

1 tandem transport and local switching. Under a meet point billing arrangement,
2 the ILEC normally provides only the tandem switching and the CLEC provides
3 the tandem transport and local switching (although the CLEC may have the ILEC
4 provide the tandem transport). Under competitive tandem service, the CLEC
5 provides tandem switching and tandem transport and the ILEC provides local
6 switching. The service is the same in both cases, the roles of the carriers are just
7 reversed. Verizon admits as much on page 14 describing meet point billing
8 arrangements, “two LEC’s are involved in the joint provisioning of switched
9 access service to an IXC... The joint provisioning comes from the fact that the
10 two LECs each provide a portion of the access service to an IXC.”

11 Because the competitive tandem service and meet point billing
12 arrangements are functionally identical, Verizon attempts to makes the distinction
13 that meet point billing arrangements are limited solely to situations where one
14 LEC “chooses” to subtend another LEC’s tandem. The problem with this view
15 point is that it leaves the decision of how tandem services will be offered in the
16 hands of the party with the market power - Verizon. All Verizon has to do is not
17 agree to the arrangement as proposed by AT&T, which is what Verizon has done
18 to date. I believe that the customer who is paying for the service, the IXC in this
19 circumstance, not Verizon, should have the right to determine which party will
20 provide what functions. It is not in the public interest to foreclose tandem
21 services from competition. Adopting Verizon’s proposal to omit terms for
22 competitive tandem services would have that effect.

1 **Q. IS AT&T ATTEMPTING TO AVOID PAYMENT OF CHARGES TO**
2 **VERIZON?**

3 A. No. As I stated, AT&T is willing to compensate Verizon for each function that
4 Verizon provides to AT&T for competitive tandem service. Since virtually all
5 competitive tandem service traffic is direct end office routed (*i.e.*, directly
6 between the AT&T switch and the Verizon end office), the only function
7 normally provided by Verizon is local switching. The rates that would apply to
8 the functions provided by Verizon for competitive access service are addressed in
9 my testimony on Issue V.1.

10 **Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

11 A. Since AT&T has conceded to have separate contract terms for competitive access
12 service and meet point billing arrangements and Verizon admits that the
13 competitive tandem service arrangement is technically feasible, the Commission
14 should act consistent with the goal of fostering competition and adopt the revised
15 contract terms which AT&T's proposed as Exhibit DLT-9 to my Direct
16 Testimony. The Commission should decide, as a separate matter under Issue V.1,
17 that the Verizon rates applicable to the competitive tandem service functions
18 provided by Verizon should be UNE rates.

19

1 Issue III.5 **Tandem Rate** Where the geographic coverage of an AT&T switch is
2 comparable to that of a Verizon tandem, should AT&T and Verizon receive comparable
3 reciprocal compensation for terminating the other parties' traffic?

4 **Q. CAN YOU COMMENT ON VERIZON'S STATEMENT ON PAGE 26 OF**
5 **ITS INTERCARRIER COMPENSATION TESTIMONY THAT IT**
6 **SHOULD BE ABLE TO AVOID PAYING CLECS THE TANDEM RATE**
7 **SO IT CAN HAVE COMPARABLE INTERCONNECTION CHOICES?**

8 A. Yes. Once again, Verizon, ignoring its status as the ubiquitous ILEC, wants
9 symmetrical treatment on an interconnection issue even though that symmetrical
10 treatment is not provided for by law and would not make sense given the
11 differences in CLECs' network architecture. Verizon complains that even if a
12 CLEC switch meets the tandem criteria, Verizon is "unable to take advantage of a
13 lower end office rate by bypassing the tandem and connecting directly to the
14 CLEC's end office switch." Verizon is once again missing the point. Rule
15 51.711(a)(3) was created to provide a proxy for the additional costs a *CLEC*
16 incurs in terminating Verizon's traffic where the CLEC network (switch and
17 distribution facilities) is designed to serve an area comparable to an ILEC tandem
18 switch. The issue is not whether *Verizon* has an option to pay less for reciprocal
19 compensation. The issue is whether Verizon should be required to compensate
20 CLECs for the costs they incur in terminating Verizon's traffic. The answer is
21 yes, and Rule 51.711(a)(3) has established the proxy to be used to enable CLECs
22 to recover these costs.

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2 comparable to that of a Verizon tandem, should AT&T and Verizon receive comparable
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12 CLEC switch meets the tandem criteria, Verizon is "unable to take advantage of a
13 lower end office rate by bypassing the tandem and connecting directly to the
14 CLEC's end office switch." Verizon is once again missing the point. Rule
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17 distribution facilities) is designed to serve an area comparable to an ILEC tandem
18 switch. The issue is not whether *Verizon* has an option to pay less for reciprocal
19 compensation. The issue is whether Verizon should be required to compensate
20 CLECs for the costs they incur in terminating Verizon's traffic. The answer is
21 yes, and Rule 51.711(a)(3) has established the proxy to be used to enable CLECs
22 to recover these costs.

1 **Q. DOES VERIZON ACCURATELY DESCRIBE THE TANDEM CRITERIA**
2 **IN ITS TESTIMONY?**

3 A.. No. Verizon asserts that AT&T is “overstating the facts” on this issue, but the
4 reality is that Verizon misstates the law. AT&T has presented the facts necessary
5 to meet the standard which is set forth in the law.

6 **Q. PLEASE EXPLAIN.**

7 A. Verizon’s witnesses state on page 26 that CLECs should be required “to
8 demonstrate actual functional and geographic comparability for each of their
9 switches” in order to receive the tandem switching rate. They also state on page
10 27, that geographic comparability requires a demonstration that each switch
11 “actually serves a geographically dispersed customer base”. As I stated in my
12 Direct Testimony on pages 102-104, there is no requirement that CLEC switches
13 meet a functionality test in order to qualify for the tandem rate. Geographic
14 comparability is the *only* applicable test set forth in Rule 51.711 (a)(3). In
15 addition, as I further pointed out at pages 108-111 in my Direct Testimony, the
16 geographic comparability test does not require that a CLEC switch actually serves
17 a comparable geographic area in order to receive the tandem rate. Thus, the facts
18 are not “overstated” as Verizon claims. AT&T has presented the evidence
19 necessary to meet the standard set forth in Rule 51.711(a)(3), which qualifies it to
20 receive the tandem rate.

21 **Q. CAN YOU COMMENT ON VERIZON’S PROPOSAL FOR A NEW**
22 **TANDEM RATE PROXY RULE?**

23 A. Yes. Verizon’s witnesses propose on page 28 a new proxy rule that they claim
24 should apply when a CLEC’s network employs a single-tier interconnection

1 structure. This rule would require CLECs to charge Verizon “the average rate
2 charged by Verizon VA to the CLEC for call termination during the previous
3 calendar quarter.” The major flaw in this proposal is that it bears absolutely no
4 relationship to the costs incurred by the CLEC for terminating Verizon’s traffic,
5 and Verizon has provided not a scintilla of evidence that it does. A proxy, by its
6 very nature, is supposed to provide an approximation of costs. This does not.

7 Since the parties have agreed to one-way trunks, there is absolutely no
8 relationship between the ratio of traffic that is terminated at Verizon’s tandems
9 and end offices, to the costs incurred by the CLECs for terminating Verizon’s
10 traffic. The average rate simply reflects the costs incurred by *Verizon* to terminate
11 the CLECs traffic. These average costs are driven by the CLECs choices about
12 where to interconnect – they have nothing to do with where Verizon’s traffic is
13 delivered to the CLEC and the resultant costs incurred by the CLEC to terminate
14 that traffic. In summary, Verizon’s proposal on its face cannot be an accurate
15 proxy of a CLECs termination costs and Verizon has provided no evidence or
16 reasoning as to why it is preferable to the established proxy in set forth in
17 Rule 51.711(a)(3).

