

Exhibit No:  
Issues: Residential Voice  
Witness: Elizabeth Stoia  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: Southwestern Bell Telephone, L.P. d/b/a SBC  
Missouri  
Case No: TO-2005-0035  
Date Prepared: January 21, 2005

SOUTHWESTERN BELL TELEPHONE, L.P. D/B/A SBC MISSOURI

CASE NO. TO-2005-0035

SURREBUTTAL TESTIMONY

OF

ELIZABETH STOIA

San Antonio, Texas

January 21, 2005



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### **SCHEDULES**

- Schedule 1 – Examples Of VoIP Service Advertising
- Schedule 2 – November 8, 2004 AT&T Press Release On Premiere  
Partner Agreement With Buy.Com And Buy.Com  
Advertising Supplement With Ad For AT&T  
Callvantage Service
- Schedule 3 – December 9, 2004 Forbes Article Re: Vonage VoIP Service
- Schedule 4 – Slides From January 11, 2005 Time Warner Investor  
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- Schedule 5 – November 15, 2004 St. Louis Business Journal On  
Charter VoIP Service
- Schedule 6 – December 16, 2004 AT&T Press Release Re: Enhancements  
To Its Callvantage Voip Service

1    **INTRODUCTION**

2    **Q.     WHAT IS YOUR NAME AND BUSINESS ADDRESS?**

3    A.     My name is Elizabeth Stoia and my business address is 530 McCullough, San  
4           Antonio, Texas 78215.

5

6    **Q.     ARE YOU THE SAME ELIZABETH STOIA THAT PREVIOUSLY FILED**  
7           **DIRECT TESTIMONY IN THIS CASE?**

8    A.     Yes.

9

10   **PURPOSE**

11   **Q.     WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12   A.     The purpose of my testimony is to:

13           1) Assure the parties that I have not seen any of the highly confidential or  
14           proprietary wholesale information presented in this case, and that in my position  
15           with SBC Missouri, I do not have access to information about SBC's wholesale  
16           customers; and to

17

18           2) Respond to the comments made by Office of the Public Counsel Economist  
19           Barbara Meisenheimer about VoIP and the cost comparisons I made in my direct  
20           testimony.

1           **1.     Access To Wholesale Information.**

2       **Q.     SOCKET TELECOM WITNESS MATT KOHLY STATES IN HIS**  
3           **REBUTTAL TESTIMONY ON PAGE 8 THAT SBC RETAIL**  
4           **MARKETING DIRECTORS “...CAN NOW FREELY REVIEW ALL OF**  
5           **THE HIGHLY CONFIDENTIAL INFORMATION CONTAINED IN**  
6           **SBC’S TESTIMONY” AND THAT THEY MAY “FIND THIS**  
7           **INFORMATION USEFUL IN FULFILLING THEIR RETAIL**  
8           **RESPONSIBILITIES.” IS THIS STATEMENT CORRECT?**

9       **A.     No.**

10

11       **Q.     HAVE YOU BEEN GIVEN ACCESS TO THE HIGHLY CONFIDENTIAL**  
12           **OR PROPRIETARY WHOLESALE INFORMATION FILED IN THIS**  
13           **CASE BY SBC MISSOURI WITNESS CRAIG UNRUH?**

14       **A.     No.**

15

16       **Q.     IN YOUR PRESENT POSITION AS AN SBC RETAIL MARKETING**  
17           **DIRECTOR, DO YOU HAVE ACCESS TO INFORMATION ABOUT**  
18           **SBC’S WHOLESALE CUSTOMERS?**

19       **A.     No.**

1           **2.       Responses To Opc Economist Ms. Meisenheimer.**

2   **Q.       OFFICE OF PUBLIC COUNSEL MS. BARBARA A. MEISENHEIMER AT**  
3           **PAGE 18 OF HER REBUTTAL TESTIMONY SUGGESTS VOIP IS NOT**  
4           **PREVALENT IN THE MARKET PLACE AND IS OF POOR QUALITY**  
5           **THUS MAKING IT “NOT A FUNCTIONAL EQUIVALENT” FOR**  
6           **TRADITIONAL LANDLINE SERVICE. DO YOU AGREE WITH MS.**  
7           **MEISENHEIMER THAT VOIP IS NOT PREVALENT IN THE**  
8           **MARKETPLACE?**

9   **A.**    No. VoIP is very prevalent in the marketplace. All one must do is turn on the  
10           TV, read the newspaper, listen to the radio, get on the Internet or open the mail to  
11           understand that VoIP is in the marketplace and available to residents of the state  
12           of Missouri. (Examples of VoIP direct mail and pop up advertising from  
13           competitors such as AT&T, Charter, Comcast, Time Warner and Vonage  
14           targeting residential customers in Missouri are attached as Schedule 1.)

