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d/b/a AT&T Missouri  
Case No: TT-2006-0474

SOUTHWESTERN BELL TELEPHONE, L.P.,  
d/b/a AT&T MISSOURI

CASE NO. TT-2006-0474

REBUTTAL TESTIMONY  
OF  
CRAIG A UNRUH

St. Louis, Missouri  
September 26, 2006

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of McLeodUSA Telecommunications  
Services, Inc.'s Tariff Filing to Increase its Missouri  
Intrastate Access Rates.

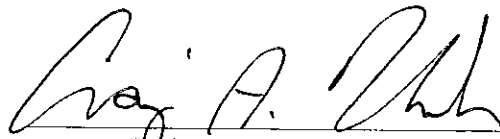
) Case No. TT-2006-0474  
) Tariff No. JC-2006-0789  
)

AFFIDAVIT OF CRAIG A. UNRUH

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

I, Craig A. Unruh, of lawful age, being duly sworn, depose and state:

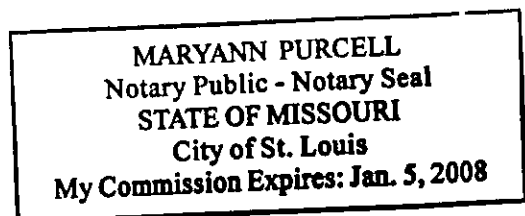
1. My name is Craig A. Unruh. I am presently Executive Director – Regulatory for Southwestern Bell Telephone, L.P., d/b/a/ AT&T Missouri.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

  
Craig A. Unruh

Subscribed and sworn to before this 26<sup>th</sup> day of September, 2006

  
(Notary Public)

My Commission Expires: 1/5/2008



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**CASE NO. TT-2006-0474**  
**SOUTHWESTERN BELL TELEPHONE, L.P.**  
**D/B/A/ AT&T MISSOURI**  
**REBUTTAL TESTIMONY OF CRAIG A. UNRUH**

**INTRODUCTION**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Craig A. Unruh and my business address is One AT&T Center, Room  
3528, St. Louis, Missouri, 63101.

**Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?**

A. I am employed by Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri,  
(AT&T Missouri) and serve as its Executive Director – Regulatory. I am  
responsible for advocating regulatory policy and managing AT&T Missouri's  
regulatory organization.

**Q. HAVE YOU PREPARED AN EXHIBIT THAT SUMMARIZES YOUR  
PROFESSIONAL AND EDUCATIONAL BACKGROUND AND  
EXPERIENCE BEFORE THE MISSOURI PUBLIC SERVICE  
COMMISSION (COMMISSION)?**

A. Yes. This information is contained in Unruh - Schedule 1.

**PURPOSE AND MAIN POINTS OF TESTIMONY**

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

1 A. My testimony rebuts the testimony of Tami J. Spocogee<sup>1</sup> and explains that  
2 McLeod's proposed tariff would drastically increase its switched access prices to  
3 levels significantly higher than AT&T Missouri's switched access prices and  
4 should be rejected. The Commission's long-standing policy to cap Competitive  
5 Local Exchange Carrier (CLEC) switched access prices at the level of the  
6 Incumbent Local Exchange Carriers (ILEC) in which it competes remains the  
7 correct public policy. AT&T Missouri also sponsors the testimony of Mr. Craig  
8 Conwell who points out numerous flaws with McLeod's cost study and shows  
9 that the proposed prices are not justified by costs and that the proposed tariff  
10 should be rejected.

11  
12 **Q. WHAT ARE THE MAIN POINTS THE COMMISSION SHOULD**  
13 **UNDERSTAND ABOUT YOUR TESTIMONY?**

14 A. The Commission should understand the following points about my testimony:  
15 • The Commission has already determined that CLEC switched access prices  
16 should be capped and this decision remains the correct public policy.  
17 • The Federal Communications Commission (FCC) has likewise determined  
18 that CLEC switched access prices should be capped.  
19 • McLeod's proposed prices are as much as 759 times higher than Commission  
20 arbitrated prices for switching and transport services provided as unbundled  
21 network elements (UNEs).

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<sup>1</sup> Direct Testimony of Tami J. Spocogee on behalf of McLeodUSA Telecommunications Services, Inc. (McLeod) dated August 25, 2006.

