46. Further, the *RLSA Proposal* will have a similar impact on Purple and CSDVRS. The following table compares Purple's and CSDVRS's costs to the recommended compensation in the *RLSA Proposal*:

Figure 4: Proposed Impact on VRS Providers[41]

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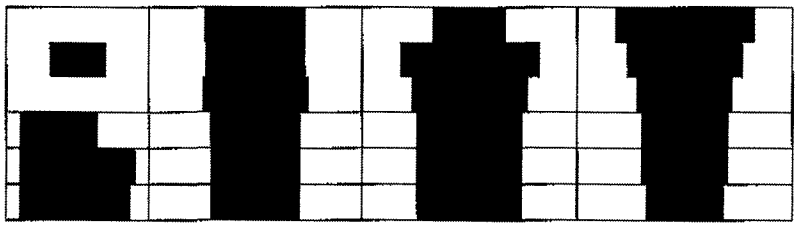

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47. The above table demonstrates that, by using a single, industry-wide rate for all three Tier 3 carriers, the *RLSA Proposal* is actually creating a scenario where only one carrier is actually profiting from providing VRS services at the highest volume tier. As one might expect, this would be disastrous not only to Purple and CSDVRS but to all VRS providers other than Sorenson. As one might conclude, this would exacerbate the existing dominance of Sorenson in the industry and could encourage monopolistic conduct. In short, the *RLSA Proposal*, if adopted, could be the first step (and perhaps the final step) toward destroying competition in the VRS industry.

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41 This table shows only the Tier 3 rates compared to each provider's costs. While the VRS compensation rates in the *RLSA Proposal* are implemented in a "waterfall" fashion, the point is to show that only one provider has sufficient economies where they could profitably provide service at the highest tier (meaning that Purple and CSDVRS would lose money for all minutes in excess of 500,000 per month.

42 *See*, Table 1.

E. There Is No Reason To Believe That VRS Costs Will Necessarily Continue To Decline.

48. A fundamental concept behind the *RLSA Proposal* appears to be a belief that there is a "downward trend in actual cost of service" and that a projected increase in 2012 costs "need(s) to be scrutinized closely for reasonableness."[43] As identified previously, there have been substantial unit cost decreases, on average, in the VRS industry. And, the larger the volume increases, the larger the unit cost declines.

Figure 5: Comparison of Price Declines and Volume Increases

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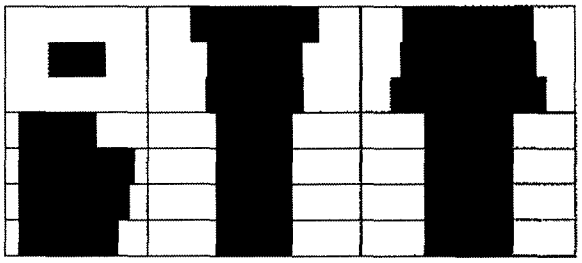

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49. But, despite these overall declines, the *RLSA Proposal* also recognized "the substantial increase in communications assistants' cost"[44] projected for 2012. Again, while suggesting that these costs "need to be scrutinized closely for reasonableness"[45] RLSA does also recognize that they are within the range of labor compensation increases, although on the very high end. I would agree that these costs should be carefully scrutinized but, at this time, there is no reason – or even suggestion – that these real-world cost increases are not accurate.

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43 *RLSA Proposal* at 3.

44 *Id.*, at 3.

45 *RLSA Proposal* at 3.

50. The fact of the matter is that, while the VRS industry is characterized by having significant economies of scale, the industry is also characterized as having a very high labor-related cost component. In fact, Purple's VRS employee costs conservatively constitute in excess of two-thirds of total expenses.[46] If one to were to include Purple's other labor-related costs, including call-center contracted labor, advertising and marketing, outside services and professional fees and other associated costs, Purple's overall labor-related costs would be a much higher percentage of total costs. While there are variations in labor costs, they undoubtedly and indisputably increase over time. And, because labor costs are the single largest cost (by far) of providing VRS services, the total unit cost of providing VRS services are likely to increase, not decrease, over time absent increased volume and economics of scale.

51. Of course, labor cost increases may be offset, or even more than offset, by productivity gains. Higher productivity gains may be realized in the event of new technologies or even efficiencies in performance. The *2007 Rate Methodology Order* suggested that VRS experiences productivity gains of about 0.05% per year.[47] In short, without the development of significant new technologies, it is reasonable to expect that VRS labor costs increases will exceed the productivity gains in any given year – again, absent an increase in volumes resulting in greater economies of scale.