18 **Q. VERIZON’S WITNESSES ON PAGE 27 REFERENCE THE FCC’S**
19 **INTERCARRIER COMPENSATION NPRM AS SOMEHOW**
20 **SUPPORTING VERIZON’S POSITION. CAN YOU COMMENT ON**
21 **THIS?**

22 A. Yes. In the *Intercarrier Compensation NPRM*, the FCC confirmed that the
23 tandem rate standard was limited to geographic comparability, not to tandem
24 functionality. It did indicate, however, that it would reexamine the effect of this

1 current rule in that proceeding to determine whether it is appropriate to change the
2 rule in the future. However, as I stated in my earlier testimony, this arbitration is
3 not the appropriate forum to revise existing industry rules, because an arbitration
4 only concerns the parties to the arbitration. Verizon's proposal, on the other hand,
5 has potential implications to all carriers. The appropriate place is in the context of
6 the NRPM. Therefore, Verizon's revised 'proxy' rule should be rejected.

7

1 Issue VII-8 **Transport Rates** Should AT&T be permitted to pay the end office rate for
2 delivery to Verizon's tandem, and thereby avoid paying its fair share of transport costs by
3 failing to pay that tandem rate?

4 **Q. ON PAGE 22 OF VERIZON'S INTERCARRIER COMPENSATION**
5 **TESTIMONY, VERIZON CLAIMS THAT AT&T SHOULD NOT BE**
6 **PERMITTED TO PAY THE END OFFICE RATE, RATHER THAN THE**
7 **TANDEM RATE, FOR DELIVERY OF TRAFFIC TO VERIZON VA'S**
8 **TANDEM. HOW DO YOU RESPOND?**

9 A. Verizon's issue is baseless. AT&T agrees to pay the tandem interconnection rate
10 when AT&T routes its traffic through Verizon's tandem. However, AT&T does
11 not agree to pay the tandem rate when AT&T routes traffic to Verizon via direct
12 end office trunks. Clearly, the end office rate should apply in that situation. It is
13 difficult to tell from Verizon's testimony, but it appears that Verizon is asserting
14 that if AT&T establishes a POI at a Verizon serving wire center and then orders
15 transport from such POI to another Verizon serving wire center where AT&T's
16 traffic would terminate (*e.g.*, on direct end office trunks), that AT&T should
17 compensate Verizon for the transport between the POI and the terminating
18 Verizon end office.

19 **Q. DOES AT&T DISAGREE WITH THAT NOTION?**

20 A. No. However, in such a case the appropriate compensation to Verizon would
21 include charges for the transport between the POI and the terminating Verizon
22 end office at the UNE interoffice facility rate, not at the per minute tandem
23 transport rate.

1 **Q. IS AT&T PERMITTED TO UTILIZE A POI AT A VERIZON SERVING**
2 **WIRE CENTER, WHICH ALSO HOUSES A VERIZON TANDEM**
3 **SWITCH, TO ESTABLISH DIRECT END OFFICE TRUNKS BETWEEN**
4 **AN AT&T SWITCH AND ANOTHER VERIZON END OFFICE?**

5 A. Yes. FCC rules permit AT&T to establish a single POI in the LATA. That single
6 POI may be used to establish trunks between the AT&T switch and any Verizon
7 switch in the LATA. In such a situation Verizon would provide AT&T transport
8 between AT&T's POI and each Verizon switch to which AT&T orders trunks.

9 **Q. HOW SHOULD VERIZON BE COMPENSATED FOR SUCH**
10 **TRANSPORT?**

11 A. AT&T should compensate Verizon for the transport between the POI and a distant
12 Verizon switch at the UNE dedicated transport rate. If AT&T were to
13 compensate Verizon at the per minute tandem rate, where the distant Verizon
14 switch is an end office, Verizon would be over compensated because Verizon
15 would be recovering tandem switching costs even though it was not providing
16 AT&T with any tandem switching in the described arrangement.

17 **Q. WOULD YOU AGREE THAT IT SOUNDS AS IF VERIZON AND AT&T**
18 **AGREE ON THE SUBSTANCE OF THIS ISSUE?**

19 A. Yes.

20 **Q. HOW DOES AT&T PROPOSE TO RESOLVE THE ISSUE?**

21 A. AT&T proposes the following revision to its proposed contract terms for this
22 issue in an effort to resolve the matter. AT&T's revised language is in upper case
23 type.

