

Exhibit No:
Issues: OET-2, CHC-1, SS7-1
Witness: Carol Chapman
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Southwestern Bell
Telephone, L.P., d/b/a/ SBC Missouri
Case No: TO-2005-0166

SOUTHWESTERN BELL TELEPHONE, L.P.,
d/b/a SBC MISSOURI

CASE NO. TO-2005-0166

REBUTTAL TESTIMONY

OF

CAROL CHAPMAN

Dallas, Texas
February 7, 2005

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Level 3 Communications, LLC's)
Petition for Arbitration Pursuant to Section 252(b))
Of the Communications Act of 1934, as Amended)
By the Telecommunications Act of 1996, and the) Case No. TO-2005-0166
Applicable State Laws for Rates, Terms and)
Conditions of the Interconnection with Southwestern)
Bell Telephone Company, L.P., d/b/a SBC Missouri)

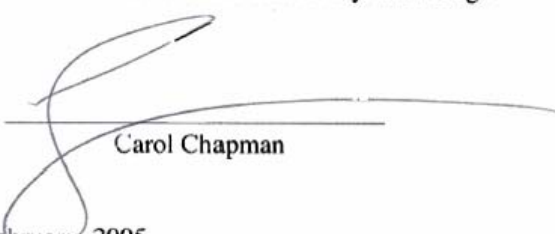
AFFIDAVIT OF CAROL CHAPMAN

STATE OF TEXAS)
)
COUNTY OF DALLAS)

I, Carol Chapman, of lawful age, being duly sworn, depose and state:

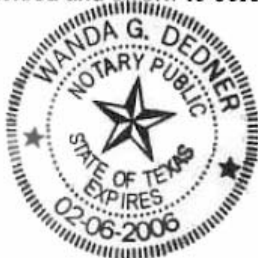
My name is Carol Chapman. I am presently Associate Director-Regulatory Support for Southwestern Bell Telephone, L.P.

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.



Carol Chapman

Subscribed and sworn to before me this 3rd day of February, 2005.





Notary Public

My Commission Expires: February 6, 2006

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME.**

2 A. My name is Carol Chapman.

3 **Q. ARE YOU THE CAROL CHAPMAN WHO FILED DIRECT TESTIMONY IN**
4 **THIS PROCEEDING?**

5 A. Yes.

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

7 A. The purpose of my testimony is to rebut the testimony of Mr. Wilson on OET Issue 2 and
8 SS7 Issue 1 and the testimony of Dr. Cabe on CHC Issue 1.

II. OUT OF EXCHANGE TRAFFIC ISSUE 2

OET Issue 2: Should The OET Appendix Provide That In Those Areas That Are Outside SBC's Incumbent Territory, SBC Is Not Obligated To Provide UNEs, Collocation, Resale Or Interconnection Pursuant To Section 251 Of The Act?

Agreement Reference: OET Appendix, Section 2.3

9 **Q. DID LEVEL 3 PROVIDE ANY DIRECT TESTIMONY ON THIS ISSUE?**

10 A. Not specifically. The only reference to Issue OET-2 that I was able to find in Level 3's
11 testimony was in the testimony of Mr. Wilson, but that reference did not address this
12 specific dispute. Instead, Mr. Wilson, in his Direct Testimony at pp. 44-47, disputed the
13 need for the OET Appendix as a whole.

14 **Q. WHY IS IT IMPORTANT TO INCLUDE A SEPARATE OET APPENDIX IN**
15 **THE INTERCONNECTION AGREEMENT?**

16 A. Although SBC Missouri is willing to support OET traffic in the manner described in the
17 OET Appendix, it is extremely important that its willingness to do so is not construed in
18 any way as SBC Missouri's agreement to extend its unbundling, collocation,
19 interconnection, and resale obligations outside of SBC Missouri's incumbent local
20 exchange carrier ("ILEC") areas.

1 **Q. HOW DOES THE INCLUSION OF A SEPARATE OET APPENDIX HELP TO**
2 **PREVENT FUTURE DISPUTES?**

3 A. The OET Appendix includes language that makes clear that SBC Missouri is willing to
4 include provisions in the agreement addressing instances in which Level 3 traffic
5 originates or terminates outside of SBC Missouri's ILEC areas, but that in doing so, SBC
6 Missouri has not agreed to expand its Section 251(c) obligations. It has been the
7 experience of the SBC ILECs that such explicit exclusionary language is needed to
8 prevent future disputes.

III. COORDINATED HOT CUTS ISSUE 1

**CHC Issue 1: Whether The Prices For Coordinated Hot Cuts Should Be Based On
Forward Looking Economic Costs Approved By The Commission**

Agreement Reference: CHC Section 3.1, 3.2

9 **Q. LEVEL 3 WITNESS CABE SUGGESTS AT PP. 48-52 OF HIS DIRECT**
10 **TESTIMONY THAT SBC MISSOURI'S RATES FOR ITS COORDINATION**
11 **EFFORTS ARE INAPPROPRIATE. DID LEVEL 3 PROPOSE A DIFFERENT**
12 **CHC RATE?**

13 A. No. Although Level 3 claims that SBC Missouri's rate for its coordination activities is
14 inappropriate, it does not propose a rate of its own. Instead, Dr. Cabe suggests (at p. 50)
15 that this work should be priced at the "Commission-approved, TELRIC rates of the
16 associated services." However, Dr. Cabe fails to mention that there is no "Commission-
17 approved TELRIC rate" for the SBC Missouri coordination work in question. In essence,
18 Dr. Cabe rejects the rate offered by SBC Missouri, but offers nothing in return.

19 **Q. WHY IS THE RATE THAT APPLIES FOR THE COORDINATION ACTIVITY A**
20 **NON-TELRIC-BASED RATE?**

21 A. The charges for coordination are not charges associated with the provisioning of a UNE.
22 The charges associated with the provisioning of the unbundled loop *are* TELRIC-based.
23 This is consistent with the requirements established by the Federal Communications
24 Commission ("FCC"). *See* 47 C.F.R. § 51.505(a). The CHC charge is *not* a charge for a

1 UNE. It is a charge for an optional service provided by SBC Missouri's labor force. The
2 rate that SBC Missouri intends to apply is an approved labor rate from SBC Missouri's
3 federal access tariff.¹ The FCC's rules do not require SBC Missouri to offer its
4 workforce on an unbundled basis or to price its workforce's services at TELRIC as
5 proposed by Level 3.

IV. SS7 ISSUE 1

SS7 Issue 1: Should The Parties Compensate Each Other For SS7 Quad Links For IXC Calls At Access Rates Or On A Bill And Keep Basis?

Agreement Reference: SS7 Section 2.1.1

6 **Q. MR. WILSON CLAIMS THAT SBC MISSOURI WANTS TO "FORCE LEVEL 3**
7 **TO PROVISION TWO SETS OF QUAD LINKS WHEN ONE SET OF QUAD**
8 **LINKS WOULD DO THE JOB."**² **IS THIS TRUE?**

9 A. Absolutely not. Mr. Wilson has misrepresented SBC Missouri's offer. Under SBC
10 Missouri's offer, if Level 3 is its own SS7 provider and wishes to establish SS7 links for
11 its local traffic, SBC Missouri is willing to establish a bill and keep arrangement in which
12 SBC Missouri will share the costs of the signaling links for the arrangement. On the
13 other hand, Level 3 is not required to accept SBC Missouri's offer. If Level 3 does not
14 wish to establish separate SS7 links for its local traffic in order to avail itself of SBC
15 Missouri's bill and keep offer, it may simply provide SS7 service using any commercially
16 available means it chooses.

17 **Q. IS IT REASONABLE TO REQUIRE SBC MISSOURI TO ADOPT THE SS7**
18 **BILLING METHODOLOGY SUGGESTED BY MR. WILSON?**³

¹ FCC Tariff 73.

² Wilson Direct at p. 6.

³ Wilson Direct at p. 43.

1 A. No. Mr. Wilson ignores the fact that the FCC has found that SS7 is a competitive
2 offering.⁴ SBC Missouri is not obligated to offer any SS7 service to Level 3.⁵ Although
3 SBC Missouri has offered a bill and keep arrangement for a “local only” SS7
4 arrangement, it is not required to do so. SBC Missouri is certainly not required to modify
5 its competitively offered SS7 access service in the manner suggested by Level 3. If Level
6 3 wishes to use SBC Missouri’s SS7 services offered via SBC’s federal access tariff, it
7 must do so pursuant to the provisions of the tariff. SBC’s federally tariffed SS7 offering
8 is not available in the manner proposed by Level 3.

9 **Q. IF THE COMMISSION WERE TO CONCLUDE, CONTRARY TO SBC**
10 **MISSOURI’S TESTIMONY, THAT THERE IS A WAY TO SEGREGATE FOR**
11 **BILLING PURPOSES SS7 MESSAGES THAT PERTAIN TO**
12 **INTEREXCHANGE CALLS FROM SS7 MESSAGES THAT PERTAIN TO**
13 **LOCAL (CLEC) CALLS, WOULD IT THEN BE APPROPRIATE FOR THE**
14 **COMMISSION TO RESOLVE THIS ISSUE IN FAVOR OF LEVEL 3?**

15 A. No. This is not an instance where it would be appropriate for the Commission to choose
16 between SBC Missouri’s proposed language and Level 3’s proposed language based on
17 which party’s compensation proposal seems most meritorious. The fact of the matter is
18 that SBC Missouri is not obliged to offer SS7 services and is thus not obligated to offer a
19 bill and keep arrangement for SS7 traffic, or a cost sharing arrangement for quad links.
20 SBC Missouri has voluntarily offered to do so in the parties’ interconnection agreement,
21 but only subject to a condition: namely, that the arrangement will not apply to
22 interexchange traffic that is not the subject of this interconnection agreement. If that
23 condition is not acceptable to Level 3, then SBC Missouri is within its rights to revoke
24 the offer it extended.

⁴ See In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, et al., CC Docket No. 01-338, August 21, 2003, paragraphs 544-548 (“TRO Order”).

⁵ Id.

- 1 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
- 2 A. Yes.