52. In short, there is no reason to expect that the VRS industry will experience cost declines absent overall growth in VRS volume resulting in greater economies of scale. And, while there may have been a reason to expect significantly greater economies in years past, with

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[46] Employee costs include salaries and wages, payroll taxes and benefits paid to employees.

[47] *2007 TRS Rate Methodology Order* at ¶ 47.

an average annual growth of 38% between 2005 and 2009,[48] the average annual growth has only been about 3.0% over the last two years.[49] There is no basis for the belief that this will change in the near future. As such, there is simply no reason to envision that the VRS industry will experience a reduction in per-minute costs going forward and no evidence has been presented to support such a notion.

53. While it is understandable that the Commission is frustrated by "the large discrepancy between actual costs and provider compensation in the face of substantial evidence that providers are receiving far more in compensation than it costs them to provide service,"[50] it is not fair to conclude that past "projections that consistently overstate true costs and overcompensate VRS providers"[51] are still true today. In fact, it would have been very difficult for VRS providers to accurately estimate the economies of scale they were to realize over that period.[52] This is not unusual in an industry characterized by rapid adoption of new technologies. However, once an industry has experienced high-scale adoption, growth rates become more stabilized and predicable. Rather, the relatively small and steady growth in the VRS minutes today make it much more likely that providers can more accurately estimate their costs, and these costs are not likely to decrease in any significant way without the benefits of additional economies of scale. At the very least, the above analysis makes it clear that RLSA's suggestion that "the Commission could determine an annual reduction in the differences in Tier rates if the

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48 VRS industry minutes grew from 27.2 million in 2005 to 98.7 million in 2009.

49 VRS industry minutes grew from 98.7 million in 2009 to 104.8 million in 2011.

50 *2010 TRS Rate Order* at ¶ 12.

51 *Id.*

52 In order to do so, each provider would have had to anticipate the growth in VRS minutes and their portion of that overall growth. Such a dynamic market with such astronomical growth makes any forecast subject to numerous assumptions and uncertainties.

Commission finds that such a reduction is in the public interest"[53] would be inappropriate given the current nature of the VRS industry.

F. The Commission Must Reevaluate Its Views For Calculating Costs For The Establishment Of Compensation Rates.

54. The *FCC Public Notice* seeks comments on "the appropriate treatment of capital costs, rate of return and related issues."[54] Industry participants have widely supported the need for the compensation rates to compensate providers for all costs required to provide VRS services.[55] These views are well founded and much supported. Should the Commission fail to reimburse providers for some reasonable level[56] of marketing, outreach and research and development, it follows that providers will not cover their costs. As various commenters have pointed out, failure to compensate for these real-world costs will necessarily lead to a number of negative consequences.[57]

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53 *RLSA Proposal* at 7.

54 *FCC Public Notice*, pg. 8.

55 *See*, for example, *Comments of Sorenson Communications, Inc.*, March 9, 2012, pg. 40 ("*Sorenson March 2012 Comments*") and *CSDVRS Ex Parte Notice*, CG Docket Nos. 10-51 and 03-123, October 25, 2012 ("*CSDVRS Ex Parte Notice*").

56 A reasonable level does not necessarily mean a per-minute compensation rate equal for all providers. For example, a unitary compensation rate for marketing, outreach and research and development will help perpetuate the market dominance of the current dominant provider. Assuming an equal per-minute compensation rate for all VRS providers and that Sorenson's currently has an approximately 80% market share, Sorenson would enjoy approximately 4 times the marketing, outreach and research and development funds than all other industry players combined (or approximately ten times the next largest provider). Sorenson would then be able to spend ten times the amount of marketing dollars and invest ten times more on research and development than any other provider, thereby perpetuating a scenario where Sorenson will continue to dominate the market, if not corner the market. The RLSA data suggests that approximately $38 million is spent on marketing, outreach and research and development per year. These funds are necessary and should be disbursed to VRS providers in a competitively neutral manner so as not to unreasonably distort the market.

57 *See*, for example, Declaration of Michael L. Katz, March 9, 2012, pg. 45 ("*Katz March 2012 Declaration*") and *CSDVRS Ex Parte Notice*, October 25, 2012.

