Exhibit:	
Issue:	Records
Witness:	Dunlap
Type of Exhibit:	Rebuttal Testimony
Sponsoring Party:	Southwestern Bell Telephone Co.
Company:	Southwestern Bell Telephone Co.
Case No.:	TO 99-593

SOUTHWESTERN BELL TELEPHONE COMPANY

CASE NO. TO 99-593

REBUTTAL TESTIMONY

OF

JOYCE L. DUNLAP

St. Louis, Missouri

December , 2000

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Investigation Into Signaling Protocols, Call Records, Trunking Arrangements And Traffic Measurement	))))	Case No. TO-99-593

FILED[2]
DEC 2 0 2000
Missouri Public Service Commission

AFFIDAVIT OF JOYCE L. DUNLAP

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

I, Joyce L. Dunlap, of lawful age, being duly sworn, depose and state:

1. My name is Joyce L. Dunlap. I am presently Associate Director-Exchange Carrier Relations/Settlements for Southwester Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my Rebutttal Testimony.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Joyce L Dunlap
Joyce L. Dunlap

Subscribed and sworn to before me this 15th day of December 2000.

Maryann Purcell
Notary Public

MARYANN PURCELL
Notary Public - Notary Seal
STATE OF MISSOURI
ST. LOUIS CITY
MY COMMISSION EXP. JAN. 5,2004

My Commission Expires: January 5, 2004

REBUTTAL TESTIMONY OF JOYCE L. DUNLAP

Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

A. My name is Joyce L. Dunlap. My business address is One Bell Center 31-P-5 St. Louis Missouri 63101.

Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR TITLE?

A. I am employed by Southwestern Bell Telephone Company as Associate Director – Exchange Carrier Relations/Settlements for Missouri.

Q. ARE YOU THE SAME JOYCE DUNLAP WHO FILED DIRECT TESTIMONY IN THIS CASE?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I will respond to the direct testimony of Mr. David Jones representing the Missouri Independent Telephone Group (MITG) and Mr. Robert Schoonmaker representing the Small Telephone Company Group (STCG) concerning their proposals to allow some of their member companies to bill terminating charges from records they might create instead of from the originating records being used by the industry today. I will explain our view that the current system works and is capable of providing accurate and complete records for all Local Exchange Companies (LECs) to use for billing terminating charges.

Q. MR. SCHOONMAKER, AT P. 7 OF HIS DIRECT TESTIMONY, STATES THAT STCG OPPOSES THE CONTINUED USE OF THE EXISTING ORIGINATING RECORDS SYSTEM CLAIMING IT DOES NOT PROVIDE APPROPRIATE INCENTIVES FOR THE PROVISION OF CORRECT RECORDS. MR. JONES MAKES A SIMILAR CLAIM AT P. 7 OF HIS DIRECT. DO YOU AGREE WITH THEIR VIEWS?

A. Not at all. Mr. Jones and Mr. Schoonmaker appear to imply that it is only the MITG and STCG members that have a stake in the accuracy of the originating records system. That is simply incorrect. The tandem companies have just as much, if not more, of an interest in the integrity of the current system.

Q. WHAT FINANCIAL INCENTIVES DO SWBT AND THE OTHER TANDEM COMPANIES HAVE TO ENSURE THE PROPER OPERATION OF THE CURRENT SYSTEM?

A. First, all originating carriers have a significant interest in making sure that appropriate records are created for every toll call originated by their end users. As I explained at pp. 2 – 5 of my Direct Testimony, the originating records that are supplied to terminating carriers are derived from the standard EMR records, which are used to generate end user toll bills. If there is a problem in the creation or handling of these records, the originating carrier may not be receiving the appropriate amount of revenue for the toll services it is providing to its end users.

Second, the tandem companies receive originating records and depend on them to bill their own terminating charges when another carrier's toll calls terminate in their exchanges - - just like the MITG and STCG members. The only difference is that the tandem companies receive these records in the Category 92 format, and most MITG and STCG members receive them in the Category 11 format (although some have elected to receive Category 92 records instead). Thus, the tandem companies have the exact same interest on the receiving end as MITG and STCG.

