers for carrying
11 and/or terminating traffic; and that CLECs should hold SBC harmless from any
12 claim related to such CLEC traffic. This representation does not accurately
13 portray the impact of SBC's proposed language and ignores SBC's
14 responsibilities.

15 **Q. WHAT IS THE RAMIFICATION OF SBC'S PROPOSED LANGUAGE?**

16 A. When you read the actual language proposed by SBC, SBC is attempting to
17 dictate AT&T's arrangements with third parties and to require AT&T to
18 indemnify SBC when arrangements as specified by SBC are not completed. As I
19 explained in my direct testimony, and will not repeat here, SBC does not have this
20 right and should not be relieved of liability when it is actually at fault.

21 **Q. YOU PREVIOUSLY REFERRED TO CERTAIN SBC**
22 **RESPONSIBILITIES. PLEASE EXPLAIN THIS.**

23 A. When SBC provides the switching element to a carrier, SBC has the responsibility
24 to (i) provide records to the switching element user that identify the carriers who

1 originated calls and (ii) communicate to terminating carriers the identity of the
2 originating carrier using the SBC switching element to originate calls. Each
3 circumstance requires some explanation.

4 **Q. PLEASE EXPLAIN WHY SBC HAS A RESPONSIBILITY TO PROVIDE**
5 **INFORMATION TO AT&T WHEN AT&T USES SBC'S SWITCHING**
6 **ELEMENT TO TERMINATE CALLS TO ITS END USERS.**

7 A. When AT&T uses the SBC switching element to terminate calls to AT&T's end
8 users, AT&T relies on SBC to provide a daily usage file (the DUF). The DUF
9 record should contain information identifying the carrier that originated the call
10 terminating on the SBC switching element. If SBC fails to provide the identity of
11 the originating carrier in the DUF, AT&T is unable to bill the originating carrier.
12 AT&T has had significant problems with SBC's delivery of complete and
13 accurate DUF records, and has been harmed by SBC's failures in this area.

14 **Q. DOES AT&T NEED ORIGINATING CARRIER IDENTIFICATION**
15 **FROM SBC WHEN IT TERMINATES CALLS THAT ORIGINATES**
16 **FROM A THIRD CARRIER USING THE SBC SWITCHING ELEMENT?**

17 A. Yes. In the situation where a third party carrier using the SBC switching element
18 originates a call that is terminated by AT&T, the terminating record AT&T
19 records at its switch will show the call coming from an SBC switch. This
20 recording would direct AT&T to bill SBC. If SBC does not have a way in its
21 signaling stream, or through some other method, to make known that this call is
22 coming from a different carrier (albeit from SBC's switch), terminating carriers
23 are left to run in circles to figure this out.

1 The same is true when AT&T terminates such a call as a UNE-P provider.
2 The DUF record AT&T receives (as a UNE-P carrier providing terminating
3 service for a call that originated from another UNE-P provider) from SBC will
4 reflect that the call originated from an SBC switch. The DUF does not identify
5 for AT&T the originating CLEC who is using the SBC switching element. AT&T
6 needs that information to bill the third party CLEC. Only SBC has that
7 information, and it should be required to provide it.

8 **Q. GIVEN THE ABOVE DISCUSSION, WOULD YOU SAY THAT SBC IS**
9 **HAS A “ROLE” IN THESE CALLS?**

10 **A.** Absolutely. Mr. Silver states in his testimony that “SBC Missouri’s language
11 simply clarifies its non-role in the CLEC relationship.” (Direct, P. 133) This is
12 not an accurate statement. SBC is involved because it provides the switch, which
13 means that SBC is the only carrier in possession of the information needed by
14 these carriers to properly bill one another and other carriers, such as IXC’s. As a
15 result, SBC has responsibilities toward the carriers involved in these calls to
16 provide relevant information so that these carriers can bill correctly. With its
17 proposal in Section 8.8, SBC seeks to improperly step out and leave other carriers
18 responsible despite the stark reality that SBC is the only carrier with the
19 information that makes proper billing possible.

20 **Q. PLEASE EXPLAIN WHY SBC’S PROPOSED LANGUAGE IN SECTION**
21 **8.8 IS NOT NEEDED IN THOSE SITUATIONS WHERE AT&T USES**
22 **THE SBC SWITCHING ELEMENT TO PROVIDE ORIGINATING AND**
23 **TERMINATING SERVICE TO AT&T CUSTOMERS.**

1 A. AT&T has no objection to dealing directly with third parties for reciprocal
2 compensation when AT&T is using the SBC switching element to serve AT&T
3 customers. In fact, Attachment 12 already has an agreed to provision making that
4 statement:

5 1.8.1 *Where AT&T provides service to an AT&T end user using any*
6 *combination of Network Elements that utilizes an SBC MISSOURI non-*
7 *resale offering whereby SBC MISSOURI provides the end office switching*
8 *on a wholesale basis, AT&T will deal directly with a third party carrier*
9 *for purposes of reciprocal compensation.* The following reciprocal
10 compensation terms shall apply in all cases where AT&T purchases an
11 SBC MISSOURI non-resale offering whereby SBC MISSOURI provides
12 the end office switching on a wholesale basis. These terms and
13 conditions are in addition to the terms and conditions outlined in
14 Attachment 6. SBC MISSOURI is required to provide AT&T with timely,
15 complete and correct information to enable AT&T to meet the
16 requirements of this section. *(emphasis added)*
17

18 As this language makes clear, AT&T has already made the commitment in
19 the contract to deal directly “for purposes of reciprocal compensation” with third
20 party carriers when AT&T is using the SBC switching element to either originate
21 or terminate calls. As a result, SBC’s proposed language requiring AT&T to
22 enter into a compensation “agreement” is unnecessary. Moreover, it goes beyond
23 the requirements of the Act. Section 251(b)(5) of the Act states that all local
24 exchange carriers have a duty to establish reciprocal compensation
25 “arrangements” for the transport and termination of telecommunications. An
26 arrangement may not be a contract. This gives carriers the flexibility to use
27 contracts, tariffs or other informal billing arrangements such as bill and keep.
28 Federal law does not require that AT&T have a contract with every carrier, which

1 is what SBC's proposal requires. Nor is SBC's demand a reasonable one,
2 especially given the fact that AT&T has already agreed to a contract obligation to
3 deal with such carriers directly.