55. Similarly, the industry has widely agreed that a traditional regulated rate of return methodology is inapplicable for the VRS industry. Sorenson has commented that "attempts to limit profits to a specific return on capital would grossly under-compensate providers" because "[u]nlike traditional telecommunications services, which are capital intensive, the vast majority of VRS costs stem from non-capital expenses."[58] Sorenson further explains that "[i]n a service industry, the firm doesn't just pass through its labor costs; it earns a margin on those costs to reward it for assembling the labor pool and organizing it into a productive unit."[59]

56. The *RLSA Proposal* fully supports the fact that using a traditional return on investment analysis would be catastrophic for the industry and each provider in the industry. The three-year weighted average return on investment, using the Commission's 11.25% rate of return adopted in 1990, is $0.0569 (less than six cents). When adjusted for taxes, this amounts to $0.0769 (less than eight cents). This accounts for only 2.3% of the industry-average cost structure.[60] Assuming approximately 100,000,000 industry-wide minutes, this amounts to a total annual industry-return of $7.7 million dollars on an industry with not only a capital investment base in excess of $50 million, but approximately $340 million in annual expenses. While these margins would not be attractive to any industry participants, the vast majority of these dollars are going to Sorenson, leaving very little for the remainder of the industry. In short, a rate of return

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58 *Reply Comments of Sorenson Communications, Inc.*, September 2, 2012, pp. 4-5 ("*Sorenson September 2010 Comments*") and *Comments of CSDVRS*.

59 *Sorenson March 2012 Comments* at 39.

60 The specific rate of return is simply not a very significant matter. By way of example, reducing the rate of return by 1/3rd, to 7.5%, would reduce the calculated industry cost by only about 2.5 cents. Similarly, increase the rate of return by 1/3rd, to 15%, would increase the calculated industry cost by only about 2.5 cents. As such, while it is important to allow industry participants to recover these costs, the more significant rate-setting issues revolve around properly establishing rates that achieve the FCC's public policy objectives.

methodology for compensating VRS providers will simply not be attractive, will drive investors (and investments) from the market and harm the industry as a whole.

57. While it is true that many business decisions are made based on rate of return related to capital investment, this is not a primary driver in valuing an enterprise. Here, it is important to differentiate between investing capital (*i.e.*, money) and capital investment (*i.e.*, the capital, or fixed, assets of a firm). Rather, a business' primary objective is to maximize its enterprise or shareholder value. McKinsey and Company publishes a text on the valuation of enterprises entitled Valuation: Measuring and Managing the Value of Companies. In this text, the authors note the following: "The guiding principle of value creation is that companies create value by investing capital they raise from investors to generate future cash flows at rates of return exceeding the cost of capital (the rate investors require to be paid for the use of their capital)."[61] It is important to note here that the valuation of an enterprise is not tied solely to the return on capital investment (*i.e.*, fixed assets) as limited in the *Rolka* report, but instead is tied to the return on the capital (*i.e.*, dollars) raised from investors. This concept of providing a return on investors' money is important for the Commission to consider in this proceeding because investors will no longer invest money in this industry if those dollars are not generating returns and, as such, the FCC will fail in achieving a competitive landscape.

58. Given that shareholder value is tied to the discounted value of future anticipated cash flows, it is obvious that earnings are critical to the value of a company and investors' decisions are, in turn, guided by these earnings. For this reason, one of the most widely-used valuation techniques is expressed as a multiple of earnings or a similar metric (such as earnings

[61] Koller, Tim, Goedhart, Marc, and Wessels, David, Valuation: Measuring and Managing the Value of Companies, Fifth Edition, John Wiley & Sons, Inc., Hoboken, NJ, 2010, Kindle Location Nos. 447-452.

before interest, taxes. depreciation and amortization or EBITDA) relative to the enterprise value for the firm. McKinsey's text on valuation goes on to note:

> Discounted cash flow (DCF) analysis is the most accurate and flexible method for valuing projects, divisions, and companies. Any analysis, however, is only as accurate as the forecasts it relies on. *A careful multiples analysis--comparing a company's multiples with those of similar companies—can be useful in making such forecasts and the DCF valuations they generate more accurate. Such an analysis can help test the plausibility of cash flow forecasts, explain mismatches between a company's performance and those of its competitors, and support useful discussions about which companies the market believes are strategically positioned to create more value than other industry players.*[62]

In short, there are many approaches that the Commission could implement that would properly drive proper business incentives in the labor-intensive industry that does not have significant fixed assets. But, unfortunately, a return on fixed investment is not one of the methodologies. Whether forecasting cash flows, margins, EBIDTA, or utilizing metrics and multiples, the most important decision is to send the correct economic signals to the marketplace – signals that encourage investment in new technologies, superior customer services, efficiency gains and competition.

59. Moreover, of the numerous ways that the Commission can properly regulate the VRS market while achieving its public policy objectives, it is most essential that the Commission look toward an approach that continues to foster innovation and competition. By way of example, should the Commission move to an industry-wide cost as a basis of establishing the reimbursement rate for VRS, Sorenson would undoubtedly reap windfall profits and drive most, if not all, competitors from the market. Doing so will help the Commission achieve the lowest VRS cost per minute and minimize the size of the fund – but only in the short run. In the long

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[62] *Id.* at Kindle Location Nos. 5469-5474.

run, the industry, and the hearing impaired consumers that it serves, will suffer from marginal or nonexistent competition.[63]

60. On the other hand, it is also true that efficient regulation necessarily needs to incentivize carriers to continue providing services as well as to improve its operations (improved services, lower costs, etc.). In this respect, the Commission would be best served by creating a consistent and sustainable compensation regime that fosters effective competition, hampers the ability of a single carrier to dominate the market and rewards productivity improvements. This compensation regime could effectively be informed by historical costs but, as stated above, the rates must cover costs plus allow an earning potential that will drive enterprise value and mimic the mechanics of a competitive marketplace.

61. Once established, the industry needs some measure of predictability in revenue streams in order to make informed decisions about long-term opportunities and make rational investment decisions. Sorenson, for example, has supported the concept of a rate cap.[64] A rate cap is a perfectly rational and appropriate regulatory approach that helps ensure viable providers with proper incentives. And, it also establishes predictability in the fund administration and size. However, the Commission needs to be careful that a price cap mechanism drives a competitive market, not a market that will result in a single, dominant provider. As such, price caps must be both tiered in manner that will reward efficiencies toward a competitive market but provide a disincentive toward pursuing market dominance. This could be done in any number of ways. The Commission could set an absolute maximum minute threshold for any single provider. The

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63 Lack of competition is widely recognized as having numerous repercussions, including less innovation, poor service and inefficient operations.

64 *See*, Reply Comments of Sorenson Communications, Inc., March 30, 2012 at 39. *See*, Reply Comments to FNPRM on Structure and Practices of the Video Relay Services Program, March 30, 2012 at 4.

Commission could establish a tier structure that, while providing revenue for minutes above a maximum threshold. that revenue will result in reduced earnings for each minute in excess of the maximum threshold (*i.e.*. variable costs exceed per-minute revenues). The Commission could continue eliminating marketing, outreach and research and development funds at a given maximum minute threshold and redistributing those funds to competing carriers. The possibilities are endless.

III. CONCLUSION

62. At its core, the single most important issue the Commission needs to determine is if it wants to pursue a compensation regime that will promote a VRS market with multiple providers (and reap the benefits of competition) or if it wants to promote a VRS market that will yield the lowest short-term cost (but lose the benefits of a competitive market). This single decision will drive much of the Commission's decision-making.

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64. While Sorenson may argue that such cost differences may be due to better management practices, such an argument is purely speculative and unfounded.[65] And, despite the ultimate reason for these lower costs, one fact remains the same and remains undisputable – should the Commission implement a single, industry-wide rate, as opposed to a tiered rate structure, either companies such as Purple and CSDVRS will go out of business or Sorenson will reap a windfall profit perpetuating its market dominance. As a result, should the Commission want to promote competition and the rewards thereof, it must adopt policies to level out the playing field so that no single provider dominates the market.

65. Once the Commission makes its determination on how and if it wants to promote competition in the VRS industry, there seems to be unanimous agreement that it is imperative that the Commission adopt a compensation regime that best simulates the incentives in a competitive market and that rate-of-return regulation does not accomplish this goal because of the unique, labor-intensive nature of the VRS industry and the lack of significant capital investment. The best way for the Commission to do this is to focus on the bottom-line market driver – enterprise value, which is, in turn, driven by earnings.

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[65] It is equally true that it would be impossible to argue that all differences are entirely volume-based. But, it is beyond belief that the entire reason that Sorenson has costs less than one-half of those of its next two largest competitors is because its management practices are that much better.

REDACTED – FOR PUBLIC INSPECTION

Mr. Turner's Curriculum Vitae

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Education

MBA in Finance from Georgia State University Atlanta, Georgia

Bachelor of Science Degree in Electrical Engineering from Auburn University Auburn, Alabama

Steven Turner is a Managing Director of the FTI Network Industries Strategies group within the Economic Consulting practice. Mr. Turner has offices in Washington, DC and Canton, Georgia. Mr. Turner has a long and distinguished career working in the telecommunications industry. He has provided extensive expert testimony in technical and financial areas related to telecommunications specifically addressing contracts, terms and conditions, telecommunications network investment and operations costs, and other related issues.

Background

In 1987, Mr. Turner joined AT&T and, during his career there, held a variety of engineering, operations, and management positions. These positions covered the switching, transport, and signaling disciplines within AT&T. From 1995 to 1997, Mr. Turner worked in the organization responsible for AT&T's entry into the local infrastructure market and developed models evaluating AT&T's potential market entry alternatives including switch and fiber builds, hybrid fiber-coax service, broadband fixed wireless, and others. While in this organization, Mr. Turner gained familiarity with many of the regulatory issues surrounding AT&T's local market entry, including issues concerning the unbundling of incumbent local exchange company networks. Mr. Turner was on the AT&T team that negotiated with SBC concerning unbundled network element definitions and methods of interconnection.

From 1997 to 2006, Mr. Turner was President of his own consulting firm, Kaleo Consulting. Kaleo Consulting was a boutique consulting firm specializing in providing expert testimony in technical and financial areas related to telecommunications. Mr. Turner's projects involved issues related to contractual terms and conditions between telecommunications service providers, the costs for network elements including interoffice transport, collocation, loops (media used to connect to customer premises), switching, signaling, and other related areas. Mr. Turner's consulting assignments also included the responsibility of negotiating interconnection agreement terms and conditions between new entrants and incumbents or negotiating settlements with numerous companies including AT&T and Verizon. To the extent that these contracts required the inclusion of rates for telecommunications services, Mr. Turner developed and/or evaluated numerous models pertaining to the development of network component costs. Finally, Mr. Turner's firm

provided strategic consulting services to companies regarding where and how to enter various telecommunications markets.

Now at FTI Consulting, Mr. Turner continues to work extensively within the telecommunications industry both in the United States and internationally.

Mr. Turner holds an MBA with a concentration in Finance from Georgia State University. He has also received his Bachelor of Science degree in Electrical Engineering from Auburn University.

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FTI CONSULTING EMPLOYMENT EXPERIENCE:

Managing Director (Network Industry Strategies – Telecommunications) (Dec 2006-Present)

- Provide expert testimony in technical and financial areas for telecommunications specifically addressing contracts, terms and conditions, telecommunications network investment and operations costs, and other related issues.
- Negotiate contracts and settlement agreements on behalf of clients particularly related to telecommunications terms and conditions.
- Develop and/or evaluate numerous models pertaining to the development of costs for various components of telecommunications networks including interoffice transport, collocation, loops, switching, signaling and other related areas.
- Develop models to aid companies in developing market entry plans for the local telecommunications market. This assistance includes evaluating what market entry alternatives as well as which geographies provide the best profit opportunities for the new entrant.

KALEO CONSULTING EMPLOYMENT EXPERIENCE:

President – Telecommunications and Financial Consulting Firm (Jan 1997-Dec 2006)

- Head of boutique consulting firm specializing in providing expert testimony in technical and financial areas related to telecommunications including the following: contractual terms and conditions and costs for interoffice transport, collocation, loops (media used to connect to customer premises), switching, signaling and other related areas.
- Negotiated contracts and settlement agreements on behalf of clients with numerous companies including SBC (Southwestern Bell, Ameritech, and Pacific Bell), Verizon (Verizon-East and GTE territories), and BellSouth.
- Developed and/or evaluated numerous models pertaining to the development of costs for various components of telecommunications networks including interoffice transport, collocation, loops, switching, signaling and other related areas.
- Develop models to aid companies in developing market entry plans for the local telecommunications market. This assistance includes evaluating what market entry alternatives as well as which geographies provide the best profit opportunities for the new entrant.
- Provided consulting services for venture capital project evaluations.

ALT COMMUNICATIONS EMPLOYMENT EXPERIENCE:

Co-Founder and President – Competitive Local Exchange Carrier (Feb 1998-Jun 1999)

- Co-founded the first operational Competitive Local Exchange Carrier (CLEC) provided telecommunications services in Texas using the unbundled network elements platform (UNE-P).
- Established all contractual relationships with SBC to provide local phone service in Texas.
- Established all legal authorities required with the state regulatory bodies to provide local phone service in Texas.
- Developed tariffs necessary to provide in-state and inter-state services.
- Negotiated the sale of ALT Communications to Birch Telecom (headquartered in Kansas City, MO) in January 1999. Completed hand-off of the company to Birch Telecom in June 1999.