The tandem companies have an even greater interest because they terminate substantially greater volumes of toll traffic for other carriers than do MITG and STCG. In the first ten months of 2000, the other LEC toll providers (Fidelity, Spectra, Sprint and Verizon) billed SWBT in excess of 27M dollars for toll calls placed by SWBT customers that terminated in their exchanges. And SWBT has billed these companies in excess of 3.7 M dollars for toll calls their customers placed that terminated in SWBT exchanges during the same period. For comparison purposes, the MITG and STCG during this period have billed SWBT approximately 9M dollars. All of this billing was accomplished through the existing originating records system.

Q. WHAT MEANS DOES THE INDUSTRY HAVE TO MAINTAIN THE INTEGRITY OF THE CURRENT SYSTEM?

A. In our view, the industry in Missouri has the capability to work cooperatively toward the maintenance of the current records systems. As I pointed out at pp. 6 – 7 of my Direct Testimony, the current system was developed over twelve years ago by that all

LECs in the state, both large and small. And it has been successfully utilized since that time to handle over one billion dollars in billed revenue and inter-company compensation. As the system depends on all parties creating and passing appropriate records, we believe that it will continue to serve the industry well in the future if all parties focus their efforts at maintaining and improving this commonly developed system rather than trying to find reasons to scrap it.

We readily admit that no billing system is perfect. Throughout the years, recording or processing errors were occasionally made, both by large tandem companies and small subtending LECs alike. But regardless of who made the error, upon discovery the errors were corrected and appropriate financial settlement adjustments made. In our industry, that has always been expected and has historically been the general practice. We approached the recent industry records test in the same manner. As I indicated at pp. 9 – 12 of my Direct Testimony, we have taken full responsibility for any error made by our company and are in the process of making financial settlements with all impacted carriers. I truly believe that no LEC in our industry would risk its business reputation by intentionally disregarding proper compensation procedures.

Q. ARE THERE ANY FORMAL MEANS AVAILABLE FOR LECs TO VERIFY THE ACCURACY OF THE EXISTING ORIGINATING RECORDS SYSTEM?

A. Yes. We believe all carriers have the right to perform periodic audits or reviews of the system. As I indicated at pp. 7 – 8 of my Direct Testimony, annual on-site audits were conducted in the early days of the Primary Toll Carrier (PTC) Plan. As a greater

comfort level was developed with the system, less on-site audits were performed, but companies continued to perform internal data reviews. Nevertheless, companies could still request more extensive audits.

Q. ARE THE MITG AND STCG COMPANIES CAPABLE OF PERFORMING AN AUDIT OR REVIEW?

A. I believe they are. In 1998 and 1999, certain members of the MITG and STCG hired the Frederick & Wariner CPA firm to perform a two part audit of SWBT's internal process that generates the Cellular Transiting Usage Summary Report (CTUSR). SWBT participated and cooperated fully in this audit. It is my understanding that these small companies viewed the audit as a success and that it validated SWBT's CTUSR process.

Q. HAS IT BEEN NECESSARY FOR THE SMALL COMPANIES TO REQUEST A FORMAL AUDIT IF THEY HAD CONCERNS ABOUT THE RECORDS OR COMPENSATION THEY WERE RECEIVING?

A. No. It has not. As I explained at p. 8 of my Direct Testimony, SWBT is willing to work and has worked with other companies that believed they were not receiving the appropriate amount of records or compensation for the traffic they were terminating. In each case that was brought to us, we believe that we were able to resolve the concern. It was not until early this year during the technical conferences in this case that some of the small companies expressed further concerns about the number of records they were receiving. During those meetings, they proposed an industry–wide test of the system. As

I indicated at pp. 8 – 9 of my Direct Testimony, we readily agreed to work with them to design and conduct this test.

Q. BOTH MR. JONES, AT P. 7 OF HIS DIRECT, AND MR. SCHOONMAKER, AT P. 10 OF HIS DIRECT, CLAIM THAT THE RECORDS TEST CONDUCTED BY THE INDUSTRY THIS PAST SUMMER SHOWS THE DEFICIENCY OF THE CURRENT RECORDS SYSTEM. THEY CLAIM THAT TEST RESULTS SHOW RECORDS DISCREPANCIES OF UP TO 59%. DO YOU AGREE WITH THEIR CONCLUSIONS?

A. No. As even Mr. Schoonmaker admits, these were only "initial results." They were the product of the first part of the reconciliation process under which the terminating companies were to compare what they recorded with the records provided by the originating companies. Under the jointly-developed test procedures, it was then up to the originating companies to perform further reconciliation work to explain the initial discrepancy. Already, much of the initial discrepancy has been resolved. As Mr. Schoonmaker acknowledges, at p. 10 of his Direct, this reconciliation and verification process is still going on. Although he predicts a "significant unreconciled difference" will remain at the end of the test, even he expects the number of unmatched records will be considerably less than initially reported.

Q. DO YOU BELIEVE THAT THERE WILL BE A SIGNIFICANT UNRECONCILED DIFFERENCE AT THE CONCLUSION OF THE INDUSTRY RECORDS THAT WOULD JUSTY DISMANTLING THE ORIGINATING RECORDS SYSTEM?

A. No. As I discussed in my Direct Testimony, SWBT discovered that it made some material errors in setting up some of its switches (the Ericssons) in Missouri to handle Local Plus. SWBT also made a mistake during the test in pulling the data set for the records comparison for Northeast Missouri Rural. But these errors were not defects in the originating records system. Rather, they were human errors made by company employees in performing isolated network switch translations and in doing the set up work for the records test itself in this case. We very much regret making them and have immediately set about correcting them. But these mistakes hardly justify dismantling a system that has been successfully used for over twelve years.

Q. MR. SCHOONMAKER STATES THAT OVER THE PAST TWO YEARS, THE CURRENT SYSTEM HAS NOT PROVIDED APPROPRIATE RECORDS FOR TERMINATING LECs TO BILL TERMINATING TRAFFIC. DO YOU AGREE WITH THIS CHARACTERIZATION?

A. I will certainly acknowledge that SWBT has not provided all of the records for some of its Local Plus traffic as it should have. Again, that was due to a translations error made by our employees in initially setting up our Ericsson switches for Local Plus. I can also acknowledge that we found a similar translation mistake in setting up an OCA route. But none of these are problems with the system and do not merit Mr. Schoonmaker's over-generalization. I think that with the exceptions we found in the recent test (all of which have now been corrected), the system has been providing adequate records for all carriers to bill from.

Q. APPARENTLY BECAUSE OF THEIR DISSATISFACTION WITH THE ACCURACY OF THE PRESENT RECORDS SYSTEM, MR. JONES AND MR. SCHOONMAKER PROPOSE ALLOWING THE USE OF TERMINATING RECORDINGS TO BILL TERMINATING CHARGES. DO YOU UNDERSTAND THAT TO BE THE POSITION OF ALL MITG AND STCG MEMBERS?

A. That is what Mr. Jones' says at p. 5 of his Direct Testimony. But given their actual proposal and the actions of their individual member companies, I really question whether all members share the same level of dissatisfaction with the current originating records system.

Q. WHY DO YOU SAY THIS?

A. If all MITG and STCG members shared the same level of dissatisfaction with the present system, I would have expected them to be calling for the complete conversion to a terminating records system. But they are not. Instead, they are seeking the "right" to use terminating records.

In fact, the MITG proposal, at p. 4 of Mr. Jones' Direct Testimony, specifically preserves an option for their members to continue using the present system: "Terminating LECs desiring to utilize a system whereby terminating compensation is computed based upon originating records may opt to do so." Mr. Schoonmaker, at p. 18 of his Direct Testimony, indicates that his group is not proposing that the use of terminating records be mandatory either. He states: "Since the recommendation will require additional recording capabilities and some changes to billing systems, we are recommending that the proposal

be an alternative which companies can choose as they have the capability to implement the proposed procedures."

