

Exhibit No. _____
Issues: _____
Witness: Peter Sywenki
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

PETER SYWENKI

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

MAY 19, 2005

SECTION I -- INTRODUCTION

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

2 **A. My name is Peter Sywenki. I am Director – Regulatory Policy, for Sprint**
3 Corporation. My business address is 6450 Sprint Parkway, Overland Park,
4 Kansas 66251.

5
6 **Q. Are you the same Peter Sywenki that filed direct testimony in this proceeding**
7 **on May 9, 2005?**

8 **A. Yes.**

9
10 **Q. What is the purpose of your testimony?**

11 **A. The purpose of my testimony is to address the direct testimony of SBC witnesses**
12 Scott McPhee, James Hamiter, and Sandra Douglas with respect to the following
13 issues: Transit, Indirect Interconnection, Interconnection Facilities, Bill and Keep
14 and Multi-jurisdictional Traffic Trunking.

15
16 **Q. Please summarize Sprint's position regarding these issues.**

17 **A. The following is a summary of the issues I will address in this testimony and**
18 Sprint's position on these issues:

19 Transit – The SBC testimony on transit confirms SBC's market
20 dominance in providing transit. This dominance provides practical
21 justification for SBC's obligation to continue providing transit in
22 interconnection agreements pursuant to Section 251 and 252 of the Act.

1
2 Indirect Interconnection – The SBC direct testimony confirms that indirect
3 interconnection is appropriate when traffic volumes do not justify a direct
4 interconnection. SBC’s refusal to permit indirect interconnection with its
5 end offices that subtend other carriers’ tandems conflicts with its
6 testimony on this matter.

7
8 Interconnection Facilities – SBC basically ignores the existence of
9 interconnection facilities and thereby fails to recognize the shared cost
10 responsibility for these facilities. Moreover, SBC misconstrues the FCC
11 UNE decision on dedicated transport in attempt to deflect its
12 interconnection responsibilities. When SBC and Sprint exchange local
13 traffic, both parties share the cost responsibility for the transmission
14 facility that interconnects the SBC and Sprint network.

15
16 Bill and Keep – While SBC testimony suggests an acceptable traffic
17 balance threshold for bill and keep, its contract language requires parties
18 to render reciprocal invoices and make reciprocal payments even when
19 traffic is within their suggested threshold. Sprint and SBC should be
20 permitted to exchange Section 251(b)(5) and ISP-bound traffic on a bill
21 and keep basis when traffic is roughly in balance.

1 Multi-jurisdictional Traffic – SBC testimony confirms that multi-
2 jurisdictional trunking is a technically feasible way for the parties to
3 interconnect and exchange traffic.

4
5 **SECTION II – DISCUSSION OF UNRESOLVED ISSUES IN SBC’s DIRECT**
6 **TESTIMONY**

7 **Q. Please state your first unresolved issue and the SBC witness in whose direct**
8 **testimony this issue appears.**

9 **A. Transit.** Is Transit Service outside the scope of Section 251/252 and thereby not
10 subject to this ICA? This issue is addressed in the Direct Testimony of Scott
11 McPhee.

12
13 **Q. What is Sprint’s desired outcome for this issue?**

14 **A. SBC** should continue to provide transit at TELRIC rates pursuant to Section 251
15 and 252 as reflected in Sprint’s proposed contract language:

16 17. TRANSIT TRAFFIC - “TRANSIT TRAFFIC” means *Telecommunications*
17 *Traffic* that originated on one Party’s network, transited through the other Party’s
18 network, and terminated to a third party Telecommunications Carrier’s network or that is
19 originated on a third party Telecommunications Carrier’s network, transited through a
20 Party’s network, and terminated to the other Party’s network.

21 17.1 Exchange Of Traffic

22 17.1.1 The Parties may send each other Transit Traffic.

23 17.1.2 Each Party acknowledges that it is the originating Party’s responsibility to enter
24 into transiting arrangements with the third party providing the transit services.

25 17.1.3 Each Party acknowledges that it is the originating Party’s responsibility to enter
26 into arrangements with each third-party LEC, CLEC, or CMRS provider for the exchange
27 of indirect traffic to that third party.

