

**Q. On pages 3, 4, and 5 of her direct testimony, SWBT witness Ms. Lewis describes a potential conflict between the MCIW-proposed recital section fo the contract and the MCIW-proposed provisions of he contract for implementing new points of interconnect (Issue No. 2). Can you comment on this?**

A. Yes. I believe Ms. Lewis has confused the process for designating a new point of interconnect (POI) with the subsequent process for implementing that new POI. The MCIW proposed language concerning the implementation of a new point of interconnection is: "The Parties agree prior to establishment of any new POIs that they will meet and confer about the POI. Once agreement is reached, the Parties will memorialize such agreement as to POI locations in an exchange of letters." (Appendix NIM, Section 4, Responsibilities of the Parties, Paragraph 4.6) MCIW proposed this language knowing that when the networks of two parties are joined, both parties need to be involved in the implementation of the new point of interconnect, once that point has been designated. However, MCIW has the unilateral right to designate the point of interconnection, at any technically feasible point. Section 251 c(2)(b) of the FTA imposes on each incumbent local exchange carrier "The duty to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the local exchange carrier's network...at any technically feasible point within the carrier's network."

Thus, while it has always been MCIW's practice to work cooperatively with SWBT to plan and implement interconnection, it would not be appropriate to allow SWBT to restrict MCIW's right to designate a point of interconnection at any technically feasible point. Mutual agreement with SWBT on this designation by MCIW should not be required and the SWBT proposed change to MCIW's recital language on this point should be rejected.

**Q. At page 9 of her direct testimony, Ms. Lewis states SWBT's position that a one year term for this replacement contract is appropriate (Issue No. 3). Can you comment?**

- A. Yes. Limiting this agreement to a one year term is an unreasonable and wasteful proposal. The vast majority of interconnection contracts approved by this Commission and by others, in my experience, are at least two years in length and often longer. It is important to have some reasonable period in which to operate under the terms of a contract. Obtaining a new contract requires extensive resources to negotiate, often arbitrate, and then implement. With a one year term, we would all be back arbitrating for a new agreement before the Commission a year from now. This level of resource is more difficult to handle for new entrant companies. A short term contract benefits only SWBT.

While Ms. Lewis raises the concern of changes in the industry, the most obvious potential change in the next few years in Texas is the potential that SWBT will enter the long distance business if Section 271 approval is received from the FCC. I view a one year term on our new contract as an anti-competitive step by SWBT to allow themselves to come back to the bargaining table in a very short period once the threat of 271 denial is behind them. There is plenty of opportunity to amend the contract in light of legitimate changes in the industry, including the provisions contained in the change of law provision of the MCIW proposed contract. MCIW reiterates the need for a three year term.

- Q. One of the new issues raised by SWBT, Issue Number 122.c in the DPL, is the SWBT position that loop-transport combinations (referred to as enhanced extended link (EELs)) should not be made available to MCIW in this contract. Is MCIW concerned about this SWBT position?**

- A. Yes. In the first instance the federal Telecommunications Act (FTA) is extremely clear in Section 251(c)(3) that incumbent local exchange carriers (ILECs) must provide unbundled network elements to requesting carriers for the provision of a telecommunications service. EEL's are made up of loop and transport elements that are required to be made available separately. SWBT is also required to provide elements in combination that it ordinarily combines in its network. Loops and transport elements are commonly combined throughout the SWBT network and are a common method by which SWBT provides service to retail and

wholesale customers. Thus, SWBT's refusal to include provisions for EELs in this contract is in direct conflict with the FTA.

SWBT's primary business concern is the potential to lose the difference between the inflated access pricing it is presently charging MCIW for these types of connections serving MCIW end users and the TELRIC pricing that should be applied for these network elements. The FCC has already issued rules under which the ILEC's must provide EELs when the CLEC uses that connection for the provision of local service and is in the process of developing rules that apply when the EEL is used for long distance access. Don Price addresses the status of these rules and how they apply in Texas in his rebuttal testimony.

**Q. Has MCIW attempted to obtain UNE pricing from SWBT for EELs?**

A. Yes. As long ago as September 4, 1997 and again on May 10, 1999 I wrote to SWBT asking that the connections that MCIW uses for local service be priced as UNE's as opposed to the special access charges that SWBT presently applies. SWBT has refused that request, requiring instead that MCIW place disconnect and reconnect orders for these connections. Following the FCC's most recent ruling that SWBT must provide these combinations when MCIW uses the connection for local service, Paula Rice of MCIW wrote again to SWBT on March 8, 2000 asking that they properly price the connections MCIW uses to provide local service. Again, SWBT refused to do so unless MCIW issue orders to disconnect the access service and reconnect the service as UNEs. In addition, SWBT now demands as a prerequisite to accepting orders for EELs that MCIW provide information about the customers local service usage, even that portion of the customer's service provided by SWBT or other carriers and thus unavailable to MCIW!

Clearly, the SWBT reaction to MCIW's request that it comply with our existing Texas interconnect contracts, as well as the FCC rules providing that CLECs are entitled to obtain UNE pricing for already existing combinations, is simply designed to prevent MCIW from obtaining the pricing benefit of EELs. There is no need for disconnect and reconnect these services as there is no physical work required for connections already in place. SWBT could comply

with the contract and the law simply by properly pricing the connections at UNE rates and refunding their past overcharges to MCIW. The onerous "certification" requirements that SWBT proposes are also unnecessary. Simple self-certification by MCIW that connections are used predominately for local service, subject to audit, should be sufficient. Any more significant reporting or certification requirement would place burdens on CLECs that do not exist on SWBT when they provide service to their own local customer. The SWBT proposal to exclude provisions for EELs from the new contract should be rejected.

**Q. Does this end your rebuttal testimony?**

A. Yes it does.