To me, these actions are telling. If there was universal dissatisfaction with the current system, all MITG and STCG members would have installed some type of terminating recording capability like some of the members apparently have done so they could create their own record. It is apparent that some of the MITG and STCG members are still willing to bill their terminating charges using the existing originating records system.

Q. DO THESE PROPOSALS SEEKING TO GIVE INDIVIDUAL MITG AND STCG MEMBERS THE CHOICE OF USING EITHER ORIGINATING OR TERMINATING RECORDS CAUSE ADDITIONAL PROBLEMS FOR ORIGINATING COMPANIES?

A. Yes. Aside from the fundamental problems inherent with the use of terminating records (which I previously outlined at pp. 13 – 16 of my Direct Testimony), these proposals would also force all of the originating companies to maintain dual systems to handle the payment of terminating compensation on their traffic. Verizon, Sprint, Fidelity, Spectra, SWBT and CLECs providing IntraLATA toll would be required to maintain new systems to accept, process and audit bills for terminating access charges based on terminating records while keeping the current originating record system in place. Use and maintenance of two systems for terminating access billing is an inefficient use of companies' resources, especially when the proposed method based on terminating records cannot accurately bill the proper originating parties.

Q. ARE THERE OTHER INDICATIONS THAT THE TANDEM COMPANIES' EXISTING RECORDS SYSTEMS ARE NOT AS UNRELIABLE AS MITG AND STCG WOULD HAVE THE COMMISSION BELIEVE?

A. Yes. Both MITG's and STCG's proposals appear to arise from a claimed belief that the existing records systems are unreliable. Yet both actually use the tandem companies' existing records systems as part of their plans. Specifically, both Mr. Schoonmaker and Mr. Jones propose to use records generated by the tandem companies' existing records systems to calculate the exclusions they propose to make for certain types of usage such as Interstate FGA traffic, Interstate IntralATA traffic, wireless traffic, IXC traffic and MCA traffic.

Q. HOW DO THEIR PROPOSALS CALL FOR THIS USAGE TO BE EXCLUDED FROM COMPENSATION?

A. Their proposals call for most of this usage to be excluded by means of reports or records furnished to the companies by the tandem companies. In the case of SWBT as discussed in my Direct Testimony at pages 21 and 22, that usage is furnished to the companies in the following manner:

- Interstate and Intrastate FGA usage is provided to the former SCs by means of the AG655-001 through AG655-004 reports created from SWBT billing records. These reports provide terminating LECs with the quantity of minutes

being delivered to them from customers who purchase this access service from SWBT. These reports are produced from SWBT's originating records.

- Interstate IntraLATA usage that is originated by a SWBT end user will be provided to MITG and STCG members (as well as to the tandem LECs and the other originating toll providers in the state) on a monthly report being created by SWBT. These reports will be produced from SWBT's originating records.
- Wireless usage is provided to MITG and STCG members (as well as to all other terminating carriers in the state) on the Cellular Transiting Usage Summary Report (CTUSR) that was ordered by the Commission in Case No. TT-97-524. This report is generated using recordings SWBT makes as this wireless traffic enters its network.
- IXC usage is provided to the non-tandem MITG and STCG companies by means of Category 11 Records. These are also records based on recordings made by SWBT as the traffic enters its network. This production of Category 11 Records is in accordance with nation-wide procedures which provide that terminating access be recorded at the first LEC within the terminating LEC-to-LEC connectivity so that all LECs along the call path can accurately bill the appropriate IXC for the terminating call.

Q. DO YOU FEEL THAT TERMINATING RECORDS ARE A BETTER DETERMINATION OF THE TRAFFIC FOR ACCESS BILLING?

A. No. The use of terminating records for billing rather than originating records does nothing to improve the process. As outlined in my direct testimony at pages 13 through 16, the use of terminating records does not allow the true originating service provider to be identified and accordingly, the use of terminating records results in incorrect access billing. This is particularly true when the call is transmitted to the terminating end using Multi Frequency (MF) signaling. In that case no originating information is passed to the terminating end office so a record that is recorded at the terminating end of the call would have no information on which originating carrier the terminating carrier should bill. More significantly, in today's competitive telecommunications market place, having the originating number in the terminating record does not allow the terminating party to know the service provider that is responsible for the traffic and to be able to bill accurately. Only the LEC where the traffic enters the LEC-to-LEC network can properly create billing records so that other LECs on the call path know the responsible originating service provider.

Q. MR. JONES, AT P. 8 OF HIS DIRECT TESTIMONY, CLAIMS THAT THE OREGON FARMER'S ACCESS TARIFF "EVEN WITH THE CONTINUED USE OF FGC . . . CONTEMPLATES THE TERMINATING LEC USING ACTUALLY MEASURED TERMINATING USAGE WHERE MEASUREMENT CAPABILITY EXISTS." DO YOU AGREE WITH HIS INTERPRETATION?

A. No. That language, along with a previous sentence in that section[1], simply provided authority for the former Secondary Carriers under the PTC Plan to bill terminating access charges using terminating to originating (T/O) traffic ratios instead of measured minutes. With a T/O ratio, terminating access minutes were derived by multiplying the actual number of originating toll minutes from an exchange by that exchange's T/O ratio (e.g., if a T/O ratio was 1:1, the terminating LEC would bill one minute of terminating access for every toll minute originated in that exchange).

When the PTC Plan was eliminated, all parties agreed that it was no longer appropriate to continue using T/O ratios. There was, and still remains a dispute over whether terminating access should be billed from originating or terminating recordings. In my view, the language in the Oregon Farmer's tariff allows the use of measured minutes for billing terminating access (which is being done now), but it does not specify which recording (i.e., originating or terminating) is to be used. It was our understanding, both in this case and the prior PTC cases (TO-99-254[2] and TO-97-217[3]) that this issue was to be

[1] The first sentence under Section 6.7.4(E)(2) Determining Access Minutes – Feature Group C Usage Measurement – Terminating Usage states: "For terminating calls over FGC to services other than 800, 900 or directory assistance, terminating FGC usage is not directly measured at the terminating entry switch, but is imputed from originating usage . . . "

[2] Issue 3(b)(1) from that case stated: "How and where should actual terminating intraLATA intrastate LEC-to-LEC traffic be measured?"

[3] Issues 5 and 6 from the Final Report of the PTC Technical Committee stated:

> 5. How and where should actual terminating intraLATA intrastate LEC-to-LEC traffic be measured where traffic terminates at an end office transiting a tandem switch of a current SC?
> 6. How and where should actual terminating intraLATA LEC-to-LEC traffic be measured where traffic terminates at an end office without transiting a tandem switch of a current SC?
>
> Both of these issues were listed as rrequiring "PSC Action Now"

submitted to the Commission for resolution. If this issue were already predetermined by tariff, the parties would neither have previously presented it nor be presenting it now to the Commission for resolution.

Q. DO YOU AGREE WITH MR. JONES AT PAGE 5 OF HIS DIRECT TESTIMONY CONCERNING THE TREATMENT OF METROPOLITAN CALLING AREA (MCA) TRAFFIC UNDER THE ILEC PROPOSAL?

A. No. All MCA traffic has been ordered by the Commission in Case No. TO-92-306 to be bill and keep. The Commission reaffirmed this in Case No. To-99-483. MITG and STCG's proposal attempts to seek compensation for a portion of this MCA traffic. In addition, not all parties whose customers originate MCA calling are parties to this case and decisions made on any payment for this traffic in this case are not appropriate.

Q. WHY DO YOU FEEL THAT MR. JONES' PROPOSAL SEEKS COMPENSATION FOR MCA TRAFFIC?

A. All MCA traffic is currently bill and keep, but the methods proposed by Mr. Jones for exclusion of that traffic either seek some compensation or impose additional costs on the MCA providers. Mr. Jones' first remedy for this traffic is to base the exclusion of this traffic from compensation on the use of a factor. That factor would be developed based on only 48 hours of test data and updated periodically. This type of factor based on a limited sampling of data is not an appropriate representation of the traffic flows and would possibly allow for additional compensation to be paid to MITG and STCG members who terminate MCA traffic.

