Exhibit No:
Issues: Network Issues
Witness: Joyce L. Dunlap
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Southwestern Bell Telephone Company
Case No: TO-99-593

IN THE MATTER OF THE INVESTIGATION INTO SIGNALING PROTOCOLS, CALL RECORDS, TRUNKING ARRANGEMENTS, AND TRAFFIC MEASUREMENT

CASE NO. TO-99-593

SURREBUTTAL TESTIMONY OF JOYCE L. DUNLAP

ON BEHALF OF
SOUTHWESTERN BELL TELEPHONE

St. Louis, Missouri
January 2001

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

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 Surrebuttal 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

Subscribed and sworn to before me this 11th day of January 2001.

TAMMY R MORRIS
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. APR. 4,2004

Notary Public

My Commission Expires: April 4, 2004

SURREBUTTAL 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 AND REBUTTAL TESTIMONY IN THIS CASE?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I will respond to the rebuttal testimony of Mr. Arthur Kuss on behalf of the Staff of the Missouri Public Service Commission, Mr. Robert Schoonmaker on behalf of the Small Telephone Company Group (STCG) and Mr. David Jones and Mr. Kent Larsen on behalf of the Missouri Independent Telephone Company Group (MITG).

Q. DO YOU AGREE WITH MR. KUSS AT P. 4 OF HIS REBUTTAL TESTIMONY THAT "THE CAUSE OF THE BILLING DISCREPANCY WAS IDENTIFIED AND THE PROBLEM RESOLVED ONLY AFTER MID-

MISSOURI TELEPHONE COMPANY (MID-MO) STARTED TO TAKE STEPS TO BLOCK CERTAIN TRAFFIC?

A. No. As I pointed out in my Rebuttal Testimony at pp. 18 and 19, the specific problems that Mid-Missouri was having were identified by SWBT during the Missouri Records Test, which Mid-Missouri participated in. The industry had been working on setting this record test up since the Spring of 2000. As we had not been able to identify the cause of the discrepancy between the billing records and Mid-Missouri's terminating recording to that point. I suggested to Mid-Missouri that it be one of the test companies. We were looking forward to Mid-Missouri's participation in the test so we could identify and resolve the issue. Mid-Missouri's notification of its plan to block the traffic did not cause the issue to be resolved.

Q. MR. KUSS, AT P. 4 OF HIS REBUTTAL TESTIMONY, STATES THAT THE COMMISSION'S DECISIONS IN VARIOUS OTHER CASES HAVE NOT REJECTED THE PROPOSAL OF MITG AND STCG FOR THE TREATMENT OF TRAFFIC IN THIS CASE, DO YOU AGREE?

A. No I do not agree. As I stated in my Direct Testimony at pp. 17 & 18 in Case TO-99-254 the Commission rejected the idea that the tandem company should be responsible for the payment of terminating access charges on other carriers' traffic that merely transited its tandem. The Commission has consistently made clear that the originating carrier should be the responsible party for the payment of terminating access, not the transiting carrier. Contrary to Mr. Kuss' interpretation, the Commission's findings in the Dial U.S. Case, TO-96-440, were broad and extended beyond MCA traffic. The Commission's

decision on this point was general and made clear that Dial U.S. was responsible for making its own arrangements for the termination of all of its traffic:

> When Dial US becomes a facilities-based provider or a mixed-mode provider of basic local exchange service, then it must make arrangements with other LECs, such as Choctaw, to terminate calls to the other LECs' customers. Dial US is prohibited by the agreement from sending to SWB traffic that is "destined for the network of a third party unless and until compensation arrangements acceptable to Dial US and the third party have been reached." (Interconnection Agreement at 15.XIII.A.) The Commission finds that this provision protects other LECs and removes the potential for discrimination from the agreement. The agreement, therefore, does not discriminate against Choctaw. Report and Order, Case No. TO-96-440, issued September 6, 1996 at p.7

While Case No. TO-99-524 only involved wireless traffic, the Commission's decision was fully consistent with its prior orders placing responsibility for terminating compensation on the carrier whose customer placed the call.

Q. DO YOU AGREE WITH MR. KUSS AT P. 5 OF THIS TESTIMONY THAT MINIMAL INCENTIVES EXIST FOR THE CORRECT MEASUREMENT OF TRAFFIC?

A. No. As I stated in my Rebuttal Testimony at pp. 2 and 3, tandem companies have a great stake in ensuring that traffic is measured accurately. These measurements of traffic are used to base toll billing to customers as well as access billing among the tandem companies who terminate substantially more traffic than do MITG and STCG members.

Q. MR. KUSS STATES ON P. 5 OF HIS TESTIMONY THAT "THE TRAFFIC TEST VERIFIED THERE ARE SHORTCOMINGS TO THE BUSINESS ARRANGEMENT AS IT EXISTS..." IS THIS A CORRECT ASSESSMENT?

A. No. The records test, as I pointed out in by Rebuttal Testimony at p. 7, did show that human errors were made in performing certain network translations. But those errors have been corrected and settlements are being made. Throughout the years, various mistakes have been made by small companies and tandem companies alike. When they are discovered, the errors are corrected and appropriate settlements made. To me, that is how a healthy business relationship works.

Q. DO YOU AGREE WITH MR. LARSEN AT P. 4 OF HIS TESTIMONY WHERE HE STATES THAT IF SWBT OR THE OTHER TANDEM COMPANIES CAN IDENTIFY THE ORIGINATOR OF THE TRAFFIC THEN THEY ARE NOT FINANCIALLY RESPONSIBLE FOR THE TRAFFIC?

A. Yes. Mr. Larsen states that the plan filed by STCG and MITG "does not require SWBT to pay for traffic for which is should not be financially responsible but does require SWBT to identify such traffic."

Q. ON P. 7 OF HIS TESTIMONY, MR. LARSEN STATES THAT THE "SMALL COMPANIES PROPOSE TO BILL ALL INTEREXCHANGE TOLL TRAFFIC USING ACCESS USAGE RECORDS (AURS)". WHAT TYPE OF RECORD DO THE TANDEM COMPANIES PROVIDE TODAY?

A. The tandem companies, as ordered by the Commission and explained in my Direct Testimony at pp. 4 and 5, currently provide Category 11 records for all toll traffic they terminate to STCG and MITC members. These Category 11 records are the records that the companies sought when the Primary Toll Carrier (PTC) Plan was terminated. These Category 11 records are essentially AURs and there is no need for the tandem companies to modify the records that they provide for toll traffic.

Q. MR. LARSEN, AT P. 14, SEEMS TO INDICATE THAT THE TERMINATING RECORDS THAT THE SMALL COMPANIES PROPOSE TO USE ARE FREE OF ERROR. DO YOU AGREE?

A. No. As was seen in the reconciliation conducted in the Missouri Records Test many of the terminating records that were used had no originating number recorded. Some had two records recorded for the same call. And other records had no conversation time. All of these types of errors could result in incorrect, duplicate or over-billing by the terminating companies if terminating records are used.

In addition there is also the possibility for error in the small companies' calculation of the exclusions under their proposal. If STCG and MITG are allowed to bill tandem companies for all traffic flowing to them through the tandems except for certain types of traffic that is to be excluded (e.g., MCA traffic), an error in the calculations of this exclusion would result in tandem companies being billed incorrectly.

Q. MR. LARSEN AT P. 14, AND MR. JONES AT P. 3, DISAGREE WITH YOUR STATEMENT THAT ORIGINATING 01-01-01-XX RECORDS ARE APPROPRIATE TO USE AS THE BASIS OF ACCESS BILLING. DO YOU AGREE?

A. No. I agree that the 01-01-01-XX EMR record is used for billing toll usage to customers, but it is also the record that is the basis for the 92 record and Category 11 record used in Missouri as well as the 92 records used in the other SWBT states of Arkansas, Kansas Oklahoma and Texas. The 01-01-01-XX EMR Records are also the basis from which similar originating records are created in the Ameritech states of Illinois, Indiana, Michigan, Ohio and Wisconsin. In addition, the 01-01-01-XX EMR Records are the basis for the originating records that are used in the PacBell states of California and Nevada.

In Case No. TO-99-254 Mr. Gerald Shannon of GTE (now Verizon) filed a late filed exhibit No. 94, which was admitted into evidence, that showed in addition to the above SWBT, Ameritech and PAC Bell states that these similar types of originating records were used in Alabama, Kentucky, New Mexico, North Carolina, Oregon, Pennsylvania, South Carolina, Virgina and Washington in which Verizon operates.

Q. ON P. 15 OF HIS TESTIMONY, MR. LARSEN TAKES ISSUE WITH THE FACT THAT THE RECORDS CREATED BY THE STCG AND MITG MEMBERS DURING THE PTC PLAN WERE ORIGINATING, NOT TERMINATING RECORDS. DO YOU AGREE?

A. I agree that these records were originating records and that STCG and MITG used them to bill the tandem companies originating access. But these originating records were also the basis upon which the STCG and MITG billed terminating access charges. During the PTC Plan, terminating access charges were billed by the small companies using terminating to originating (T/O) ratios. For example, if the T/O ratio was 1:1, the small company, for every minute of originating toll traffic it recorded (for which it was allowed to bill one minute of originating access), it was also allowed to bill one minute of terminating access.

My point here was that for years, the tandem companies relied on records that were made by the former secondary carriers (SCs) and that those records were made using the same type of originating record system that the tandem companies are now using. These originating records were the basis for the toll revenue the former PTCs received as well as the basis for the originating and terminating access billing that the PTCs paid during the duration of the PTC Plan.

Q. MR. LARSEN, AT PP. 16 AND 17, IMPLIES THAT SINCE THE TANDEM COMPANIES USED 119 RECORDS RECORDED BY THE TERMINATING COMPANIES FOR THE MISSOURI RECORDS TEST, THEY GAVE ACCEPTANCE TO THEIR USE AND TO THEIR ACCURACY. DO YOU AGREE?

A. No. The tandem companies agreed to use the call code 119 records for the record comparison in the test because those were the only records the terminating companies had available to use. Use of these records for the test was not an endorsement of them, but

rather an attempt by all parties in the test to work together to resolve issues that were important to the industry. On their part, the tandem companies continued to use category 11 records for the test. By Mr. Larsen's logic, that would mean the small ILECs, accepted the use and accuracy of these records.

Q. MR. LARSEN AT PP. 17 AND 18, AND MR. SCHOONMAKER AT P. 9, INDICATE THAT BECAUSE NO COMPENSATION RECORDS WERE MADE FOR LOCAL CALL CODE 001 RECORDS, THE ENTIRE COMPENSATION SYSTEM IS INVALID. DO YOU AGREE?

A. No. The compensation process worked correctly. Under the originating record system, intra-company compensation records are not supposed to be made on calls with a 001 call code because they are local records. The error that was made was not in the originating record system, but in certain translation work that had been performed in the Ericsson switches that caused the incorrect call code to be assigned to Local Plus ' calls made from those switches (call code 001 instead of call code 006). If a compensation record had been created off of an 001 local record, then an error would have existed in the originating record system.

This problem, as outlined in my Rebuttal Testimony at pp. 18 and 19, was discovered by the use of SWBT's newAcceSS7 system. It is this system that SWBT has chosen to deploy in its network to help ensure the most accurate records possible are created and ultimately that all parties are compensated appropriately.

Q. WHY HAS SWBT ADDED THE HEWLETT-PACKARD/AGILENT AcceSS7 SYSTEM TO ITS NETWORK?

A. This system provides the capability to monitor interconnection traffic being carried over SWBT's facilities. SWBT made this investment to augment its audit and validation capabilities used to assure that traffic is properly flowing through the billing and compensation systems with this system, traffic can be examined for calls that have been sent over a common trunk group to other LECs from SWBT's tandems.

Q. DOES THE AcceSS7 SYSTEM AS DEPLOYED BY SWBT HAVE ADDITIONAL CAPABILITIES THAT ENABLES IT TO DETERMINE WHOSE TRAFFIC IS BEING SENT TO OTHER LECS?

A. Yes. The system has the ability to correlate monitored traffic that enters SWBT's network and then is transited to a third party. With this capability, the system is able to identify the service provider that put the call on to the LEC-to-LEC network at the point it entered SWBT's network. With this feature, a summary report of call records could be constructed in cases where a billing record may not be available in the ordinary course of business.

Q. HOW DOES SWBT ANTICIPATE THAT SUCH A REPORT CAN BE USED?

A. This summary report can be used to determine the source of the traffic, so that appropriate action can be taken to correct problems in the creation or exchange of billing

or compensation data. Working in conjunction with the traditional AMA-based billing systems, this new system, in the future, could provide summary reports similar to the Cellular Transiting Usage Summary Reports (CTUSRs) where the AMA-based records have not been properly produced or exchanged. Such a capability would allow SWBT and the terminating companies to have supplementary billing information to fill the gap for missing AMA-based records.

Q. MR. SCHOONMAKER, AT P. 8 OF HIS REBUTTAL, TESTIMONY FINDS FAULT WITH THE LACK OF INFORMATION HE RECEIVED CONCERNING THE LINN SWITCH IN THE WESTPHALIA LATA. WHAT ARE THE FACTS CONCERNING THIS SWITCH?

A. The Linn switch is an Ericsson host switch with remotes at Freeberg, Arygle, Vienna, Meta and Westphalia. The Linn switch was impacted by the same translation error as the other Ericsson switches. This error was corrected September 18, 2000. The Linn host and its remotes affected Alltel, Kingdom, Sprint and Verizon. Minutes from these exchanges as well as the other affected exchanges were included in the settlement proposals sent to all companies December 14, 2000. Complete and final settlements have been accepted by Fidelity, Mid-Missouri and Sprint.

Q. ON P.7 OF HIS REBUTTAL TESTIMONY, MR. SCHOONMAKER STATES THAT AS DEMONSTRATED ON RSC-6(HC), CITIZENS STILL HAS A SIGNIFICANT PROPORTION OF TERMINATING CALLS IT IS RECORDING THAT ARE NOT BEING RECORDED BY SWBT. DO YOU AGREE?

A. Since we have previously not seen RSC-6 (HC) until it was filed in this case, we have not been able to investigate it, nor have we previously been asked to look at the discrepancies Mr. Schoonmaker claims have existed. We were told during the technical conference that Citizens continued to see discrepancies and for that reason it was included as a test company. However, I do know that for the recent Missouri Records Test, Citizens Telephone Company recorded 259 total calls for the one-hour study period. Of that, Mr. Schoonmaker was able to match 240 calls with corresponding originating records. 19 calls were provided to the tandem companies as unmatched for further investigation. SWBT has been able to determine why no billing records were sent for 18 out of the 19 calls. The majority of those calls were Local Plus calls where the translations error have now been corrected or Interstate IntraLATA for which originating records are not yet prepared. As a result, there is only 1 call not explained or .3861 percent. In addition, the tandem companies sent 29 additional originating records for this 1-hour period for which no terminating record was made.

Q. MR. JONES, AT P. 9 OF HIS REBUTTAL TESTIMONY, STATES THAT "TERMINATING RECORDS WERE ALSO USED AS A BASIS TO DEVELOP THE COMPENSATION ADJUSTMENT SWB PAID TO MID-MISSOURI." WHY WAS THIS DONE?

A. That was certainly not our preference, nor does it necessarily reflect an accurate count of the traffic. Rather, all it shows it that we settled Mid-Missouri's claim in good faith. Frankly, I was very surprised that Mid-Missouri is now trying to turn this settlement to its advantage. Like any settlement, this settlement was negotiated in confidence and it

certainly included, from SWBT's perspective, the value of promptly resolving the matter and avoiding costly litigation. But unlike situations where liability is an open question, SWBT after discovery of the error quickly acknowledged it and took responsibility for it. We also provided Mid-Missouri with a substantial initial estimated payment and suggested waiting to see actual usage originating in the affected exchanges after the problem was corrected to make a final adjustment. Mr. Jones however, urged a quicker resolution of the matter. In an effort to reach a settlement within the timeframe Mid-Missouri sought, we agreed that Mid-Missouri's could base its claim on Mid-Missouri terminating records. But there was an understanding that use of these records was not an endorsement of terminating records and that their use would not prejudice either party's position in this case.

I would point out that this settlement amount was a negotiated amount. Also, the amount agreed upon was of approximately 56 percent lower than Mid-Missouri's initial claim. And even after we paid the settlement to Mid-Missouri, upon review the worksheets that Mid-Missouri used to make its exclusions to its recorded minutes, we determined that Mid-Missouri failed to exclude FGA and some Interstate IntraLATA minutes that Mid-Missouri agreed should be excluded Mid-Missouri has since agreed to credit these amounts to SWBT.

Q. DO YOU AGREE WITH MR. COWDREY AT P. 12 OF HIS REBUTTAL TESTIMONY THAT FGD TERMINATING RECORDINGS ARE IN MANY CASES MADE BY THE TANDEM COMPANY FOR THE STCG AND MITG MEMBERS?

A. Yes. Only 9 (Seneca, Goodman and Ozark are included as one company) of the MITG and STCG members have a tandem switch that enables them to record FGD traffic for all their exchanges. In addition, Alltel can record FGD traffic for their exchanges only in the Springfield LATA. In all other areas they serve, they subtend a larger company's tandem. The remaining companies must rely on the tandem companies to supply these FGD recordings.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes