

Exhibit No. \_\_\_\_\_  
Issues: General Terms and  
Conditions, Issues 10-13  
Witness: LINDA E. SHIPMAN  
Type of Exhibit: Direct Testimony  
Party: Sprint Communications, L.P.  
Case No. TO-2005-0336

**BEFORE THE PUBLIC SERVICE COMMISSION**

**STATE OF MISSOURI**

|                                                 |          |                              |
|-------------------------------------------------|----------|------------------------------|
| <b>Southwestern Bell Telephone, L.P., d/b/a</b> | <b>)</b> |                              |
| <b>SBC Missouri's Petition for Compulsory</b>   | <b>)</b> | <b>Case No. TO-2005-0336</b> |
| <b>Arbitration of Unresolved Issues for a</b>   | <b>)</b> |                              |
| <b>Successor Interconnection Agreement to</b>   | <b>)</b> |                              |
| <b>the Missouri 271 Agreement ("M2A")</b>       | <b>)</b> |                              |

**DIRECT TESTIMONY**

**OF**

**LINDA E. SHIPMAN**

**ON BEHALF OF**  
**SPRINT COMMUNICATIONS COMPANY, L.P..**

**MAY 9, 2005**

**SECTION I -- INTRODUCTION**

1   **Q.     Please state your name, title and business address.**

2   **A.**My name is Linda E. Shipman. I am a Manager in Access Verification, for Sprint  
3           Corporation. My business address is 6500 Sprint Parkway, Mailstop  
4           KSOPHL0402-4A600, Overland Park, Kansas 66251.

5  
6   **Q.     Please summarize your educational and professional background.**

7   **A.**I am a Certified Public Accountant (CPA), having received a Bachelor of Science  
8           degree in Business Administration in Accounting and Finance from Kansas State  
9           University, in May 1991.

10

11          From 1991 to 1996, I was employed by the public accounting firm of Baird, Kurtz  
12          & Dobson where I performed financial audits of small to medium-sized  
13          companies. From 1997 to May of 1998, I was the accounting manager of a local  
14          hospital, Overland Park Regional Medical Center. I supervised the general  
15          accounting, payroll, accounts payable and cashiering functions.

16          In 1998, I joined Sprint as a senior financial analyst. In this position I was  
17          responsible for the monthly close of accounts, forecasting and budgeting of 75  
18          cost centers in our information services group.

19          In 1999, I joined the Sprint Access Verification department as a Supervisor. This  
20          department audits access invoices from Local Exchange Carriers. I was promoted  
21          to my current position of Manager in November 2003.

1   **Q.    Have you testified before any regulatory commissions?**

2   **A.    No.**

3

4   **Q.    On whose behalf are you testifying?**

5   **A.    I am testifying on behalf of Sprint Communications Company, L.P (hereafter**  
6           referred to as “Sprint”).

7

8   **Q.    What is the purpose of your Direct Testimony?**

9   **A.    The purpose of my Direct Testimony is to provide Sprint’s positions regarding the**  
10          following 4 outstanding issues:

11          1. Advanced Deposits: SBC Sections 7-7.10, General Terms and Conditions,  
12             Issue number 10, “Is it reasonable for SBC Missouri to require a deposit from  
13             all parties, and, if yes, what are the appropriate terms and conditions for such  
14             a deposit?”

15          2. Dispute Procedures: SBC Sections 8.4-8.8, General Terms and Conditions,  
16             Issue number 11, “Should GT&Cs contain specific guidelines for the method  
17             of conducting business transactions pertaining to the rendering of bills, the  
18             remittance of payments and disputes arising there under?”

19          3. Escrow Account: SBC Sections 9.3-9.5, General Terms and Conditions, Issue  
20             number 12, “Should CLEC be required to deposit disputed funds into an  
21             interest bearing escrow account?”

22          4. Billing Claim Dispute Form: SBC Sections 10.4, General Terms and  
23             Conditions, Issue number 13, (a) “Should SBC be allowed to require CLEC to

1 use a specific form for submitting billing disputes?” and (b) “Should SBC be  
2 obligated to review all CLEC billing disputes if the disputed amount is not  
3 placed in escrow?”

4  
5 **Q. Please summarize your Direct Testimony?**

6 **A.** My direct testimony is to present Sprint’s positions regarding deposits, rendering  
7 of payments and disputes, and escrow accounts for local services. Specifically,  
8 Sprint is adamantly opposed to SBC’ proposed contract language mandating (a)  
9 advanced deposits, (b) interest-bearing escrow accounts for disputed billings, and  
10 (c) a specific Billing Claim Dispute Form. Sprint submits that SBC’s proposed  
11 billing practices are burdensome, unnecessary, and costly for Sprint to implement.

12  
13 **SECTION II – UNRESOLVED ISSUE DISCUSSION**

14 **Q. Please state your first unresolved issue.**

15 **A.** My first unresolved issue regards the Advanced Deposits requirements contained  
16 within SBC’s proposed Section 7 (General Terms and Conditions). The specific  
17 Issue Statement is: “Is it reasonable for SBC Missouri to require a deposit from all  
18 parties, and, if yes, what are the appropriate terms and conditions for such a  
19 deposit?”

20  
21 **Q. What is Sprint’s desired outcome for this issue?**

22 **A.** Sprint submits that the following SBC proposed section should be eliminated  
23 from the final Interconnection Agreement.

1                   7. ASSURANCE OF PAYMENT  
2

3                   7.1 Upon request by SBC-13STATE, CLEC will provide SBC-13STATE  
4 with adequate assurance of payment of amounts due (or to become due) to  
5 SBC-13STATE.  
6

7                   7.2 Assurance of payment may be requested by SBC-12STATE if:  
8

9                   7.2.1 at the Effective Date CLEC had not already established  
10 satisfactory credit by having made at least twelve (12) consecutive months  
11 of timely payments to SBC-13STATE for charges incurred as a CLEC; or  
12

13                   7.2.2 in SBC-12STATE's reasonable judgment, at the Effective Date or  
14 at any time thereafter, there has been an impairment of the established  
15 credit, financial health, or credit worthiness of CLEC. Such impairment  
16 will be determined from information available from financial sources,  
17 including but not limited to Moody's, Standard and Poor's, and the Wall  
18 Street Journal. Financial information about CLEC that may be considered  
19 includes, but is not limited to, investor warning briefs, rating downgrades,  
20 and articles discussing pending credit problems; or  
21

22                   7.2.3 CLEC fails to timely pay a bill rendered to CLEC by SBC-  
23 12STATE (except such portion of a bill that is subject to a good faith,  
24 bona fide dispute and as to which CLEC has complied with all  
25 requirements set forth in Section 9.3); or  
26

27                   7.2.4 CLEC admits its inability to pay its debts as such debts become  
28 due, has commenced a voluntary case (or has had an involuntary case  
29 commenced against it) under the U.S. Bankruptcy Code or any other law  
30 relating to insolvency, reorganization, winding-up, composition or  
31 adjustment of debts or the like, has made an assignment for the benefit of  
32 creditors or is subject to a receivership or similar proceeding.  
33

34                   7.3 Unless otherwise agreed by the Parties, the assurance of payment will,  
35 at SBC-12STATE's option, consist of  
36

37                   7.3.1 a cash security deposit in U.S. dollars held by SBC-12STATE  
38 ("Cash Deposit") or  
39

40                   7.3.2 an unconditional, irrevocable standby bank letter of credit from a  
41 financial institution acceptable to SBC-12STATE naming the SBC-owned  
42 ILEC(s) designated by SBC-12STATE as the beneficiary(ies) thereof and  
43 otherwise in form and substance satisfactory to SBC-12STATE ("Letter of  
44 Credit").  
45

1 7.3.3 The Cash Deposit or Letter of Credit must be in an amount equal  
2 to three (3) months anticipated charges (including, but not limited to,  
3 recurring, non-recurring and usage sensitive charges, termination charges  
4 and advance payments), as reasonably determined by SBC-12STATE, for  
5 the Interconnection, Resale Services, Lawful Unbundled Network  
6 Elements, Collocation or any other functions, facilities, products or  
7 services to be furnished by SBC-12STATE under this Agreement.  
8