- 1           • McLeod proposed switched access prices are significantly above AT&T  
2           Missouri's switched access prices.
- 3           • Permitting McLeod to increase switched access prices above the cap would  
4           open the door for other CLECs to do likewise.
- 5           • SB 237, which enhanced pricing flexibility for carriers, recognizes that  
6           switched access prices should remain capped because switched access prices  
7           remain subject to price caps even when all other services in the exchange are  
8           declared competitive.
- 9           • Higher switched access prices provide disincentives for carriers to offer  
10          attractive calling plans and can even discourage carriers from serving in  
11          markets with high switched access prices.

12

13   **THE COMMISSION SHOULD MAINTAIN ITS EXISTING POLICY OF**  
14   **CAPPING CLEC SWITCHED ACCESS PRICES AT THE LEVEL OF THE ILEC**  
15   **AGAINST WHICH THEY ARE COMPETING**

16   **Q.    MS. SPOCOGEE CLAIMS THAT MCLEOD'S PROPOSED TARIFF**  
17       **PROMOTES THE PUBLIC INTEREST (SPOCOGEE DIRECT, PAGE 2,**  
18       **LINES 43-44). DO YOU AGREE?**

19   A.   No. I believe that McLeod's tariff is, to the contrary, detrimental to the public  
20       interest. As my testimony explains in more detail below, the FCC and this  
21       Commission have already decided it is in the public interest to cap McLeod's  
22       switched access prices and it is in the public's interest to have lower, not higher,  
23       switched access prices.

1

2 **Q. HAS THE COMMISSION PREVIOUSLY DECIDED THAT SWITCHED**  
3 **ACCESS PRICES SHOULD BE CAPPED?**

4 A. Yes. The Commission has a long-standing policy to cap CLEC switched access  
5 prices. From early on, the Commission, through the certification process, placed  
6 the condition on CLECs that their switched access prices would be capped.  
7 Subsequently, the Commission determined in Case No. TO-99-596 to cap CLEC  
8 switched access prices at the switched access pricing levels of the ILEC against  
9 which the CLEC was competing.<sup>2</sup>

10

11 **Q. WHY DID THE COMMISSION REACH THIS DECISION?**

12 A. Consistent with the FCC's determinations related to CLEC access, the  
13 Commission's Order in Case No. TO-99-596 indicates that CLEC intrastate  
14 switched access "is a 'bottleneck' service that confers a locational monopoly  
15 upon the company providing it."<sup>3</sup> The Commission's order explains that there  
16 exists only a single route for an interexchange call to be directed to a particular  
17 end user customer and that route is the local loop, which in this case is controlled  
18 is by McLeod. The Order goes on to state that switched access prices are not  
19 subject to competitive pressure because interexchange carriers have no choice but  
20 to pay them in order to complete calls. Testimony in that case demonstrated that  
21 in jurisdictions where CLEC switched access prices had not been capped, CLECs

1 tended to set access prices at high levels, sometimes as high as 20 times the level  
2 of the directly competing ILEC.<sup>4</sup>

3

4 **Q. HAS THE COMMISSION CONFIRMED THE APPROPRIATENESS OF**  
5 **THIS POLICY IN OTHER CASES?**

6 A. Yes. In Case No. TR-2001-65 the Commission again confirmed that CLEC  
7 switched access prices should remain capped. This case was established to  
8 investigate all of the issues affecting switched access service and to establish a  
9 long-term solution with the goal to result in just and reasonable prices for  
10 switched access service.<sup>5</sup>

11

12 **Q. WHAT DID THE COMMISSION FIND IN CASE NO. TR-2001-65?**

13 A. While the Commission investigated several issues in this case, it elected to only  
14 decide two issues – both dealing with capping CLEC switched access prices. The  
15 Commission found that a cap on CLEC switched access prices continued to be  
16 necessary and thus in the public interest. Accordingly, the Commission made the  
17 interim cap established in Case No. TO-99-596 a permanent cap. In doing so, the  
18 Commission noted that the cost studies reviewed in the case showed that the

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<sup>2</sup> *In the Matter of the Access Rates to be Charged by Competitive Local Exchange Telecommunications Companies in the State of Missouri*; Case No. TO-99-596, Report and Order, issued June 1, 2000, at p. 22 (CLEC Access Rate Cap Case).

<sup>3</sup> *Id.*, p. 27.

<sup>4</sup> *Id.*, pp. 17-18.