15  
16           As I stated in my direct testimony, AT&T has extensively advertised their new  
17           VoIP service, CallVantage, in many forms of advertising media, including during  
18           some of the biggest TV events in our nation (e.g., the 2004 Summer Olympics).  
19           In addition, AT&T has a national retail presence for CallVantage with Best Buy,  
20           Circuit City, Amazon and now the Buy.com, which describes itself as the  
21           “Internet Superstore.” (Copies of AT&T’s November 8, 2004 press release  
22           announcing that it has become a Buy.com “Premiere Partner” and an AT&T

1 CallVantage ad from a Buy.com advertising supplement is attached as Schedule  
2 2.)

3

4 **Q. DO YOU AGREE WITH MS. MEISENHEIMER THAT VOIP SERVICE IS**  
5 **OF POOR QUALITY?**

6 A. No. And end user customers are apparently finding the service acceptable.  
7 Vonage has reported that it is currently adding about 30,000 subscribers per  
8 month in the U.S. and Canada to its VoIP service. (A copy of a December 19,  
9 2004 Forbes article reporting on a Vonage announcement is attached as Schedule  
10 3). At an investor briefing, Time Warner reported that it had more than 200,000  
11 VoIP subscribers at the end of 2004 and was signing up about 11,000 VoIP  
12 customers each week. (Copies of slides from Time Warner's presentation at the  
13 January 2005 Citigroup Media Conference are attached as Schedule 4.) Locally,  
14 Charter Communications in November 2004 reported that it had signed up nearly  
15 7,000 residential customers to its VoIP telephone service in St. Louis County and  
16 St. Louis City. (A copy of an article about Charter Communications from the  
17 November 15, 2004 St. Louis Business Journal is attached as Schedule 5). I  
18 would also note that Ms. Meisenheimer did not supply any research, articles or  
19 documentation to support her assertions concerning the quality of VoIP service.

20

21 **Q. HAVE YOU SEEN VOIP PROVIDERS ENHANCING THEIR**  
22 **OFFERINGS?**

1 A. Yes. In December 2004, AT&T announced that it had introduced several feature  
2 enhancements to its residential CallVantage VoIP service, which it calls “AT&T  
3 CallVantage Plus.” One new feature is a sub-account capability that provides up  
4 to nine distinctive telephone numbers (e.g., one for each family member) with the  
5 ability to manage the calling experience for each number separately, while sharing  
6 the same line. For example, with the separate sub-account feature, each member  
7 of a family would be able to configure features like “Do Not Disturb” or “Locate  
8 Me” in order to receive calls when they want and where they want. It also  
9 provides separate “Call Logs” for each user and personal voicemail. Another  
10 feature is a screening capability that allows customers to direct calls based on who  
11 is calling (e.g., subscribers might direct calls from friends to voicemail, while  
12 allowing calls from their children always to ring through). (A copy of AT&T’s  
13 December 16, 2004 Press Release is attached as Schedule 6.)

14

15 **Q. IN HER REBUTTAL TESTIMONY AT PAGE 25, MS. MEISENHEIMER**  
16 **STATES THAT SBC DOES NOT PROVIDE “RESIDENTIAL ACCESS**  
17 **LINE SERVICE.” DO YOU AGREE WITH MS. MEISENHEIMER’S**  
18 **RESPONSE?**

19 A. No. SBC does provide Residential Access Line service. Ms. Mesienheimer  
20 apparently misunderstood my terminology. I was simply referring to the basic  
21 voice service we provide to residential customers and would reference the  
22 Missouri General Exchange Tariff, Section 8, Sheet 7, which provides the  
23 definition of an access line:



1                   EXCHANGE ACCESS LINE: Telephone Company-provided and  
2                   maintained central office equipment and Telephone Company  
3                   facilities, including the Network Interface which provide access to  
4                   and from the telecommunications network for message long  
5                   distance and local calling.  
6

7   **Q.    MS. MESEINHEIMER AT PAGE 26 OF HER REBUTTAL TESTIMONY**  
8           **INDICATED THAT YOU DID NOT PROVIDE A COMPARISON OF**  
9           **LOW COST OPTIONS FOR CUSTOMERS IN YOUR TESTIMONY AND**  
10          **THAT YOU FOCUSED ONLY ON BUNDLED OPTIONS. IS THIS**  
11          **CORRECT?**

12   A.    No. I did provide direct comparisons of the lowest cost options for local calling  
13           in my testimony. Schedule 6 in my direct testimony shows a rate comparison,  
14           which includes the lowest cost option, between SBC, Vartec, Sage and AT&T. I  
15           also provided a chart on page 16 of my testimony comparing the rates of SBC and  
16           Charter. This also includes the lowest cost options.  
17

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

19   A.    Yes.