9 7.3.3.1 Notwithstanding anything else set forth in this Agreement, SBC  
10 SOUTHWEST REGION 5-STATE will not request assurance of payment  
11 of charges reasonably anticipated by SBC SOUTHWEST REGION 5-  
12 STATE to be incurred in Arkansas in an amount that would exceed one  
13 (1) month's projected bill for CLEC's initial market entry; provided,  
14 however, that after three (3) months of operation, SBC SOUTHWEST  
15 REGION 5-STATE may request assurance of payment of charges  
16 reasonably anticipated by SBC SOUTHWEST REGION 5-STATE to be  
17 incurred in Arkansas in an amount not to exceed two times projected  
18 average monthly billing to CLEC.  
19

20 7.3.3.2 Notwithstanding anything else set forth in this Agreement, SBC  
21 SOUTHWEST REGION 5-STATE will not request assurance of payment  
22 of charges reasonably anticipated by SBC SOUTHWEST REGION 5-  
23 STATE to be incurred in Oklahoma in an amount that would exceed two  
24 times projected average monthly billing to CLEC.  
25

26 7.4 To the extent that SBC-12STATE elects to require a Cash Deposit, the  
27 Parties intend that the provision of such Cash Deposit shall constitute the  
28 grant of a security interest in the Cash Deposit pursuant to Article 9 of the  
29 Uniform Commercial Code in effect in any relevant jurisdiction.  
30

31 7.5 A Cash Deposit will accrue interest, however, SBC-12STATE will not  
32 pay interest on a Letter of Credit.  
33

34 7.6 SBC-12STATE may, but is not obligated to, draw on the Letter of  
35 Credit or the Cash Deposit, as applicable, upon the occurrence of any one  
36 of the following events:  
37

38 7.6.1 CLEC owes SBC-12STATE undisputed charges under this  
39 Agreement that are more than thirty (30) calendar days past due; or  
40

41 7.6.2 CLEC admits its inability to pay its debts as such debts become  
42 due, has commenced a voluntary case (or has had an involuntary case  
43 commenced against it) under the U.S. Bankruptcy Code or any other law  
44 relating to insolvency, reorganization, winding-up, composition or  
45 adjustment of debts or the like, has made an assignment for the benefit of  
46 creditors or is subject to a receivership or similar proceeding; or

1  
2 7.6.3 The expiration or termination of this Agreement.  
3

4 7.7 If SBC-12STATE draws on the Letter of Credit or Cash Deposit, upon  
5 request by SBC-12STATE, CLEC will provide a replacement or  
6 supplemental letter of credit or cash deposit conforming to the  
7 requirements of Section 7.3.  
8

9 7.8 Notwithstanding anything else set forth in this Agreement, if SBC-  
10 12STATE makes a request for assurance of payment in accordance with  
11 the terms of this Section, then SBC-12STATE shall have no obligation  
12 thereafter to perform under this Agreement until such time as CLEC has  
13 furnished SBC-12STATE with the assurance of payment requested;  
14 provided, however, that SBC-12STATE will permit CLEC a minimum of  
15 ten (10) Business Days to respond to a request for assurance of payment  
16 before invoking this Section.  
17

18 7.8.1 If CLEC fails to furnish the requested adequate assurance of  
19 payment on or before the date set forth in the request, SBC-12STATE may  
20 also invoke the provisions set forth in Section 9.5 through Section 9.7.  
21

22 7.9 The fact that a Cash Deposit or Letter of Credit is requested by SBC-  
23 12STATE shall in no way relieve CLEC from timely compliance with all  
24 payment obligations under this Agreement (including, but not limited to,  
25 recurring, non-recurring and usage sensitive charges, termination charges  
26 and advance payments), nor does it constitute a waiver or modification of  
27 the terms of this Agreement pertaining to disconnection or re-entry for  
28 non-payment of any amounts required to be paid hereunder.  
29

30 7.10 For adequate assurance of payment of amounts due (or to become  
31 due) to SBC CONNECTICUT, see the applicable DPUC ordered tariff.  
32

33 **Q. Does the current language provide for appropriate terms and conditions**  
34 **regarding when a deposit will be required?**

35 **A.** No. Sprint believes SBC's proposed terms are unnecessary, too broad, and non-  
36 reciprocal. The first unnecessary condition is within Section 7.2.1 and states that  
37 the CLEC must provide SBC with a deposit unless the CLEC has "at least 12  
38 consecutive months of timely payments". SBC could invoke this contract clause  
39 even if Sprint was late by a single day in one of the previous 12 months. SBC

1 would have already assessed Sprint late payment charges on any unpaid balance  
2 and to further require deposits is patently abusive.