<sup>5</sup> *In the Matter of an Investigation of the Actual Costs Incurred in Providing Exchange Access Service and the Access Rates to be Charged by Competitive Local Exchange Telecommunications Companies in the State of Missouri*; Case No. TR-2001-65, Report and Order, issued August 26, 2003 at p. 20 (*Cost of Access Case*).



1 interim cap was high in comparison to costs and that the evidence was persuasive  
2 that existing switched access prices are high in comparison to costs for all of the  
3 companies.<sup>6</sup>

4

5 **THE FCC HAS ALSO CAPPED CLEC SWITCHED ACCESS PRICES**

6 **Q. HAS THE FCC ALSO CAPPED CLEC SWITCHED ACCESS PRICES?**

7 A. Yes. The FCC in its CLEC Access Reform Order<sup>7</sup> promulgated rules<sup>8</sup> that  
8 generally cap a CLEC's interstate switched access prices at the prices  
9 charged by the competing ILEC.<sup>9</sup>

10

11 **Q. WHAT RATIONALE DID THE FCC USE TO PLACE A CAP ON CLEC**  
12 **SWITCHED ACCESS PRICES?**

13 A. The FCC's rationale for capping CLEC switched access prices include  
14 ensuring the development of efficient local competition, ensuring network  
15 interconnection remains ubiquitous and ensuring that CLECs do not shift  
16 an unreasonable level of their costs to interexchange carriers. Specifically  
17 the FCC stated:

18 Our order today is designed to spur more efficient local  
19 competition and to avoid disrupting the development of

---

<sup>6</sup> *Id.*

<sup>7</sup> See *In the Matter of Access Charge Reform, Reform of Access Charges Imposed by Competitive Local Exchange Carriers*, CC Docket No. 96-262, Seventh Report and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 9923 (2001) (*CLEC Access Reform Order*).

<sup>8</sup> 47 C.F.R. 61.26.

<sup>9</sup> The rules provide certain exceptions such as for rural CLECs and for a transition period ending June 21, 2004. These exceptions do not apply to McLeod.

1 competition in the local telecommunications market currently  
2 taking root...<sup>10</sup>  
3

4 The Order goes on to state:

5 ...In addition, these rules should continue to ensure the ubiquity of  
6 a fully interconnected telecommunications network that consumers  
7 have come to expect. Finally, by ensuring that CLECs do not shift  
8 an unjust portion of their costs to interexchange carriers, our  
9 actions should help continue the downward trend in long-distance  
10 rates for end users.<sup>11</sup>  
11

12 With respect to the rationale of the CLEC Access Reform Order seeking to ensure  
13 the ubiquitous interconnection of networks, the FCC stated:

14  
15 Additionally, IXC's have threatened to stop delivering traffic to, or  
16 accepting it from, certain CLEC's that they view as over-priced.  
17 Thus, AT&T has notified a number of CLEC's that it refused to  
18 exchange originating or terminating traffic. In some instances,  
19 AT&T has terminated its relationship with CLEC's and is blocking  
20 traffic, thus raising various consumer and service quality issues.  
21 These practices threaten to compromise the ubiquity and  
22 seamlessness of the nation's telecommunications network and  
23 could result in consumer confusion. Once one or more IXC's  
24 refuse to do business with a CLEC, it will become impossible for  
25 that CLEC's end users to reach, or receive calls from, some parties  
26 outside of the local calling area. If such refusals to exchange traffic  
27 were to become a routine bargaining tool, callers might never be  
28 assured that their calls would go through. We are particularly  
29 concerned with preventing such a degradation of the country's  
30 telecommunications network. It is not difficult to foresee instances  
31 in which the failure of a call to go through would represent a  
32 serious problem, and, in certain circumstances, it could be life-  
33 threatening. Accordingly, the public interest demands a resolution  
34 to this set of problems.<sup>12</sup>  
35

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<sup>10</sup> CLEC Access Reform Order, para. 6.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*, para. 24 (internal footnotes omitted).