28 17.1.4 Each Party is responsible for the transport of originating calls from its network
29 to its point of interconnection with the transiting party. The originating Party is

1 responsible for the payment of transit charges assessed by the transiting party.

2 17.2 Rates for Transit Service:

3 17.2.1 Transit service providers are rightly due compensation for the use of their
4 tandem switching and common transport elements when providing a transit service. This
5 compensation is based on TELRIC pricing and appears in Appendix PRICING.- All
6 Traffic.

7 17.2.2 Toll traffic, switched access, and special access traffic, if separately chargeable,
8 shall be charged the appropriate rate out of the terminating LEC's tariff or via other
9 appropriate meet point access arrangements.

10
11 17.3 The Transiting Party will use reasonable effort to deliver each call to the other
12 Party's network with SS7 Common Channel Interoffice Signaling (CCIS) and other
13 appropriate TCAP messages in order to facilitate full interoperability and billing
14 functions. The Transiting Party agrees to send all message indicators according to
15 industry standards and to provide the terminating Party information on traffic
16 originated by a third-party CLEC, ILEC, or CMRS provider. To the extent that the
17 industry adopts a standard record format for recording originating and/or terminating
18 transit calls, both Parties agree to comply with the industry-adopted format to
19 exchange records.
20

21 **Q. What reason does SBC provide for refusing to continue providing transit**
22 **pursuant to a Section 251/252 interconnection agreement?**

23 **A.** SBC testimony does not really provide a reason. SBC witness Scott McPhee
24 merely states that transit "is an optional service that SBC Missouri negotiates
25 separately with carriers." (McPhee at page 51, lines 11-12).
26

27 **Q. Is there anything in SBC testimony that supports Sprint's view that SBC**
28 **should continue to provide transit pursuant to Section 251/252?**

29 **A.** Yes. As I indicated in my direct testimony, SBC is the dominant transit provider
30 in the markets served by SBC tandems. In testimony discussing SBC concerns
31 about AT&T providing transit service, SBC essentially admits its dominance,
32 stating:

1 “If SBC Missouri is *already* directly interconnected with all other parties,
2 then all other parties are, in turn, directly interconnected with SBC
3 Missouri...SBC is not opposed to AT&T being a transit provider for other
4 carriers, but there is no reason that AT&T should be a transit provider on
5 behalf of those carriers to deliver traffic to SBC Missouri when they are
6 already interconnected directly with SBC Missouri.” (McPhee at page 53,
7 lines 8-19).

8 The situation described is indeed an accurate description of the actual situation
9 and is consistent with my statements in direct testimony on this matter.
10 Generally, all other parties operating in SBC markets are directly connected to
11 SBC because SBC has the most customers with which other parties must
12 exchange traffic. While AT&T or other carriers may provide or have aspirations
13 to provide competing transit services, SBC tandems remain the dominant hub at
14 which carriers interconnect. As such, SBC should not be permitted to force
15 transit out of regulated interconnection agreements into “optional” commercial
16 arrangements.

17
18 **Q. Please state your second unresolved issue.**

19 **A.** Indirect Interconnection. Is Sprint required to interconnect directly with SBC end
20 offices when the SBC end office subtends a third party tandem? This issue is
21 discussed in the Direct Testimony of James Hamiter.

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

2 **A. Sprint wants the contract to reflect Sprint’s right to interconnect indirectly with**
3 SBC end offices that subtend third party tandems when traffic volumes exchanged
4 with those end offices are small. Sprint proposed the following contract
5 language:

6 3.5.2 Indirect Interconnection: For small volumes of traffic (less than 6 DS1s), CLEC
7 may choose to interconnect with SBC-13STATE on an indirect basis where
8 SBC-13STATE end office does not subtend an SBC tandem.
9

10 **Q. What is SBC’s reason for refusing to interconnect indirectly?**

11 **A. SBC witness Hamiter points to the Telecom Act’s Interconnection Section**
12 251(c)(2)(B) phrase, “at any technically feasible point within the carrier’s
13 network”, and interprets the phrase “within the carrier’s network” to mean “within
14 SBC’s network”. (Hamiter at page 96, lines 27-28).

