

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

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

REBUTTAL TESTIMONY

OF

LINDA E. SHIPMAN

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

MAY 19, 2005

**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)

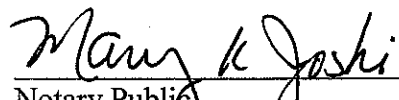
I, Linda E. Shipman, being of lawful age and duly sworn, state the following:

1. I am currently Access Verification Manager for Sprint Communications Company L.P.
2. I have participated in the preparation of the attached Rebuttal Testimony in question and answer form to be presented in the above entitled case;
3. The answers in the attached Rebuttal 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

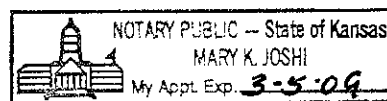
Subscribed and sworn to before me on this 19th day of May, 2005.



Notary Public

My Appointment Expires:

March 5, 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
3 Sprint Corporation. My business address is 6500 Sprint Parkway, Mailstop
4 KSOPHL0402-4A600, Overland Park, Kansas 66251.

5 **Q. Are you the same Linda E. Shipman that filed direct testimony in this**
6 **proceeding on May 9, 2005?**

7 **A.**Yes.

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

9 **A.**The purpose of my Rebuttal Testimony is to address the following issues raised
10 in SBC Direct Testimony provided by Ms. Suzette Quate. The following issues
11 are addressed in my rebuttal testimony:

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

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

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

1 4. Billing Claim Dispute Form: SBC Sections 10.4, General Terms and
2 Conditions, Issue number 13, (a) “Should SBC be allowed to require CLEC to use
3 a specific form for submitting billing disputes?” and (b) “Should SBC be
4 obligated to review all CLEC billing disputes if the disputed amount is not placed
5 in escrow?”

6
7 **Q. Please summarize Sprint's position regarding these issues.**

8 **A.** Sprint is adamantly opposed to SBC’s proposed contract language mandating (a)
9 advanced deposits, (b) notification to SBC of disputes in advance of bill due date,
10 (c) interest-bearing escrow accounts for disputed billings, and (d) specific Billing
11 Claim Dispute Form. Sprint submits that SBC’s proposed billing practices are
12 unduly burdensome, unnecessary, and costly for Sprint to implement as indicated
13 further in my testimony below.

14
15 **SECTION II – DISCUSSION OF UNRESOLVED ISSUES IN SBC’s DIRECT**
16 **TESTIMONY**

17 **Q. Regarding your first unresolved issue pertaining to Advanced Deposits, does**
18 **SBC’s issue statement adequately address Sprint’s concerns?**

19 **A.** No. SBC’s issue statement attributed to Sprint is “What are the appropriate
20 terms and conditions for such a deposit?” This statement does not fully address
21 Sprint’s concerns. The issue statement should be “Is it reasonable for SBC
22 Missouri to require a deposit from all parties, and, if yes, what are the appropriate
23 terms and conditions for such a deposit?”

1

2 **Q. Does SBC's testimony provide for a reasonable proposal to determine if a**
3 **deposit is required?**

4 **A.** No. SBC witness Ms. Quate states (at page 51) that "SBC Missouri also
5 proposes that the Paying Party's failure to timely pay a bill rendered to it,
6 excluding disputed amounts, should trigger deposit requirements." As stated in
7 my direct testimony on page 6, the ability to require a deposit in the amount equal
8 to three months anticipated charges, for the late payment of one invoice is
9 unreasonable. Given the proposed contract language in dispute here, SBC could
10 invoke this contract clause even if Sprint was inadvertently late in submitting
11 payment by only a single day in one of the previous 12 months.

12

13 **Q. Does SBC's testimony regarding impairment of financial health or**
14 **creditworthiness accurately represent their proposed language on this issue?**

15 **A.** No. SBC witness Ms. Quate's testimony (at page 50) indicates that "SBC
16 Missouri's proposed triggers for determining impaired creditworthiness are based
17 on concrete, clearly defined and objective criteria." However, the SBC proposed
18 language states in Section 7.2.2 that "Financial information about CLEC that may
19 be considered includes, **but is not limited to**, investor warning briefs, rating
20 downgrades, and articles discussing pending credit problems". Sprint contends
21 that this language is not entirely defined, which would allow SBC to require a
22 deposit based upon their unilateral authority.

23

1 **Q. Regarding your second unresolved issue pertaining to Dispute Procedures, is**
2 **Sprint's payment unknown on the invoice due date?**

3 **A.** No. SBC witness Ms. Quate states (on page 30) that "it is unreasonable and
4 unacceptable that SBC Missouri should be left in the dark on the bill due date as
5 to whether Sprint is going to pay." This statement is misleading as I have
6 previously outlined in my direct testimony on page 11, Sprint remits payment of
7 undisputed charges on the bill due date and files any disputes that day or within
8 several business days.

9
10 **Q. Does SBC review disputes immediately upon their submission?**

11 **A.** No. It has been Sprint's experience that SBC generally reviews disputes 21 to 30
12 days after their submission. Therefore, Sprint does not believe it is necessary to
13 file disputes in advance of the bill due date.

14
15 **Q. Does SBC's escrow language ensure that Sprint will not be required to**
16 **escrow funds?**

17 **A.** No. SBC Witness Ms. Quate states (on pages 30 and 31) that "SBC Missouri's
18 language is reasonable in that it allows Sprint to avoid escrowing funds so long as
19 it maintains its good credit history". This is contrary to SBC's proposed language
20 in section 9.3.3, which requires all disputes to be deposited in an escrow account.
21 As I stated in my direct testimony on page 11 it is unreasonable to require a
22 deposit be made for charges that Sprint believes are inaccurate.

1

2 **Q. Regarding your third issue pertaining to Escrow, does SBC provide for any**
3 **exceptions to the escrow provision for disputed charges?**

4 **A.** No. SBC witness Ms. Quate indicates (on pages 26 and 27) that there are three
5 proposed exceptions that a CLEC has in order to avoid escrowing disputes, which
6 is in direct contradiction with her testimony beginning with line 18 on page 26
7 and beginning with testimony on page 31. It is also contrary to SBC's proposed
8 contract language in Section 9.3.3, which states "pay all Disputed Amounts [other
9 than disputed charges arising from Appendix Reciprocal Compensation] into an
10 interest bearing escrow account".

11

12 **Q. Should Sprint be required to escrow disputed charges?**

13 **A.** No. On page 31 of her testimony, Ms. Quate, SBC Witness, indicates that Sprint
14 should be able to avoid escrowing funds so long as we maintain our good credit
15 history, which infers that she believes it is unnecessary for Sprint to escrow all
16 disputes, yet the Agreement offered by SBC to Sprint contains provisions for
17 mandatory escrow of all disputes. Sprint believes that SBC's position and
18 language on this issue is inconsistent and, therefore, unreasonable.

19

20 **Q. Regarding your fourth unresolved issue pertaining to Billing Claim Dispute**
21 **Form, does SBC's Direct Testimony adequately address this issue?**

22 **A.** No. Ms. Quate, SBC Witness, does not address the issue of SBC's required use
23 of their "Billing Claim Dispute Form". As stated in my direct testimony on page

1 15 Sprint and SBC already have a process in place that is working for both
2 companies.

3
4 **Q. Does Sprint agree with SBC's assessment of the need for disputed funds to be**
5 **placed in escrow?**

6 **A.** No. SBC Witness Ms. Quate indicates (at page 31) that the escrow of disputed
7 funds is necessary in order to curb the filing of false disputes. Sprint cannot speak
8 to the practice of other CLECs, but as stated in my direct testimony, Sprint has a
9 historical record of resolving 70% of all billing disputes in our favor. (This
10 record is for disputes with all billing carriers for access and reciprocal
11 compensation billed to Sprint.) Therefore, Sprint continues to disagree with Ms.
12 Quate's position that evidence of the establishment of an escrow account is
13 mandatory before it engages in investigation of the disputed charges for an
14 established entity such as Sprint. I would also refer to issues number two and
15 three above, which detail the inconsistencies in Ms. Quate's testimony regarding
16 the necessity of escrow for disputed charges.

17 **SECTION III – CONCLUSION**

18 **Q. Please summarize your Rebuttal Testimony.**

19 **A.** As I stated in my direct testimony, Sprint believes that any requirements of
20 deposits or escrow balances in SBC's proposed language is unnecessary, overly
21 broad and non-reciprocal. Additionally, Sprint submits that Ms. Quate's
22 testimony regarding the provisions for when disputes are to be placed in escrow is

1 inconsistent and contrary to the proposed contract language. Sprint also believes
2 that the current practice of dispute filing and reporting is adequate.

3

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

5 **A. Yes.**