AT&T EMPLOYMENT EXPERIENCE:

DISTRICT MANAGER - CONNECTIVITY NETWORK PLANNING - LI&AM (Feb 1996-Dec 1996)

- Managed the development of AT&T's Infrastructure Plans of Record for the Southwest region. These plans entailed defining the right mix of built and leased infrastructure to meet AT&T's local offer needs at the least cost.
- Managed AT&T's dedicated access inventory in the Southwest region. This effort involved identifying the optimum supplier(s) in each market for AT&T's access needs to meet both financial and strategic objectives.

MANAGER - STRATEGIC ACCESS PLANNING - Access Strategic Planning (Nov 1994-Feb 1996)

- Managed the development of strategic models to analyze alternatives for entering the local market. These models considered various technologies for entering local that would optimize the contribution to AT&T from a revenue, expense, and capital perspective.

RE-ENGINEERING MANAGER - Network Operations (Jul 1994-Oct 1994)

- Directed a CCS-NSD management-union team in re-engineering the engineering, provisioning, and maintaining of the Operator Services network. Delivered a re-engineered process that reduced operational expense significantly while mitigating the impacts on customers and employees.

PROJECT MANAGER/SYSTEM ENGINEER - CCS Centralized Test Center (Jan 1992-Jun 1994)

- Coordinated implementation plans and system development for new services and network elements in the Common Channel Signaling (CCS) Network. The planning scope included provisioning, monitoring, and maintaining the T1.5 facilities for the CCS signaling circuits.
- Acquired funding (development, capital, and head count) through writing and defending business cases in support of projects for new services or network elements in the CCS Network. Upon approval, coordinated the implementation of system development and capital projects affecting the CCS Centralized Test Center.

DEPARTMENTAL QUALITY MANAGER - Network Operations (Jan 1990-Jan 1992)

- Developed the Network Operations Quality Management System and implemented it into an organization of 5000 people. Implementation required gaining organizational support for staffing and training 40 Quality Specialists and managing their efforts in transferring the quality technology into Network Operations.

OPERATIONS SUPERVISOR - Regional Network Service Center (Nov 1988-Dec 1989)

- Managed the Regional Network Service Center serving AT&T customers in the Southeastern United States through correcting their service troubles. Responsibilities included leading a team of 20 associates who responded to over 2000 customer troubles per month and escalating with Local Exchange Companies to remove barriers to trouble resolution.

4ESS SWITCH ENGINEER - Network Engineering Services (Dec 1987-Nov 1988)

- Identified current levels of asset utilization, analyzed future needs, and developed a capital budget to purchase and provision the necessary equipment to efficiently meet customer needs. Managed the implementation of over $10M in capital projects.

GENERAL ELECTRIC EMPLOYMENT EXPERIENCE:

RESEARCH AND DESIGN ENGINEER - Simulation and Control Systems (Jun 1986-Dec 1987)

- Designed and developed a major sub-system for a high-speed graphics simulator supporting both defense and commercial customers.
- Designed and developed a Very Large-Scale Integrated (VLSI) Chip with over 80,000 transistors used in the video display sub-system for the high-speed graphics simulator.

EDUCATION:

August 1990: **Masters of Business Administration Degree - Finance**
Georgia State University
Atlanta, Georgia

December 1986: **Bachelor of Science Degree - Electrical Engineering**
Auburn University
Auburn, Alabama

Steven E. Turner
Expert Testimony

Before the Corporation Commission of the State of Oklahoma, *Application of Ernest G. Johnson, Director of the Public Utility Division, Oklahoma Corporation Commission to Explore the Requirements of Section 271 of the Telecommunications Act of 1996*, Cause No. PUD 970000064, Statement of Steven E. Turner on behalf of AT&T Communications of the Southwest, March 2, 1997.

Transcripts for hearings in the above matter are available from the Oklahoma Corporation Commission.

Before the State Corporation Commission of the State of Kansas, *In the Matter of Southwestern Bell Telephone Company – Kansas' Compliance with Section 271 of the Federal Telecommunications Act of 1996*, Statement of Steven E. Turner on behalf of AT&T Communications of the Southwest, March 13, 1997.

Transcripts for hearings in the above matter are available from the Kansas Corporation Commission.

Public Utility Commission of Texas, *Application of AT&T Communications of the Southwest, Inc. for Compulsory Arbitration to Establish an Interconnection Agreement between AT&T and Southwestern Bell Telephone Company*, Docket No. 16226, Comments of Steven E. Turner on behalf of AT&T Communications of the Southwest and MCI Telecommunications Corporation and its Affiliate MCIMetro Access Transmission Services, Inc., April 21, 1997.

Public Utility Commission of Texas, *Application of AT&T Communications of the Southwest, Inc. for Compulsory Arbitration to Establish an Interconnection Agreement between AT&T and Southwestern Bell Telephone Company*, Docket No. 16226, Direct Testimony of Steven E. Turner on behalf of AT&T Communications of the Southwest, Inc. & MCI Telecommunications Corporation and MCIMetro Access Transmission Services, Inc. Regarding Physical Collocation, September 9, 1997.

Public Utility Commission of Texas, *Application of AT&T Communications of the Southwest, Inc. for Compulsory Arbitration to Establish an Interconnection Agreement between AT&T and Southwestern Bell Telephone Company*, Docket No. 16226, Direct Testimony of Steven E. Turner and Nina W. Cornell on behalf of AT&T Communications of the Southwest & MCI Telecommunications Corporation and MCIMetro Access Transmission Services, Inc., September 15, 1997.

Public Utility Commission of Texas, *Application of AT&T Communications of the Southwest, Inc. for Compulsory Arbitration to Establish an Interconnection Agreement between AT&T and Southwestern Bell Telephone Company,* Docket No. 16226, Prefiled Direct Testimony of Steven E. Turner on behalf of AT&T Communications of the Southwest, Inc. & MCI Telecommunications Corporation and MCIMetro Access Transmission Services, Inc. Regarding Physical Collocation, November 26, 1997.

Public Utility Commission of Texas, *Application of AT&T Communications of the Southwest, Inc. for Compulsory Arbitration to Establish an Interconnection Agreement between AT&T and Southwestern Bell Telephone Company,* Docket No. 16226, Statement of Steven E. Turner Regarding Entrance Facilities on behalf of AT&T Communications of the Southwest, Inc. & MCI Telecommunications Corporation and MCIMetro Access Transmission Services, Inc. Regarding Physical Collocation, January 26, 1998.

Transcripts for hearings in the above matter are available from the Texas Public Utilities Commission.

Before the Federal Communication Commission, *In the Matter of Application of SBC Communication Inc. for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of Oklahoma,* CC Docket No. 97-121, Affidavit of Steven E. Turner on behalf of AT&T Corp., May 1997.

Before the Nevada Public Utilities Commission, *Cost Proceeding before the Nevada Public Utilities Commission to Determine Cost-Based Rates for Unbundled Elements and Interconnection for Nevada Bell and Sprint-Centel of Nevada,* Rebuttal Testimony of Steven E. Turner Regarding Collocation, June 1997.

Transcripts for hearings in the above matter are available from the Nevada Public Utilities Commission.

Before the Public Services Commission of the State of Arkansas, *In the Matter of Southwestern Bell Telephone Company – Arkansas' Application for Approval of SGAT,* Statement of Robert V. Falcone and Steven E. Turner on behalf of AT&T Communications of the Southwest, Inc., June 5, 1997.

Transcripts for hearings in the above matter are available from the Arkansas Public Services Commission.

Public Utility Commission of Texas, *Application of AT&T Communications of the Southwest, Inc. for Compulsory Arbitration of Further Issues to Establish an Interconnection Agreement between AT&T and Southwestern Bell Telephone Company,* Docket No. 17579, Direct Testimony of Robert Falcone and Steven E. Turner on behalf of AT&T Communications of the Southwest, Inc., July 28, 1997.

Public Utility Commission of Texas, *Application of AT&T Communications of the Southwest, Inc. for Compulsory Arbitration of Further Issues to Establish an Interconnection Agreement between AT&T and Southwestern Bell Telephone Company,* Docket No. 17579, Supplemental Direct Testimony of Steven E. Turner on behalf of AT&T Communications of the Southwest, Inc. (Filed Under Seal), July 28, 1997.

Transcripts for hearings in the above matter are available from the Texas Public Utilities Commission.

Public Utility Commission of Colorado, In Re: *Application of US West Communications, Inc. for the Interconnection Cost Adjustment Mechanism,* Docket No. 97A-011T, Testimony of Steven E. Turner on behalf of AT&T Communications of the Mountain States, Inc. and MCI Communications, Inc., August 8, 1997.

Before the Public Utilities Commission of the State of Hawaii, *In the Matter of Instituting a Proceeding on Communications, Including an Investigation of the Communications Infrastructure of the State of Hawaii,* Docket No. 7702, Rebuttal Testimony of Steven E. Turner on behalf of AT&T Communications of Hawaii, Inc., August 27, 1997.

Transcripts for hearings in the above matter are available from the Hawaii Public Utilities Commission.

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Before the Corporation Commission of the State of Oklahoma, *Application of Cox Oklahoma Telcom, Inc., for a Determination of the Costs of, and Permanent Rates for the Unbundled Network Elements of Southwestern Bell Telephone Company*, Cause No. PUD 970000213, Summary of Rebuttal Testimony of Steven E. Turner, March 4, 1998.

Transcripts for hearings in the above matter are available from the Oklahoma Corporation Commission.

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Before the Public Utility Commission of Texas, *Application of AT&T Communications of the Southwest, Inc. for Compulsory Arbitration to Establish an Interconnection Agreement between AT&T and Southwestern Bell Telephone Company*, Docket No. 16226, *Petition of MCI Telecommunications Corporation and its Affiliate MCIMetro Access Transmission Services, Inc. for Arbitration and Request for Mediation under the Federal Telecommunications Act of 1996*, Docket No. 16285, Prefiled Supplemental Direct Testimony of Steven E. Turner on behalf of AT&T Communications of the Southwest, Inc., MCI Telecommunications Corporation, and MCIMetro Access Transmission Services, Inc. Regarding SWBT's Late Filed DS3 Entrance Facility Cost Study, September 15, 1998.

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Transcripts for hearings in the above matter are available from the Washington Utilities and Transportation Commission.

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Before the Public Utility Commission of Texas, *Dispute before the Texas Public Utilities Commission Regarding EAS Issues and Prices for Unbundled Network Elements between ALT Communications, Inc. and Southwestern Bell Telephone Company*, Direct Testimony of Steven E. Turner, December 29, 1998.

Before the Public Utility Commission of Texas, *Dispute before the Texas Public Utilities Commission Regarding EAS Issues and Prices for Unbundled Network Elements between ALT Communications, Inc. and Southwestern Bell Telephone Company*, Rebuttal Testimony of Steven E. Turner, January 5, 1999.

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State of Michigan, Before the Michigan Public Service Commission, *In the Matter, on the Commission's Own Motion, to Consider the Total Service Long Run Incremental Costs and to Determine the Prices for All Access, Toll, and Basic Local Exchange Services Provided by Ameritech Michigan*, MPSC Case No. U-11831, Opening Affidavit of Steven E. Turner on behalf of AT&T Communications of Michigan, Inc., April 1, 1999.

State of Michigan, Before the Michigan Public Service Commission, *In the Matter, on the Commission's Own Motion, to Consider the Total Service Long Run Incremental Costs and to Determine the Prices for All Access, Toll, and Basic Local Exchange Services Provided by Ameritech Michigan*, MPSC Case No. U-11831, Reply Affidavit of Steven E. Turner on behalf of AT&T Communications of Michigan, Inc., June 17, 1999.

State of Michigan, Before the Michigan Public Service Commission, *In the Matter, on the Commission's Own Motion, to Consider the Total Service Long Run Incremental Costs and to Determine the Prices for All Access, Toll, and Basic Local Exchange Services Provided by Ameritech Michigan*, MPSC Case No. U-11831, Opening Affidavit of Steven E. Turner on behalf of AT&T Communications of Michigan, Inc. (Phase II), August 26, 1999.

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Before the Public Utility Commission of Texas, *Dispute before the Texas Public Utilities Commission to Determine Costs for Reciprocal Compensation between Golden Harbor and Southwestern Bell Telephone Company*, Affidavit of Steven E. Turner on behalf of Golden Harbor, August 11, 1999.

Before the Public Utilities Commission of the State of California, *Notice of Intent to File Section 271 Application of SBC Communications Inc., Pacific Bell, and Pacific Bell Communications Inc., for Provision of In-Region, InterLATA Services in California*, Affidavit of Steven E. Turner on behalf of AT&T Communications of California, Inc., August 13, 1999.

Before the Public Utilities Commission of the State of Hawaii, *In the Matter of the Public Utilities Commission Instituting a Proceeding on Communications, Including an Investigation of the Communications Infrastructure of the State of Hawaii*, Docket No. 7702, Affidavit of Steven E. Turner, August 19, 1999.

Before the Public Utilities Commission of the State of Hawaii, *In the Matter of the Public Utilities Commission Instituting a Proceeding on Communications, Including an Investigation of the Communications Infrastructure of the State of Hawaii*, Docket No. 7702, Direct Testimony of Steven E. Turner on behalf of AT&T Communications of Hawaii, Inc. and Certificate of Service, June 2, 2000.