15
16 **Q. Do you agree with this interpretation?**

17 **A. Unfortunately, the Act does not clearly indicate whether “within the carrier’s**
18 network” means within the incumbent’s network or within the requesting carrier’s
19 network. In any event, rather than argue about something best left to lawyers and
20 statutory constructionists, it may suffice to point out that Interconnection Section
21 251(a)(1) of the Act clearly requires all carriers, incumbent and non-incumbent, to
22 interconnect directly **or** indirectly. SBCs prohibition on indirect interconnection
23 certainly runs counter to that provision. Moreover, it appears that SBC actually
24 agrees with Sprint that indirect interconnection is a practical and economic form
25 of interconnection when traffic volumes do not justify a direct interconnection.

1 **Q. What makes you say SBC actually agrees with Sprint that indirect**
2 **interconnection is a practical and economic form of interconnection?**

3 **A.** In his testimony, SBC witness McPhee states that “SBC realizes that not all
4 smaller carriers are able to directly interconnect with the myriad of other
5 telecommunications carriers in a given area. As a matter of economics, there may
6 not be a large enough ‘community of interest’ (or levels of traffic) between two
7 smaller carriers to make direct interconnection an efficient option.” (McPhee at
8 page 52, lines 20-25.) While Sprint disagrees with the reference to carrier size in
9 this statement, Sprint completely agrees with the economics of interconnection for
10 the exchange of small levels of traffic between carriers in a given area. This can
11 certainly be the case in those areas where SBC end offices subtend another
12 carrier’s tandem and with new entrants in those local markets. Regardless of the
13 size of SBC and Sprint, as a matter of economics, there may not be a large enough
14 level of traffic between the two carriers in these areas to make direct
15 interconnection an efficient option and therefore Sprint and SBC should be
16 permitted to interconnect indirectly when traffic volumes are small in accordance
17 with Sprint’s proposed contract language.

18
19 **Q. Please state your third unresolved issue.**

20 **A.** Interconnection Facilities. Should the cost of interconnection facilities that
21 connect the SBC and Sprint networks be (a) shared by SBC and Sprint, or (b) be
22 the financial responsibility of Sprint?

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

2 **A.** The interconnection agreement should reflect a shared cost responsibility when
3 both parties use the interconnection facility to deliver traffic to the other party.

4 Specifically, Sprint proposed the following contract language:

5 5.1 Interconnection facilities leased from SBC for the transmission and routing of
6 telephone exchange and exchange access service shall be provided to Sprint at SBC's
7 TELRIC-based rates and subject to cost sharing provisions in this Section.
8

9 5.2 When Interconnection Facilities are leased from SBC to carry both Section
10 251(b)(5) traffic and non-Section 251(b)(5) traffic, the Parties shall determine the
11 percentage of the Interconnection Facility utilized for Section 251(b)(5) Traffic. The
12 charges applied to the percentage of the Interconnection Facility utilized to carry Section
13 251(b)(5) Traffic shall be based upon SBC's TELRIC-based rates and subject to cost
14 sharing provisions in this Section. The remaining percentage of the facilities shall be
15 billed at SBC's applicable access tariff rates.
16

17 5.3 When two-way Interconnection Facilities are utilized, neither Party shall be
18 financially responsible for that portion of the Interconnection Facility used to transmit the
19 other Party's originating traffic

20 5.3.1 The Party, who is delivering traffic originating on its network through facilities
21 and/or trunks provided by the other Party, shall pay to the other Party providing such
22 facilities and/or trunks the monthly recurring and non-recurring costs of such facilities
23 and/or trunks times the difference of 1 minus the Shared Facility Factor set forth below;
24 provided, however, that either Party may submit to the other Party a traffic study, a
25 reasonable estimate of its traffic with supporting justification for such estimate, and/or
26 other network information in complete and appropriate form (determined in good
27 faith)("Shared Facility Information") that the Parties will use to negotiate in good faith a
28 different CLEC-specific Shared Facility Factor. The Shared Facility Information must be
29 CLEC-specific and relate to CLEC's network in the State; it shall not be based on
30 industry average data or the data of other Telecommunications Carriers. If such Shared
31 Facility Information is provided within ninety (90) Days after the date this Agreement is
32 executed by duly authorized representatives of both Parties, then any CLEC-specific
33 Shared Facility Factor derived using such Shared Facility Information shall be effective
34 as of the date on which the Shared Facility Information was provided in complete and
35 appropriate form (determined in good faith) to the other Party, but no earlier than the
36 Effective Date of this Agreement; otherwise, the CLEC-specific Shared Facility Factor
37 will be effective as of the date the Shared Facility Information was provided in complete
38 and appropriate form (determined in good faith) to the other Party. Any CLEC-specific
39 Shared Facility Factor that becomes effective during the Initial Term of the Agreement
40 will remain in effect during the Initial Term of the Agreement. After the expiration of the
41 Initial Term hereof, such CLEC-specific Shared Facility Factor established during the
42 Initial Term shall remain in effect thereafter unless either Party provides new Shared
43 Facility Information to the other Party. In such case, the Parties shall use that new
44 CLEC-specific Shared Facility Information to renegotiate in good faith a new revised
45 CLEC-specific Shared Facility Factor. Renegotiation of the CLEC-specific Shared
46 Facility Factor shall occur no more frequently than once every twelve months.
47

48 Shared Facility Factor - CLEC: 50%

1 Shared Facility Factor – SBC 13-State: 50%

2
3 5.3.2 If Sprint leases the two-way Interconnection Facility from SBC, SBC shall
4 credit the cost of such facility (both recurring and non-recurring charges) by 50%.

5
6 5.3.3 If Sprint leases the Interconnection Facility from SBC and SBC does not provide
7 a credit according to Section 3.7.2 above, or if Sprint self-constructs or leases the
8 Interconnection Facility from a third party, Sprint may charge SBC 50% of the recurring
9 charges and non-recurring charges for the Interconnection Facilities.
10

11 **Q. What reason does SBC provide for refusing to share the cost of**
12 **interconnection facilities?**

13 **A.** SBC basically shrugs off the issue. In his testimony, SBC witness James Hamiter
14 attempts to dismiss the issue of who pays for interconnection facilities with the
15 following statement:

16 “SBC Missouri is responsible for the facilities and equipment on its
17 network. The CLEC is responsible for facilities on its network. Joining
18 those networks at a common point does not alter the fact that each carrier
19 is financially responsible for its own network.” (Hamiter at page 100, lines
20 4-10)

21 Ironically, by this statement one might be led to believe that SBC is willing to
22 assume complete financial responsibility when SBC owns the interconnection
23 facility that runs between the POI and the CLEC network. Of course, SBC does
24 not actually assume that responsibility and instead would require the CLEC to pay
25 for the entire facility, even when SBC uses the facility to deliver traffic from its
26 customers to the CLEC for completion to the CLEC’s customers.

1 **Q. Does the FCC UNE Order impact interconnection?**

2 **A.** No. In addition to an unsubstantiated denial of any obligation to share the cost of
3 interconnection facilities, SBC misconstrues the FCC UNE Order in attempt to
4 evade its interconnection cost responsibilities and to evade the fact that TELRIC
5 is the appropriate price standard for interconnection facilities. SBC does this by
6 mistakenly asserting that the FCC decision regarding unbundled dedicated
7 transport applies to interconnection (Hamiter at pages 97-98). While the FCC
8 changed the definition of UNE transport to exclude entrance facilities, the FCC
9 did not change any interconnection obligations. “Interconnection” and
10 “Entrance” are very distinct terms. Entrance facilities carry switched and special
11 access and are used to backhaul the UNE and local traffic of the CLECs own
12 customers. Interconnection facilities are for the exchange of calls from the
13 ILEC’s customers to the CLEC’s customers and calls from the CLECs customers
14 to the ILECs customers. Again, the FCC decided that entrance facilities are no
15 longer included in the definition of unbundled dedicated transport, but the FCC
16 did not eliminate any SBC interconnection obligations. The plain purpose of the
17 FCC UNE order was to define unbundled network obligations, not
18 interconnection obligations. In fact, when the FCC mentions interconnection in
19 its UNE order, it does so for the express purpose of making clear that its decision
20 on unbundled dedicated transport does not effect interconnection facilities
21 requirements, stating plainly:

22 “We note in addition that our finding of non-impairment with respect to
23 entrance facilities does not alter the right of competitive LECs to obtain

1 interconnection facilities pursuant to section 251(c)(2) for the
2 transmission and routing of telephone exchange and exchange access
3 service. Thus competitive LECs will have access to these facilities at
4 cost-based rates to the extent that they require them to interconnect with
5 the incumbent LEC's network." Unbundled Access to Network Elements;
6 Review of the Section 251 Unbundling Obligations of Incumbent Local
7 Exchange Carriers, CC Docket No. 01-338, Order on Remand, (Feb. 4,
8 2005), ¶140 (emphasis added).

9 Contrary to SBC's wishes, the FCC obviously recognizes a distinction between
10 entrance facilities and interconnection facilities and contrary to SBC's wishes, the
11 FCC did not alter interconnection rights and obligations in the UNE order.

12
13 **Q. Please state your fourth unresolved issue.**

14 **A. Bill and Keep. Are SBC and Sprint entitled to exchange traffic under a Bill and**
15 Keep Arrangement on Section 251(b)(5) Traffic and ISP-Bound Traffic?

16
17 **Q. What is Sprint's desired outcome for this issue?**

18 **A. Sprint wishes to exchange 251(b)(5) and ISP-bound traffic on a bill and keep**
19 basis with SBC when such traffic is roughly in balance. Specifically, Sprint
20 proposed the following:

21 4.6 As an alternative to Section 4.5 Sprint can elect a long-term local Bill and Keep as the
22 reciprocal compensation arrangement for Section 251(b)(5) Traffic and ISP-Bound Traffic
23 originated and terminated between SBC and Sprint so long as qualifying traffic between the
24 parties remains in balance in accordance with this Section 4.6. Long-term local Bill and
25 Keep applies only to Section 251(b)(5) Traffic and ISP-Bound Traffic and does not include,
26 IntraLATA Interexchange Traffic, Meet Point Billing Traffic, FX Traffic, FGA Traffic or
27 Cellular Traffic.

1
2 4.6.1 The Parties agree that Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged
3 between the Parties will be subject to Bill and Keep as the method of intercarrier
4 compensation provided that Section 251(b)(5) Traffic and ISP-Bound Traffic exchanged
5 between the Parties is in balance within +/-5% of equilibrium (50%).
6

7 4.6.2 The calculation for determining whether traffic is in balance will be based on the
8 difference between the total Section 251(b)(5) Traffic and ISP-Bound Traffic originated by
9 each Party's end users terminated to the other Party's End Users, divided by the sum of
10 both Parties' end users' terminated Section 251(b)(5) Traffic, and ISP-Bound Traffic
11 multiplied by 100.
12

13 4.6.3 The Parties agree that where Section 251(b)(5) Traffic and ISP-Bound Traffic is
14 determined to be out-of-balance by more than 10% per month for three (3) consecutive
15 months, Section shall immediately apply rates specified in Section 4.4-4.5 to all Section
16 251(b)(5) Traffic and ISP-Bound Traffic.
17

18 4.6.4 Once the rates found in Section 4.4-4.5 apply to CLEC's Section
19 251(b)(5) Traffic and ISP-Bound Traffic, it will apply for the remaining term of this
20 Agreement.
21

22 4.6.5 In the event that either Party disputes whether its Section 251(b)(5) Traffic and
23 ISP-Bound Traffic is in balance, the Parties agree to work cooperatively to reconcile the
24 inconsistencies in their usage data.
25

26 4.6.7 Should the Parties be unable to agree on the amount and balance of Section
27 251(b)(5) Traffic and ISP-Bound Traffic exchanged between their End Users, either Party
28 may invoke the dispute resolution procedures under this Agreement. In the event that
29 dispute resolution procedures results in the calculations being delayed, the reciprocal
30 compensation rates will apply retroactively to the date such reciprocal compensation were
31 applicable.
32

33 4.6.8 Upon reasonable belief that traffic other than Section 251(b)(5) Traffic and ISP-
34 Bound Traffic is being terminated under this long-term local Bill and Keep arrangement,
35 either Party may request a meeting to confirm the jurisdictional nature of traffic delivered
36 as Bill and Keep. Parties will consult with each other to attempt to resolve issues without
37 the need for an audit. Should no resolution be reached within 60 days, an audit may be
38 requested and will be conducted by an independent auditor under an appropriate non-
39 disclosure agreement. Only one audit may be conducted by each Party within a six-month
40 period.
41

42 4.6.9 The auditing Party will pay the audit costs unless the audit reveals the delivery
43 of a substantial amount of traffic originating from a party in this Agreement other than
44 Section 251(b)(5) Traffic and ISP-Bound Traffic for termination to the other party under
45 the long term local Bill and Keep arrangement. In the event the audit reveals a substantial
46 amount of traffic other than Section 251(b)(5) Traffic and ISP-Bound Traffic, the Party
47 delivering such traffic will bear the cost of the audit and will pay appropriate compensation
48 for such traffic with interest at the commercial paper rate as referenced in 9.1 of the General
49 Terms and Conditions of this Agreement.
50

51 4.6.10 The Parties will consult and negotiate in good faith to resolve any issues of accuracy or integrity of
52 data collected, generated, or reported in connection with audits or otherwise.

53 4.6.11 The audit provisions set out in Sections 1.8.6 through 1.8.8 above do not alter or
54 affect audit provisions set out elsewhere in this Agreement.

1 5.3 Intercarrier Compensation for all ISP-Bound Traffic and Section 251(b)(5)
2 Traffic Unless the Parties agree to bill and keep per §4.6.
3

4 **Q. What reason does SBC provide for refusing to exchange this traffic on a bill**
5 **and keep basis?**

6 **A. SBC is concerned with out-of-balance traffic. In its DPL and in the testimony of**
7 **SBC witness McPhee, SBC suggests a balance threshold of +/-5% of equilibrium**
8 **be met in order to qualify for bill and keep (DPL Appendix Intercarrier**
9 **Compensation Issue No. 2 SBC Missouri Position, and McPhee at page 32 line**
10 **13). Unfortunately, SBC's proposed contract does not provide the opportunity to**
11 **exchange traffic on a bill and keep basis even when traffic is within SBC's**
12 **suggested balance threshold.**

13
14 **Q. Does Sprint's proposal contain an out-of-balance threshold?**

15 **A. Yes. As shown above, in Sprint's proposed contract language, Sprint proposes to**
16 **exchange 251(b)(5) and ISP-Bound traffic on a bill and keep basis when traffic is**
17 **within +/-5% of equilibrium. Reciprocal compensation rates would apply when**
18 **traffic is not within this balance threshold. Sprint's proposal is consistent with the**
19 **balance threshold SBC testimony suggests as appropriate for bill and keep and**
20 **therefore Sprint's proposal should be adopted so that Sprint and SBC have the**
21 **opportunity to exchange 251(b)(5) and ISP-bound traffic on a bill and keep basis,**
22 **eliminating the need for invoicing each other for this traffic when the flow is**
23 **roughly in balance.**

1 **Q. Please state your fifth unresolved issue.**

2 **A. Multi-jurisdictional trunking. Should a party be required to separate traffic types**
3 onto separate trunks as a means of ensuring that the terminating party receives
4 proper compensation?

5
6 **Q. What is Sprint's desired outcome for this issue?**

7 **A. Sprint wants an interconnection contract with SBC that permits Sprint to combine**
8 multiple "categories" of traffic that it exchanges with SBC on multi-jurisdictional
9 trunks. In order to permit this flexibility, Sprint proposed language changes to
10 SBC's proposed language throughout the contract in order to modify provisions
11 that would require traffic segregation. For example, in Section 3.1 of the ITR,
12 Sprint proposed to modify "CLEC shall issue Access Service Requests (ASRs)
13 for two-way Local Only Trunk Groups, Local Interconnection and Meet Point
14 Trunk Groups" to "CLEC shall issue Access Service Requests (ASRs) for two-
15 way Multijurisdictional Interconnection Trunk Groups." SBC's proposed
16 language would prohibit the parties from combining traffic and would require the
17 parties to establish and maintain segregated traffic trunks, whereas Sprint's
18 language would permit the network efficiencies of combined traffic trunking.

19
20 **Q. What reason does SBC give for its refusal to permit the combination of**
21 **traffic on trunk groups?**

22 **A. SBC's rationale for requiring traffic segregation is to facilitate billing and**
23 compensation. For example, SBC witness Hamiter states "Tracking and billing is

1 easier and more accurate when segregated according to the traffic type and
2 tandem type” (Hamiter at page 46 lines 10-11) and “Combining traffic creates
3 billing and tracking problems” (Hamiter at page 47 line 7). SBC witness Douglas
4 states “It is improper for Switched Access Traffic to be carried over local
5 interconnection trunks for two reasons. First this can be used as a method to
6 avoid Switched Access charges. Second, proper trunking allows all affected
7 parties to generate appropriate billing records” (Douglas at page 12 lines 19-21).

8

9 **Q. Does Sprint’s proposal fail to ensure proper compensation?**

10 **A.** No. Sprint completely agrees with SBC that carriers should be compensated
11 according to regulatory traffic classifications. However, Sprint is also hopeful
12 that the industry will soon move to uniform intercarrier compensation in order to
13 alleviate Sprint and SBC concerns about traffic misclassification and in order to
14 eliminate the impetus for inefficient traffic segregation. In the meantime, Sprint
15 is proposing that SBC and Sprint avoid the inefficient establishment and
16 maintenance of segregated traffic trunks (which may soon be rendered an
17 unnecessary cost with intercarrier compensation reform) while maintaining proper
18 compensation for the various traffic classifications until inter-carrier
19 compensation is made uniform. Under Sprint’s proposal, Sprint would provide
20 the necessary traffic identification information to permit proper compensation for
21 the various traffic classifications. While Sprint understands and appreciates the
22 SBC statement “Without the ability to identify the traffic, the parties have little
23 choice but to accept each other’s word as to the true jurisdictional nature of the

1 traffic” (Hamiter at page 47, 15-17), the statement unfortunately fails to recognize
2 that Sprint’s proposal includes audit provisions to allow the parties to verify “each
3 other’s word.” Sprint also understands SBC’s stance that “it is appropriate to
4 recognize that exchange access traffic is a separate category of service from local
5 exchange traffic” (Douglas at page 16 lines 20-21). Sprint agrees with this and its
6 proposal would recognize this difference and the difference in compensation, but
7 would also permit the parties to do so under a more efficient network
8 arrangement.

9

10 **Q. Has SBC identified any issues of technical infeasibility with respect to**
11 **combined traffic?**

12 **A.** No. SBC acknowledges that traffic with different regulatory classifications can
13 (and does) flow on the same trunk. (For example, Hamiter at page 49, Douglas at
14 page 13 lines 12-16, Douglas page 20 lines 33-36).

15

16 **Q. Does SBC refute the contention that combined traffic is more network**
17 **efficient?**

18 **A.** No. I am not aware of any claims by SBC that segregating traffic by regulatory
19 classification onto separate trunks is more network efficient than combined traffic
20 trunks.

1 **SECTION III – CONCLUSION**

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

3 **A.** The testimony of SBC witnesses confirm:

4 1) SBC should provide transit pursuant to a Section 251/252 interconnection
5 agreement as reflected in Sprint's proposed contract language, not a separate
6 "commercial" agreement as SBC proposes.

7 2) Sprint is permitted to indirectly interconnect with SBC end offices that
8 subtend another carrier's tandem for low volumes of traffic, So, Sprint's
9 language to permit indirect interconnection should be adopted and SBC's
10 language that prohibits indirect interconnection should be rejected.

11 3) SBC and Sprint should share the cost of interconnection facilities according to
12 the contract language Sprint proposed.

13 4) Sprint's proposal to exchange ISP-bound and 251(b)(5) traffic on a bill and
14 keep basis when traffic is in balance should be adopted.

15 5) Sprint's proposal to permit multi-jurisdictional trunks should be adopted.

16
17 **Q. Does this conclude your testimony?**

18 **A.** Yes.