3  
4 Also, SBC proposed contract section 7.2.2 includes the broadly stated condition,  
5 “if, in SBC-12STATE’s reasonable judgment...there has been an impairment of  
6 the established credit, financial health, or credit worthiness of CLEC” a deposit  
7 could be required. This would give SBC virtually unlimited power to exercise the  
8 deposit requirement, regardless of how small the actual risk of non-payment.  
9 Given the expense to Sprint to provide a deposit, the terms of this requirement  
10 should be very specific and limited, so the requirement could be invoked only in  
11 the event the risk of non-payment to SBC is serious and imminent.

12

13

14 **Q. Does SBC allow for Sprint to challenge their “reasonable judgment”**  
15 **regarding the need to require a deposit?**

16 **A.** No. SBC exercises unilateral authority on deeming when a deposit is required.

17

18 **Q. Does the proposed language set forth a reasonable deposit amount?**

19 **A.** No. The required deposit “must be in an amount equal to three months  
20 anticipated charges...as reasonably determined by SBC-12STATE”. This  
21 language is too broad and excessive, as the amount could include charges for  
22 every state in which the parties do business even though the payment issue may  
23 only be present in one state.



1

2 **Q. Does the proposed deposit language provide for billed charges in dispute?**

3 **A.** No. The deposit is required of all billed charges, regardless of good faith disputes  
4 made by the CLEC. It is unreasonable to require a deposit be made for charges  
5 that the CLEC believes are inaccurate. Sprint does not file frivolous billing  
6 dispute claims. In fact, our historical record is that 70% of all billing dispute  
7 claims filed are resolved in Sprint's favor. (This record is for disputes with all  
8 billing carriers for access and reciprocal compensation billed to Sprint.)

9

10 **Q. Should SBC's position regarding the need for a deposit due to current**  
11 **financial conditions in the industry be applied unilaterally to all CLECs?**

12 **A.** A. No. Placing this additional burden and expense on Sprint is unwarranted,  
13 in view of the minimal risk to SBC. Sprint should not be penalized for SBC's  
14 general opinion of the entire CLEC industry.

15

16 **Q. Please state your second unresolved issue.**

17 **A.** My second unresolved issue regards Billing Disputes contained within Section 8  
18 (General Terms and Conditions). Specifically, the Issue Statement is as follows:  
19 "Should General Terms and Conditions contain specific guidelines for the method  
20 of conducting business transactions pertaining to the rendering of bills, the  
21 remittance of payments and disputes arising there under?"

1   **Q.    What is Sprint’s desired outcome for this issue?**

2   **A.**First, in Section 8.4, Sprint is seeking to eliminate SBC’s arbitrarily imposed  
3           condition that any billing dispute must be made before the invoice due-date  
4           (Sprint seeks to eliminate the bolded language):

5                   8.4    If any portion of an amount due to a Party (the “Billing Party”)  
6                           under this Agreement is subject to a bona fide dispute between the  
7                           Parties, the Party billed (the “Non-Paying Party”) must, **prior to**  
8                           **the Bill Due Date**, give written notice to the Billing Party of the  
9                           amounts it disputes (“Disputed Amounts”) and include in such  
10                          written notice the specific details and reasons for disputing each  
11                          item listed in Section 10.4.1.

12  
13           Second, Sprint is seeking to eliminate the burdensome and unnecessary escrow  
14           conditions (eliminate Sections 8.5 and 8.6 in their entirety) proposed by SBC:

15                   8.5    Disputed Amounts in escrow will be subject to Late Payment  
16                           Charges as set forth in Section 8.1.5.

17  
18                   8.6    Requirements to Establish Escrow Accounts.