1 With respect to the improper shifting of costs to the interexchange carriers  
2 and to promote the trend in declining long distance prices, the FCC stated  
3 in its Order:

4 We are concerned that, in this environment, permitting CLECs to  
5 tariff any rate that they choose may allow some CLECs  
6 inappropriately to shift onto the long distance market in general a  
7 substantial portion of the CLECs' start-up and network build-out  
8 costs. Such cost shifting is inconsistent with the competitive  
9 market that we seek to encourage for access service. Rather, it  
10 may promote economically inefficient entry into the local markets  
11 and may distort the long distance market. While we seek to  
12 promote competition among local-service providers, we also seek  
13 to eliminate from our rules opportunities for arbitrage and  
14 incentives for inefficient market entry.<sup>13</sup>  
15

16 **Q. IS THERE ANYTHING ELSE THE FCC STATED IN ITS ORDER THAT**  
17 **THE COMMISSION SHOULD CONSIDER WITH RESPECT TO CLEC**  
18 **SWITCHED ACCESS PRICES?**

19 A. Yes. The FCC's Order also states:

20 ...We find persuasive IXC arguments that it is highly unusual for a  
21 competitor to enter a market at a price dramatically above the price  
22 charged by the incumbent, absent a differentiated service  
23 offering.<sup>14</sup>  
24

---

<sup>13</sup> *Id.*, para. 33.

<sup>14</sup> *Id.*, para. 37.

1    **MCLEOD’S PROPOSED PRICES ARE SUBSTANTIALLY ABOVE THE**  
2    **COMMISSION’S ARBITRATED UNE RATES AND AT&T MISSOURI’S**  
3    **SWITCHED ACCESS PRICES**

4    **Q.     HAS THE COMMISSION ARBITRATED UNE RATE ELEMENTS THAT**  
5        **ARE SIMILAR TO THE SWITCHED ACCESS RATE ELEMENTS**  
6        **PROPOSED BY MCLEOD?**

7    A.     Yes. The Commission initially arbitrated prices for AT&T Missouri’s UNEs  
8        dealing with switching and transport functions (the same types of functions  
9        performed in the provision of switched access services) in Case No. TO-97-40.  
10       There, the Commission examined UNE costs in detail, and, while AT&T  
11       Missouri did not agree with the Commission’s arbitrated TELRIC-based rates in  
12       that case, the Commission nonetheless established UNE rates for functions like  
13       switching and transport that are common between switched access rate elements  
14       and UNE rate elements.

15

16   **Q.     ARE THE COMMISSION ORDERED TELRIC-BASED UNE RATES FOR**  
17        **SWITCHING AND TRANSPORT FUNCTIONS SUBSTANTIALLY**  
18        **LOWER THAN MCLEOD’S PROPOSED SWITCHED ACCESS PRICES**  
19        **FOR SWITCHING AND TRANSPORT FUNCTIONS?**

20   A.     Yes. McLeod’s proposed prices across the board are substantially higher than the  
21        Commission arbitrated UNE rates and, in fact, some elements are hundreds of

1 times higher.<sup>15</sup> Unruh - Schedule 2 compares the Commission's arbitrated rates  
2 with the ones proposed by McLeod.

3

4 **Q. ARE MCLEOD'S PROPOSED PRICES HIGHER THAN AT&T**  
5 **MISSOURI'S PRICES FOR SWITCHED ACCESS SERVICE?**

6 A. Yes. McLeod's proposed prices are substantially higher than AT&T Missouri's  
7 prices for switched access service. For example, McLeod's switching price is  
8 153% higher than AT&T Missouri's switching. Unruh - Schedule 3 compares  
9 McLeod's proposed switched access prices with AT&T Missouri's current prices.

10

11 **Q. ARE MCLEOD'S CURRENT SWITCHED ACCESS PRICES HIGHER**  
12 **THAN THE SWITCHED ACCESS CAP?**

13 A. Yes. In spite of the requirement to cap McLeod's switched access prices at  
14 AT&T Missouri's prices in areas where McLeod competes against AT&T  
15 Missouri (i.e., the cap), McLeod's existing switched access prices are higher than  
16 AT&T Missouri's prices. It appears McLeod has failed to lower its switched  
17 access prices as required when AT&T Missouri has lowered its switched access  
18 prices in recent years. It appears McLeod's switched access prices have exceeded  
19 the existing cap for almost 6 years.

20

21

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<sup>15</sup> For example, McLeod's proposed Tandem Transport Switched Facility is 759 times higher than the Commission arbitrated UNE rate for Tandem Transport Facilities - Zone 4.

1 **PERMITTING MCLEOD TO INCREASE SWITCHED ACCESS PRICES**

2 **ABOVE THE CAP WOULD CREATE IMPROPER INCENTIVES**

3 **Q. WOULD OTHER CLECS BE INCENTED TO INCREASE SWITCHED**  
4 **ACCESS PRICES ABOVE THE CAP IF MCLEOD IS PERMITTED TO**  
5 **INCREASE ITS SWITCHED ACCESS PRICES ABOVE THE CAP?**

6 A. Yes. Other CLECs will see this as an opportunity to essentially get “free money”  
7 and could likely seek similar price increases.

8

9 **Q. ARE HIGHER SWITCHED ACCESS PRICES APPROPRIATE IN**  
10 **TODAY’S MARKETPLACE?**

11 A. No. Historically, the Commission’s policy was to set prices for services like  
12 switched access well above cost in order to keep residential basic local prices as  
13 low as possible. The Commission’s Order in TR-2001-65 noted that “state  
14 commissions and the federal government have acted to keep residential telephone  
15 service rates low in order to encourage a high level of participation in the local  
16 telephone network by residential customers. As a result, business rates, toll rates  
17 and access rates have historically been set high, in order to produce sufficient  
18 revenue to support the low residential rates.” While this was a reasonable goal in  
19 a marketplace where prices could be structured to achieve this policy goal, the  
20 downside is that it created a highly subsidized market structure that created  
21 difficulties as additional competition was introduced in the marketplace.

22

1        Additionally, high switched access prices have created disincentives for carriers  
2        to create attractive calling plans and have even discouraged carriers from serving  
3        in markets with high switched access costs.<sup>16</sup> The Commission's Order in TR-  
4        2001-65 points out that high switched access rates impact carriers that provide toll  
5        service and result in higher toll prices. The Order also states that high access  
6        rates discourage small ILECs from cooperating to provide expanded local calling  
7        scopes and that higher switched access prices distort the interexchange market,  
8        create disincentives for carriers to serve certain markets and provide opportunities  
9        for discriminatory pricing.<sup>17</sup>

10

11       The prevailing view appears to be that switched access prices are generally too  
12       high and should be lowered. The FCC, state commissions and companies have  
13       taken steps over time to lower switched access prices through pricing changes,  
14       funding mechanisms and other means. For example, AT&T Missouri's prices for  
15       switched access have declined significantly. In 1984, AT&T Missouri's total  
16       switched access price for originating a call was \$0.0752 while today that price has  
17       been reduced to \$0.0223.<sup>18</sup> And AT&T Missouri's interstate switched access  
18       prices are significantly lower yet. Most recently, an intercompany compensation  
19       plan, known as the Missoula plan, has been submitted to the FCC and this plan

---

<sup>16</sup> The Commission's Order in Case No. TO-99-596 indicates that some exchanges were served by as few as nine interexchange carriers even though there were over 500 interexchange carriers certificated in Missouri. The Order goes on to explain that this situation is explained by density issues and by the high switched access prices in certain exchanges. *CLEC Access Rate Cap Case*, p. 20.

<sup>17</sup> *Cost of Access Case*, p. 13.

<sup>18</sup> Represents the total price per minute using one mile of transport.

1 would, among other things, significantly lower switched access prices across the  
2 country.

3

4 **SB 237 MAINTAINS A CAP ON PRICE CAP CARRIERS' SWITCHED ACCESS**  
5 **PRICES EVEN IN COMPETITIVE EXCHANGES**

6 **Q. WHAT WAS THE PURPOSE OF SB 237?**

7 A. SB 237, passed in 2005, provides additional pricing flexibility for companies and  
8 it significantly altered the manner in which price cap companies obtain  
9 competitive classifications.

10

11 **Q. DOES A PRICE CAP CARRIER'S SWITCHED ACCESS PRICES**  
12 **REMAIN SUBJECT TO A PRICE CAP EVEN WHEN ALL OTHER**  
13 **SERVICES OFFERED BY THE COMPANY IN AN EXCHANGE**  
14 **BECOME COMPETITIVELY CLASSIFIED?**

15 A. Yes. Switched access prices for price cap carriers remain subject to a price cap  
16 under the price cap mechanism set out in Section 392.245 RSMo. even when all  
17 other services in the exchange become competitively classified.