4 **Q. IF AT&T HAS ALREADY AGREED TO DEAL DIRECTLY WITH**
5 **THIRD PARTY CARRIERS, WHY IS SBC PURSUING ITS PROPOSAL**
6 **FOR SECTION 8.8 OF ATTACHMENT 12?**

7 A. I believe it is due at least in part to SBC's failure to provide complete and
8 accurate records. It appears that SBC seeks to protect itself from its failure to
9 perform by imposing a requirement that is virtually unachievable and then
10 expecting indemnification from AT&T on top of that requirement. The
11 indemnification obligation tied to the SBC proposed requirement is overly broad
12 and vague. For example, SBC's proposed language states: "In no event will SBC
13 MISSOURI have *any* liability to AT&T or any third party if AT&T fails to enter
14 into such compensation arrangements." (*emphasis added*) As a result, if AT&T
15 fails to enter into one of these agreements required by SBC and there are no issues
16 of compensation between AT&T and the third party carrier, however, SBC fails to
17 provide AT&T with the DUF records to properly bill, then SBC does not have
18 "any liability" to AT&T for failing to provide those DUF records simply because
19 AT&T has no contract regarding reciprocal compensation with that third party
20 carrier. That is the wrong result and certainly the wrong incentive to give SBC.

21 In addition to being overreaching, the indemnification requirement SBC
22 proposes in its Section 8.8 is unnecessary. The parties already have agreed to
23 indemnification language in Section 7.3.1 of the General Terms and Conditions

1 portion of the agreement being arbitrated. That, together with AT&T's
2 commitment in Attachment 12, Section 1.8.1 set forth above, is ample protection
3 for SBC.

4 **Q. PLEASE EXPLAIN WHY SBC'S ATTEMPT TO MAKE AT&T**
5 **RESPONSIBLE FOR INDEMNIFYING SBC WHEN A THIRD PARTY IS**
6 **USING SBC SWITCHING ELEMENT TO ORIGINATE OR TERMINATE**
7 **TRAFFIC IS IMPROPER.**

8 A. In the situation where a third party (a carrier other than AT&T) uses the SBC
9 switch to provide service to the third party's end user customers. SBC is
10 attempting to make it AT&T's responsibility to enter into agreements with that
11 third party (and every other third party who might provide service in the same
12 manner) to take care of the possibility that such third party will improperly bill
13 SBC in connection with calls transmitted between the third party and AT&T. If
14 SBC is selling the switching element to a third party carrier, then SBC should
15 make arrangements with that third party carrier that are appropriate for this
16 protection. As I have demonstrated above, adequate protection is already built
17 into the agreement being arbitrated between AT&T and SBC in Sections 1.8.1 of
18 Attachment 12 and Section 7.3.1 of the General Terms and Conditions. Since
19 SBC is selling the switching element to such third party carriers, it is SBC's
20 obligation to care for this in its agreements with those carriers. SBC should not
21 shift the burden for that protection onto AT&T; in fact, it is unreasonable to do so.
22 Moreover, AT&T should not be liable for SBC's failure to make proper
23 arrangements with its switching customers. Also, as mentioned above, without
24 information from SBC, the terminating carrier will not know that, while the SBC

1 switch is being used, a different carrier is responsible for the call termination
2 charges.

3 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?**

4 A. AT&T respectfully requests that the Commission reject SBC's proposed Section
5 8.8 in Attachment 12.

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

7 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

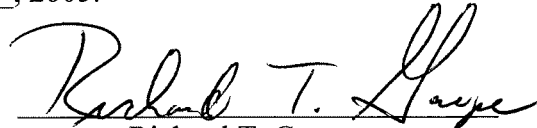
Southwestern Bell Telephone, L. P.)
d/b/a/ SBC Missouri's Petition for)
Compulsory Arbitration of Unresolved)
Issues for a Successor Interconnection)
Agreement to the Missouri 271)
Agreement ("M2A"))

Case No. TO-2005-0336

AFFIDAVIT OF RICHARD T. GUEPE

I, Richard T. Guepe, being duly sworn, state that I am employed by AT&T Corp. I have participated in the preparation of the attached Rebuttal Testimony in question and answer form to be presented in this case, and the answers were given by me. I have knowledge of the matters set forth in such answers and that such answers are true and correct to the best of my knowledge and belief.

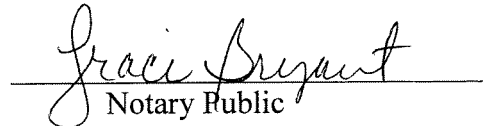
Dated this 18th day of May, 2005.


Richard T. Guepe

STATE OF GEORGIA)
COUNTY OF FULTON)

SUBSCRIBED AND SWORN TO before me this 18th day of May, 2005 by Richard T. Guepe who certifies that the foregoing is true and correct to the best of his knowledge and belief.

Witness my hand and official seal.


Notary Public

My Commission expires:

November 18, 2005