19  
20                   8.6.1   To be acceptable, the Third Party escrow agent must meet all of  
21                           the following criteria:

22  
23                   8.6.1.1 The financial institution proposed as the Third Party escrow agent  
24                           must be located within the continental United States;

25  
26                   8.6.1.2 The financial institution proposed as the Third Party escrow agent  
27                           may not be an Affiliate of either Party; and

28  
29                   8.6.1.3 The financial institution proposed as the Third Party escrow agent  
30                           must be authorized to handle ACH (credit transactions) (electronic funds)  
31                           transfers.

32  
33                   8.6.2   In addition to the foregoing requirements for the Third Party  
34                           escrow agent, the disputing Party and the financial institution proposed as  
35                           the Third Party escrow agent must agree in writing furnished to the Billing  
36                           Party that the escrow account will meet all of the following criteria:

37  
38                   8.6.2.1 The escrow account must be an interest bearing account;

39

1 8.6.2.2 all charges associated with opening and maintaining the escrow  
2 account will be borne by the disputing Party;  
3

4 8.6.2.3 that none of the funds deposited into the escrow account or the  
5 interest earned thereon may be used to pay the financial institution's  
6 charges for serving as the Third Party escrow agent;  
7

8 8.6.2.4 all interest earned on deposits to the escrow account will be  
9 disbursed to the Parties in the same proportion as the principal; and  
10

11 8.6.2.5 disbursements from the escrow account will be limited to those:  
12

13 8.6.2.5.1 authorized in writing by both the disputing Party and the  
14 Billing Party (that is, signature(s) from representative(s) of the disputing  
15 Party only are not sufficient to properly authorize any disbursement); or  
16

17 8.6.2.5.2 made in accordance with the final, non-appealable order of  
18 the arbitrator appointed pursuant to the provisions of Section 10.7; or  
19

20 8.6.2.5.3 made in accordance with the final, non-appealable order of  
21 the court that had jurisdiction to enter the arbitrator's award pursuant to  
22 Section 10.7.  
23

24 8.6.3 Disputed Amounts in escrow will be subject to Late Payment  
25 Charges as set forth in Section 8.1.5.  
26

27 8.6.4 Issues related to Disputed Amounts shall be resolved in accordance  
28 with the procedures identified in the Dispute Resolution provisions set  
29 forth in Section 10.  
30

31 Third, Sprint is seeking to (a) eliminate Section 8.7.1.1 and Section 8.7.1.3 in  
32 their entirety and (b) modify Section 8.7.1.2 in order to remove yet more  
33 burdensome procedures regarding procedures for disputed billing (Sprint seeks to  
34 eliminate bolded language of 8.7.1.2):  
35

36 8.7.1.1 within ten (10) Business Days after resolution of the dispute, the  
37 portion of the escrowed Disputed Amounts resolved in favor of the Non-  
38 Paying Party will be released to the Non-Paying Party, together with any  
39 interest accrued thereon;  
40

41 8.7.1.2 no later than the Second Bill Due Date after resolution of the  
42 dispute; within ten (10) **Business Days after resolution of the dispute,**

1 the portion of the **escrowed** Disputed Amounts resolved in favor of the  
2 Billing Party will be **paid by the Non-Paying Party released** to the  
3 Billing Party, together with any interest accrued thereon; **and**

4  
5 8.7.1.3 no later than the third Bill Due Date after the resolution of the  
6 dispute, the Non-Paying Party will pay the Billing Party the difference  
7 between the amount of accrued interest the Billing Party received from the  
8 escrow disbursement and the amount of Late Payment Charges the Billing  
9 Party is entitled to receive pursuant to Section 8.1.5.

10  
11 Note: Section 8.8 referenced Section 8.7.1.3 and will need to be modified  
12 accordingly.

13  
14 **Q. Is it a common accepted business practice to notify the Billing Party of**  
15 **anticipated disputes in advance of payment due date?**

16 **A.** No. The established industry practice, including the current business relationship  
17 between Sprint and SBC, is to first audit an invoice, and then file any disputes  
18 with or shortly after payment for undisputed charges. It is not common industry  
19 practice nor reasonable to expect Sprint to review all invoices well in advance of  
20 the payment due date to determine if a billing dispute will be filed.

21  
22 **Q. Is it common business practice to require all disputed amounts be placed in**  
23 **escrow?**

24 **A.** No. Sprint does not escrow billing disputes in the normal course of business. An  
25 escrow account for disputed charges under this Agreement would be particularly  
26 burdensome, given the fact that there can be a large number of billing disputes,  
27 many for relatively small individual dollar amounts. It can take a year or more to  
28 resolve complex billing issues. Additional resources would be needed to track  
29 and reconcile the escrow account deposits, balances and payments, especially

1 given the fact that billing disputes may be filed and resolved on multiple accounts  
2 each month.

3  
4 **Q. Please state your third unresolved issue.**

5 **A.** My third unresolved issue regards interest bearing escrow accounts contained  
6 within Section 9 of the contract and is related to Issue #2 above which pertains to  
7 escrow accounts within Section 8. The specific Issue Statement is “Should CLEC  
8 be required to deposit disputed funds into an interest bearing escrow account?”

9  
10 **Q. What is Sprint’s desired outcome for this issue?**

11 **A.** First, Sprint is seeking to eliminate Section 9.3.3 and Section 9.3.4 in their  
12 entirety:

13 9.3.3 pay all Disputed Amounts [other than disputed charges arising  
14 from Appendix Reciprocal Compensation] into an interest bearing escrow  
15 account that complies with the requirements set forth in Section 8.4; and

16  
17 9.3.4 furnish written evidence to the Billing Party that the Non-Paying  
18 Party has established an interest bearing escrow account that complies  
19 with all of the terms set forth in Section 8.4 and deposited a sum equal to  
20 the Disputed Amounts [other than disputed charges arising from Appendix  
21 Reciprocal Compensation] into that account. Until evidence that the full  
22 amount of the Disputed Charges [other than disputed charges arising from  
23 Appendix Reciprocal Compensation] has been deposited into an escrow  
24 account that complies with Section 8.4 is furnished to the Billing Party,  
25 such Unpaid Charges will not be deemed to be “disputed” under Section  
26 10.  
27

28 Second, in Section 9.5.1, Sprint is seeking to eliminate item (b) regarding interest  
29 bearing escrow accounts:

30 9.5.1 If the Non-Paying Party fails to (a) pay any undisputed Unpaid  
31 Charges in response to the Billing Party’s Section 9.2 notice, **(b) deposit**

1           **the disputed portion of any Unpaid Charges into an interest bearing**  
2           **escrow account that complies with all of the terms set forth in Section**  
3           **8.4 within the time specified in Section 9.3,** (c) timely furnish any  
4           assurance of payment requested in accordance with Section 7 or (d) make  
5           a payment in accordance with the terms of any mutually agreed payment  
6           arrangement, the Billing Party may, in addition to exercising any other  
7           rights or remedies it may have under Applicable Law, provide written  
8           demand to the Non-Paying Party for payment of any of the obligations set  
9           forth in (a) through (d) of this Section within ten (10) Business Days. On  
10          the day that the Billing Party provides such written demand to the Non-  
11          Paying Party, the Billing Party may also exercise any or all of the  
12          following options:  
13

14   **Q.    Is it reasonable for SBC to refuse to recognize charges as disputed until such**  
15           **charges are placed in escrow?**

16   **A.**   No. See issue number two above for Sprint's position against the use of escrow  
17          accounts. Sprint also objects to unilateral requirements for forfeiture of rights to  
18          dispute. This condition is inconsistent with the dispute window of 12 months  
19          stated elsewhere in Section 8 of the Agreement, which has not been contested by  
20          the parties  
21

22   **Q.    Please state your fourth unresolved issue.**

23   **A.**   My fourth unresolved issue regards the "Billing Claim Dispute Form" SBC  
24          proposes in Section 10.4 and further escrow requirements contained within  
25          Section 10.4.1 The specific Issue Statement is "Should SBC be allowed to require  
26          CLEC to use a specific form for submitting billing disputes? Should SBC be  
27          obligated to review all CLEC billing disputes if the disputed amount is not placed  
28          in escrow?"