24 5.7.4 AT&T will pay VZ the approved rate for termination of Local Traffic
25 at the Tandem Office rate (including both transport and End Office
26 termination) for Local Traffic AT&T delivers to VZ via tandem

1 trunks, and AT&T will pay VZ the approved rate for End Office
2 termination for Local Traffic AT&T delivers to VZ via end office
3 trunks. VZ will pay AT&T the approved Tandem Office rate set forth
4 in Exhibit A for Local Traffic VZ delivers to AT&T. IN ADDITION
5 TO THE FOREGOING, WHERE EITHER PARTY DELIVERS
6 TRAFFIC TO THE OTHER PARTY AT A POI LOCATION THAT
7 IS DISTANT FROM THE TERMINATING SWITCH, THE PARTY
8 DELIVERING THE TRAFFIC TO THAT LOCATION WILL PAY
9 THE OTHER PARTY THAT PARTY'S APPROVED DEDICATED
10 TRANSPORT RATE FOR THE DISTANCE BETWEEN THE POI
11 AND TERMINATING SWITCH.

12 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

13 **A.** Yes it does.

I, David L. Talbott, hereby swear and affirm that the foregoing rebuttal testimony was prepared by me or under my direct supervision or control and is true and accurate to the best of my knowledge and belief.

Signed:

D. L. Talbott

VIRGINIA NETWORK INTERCONNECTION COST ANALYSIS

COSTS ALLOCATED TO EACH PARTY UNDER AT&T PROPOSAL

	2001		2002		2003		2004		2005	
	AT&T	VZ								
DEOT										
Tandem										
Common										
FG-D										
Total										
Collective Total										

COSTS ALLOCATED TO EACH PARTY UNDER A TANDEM COMPROMISE PROPOSAL

	2001	2002	2003	2004	2005
DEOT					
Tandem					
Common					
FG-D					
Total					
Collective Total					

This work sheet summarizes the allocation of costs under various network interconnection alternatives. Detailed cost basis for this summary is provided on the four associated worksheets as labeled.

MONTHLY PER LINE COSTS FOR 2001		
	AT&T COSTS	VERIZON COSTS

CONFIDENTIAL

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
 Petition of AT&T Communications)
 of Virginia, Inc., Pursuant)
 to Section 252(e)(5) of the Communications Act,)
 for Preemption)
 of the Jurisdiction of the Virginia)
 State Corporation Commission)
 Regarding Interconnection Disputes)
 with Verizon-Virginia, Inc.)

CC Docket No. 00-**RECEIVED**

AUG 17 2001

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

**DIRECT TESTIMONY OF
DAVID L. TALBOTT
ON BEHALF OF AT&T¹**

ISSUES ADDRESSED	
Issue III.4	<i>Forecasting</i> Should AT&T be required to forecast Verizon's originating traffic and also provide for its traffic, detailed demand forecasts for UNEs, resale and interconnection?
Sub Issue III.4.A.	Should Verizon be allowed to penalize AT&T in the event AT&T's trunk forecasts subsequently prove to be overstated?
Issue VII.2	Should the Parties' interconnection agreement reflect their recent agreement on Demand Management Forecasts?
Issue VII-7	Should AT&T deliver untranslated 8YY traffic to the appropriate Verizon access tandem?

August 17, 2001

¹ This Affidavit is presented on behalf of AT&T Communications of Virginia, Inc., TCG Virginia, Inc., ACC National Telecom Corp., MediaOne of Virginia and MediaOne Telecommunications of Virginia, Inc. (together, "AT&T").

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION**
2 **FOR THE RECORD.**

3 A. My name is David L. Talbott; I am a District Manager in the Local Services and
4 Access Management group in AT&T Network Services. In this position, I am
5 responsible for the development and negotiation of interconnection agreements
6 between AT&T and incumbent local exchange carriers, focusing on network
7 interconnection issues. My business address is 3737 Parke Drive, Edgewater,
8 Maryland 21037.

9 **Q. ARE YOU THE SAME DAVID L. TALBOTT THAT FILED TESTIMONY**
10 **WITH THIS COMMISSION ON THIS DOCKET ON JULY 31, 2001?**

11 A. Yes.

12 **Q. PLEASE DESCRIBE THE SCOPE OF YOUR TESTIMONY.**

13 A. My testimony pertains to all of mediated issues on the Decision Point List
14 (“DPL”) under the heading of Network Architecture: Issues III.4; III.4.A; VII-2;
15 and VII-7.