18

19 **ACTION TO STOP MCLEOD'S PRICE INCREASES IS LIKELY IN OTHER**  
20 **STATES**

21 **Q. MS. SPOCOGEE IMPLIES THAT MISSOURI IS THE ONLY STATE**  
22 **QUESTIONING MCLEOD'S PROPOSED PRICE INCREASES**  
23 **(SPOCOGEE DIRECT, PAGE 7, LINES 149-150). DO YOU BELIEVE**



1           **THERE WILL BE ACTIVITY IN ADDITIONAL STATES BEYOND**  
2           **MISSOURI TO CHALLENGE MCLEOD'S PROPOSED SWITCHED**  
3           **ACCESS PRICE INCREASES?**

4    A.    Yes. I believe it is likely there will be actions in other states to challenge  
5           McLeod's proposed switched access price increases. The tariff filing intervals  
6           and the procedures to challenge tariff filings vary across the states. In some  
7           cases, for example, tariffs simply go into effect the day after they are filed and  
8           then parties may file motions to investigate the tariffs that have already gone into  
9           effect. Given this, I believe it is likely that challenges will be made in additional  
10          states.

11

12   **SUMMARY**

13   **Q.    PLEASE SUMMARIZE YOUR TESTIMONY.**

14   A.    My testimony has demonstrated that it is not in the public interest to approve  
15           McLeod's proposal to increase their switched access prices above the cap. This  
16           Commission and the FCC have already decided it is in the public interest to cap  
17           switched access prices. McLeod's proposed prices significantly exceed the  
18           Commission's arbitrated UNE rates for comparable switching and transport  
19           functions. McLeod's proposed prices are significantly higher than AT&T  
20           Missouri's prices for the same service. Permitting McLeod to increase its prices  
21           above the cap will encourage other CLECs to do likewise. Moreover, policy  
22           goals should be directed toward finding appropriate ways to lower switched  
23           access prices rather than promoting higher switched access prices as today's

1           subsidy driven switched access pricing discourages the development of expanded  
2           or lower cost calling plans. As Mr. Conwell demonstrates in his rebuttal  
3           testimony, McLeod's purported costs are not appropriate. Even SB 237, the most  
4           recent major legislative overhaul of pricing flexibility regulation, recognizes the  
5           unique nature of switched access service by ensuring that switched access prices  
6           remain capped even after a price cap carrier's other services become  
7           competitively classified. McLeod's proposed tariff should be rejected.

8

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

10   A.    Yes.

1 **SUMMARY OF EDUCATION, WORK EXPERIENCE AND QUALIFICATIONS**

2  
3  
4 **Q. PLEASE SUMMARIZE YOUR PROFESSIONAL AND EDUCATIONAL**  
5 **BACKGROUND?**

6 A. I received a Bachelor of Science in Computer Science from Kansas State  
7 University in 1986. I received a Master of Business Administration from  
8 Washington University in St. Louis in 1995. I have been employed by AT&T  
9 Missouri since 1986 and have held several positions in the company mostly  
10 working in the regulatory area. I have worked on regulatory issues at both the  
11 federal and state level.  
12

13 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

14 A. Yes, I have previously testified in the following Missouri cases:  
15 • Missouri Case No. TO-98-212, In the Matter of the Investigation into the  
16 Exhaustion of Central Office Codes in the 314 Numbering Plan Area  
17 • Missouri Case No. TO-97-217, In the Matter of an Investigation Concerning  
18 the Continuation or Modification of the Primary Toll Carrier Plan (PTC)  
19 When IntraLATA Presubscription is Implemented in Missouri  
20 • Missouri Case No. TO-99-14, In the Matter of the Implementation of Number  
21 Conservation Methods in the St. Louis, Missouri Area  
22 • Missouri Case No. TO-99-254, et al., In the Matter of an Investigation  
23 Concerning the Primary Toll Carrier Plan and IntraLATA Dialing Parity  
24 • Missouri Case No. TO-99-483, In the Matter of an Investigation for the  
25 Purpose of Clarifying and Determining Certain Aspects Surrounding the

Provisioning of Metropolitan Calling Area Service after the Passage and  
Implementation of the Telecommunications Act of 1996

- Missouri Case No. TR-2001-344, In the Matter of Northeast Missouri Rural Telephone Company's Rate Case in Compliance with the Commission's Orders in TO-99-530 and TO-99-254
- Missouri Case No. TO-98-329, Investigation into Various Issues Relating to the Missouri Universal Service Fund
- Missouri Case No. TT-2002-227, et al., In the Matter of Southwestern Bell Telephone Company's Proposed Revisions to PSC MO No. 26, Long Distance Message Telecommunications Service Tariff
- Missouri Case No. TR-2001-65, Investigation of actual costs incurred in providing exchange access service and the access rates to be charged by competitive local exchange telecommunications companies
- Missouri Case No. IT-2004-0015, In the Matter of Southwestern Bell Telephone Company, d/b/a SBC Missouri's Proposed Revised Tariff Sheet Intended to Increase by Eight Percent the Rates for Line Status Verification and Busy Line Interrupt as Authorized by Section 392.245, RSMo, the Price Cap Statute
- Missouri Case No. TO-2005-0035, In the Matter of The Second Investigation into the State of Competition in the Exchanges of Southwestern Bell Telephone, L. P., d/b/a SBC Missouri

- 1       • Missouri Case No. TO-2006-0093, In the Matter of the Request of  
2       Southwestern Bell Telephone, L.P., d/b/a SBC Missouri, for Competitive  
3       Classification Pursuant to Section 392.245.6, RSMo (2005) – 30 day Petition.
- 4       • Missouri Case No. TO-2006-0102, In the Matter of the Request of  
5       Southwestern Bell Telephone, L.P., d/b/a SBC Missouri, for Competitive  
6       Classification Pursuant to Section 392.245.6, RSMo (2005) – 60 day Petition

**McLeod Proposed Switched Access Prices Compared to Commission Arbitrated TELRIC-Based Rates for AT&T Missouri UNEs**

UNE/Service	AT&T Missouri	McLeod	% McLeod above AT&T Missouri
	A	B	(B/A) - 1
Switching			
Zone 1 Urban (STL, KC), per MOU	\$ 0.001988	\$ 0.02033	923%
Zone 2 Suburban, per MOU	\$ 0.002391	\$ 0.02033	750%
Zone 3 Rural, per MOU	\$ 0.003444	\$ 0.02033	490%
Zone 4 Urban (Springfield), per MOU	\$ 0.002934	\$ 0.02033	593%
Tandem Switching			
Duration charge, per MOU	\$ 0.001510	\$ 0.01081	616%
Transport Termination			
Termination, per MOU Zone 1	\$ 0.000190	\$ 0.00169	789%
Termination, per MOU Zone 2	\$ 0.000285	\$ 0.00169	493%
Termination, per MOU Zone 3	\$ 0.000302	\$ 0.00169	460%
Termination, per MOU Zone 4	\$ 0.000162	\$ 0.00169	943%
Termination, per MOU Interzone	\$ 0.000332	\$ 0.00169	409%
Transport Facility Mileage			
Facility, per Mile, per MOU Zone 1	\$ 0.000002	\$ 0.00076	37900%
Facility, per Mile, per MOU Zone 2	\$ 0.000007	\$ 0.00076	10757%
Facility, per Mile, per MOU Zone 3	\$ 0.000015	\$ 0.00076	4967%
Facility, per Mile, per MOU Zone 4	\$ 0.000001	\$ 0.00076	75900%
Facility, per Mile, per MOU Interzone	\$ 0.000003	\$ 0.00076	25233%

### McLeod's Proposed Switched Access Prices Compared to AT&T Missouri's Current Prices

Service	Line	AT&T Missouri	McLeod	% McLeod above AT&T Missouri
		A	B	(B/A) -1
Switching, per MOU	1	\$ 0.008024	\$ 0.020330	153%
Carrier Common Line, per MOU				
Terminating	2	\$ 0.0171586	\$ 0.018130	6%
Originating	3	\$ 0.0094626	\$ 0.018130	92%
Transport, per MOU, 1 mile	4	\$ 0.0048	\$ 0.002450 (1)	-49%
Transport, per MOU, 10 miles	5	\$ 0.0073	\$ 0.014610 (1)	100%
Total Access Minute Price (2)				
Terminating, per MOU, 1 mile	L1+2+4	\$ 0.02998	\$ 0.04091	36%
Originating, per MOU, 1 mile	L1+3+4	\$ 0.02229	\$ 0.04091	84%
Terminating, per MOU, 10 mile	L1+2+5	\$ 0.03248	\$ 0.0531	63%
Originating, per MOU, 10 mile	L1+3+5	\$ 0.02479	\$ 0.0531	114%

#### Footnotes

(1) McLeod Transport calculation includes \$0.00169 fixed termination and \$0.00076 per mile;  
i.e. Transport, 10 miles = \$0.00169 + (10 x \$0.00076)

(2) Total Access Minute Price refers to the "total" price an IXC pays to originate or terminate a call with a LEC. The "total" price includes switching, carrier common line and transport.