1   **Q.     What is Sprint’s desired outcome for this issue?**

2   **A.     First, in Section 10.4, Sprint seeks to eliminate the last sentence which mandates**  
3       Sprint use a specific SBC form for billing disputes:

4               10.4   LSC/Service Center/LEC-C Dispute Resolution - the following  
5               Dispute Resolution procedures will apply with respect to any billing  
6               dispute arising out of or relating to the Agreement. **Written notice sent**  
7               **to SBC-13STATE for Disputed Amounts must be made on the “13**  
8               **STATE Billing Claims Dispute Form”.**  
9

10           Second, in Section 10.4.1, Sprint seeks to eliminate the last two sentences which  
11           mandates disputed funds be placed into an escrow account or paid in full during  
12           the dispute process:

13               10.4.1 If the written notice given pursuant to Section 10.3 discloses that a  
14               CLEC dispute relates to billing, then the procedures set forth in this  
15               Section 10.4 shall be used and the dispute shall first be referred to the  
16               appropriate service center SBC MIDWEST REGION 5-STATE Service  
17               Center; SBC-7STATE Local Service Center (LSC); SBC  
18               CONNECTICUT Local Exchange Carrier Center (LEC-C)] for resolution.  
19               In order to resolve a billing dispute, CLEC shall furnish SBC-13STATE  
20               written notice of (i) the date of the bill in question, (ii) CBA/ESBA/ASBS  
21               or BAN number of the bill in question, (iii) telephone number, circuit ID  
22               number or trunk number in question, (iv) any USOC information relating  
23               to the item questioned, (v) amount billed and (vi) amount in question and  
24               (vii) the reason that CLEC disputes the billed amount. **To be deemed a**  
25               **“dispute” under this Section 10.4, CLEC must provide evidence that**  
26               **it has either paid the disputed amount or established an interest**  
27               **bearing escrow account that complies with the requirements set forth**  
28               **in Section 8.4 of this Agreement and deposited all Unpaid Charges**  
29               **relating to Resale Services and Lawful Unbundled Network Elements**  
30               **into that escrow account. Failure to provide the information and**  
31               **evidence required by this Section 10.4.1 not later than twenty-nine**  
32               **(29) calendar days following the Bill Due Date shall constitute CLEC’s**  
33               **irrevocable and full waiver of its right to dispute the subject charges.**

1    **Q.    Is there a working dispute resolution process in place today?**

2    **A.**    Yes. Sprint and SBC have agreed to the use of a Microsoft Excel spreadsheet  
3           with essentially the same information as SBC's form. This process is established  
4           and is working for both companies. It is already a manual process for Sprint, but  
5           being compelled to utilize a SBC form to convey a dispute would be an expensive  
6           and unnecessary burden to Sprint.

7

8    **Q.    Is it reasonable to demand that disputed charges be paid or placed in escrow**  
9           **in order for SBC to deem the charges in dispute?**

10   **A.**    No. As stated in the third issue above, Sprint objects to escrow accounting, and  
11           the use of such requirements in order to file disputes.

12

13   **SECTION III – CONCLUSION**

14

15   **Q.    Please summarize your Direct Testimony.**

16   **A.**    Sprint submits that any requirement of deposits or escrow balances in SBC's  
17           proposed language is unnecessary, overly broad and non-reciprocal. Sprint also  
18           contends that the current dispute filing and reporting process is adequate, and that  
19           SBC's proposed language is unreasonable.

20

21   **Q.    Does this conclude your testimony?**

22   **A.**    Yes.



**BEFORE THE PUBLIC SERVICE COMMISSION  
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 LINDA E. SHIPMAN**

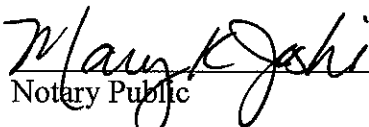
STATE OF KANSAS            )  
                                      ) ss:  
COUNTY OF JOHNSON        )

I, Linda E. Shipman, being of lawful age and duly sworn, state the following:

1. I am currently Access Verification Manager for Sprint Communications Company L.P.
2. I have participated in the preparation of the attached Direct Testimony in question and answer form to be presented in the above entitled case;
3. The answers in the attached Direct Testimony were given by me; and,
4. I have knowledge of the matters set forth in such answers and that such matters are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Linda E. Shipman

Subscribed and sworn to before me on this 9<sup>th</sup> day of May, 2005.

  
\_\_\_\_\_  
Notary Public

My Appointment Expires:

MARCH 5, 2009