Mr. Jones second and third remedies impose additional costs, not only on the tandem companies but also on all carriers of MCA traffic. Establishment of separate trunk groups, increased switch terminations, modification and additions to record and billing systems would increase costs for all MCA carriers.

Q. DO YOU AGREE WITH THE PROPOSAL ON THE TREATMENT OF WIRELESS TRAFFIC AS OUTLINED BY MR. JONES AT PAGE 4 AND MR. SCHOONMAKER AT PAGE 6 OF THEIR TESTIMONY?

A. No. As previously stated, the Commission held in Case No. TT-97-524 that the payment of terminating compensation on wireless traffic that transits SWBT's network for termination to a third party is the primary responsibility of the originator of the call, not SWBT. The transiting party should not be held liable for that traffic. Further as discussed by Mr. Hughes in his rebuttal testimony, blocking of this wireless traffic is not appropriate without a specific order from the Commission. In addition payment for performing that blocking function is appropriate and necessary for the blocking party to recover its costs to perform this function for the terminating company.

Q. DO YOU AGREE WITH THE PROPOSED ALTERNATIVES OUTLINED BY MR. JONES AT PAGE 5 AS BEING AVAILABLE TO THE TANDEM COMPANIES IF THEY WISH TO AVOID THIS NEW "TERMINATING COMPENSATION BUSINESS RELATIONSHIP"?

A. No. First, terminating the existing access connections with other ILECs, as proposed by Mr. Jones in number 1, is not in the best interest of Missouri telephone customers.

Having all originating ILEC carriers provision separate trunk groups to each end office or tandem in the state brings us back to the early days of the telephone industry when different telephone companies' networks were not interconnected. The result was an inefficient use of resources and over use of rights-of-way. Such inefficient use of network resources could negatively impact customer service as covered in Mr. Scharfenberg's direct testimony. The existing telephone network was brought about by the cooperation of all companies to provide for an efficient use of network resources and to provide good service to customers of Missouri. If all LECs were required to have separate trunk groups, it would impose additional costs to all companies for trunks and additional terminations in their switches.

Second, moving to Feature Group D, as outlined by Mr. Jones in number 2, does not provide the necessary information for the terminating carrier to identify the originating service provider for correct access billing. Mr. Scharfenberg discussed this in his Direct Testimony in this case.

Third, ceasing the transiting of CLEC and wireless traffic, as outlined by Mr. Jones in number 3, is not an option that is available to SWBT. As Mr. Hughes explains in his Rebuttal Testimony the Act requires SWBT, as well as other carriers to accept and transit all traffic received at their tandems to other parties.

Q. MR. JONES AT PAGES 6 AND 7 LIKENS THE RELATIONSHIP OF THE FORMER PTCs AND SCs TO THAT OF AN IXC CONNECTING TO THE FORMER SCs. IS THIS AN ACCURATE COMPARISON?

A. No. As outlined in my Direct Testimony, the relationship that an IXC maintains is truly different. An IXC volunteers to enter into a business relationship with other carriers to carry their traffic for termination to a third party. They terminate that traffic under mutually agreed upon terms and at a rate which takes into consideration the terminating access rate that the carrier will pay to the terminating ILEC. SWBT and other tandem LECs do not offer termination to third parties. Rather, tandem companies only make their facilities available for transiting for others, as they are obligated to do under the terms of the Act. While the Act requires tandem companies to transit this traffic, it does not require them to pay for the termination of another carrier's traffic.

Q. POINTING TO SWBT'S LOCAL PLUS RECORDING PROBLEM IN ITS ERICSSON SWITCHES, MR. JONES, AT P. 11 OF HIS DIRECT, STATES THAT FOR OVER A YEAR HE HAS HAD THE "BURDEN OF TRACKING DOWN AND PROVING A MISTAKE MADE BY SWB" AND NOW HAS FINALLY "CAUGHT SWB." IS THIS CHARACTERIZATION OF THE EVENTS ACCURATE?