16

1 Issue III.4 **Forecasting** Should AT&T be required to forecast Verizon's originating
2 traffic and also provide for its traffic, detailed demand forecasts for UNEs, resale and
3 interconnection?

4 **Q. PLEASE DESCRIBE ISSUE III.4**

5 A. This issue is described in the DPL as follows: "Should AT&T be required to
6 forecast Verizon's originating traffic and also provide for its traffic, detailed
7 demand forecasts for UNEs, resale and interconnection? As I will explain in
8 below in more detail, the answer is no.

9 **Q. WHAT DO YOU UNDERSTAND VERIZON'S POSITION TO BE ON**
10 **THIS ISSUE?**

11 A. Verizon claims that since it does not possess a CLEC's marketing information, it
12 therefore doesn't have the information needed to forecast how many calls Verizon
13 customers will make to the CLEC's customers.

14 **Q. WOULD YOU FURTHER DESCRIBE AT&T'S POSITION ON THIS**
15 **ISSUE?**

16 A. Yes. One consistent theme throughout my testimony is that each party is in the
17 best position to manage its own traffic and its own network without unnecessary
18 influence or interference by the other Party. Consistent with that principle,
19 Verizon and AT&T have agreed to deploy a network interconnection architecture
20 that uses one-way trunks. It naturally follows, since each originating Party will be
21 designing its own interconnection network (*i.e.*, determining the most efficient
22 routing of its traffic irrespective of the other Party's interconnection network
23 design), that the originating Party is in the best position to forecast the volume of
24 traffic expected on the routes it has included in the design of its interconnection

1 network. AT&T's original proposal that each party forecast its own traffic to the
2 other party reflects that belief.

3 **Q. DID AT&T OFFER VERIZON A COMPROMISE PROPOSAL ON THIS**
4 **ISSUE?**

5 A. Yes, but Verizon rejected this proposal during negotiations.

6 **Q. WOULD YOU DESCRIBE AT&T'S COMPROMISE PROPOSAL?**

7 A. Yes. To the extent that traffic exchanged between the parties is reasonably in
8 balance, i.e., an inbound-outbound ratio of 3 to 1 or less, each party would
9 forecast its own traffic. If traffic is out of balance, i.e., an inbound-outbound ratio
10 greater than 3 to 1, then the party terminating the larger share of traffic would
11 forecast both inbound and outbound traffic. Responsibilities for providing traffic
12 forecasts would be assigned solely to one party or to each party pursuant to the
13 proposed terms for the following semi-annual forecast, based on the inbound-
14 outbound traffic ratio for the preceding semi-annual period.

15 **Q. WHY DO YOU BELIEVE THIS PROPOSAL SHOULD BE ACCEPTABLE**
16 **TO VERIZON?**

17 A. This proposal fully addresses Verizon's assertion that CLECs which target
18 customers with high inbound traffic requirements would be in a better position to
19 forecast that traffic. This proposal also meets AT&T's need to have comparable
20 obligations on Verizon and AT&T where local traffic exchanged between the
21 parties is roughly in balance.

1 **Q. HAS ANY OTHER COMMISSION ADOPTED AT&T'S COMPROMISE**
2 **PROPOSAL?**

3 A. Yes. The New York Public Service Commission in its July 30, 2001, decision on
4 this issue adopted AT&T's compromise proposal.¹

5

6

¹ *Order, Joint Petition of AT&T Communications of New York, Inc., TCG New York, Inc., and ACC Telecommunications Corp. Pursuant to Section 252 (b) of the Telecommunications Act of 1996 for Arbitration to establish an Interconnection Agreement with Verizon New York, Inc., Case 01-C-0095 at 42 (July 30, 2001).*

1 Sub-Issue III.4.A Should Verizon be allowed to penalize AT&T in the event AT&T's
2 trunk forecasts subsequently prove to be overstated?

3 **Q. HAS THIS ISSUE BEEN SETTLED BETWEEN THE PARTIES?**

4 A. Yes.

5

6

1 Issue VII-2 Should the Parties' interconnection agreement reflect their recent agreement
2 on Demand Management Forecasts?

3 **Q. VERIZON INDICATES THAT ON A CONFERENCE CALL ON MARCH**
4 **27, 2001, AT&T AND VERIZON CAME TO AN AGREEMENT ON**
5 **DEMAND MANAGEMENT FORECASTS. DOES AT&T BELIEVE THAT**
6 **THE ISSUE OF DEMAND MANAGEMENT FORECASTS HAS BEEN**
7 **SETTLED?**

8 A. No. AT&T does not believe the issue has yet been settled. AT&T and Verizon
9 did indeed discuss Verizon's demand management forecast language on March
10 27, 2001. At that time, AT&T reiterated the concerns that AT&T had with
11 Verizon's proposed language.

12 **Q. PLEASE EXPLAIN THE CONCERNS THAT AT&T HAS WITH**
13 **VERIZON'S LANGUAGE.**

14 A. AT&T opposes Verizon's language principally for three reasons. First, Verizon's
15 language provides Verizon with far too much discretion in regard to the
16 information that can be obtained through a demand management forecast.
17 Second, AT&T is very concerned that Verizon will be able to use competitively
18 sensitive information to thwart competition. Third, AT&T considers Verizon's
19 language over-broad and unnecessary. I will explain each of these concerns
20 further in my testimony, below.

21 **Q. PLEASE EXPLAIN WHY AT&T FEELS THAT VERIZON'S PROPOSED**
22 **LANGUAGE PROVIDES TOO MUCH DISCRETION TO VERIZON.**

23 A. Verizon's proposed contract language does not place limits on the type or volume
24 of information AT&T must provide to Verizon. Verizon's proposed language in
25 Section 10.4 states, in part, "AT&T shall provide to Verizon non-binding good
26 faith demand management forecasts regarding the services that AT&T expects to

1 purchase from Verizon, *including, but not limited to*, forecasts regarding the
2 types and volumes of services that AT&T expects to purchase and the locations
3 where such services will be purchased” (emphasis added). While Verizon does
4 provide that the forecasts are non-binding, there is no limit to the amount of
5 information – relevant or not, necessary or not – that Verizon may request from
6 AT&T. Such language can unduly increase the administrative burden on AT&T,
7 thereby increasing costs and slowing network deployment. AT&T would like to
8 focus its resources on customers, not Verizon. Additionally, AT&T believes the
9 generality of Verizon’s proposed language will provide Verizon with the
10 opportunity for unwarranted fishing expeditions into AT&T’s business plans. I
11 will address this point further, below.

12 **Q. HAS AT&T RAISED THIS CONCERN WITH VERIZON?**

13 A. Yes, it has. In fact, this concern was one of the topics of discussion on the
14 conference call of March 27, 2001, cited by Verizon. AT&T objected to the
15 language on the basis that there was no clear way for AT&T to gauge just what
16 AT&T would be required to do if it agreed to Verizon’s proposed contract
17 language. Verizon directed AT&T to Verizon’s CLEC Handbook as guidance
18 regarding the information Verizon intended to request. Frankly, this only
19 exacerbated AT&T’s concerns. AT&T has repeatedly taken the position that it
20 will not defer to the CLEC handbook to determine it’s contractual obligations.
21 While the CLEC Handbook can be a very useful guide to CLECs that
22 interconnect with Verizon, it is an improper vehicle through which to determine
23 contractual obligations since the sole discretion for editing the CLEC Handbook

1 (not only when the handbook provisions may be subject to change, but the revised
2 content as well) lies only with Verizon. Thus, AT&T is provided no meaningful
3 contractual protections under Verizon's language.

4 **Q. PLEASE EXPLAIN WHY AT&T BELIEVES THAT VERIZON'S**
5 **LANGUAGE PROVIDES VERIZON WITH AN UNWARRANTED**
6 **ACCESS TO AT&T'S BUSINESS INFORMATION.**

7 A. All information provided to Verizon in the form of a forecast is competitively
8 sensitive. Only structural separation of Verizon's wholesale and retail operations
9 could completely protect competitors. In the absence of structural separation,
10 however, it is particularly important that interconnection agreement language
11 protect AT&T by limiting the information AT&T is required to provide to
12 Verizon to that which is absolutely necessary for Verizon to provide competitors
13 with wholesale services at parity.

14 AT&T does acknowledge that Verizon proposed language stating that demand
15 management forecasts are subject to the confidentiality provisions of the
16 interconnection agreement and that such forecasts will only be used to provide
17 services under the agreement. AT&T agrees that any forecast provided by AT&T
18 must be subject to these conditions. However, AT&T feels very strongly that
19 there is a continued need to limit information provided to Verizon to that
20 information that is absolutely essential to ensure that Verizon will be able to meet
21 AT&T's service needs. The simple fact is that regardless of contractual
22 provisions that purport to protect AT&T's interests, Verizon employees have a
23 conflict of interest regarding the treatment of AT&T's proprietary data.

1 **Q. PLEASE EXPLAIN WHY THE INFORMATION VERIZON REQUESTS**
2 **MAY BE UNNECESSARY.**

3 A. Since Verizon's language provides it with broad discretion, it is of course
4 impossible to state each example where Verizon may request unnecessary
5 information. However, let me provide one example to illustrate AT&T's concern.
6 To the extent that AT&T serves customers through the use of a UNE loop,
7 provision of such a service will most likely be achieved through a "hot cut" of
8 existing loop facilities. In providing service through the UNE-Platform, AT&T
9 would use the same loop that currently serves the customer. Thus, asking AT&T
10 to break out how many loops it plans to use in connection with each does less to
11 allow Verizon to prepare enough loop facilities for AT&T's than it does in
12 providing Verizon an inside look into AT&T's business plans.

13 **Q. DO YOU HAVE ANY OTHER CONCERNS REGARDING VERIZON'S**
14 **PROPOSED DEMAND MANAGEMENT FORECAST LANGUAGE?**

15 A. Even if Verizon's proposed language was acceptable — which it is not — it is
16 placed in the incorrect part of the contract. Verizon's demand management
17 forecast language addresses information on UNE facilities, for example, and not
18 forecasting. This is terribly confusing since interconnection is a bilateral
19 responsibility and the provision of UNEs is only required of Verizon. To the
20 extent that the Commission deems any language of forecasts for UNEs
21 appropriate, it should be covered as part of Section 11 (UNEs).

22

1 Issue VII-7 Should AT&T deliver untranslated 8YY traffic to the appropriate Verizon
2 access tandem?

3 **Q. HAS THIS ISSUE BEEN SETTLED?**

4 A. Yes.

5 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

6 A. Yes it does.

7

I, David L. Talbott, hereby swear and affirm that the foregoing direct testimony was prepared by me or under my direct supervision or control and is true and accurate to the best of my knowledge and belief.

Signed:

D. L. Talbott

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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to Section 252(e)(5) of the)
Communications Act, for Preemption)
of the Jurisdiction of the Virginia)
State Corporation Commission)
Regarding Interconnection Disputes)
with Verizon-Virginia, Inc.)
)

CC Docket No. 00-251

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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**REBUTTAL TESTIMONY OF
ROBERT J. KIRCHBERGER
ON BEHALF OF AT&T¹**

PROPRIETARY VERSION

ISSUES ADDRESSED	
I-5	<p>What are the appropriate terms and conditions to comprehensively implement the Commission's ISP Remand Order?</p> <p>I.5.a. How should Verizon and AT&T calculate whether traffic exceeds a 3:1 ratio of terminating to originating traffic?</p> <p>I.5.b. How should Verizon and AT&T implement the rate caps for ISP-bound traffic?</p> <p>I.5.c. How should Verizon and AT&T calculate the growth cap on the total number of compensable ISP-bound traffic minutes?</p> <p>I.5.d. How should the parties implement a Verizon offer to exchange all traffic subject to section 251(b)(5) at the rate mandated by the FCC for terminating ISP-bound traffic?</p>

¹ This Affidavit is presented on behalf of AT&T Communications of Virginia, Inc., TCG Virginia, Inc., ACC National Telecom Corp., MediaOne of Virginia and MediaOne Telecommunications of Virginia, Inc. (together, "AT&T").