A. No. I do agree that Mr. Jones contacted me in February of this year and advised me that he had recently turned on the terminating recording feature in his switch. He advised me that he was seeing a large discrepancy between what he was recording and what was being reported to him. On March 17, 2000 I received an e-mail from Mr. Jones stating

that they were seeing IXC traffic at their tandem. As a tandem company, Mid-Missouri requires IXCs to interconnect at this tandem. Based on that e-mail and our follow-up telephone conversations, I had our company check all of our IXC interconnections in the LATA to make sure that no IXC traffic was getting through to Mid-Missouri. During that process, we found that a small amount of one IXC's traffic was getting through one of our tandems. On March 27, 2000 that situation was corrected. Although Mid-Missouri may not have been satisfied with the time it took us to verify these interconnections, we believe we responded in a timely and appropriate manner.

On May 22, 2000 I received an e-mail message from Mr. Jones that they were still seeing traffic from the NPA codes of 573 and 636 coming over their joint trunk group with SWBT. We were truly surprised to find that Mid-Missouri still showed these discrepancies. On 5-26-00 we asked Mr. Jones to pull some switch records for us to review that included minutes and the carrier involved which he did. It was also during this period that the industry was developing the procedures and parameters for the records test. When Mid-Missouri wanted to be one of the test companies, we supported their inclusion. We believed that an in-depth study like what we were all planning would help us resolve the problem Mid-Missouri was appearing to have. It was actually this test that helped us finally uncover the problem.

Q. WHO UNCOVERED THE SPECIFIC PROBLEM?

A. SWBT did.

Q. HOW DID SWBT FIND THE PROBLEM?

A. The Missouri records test called for the originating companies to send all billing data to the terminating companies in the test for reconciliation to the terminating usage they had recorded. Under the test procedure, the terminating company was to then submit a report of any unmatched records to the originating companies for determination of why no billing or compensation record had been sent to the terminating company. During the records test SWBT used its application of Hewlett Packard/Agilent System AcceSS7 Business Intelligence (AcceSS7) that is under development to record traffic originated in its switches or transited from its switches destined for the specific terminating LECs for the 48 hours of the test. This is another way to audit billing and compensation procedures, which SWBT has elected to add to its systems. Prior to SWBT receiving reports of any unmatched terminating records from the parties in the test, SWBT used data collected by the AcceSS7 system to match SWBT's own billing records sent to the terminating companies to those recorded by the AcceSS7 system. We noticed that in several of our exchanges the AcceSS7 system recorded more data than what was sent in billing records. During our investigation of this discrepancy, we determined initially our Ericsson switches in the Kansas City LATA were not translated to record Local Plus® traffic correctly. We also determined that this same translation error occurred in our Ericsson switches in the St. Louis and Westphalia LATAs.

Q. WHAT DID SWBT DO AFTER IT FOUND THIS PROBLEM?

A. SWBT promptly notified all affected carriers and corrected this error. My correspondence to other carriers describing what we found and how we proposed to

handle it was attached to my Direct Testimony as Schedule 2-1 through 2-4. Since then, SWBT has made final settlement with Mid-Missouri for the traffic detected in the test as well as for the entire period for the affected traffic. We have also sent proposed settlement offers to all other affected companies and are awaiting their responses.

Q. DO YOU KNOW HOW MANY ACCESS LINES THAT ARE CURRENTLY SERVED OUT OF SWBT'S ERICSSON SWITCHES?

A. Yes. As of November 17, 2000 SWBT's Ericsson switches serve approximately 83,000 access lines out of a total access line count of 2.6M. Which amounts to approximately 3.2% of SWBT's access lines.

Q. ARE YOU SAYING THAT SINCE THE PERCENTAGE OF ACCESS LINES SERVED BY THE ERICSSON SWITCHES IS SMALL THE LOCAL PLUS ERROR HAS NO EFFECT ON TERMINATING LECs IN THE STATE.

A. No. Any error is regrettable and needs to be fixed as soon as it is discovered, as was the case with Local Plus. What I am saying is that the LECs were getting appropriate records on the vast majority of SWBT's traffic.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes