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January 20, 1998

ORIGINAL

Ms. Blanca S. Bayó
Director, Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Dockets Nos. 960847-TP and 960980-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of MCI Telecommunications Corporation, in the above dockets, are the original and 15 copies of MCI's Direct Testimony of Greg Darnell.

By copy of this letter this document has been provided to the parties on the attached service list.

Very truly yours,

Richard D. Melson

Richard D. Melson

ACK _____ RDM/clp
AFA _____ Enclosures
APP _____ cc: Parties of Record

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FPSC-BUREAU OF RECORDS

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DIRECT TESTIMONY OF GREG DARNELL
ON BEHALF OF
MCI TELECOMMUNICATIONS CORPORATION AND
MCImetro ACCESS TRANSMISSION SERVICES, INC.
FLORIDA DOCKET Nos. 960847-TP AND 960980-TP
January 20, 1998

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Greg Darnell, and my business address is 780
Johnson Ferry Road, Atlanta, Georgia, 30342.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by MCI Telecommunications Corporation in the
Southern Region as Regional Manager -- Competition Policy.

Q. HAVE YOU PREVIOUSLY TESTIFIED?

A. Yes, I have testified in proceedings before regulatory
commissions on telecommunications matters in Alabama,
California, Florida, Georgia, Kentucky, Louisiana, North
Carolina, South Carolina and Tennessee and on numerous
occasions have filed comments before the FCC. Provided as
Exhibit GJD-1 to this testimony is a summary of my academic
and professional qualifications.

Direct Testimony of Greg Darnell on Behalf of MCI

-1- DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

1 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
2 PROCEEDING?

3 A. The purpose of my testimony is to present MCI's position on
4 the pricing of loop feeder and loop distribution.
5

6 Q. WHAT IS MCI'S POSITION ON THE PRICING OF LOOP FEEDER
7 AND LOOP DISTRIBUTION?

8 A. MCI submits that the pricing for the GTE subloop unbundled
9 network elements (UNEs), loop feeder and loop distribution,
10 should remain "to be determined" and that the decision on
11 setting prices for these elements be deferred until such time
12 that MCI has requested these elements from GTE, GTE has
13 failed to offer reasonable and cost based prices to MCI and the
14 matter is brought to the attention of the Florida PSC. The
15 Florida PSC need only get involved in establishing prices for
16 GTE loop feeder and loop distribution should MCI and GTE fail
17 to agree on negotiated prices.
18

19 Q. IS MCI'S POSITION CONSISTENT WITH GTE'S PROPOSAL
20 THAT THE PRICES FOR LOOP FEEDER AND LOOP
21 DISTRIBUTION BE DETERMINED ON AN INDIVIDUAL CASE
22 BASIS (ICB)?

23 A. No. ICB pricing is very different than To Be Determined (TBD)

1 prices. ICB pricing suggests that generic rates cannot be
2 established. This is definitely not the case for loop feeder and
3 loop distribution. As evidence of this fact, generic rates for
4 loop distribution have been proposed by BellSouth in Florida
5 PSC Docket Nos. 960846 and 960833. Further, approval of
6 ICB pricing for loop feeder and loop distribution may be argued
7 to provide GTE the ability to unilaterally set the rates for loop
8 feeder and loop distribution going forward.

9

10 Q. HOW ARE "TO BE DETERMINED" PRICES DIFFERENT THE
11 INDIVIDUAL CASE BASIS PRICING?

12

13 A. "To be determined" prices draw no conclusions. To be
14 determined simply means that when and if GTE and MCI fail to
15 reach a negotiated agreement on prices, the issue will
16 presented to the Florida PSC for resolution. Individual case
17 basis pricing suggests that GTE may set rates without having
18 to cost justify them, without MCI agreement and without
19 Florida PSC approval.

20

21 Q. IS ANY PARTY INJURED BY ESTABLISHING INDIVIDUAL CASE
22 BASIS PRICING FOR LOOP FEEDER AND LOOP DISTRIBUTION?

23

- 1 A. Yes, MCI is injured. ICB pricing is inferior to generic pricing and
2 the goal of keeping the rates for loop feeder and loop distribution
3 in a "to be determined" status would be to establish generic
4 pricing at a later date. Generic pricing will establish rates which
5 MCI can use for planning purposes. ICB pricing provides no such
6 planning information and further creates the additional barrier to
7 local market competitive entry of the costs associated with having
8 to negotiate with GTE on a case by case basis.
9
- 10 Q. HOW IS NEGOTIATING WITH GTE ON A CASE BY CASE BASIS
11 DIFFERENT THAN NEGOTIATING WITH GTE TO ESTABLISH
12 GENERIC RATES?
- 13 A. MCI has little or no leverage to negotiate reasonable and cost
14 based prices with GTE on a case by case basis. Keeping the
15 prices for loop feeder and loop distribution in a "to be determined"
16 status at least provides MCI with the minimal negotiation leverage
17 of having the Florida PSC to take up the issue should negotiations
18 to set generic rates fail.
19
- 20 Q. IS ANY PARTY INJURED BY KEEPING THE PRICES FOR LOOP
21 FEEDER AND LOOP DISTRIBUTION IN A "TO BE DETERMINED"
22 STATUS?
- 23 A. I am not aware of any party that will be immediately injured by

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keeping the prices of loop feeder and loop distribution in a "to be determined" status.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?
A. At this time, yes.

GREGORY J. DARNELL
3430 LEGACY TRACE
ALPHARETTA, GEORGIA
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WORK PHONE: 404-267-5975

PROFESSIONAL EXPERIENCE

6/21/96 - Date **REGIONAL MANAGER, COMPETITION POLICY, MCI.**

Responsibilities: Define and advocate MCI policies on local and long distance services throughout the BellSouth Region.

9/1/95 - 6/21/96 **SENIOR STAFF SPECIALIST III, MCI, NATIONAL ACCESS POLICY.**

Responsibilities: Define MCI's national access policies and educate field personnel. Present MCI's access policy positions to Executive Management and obtain concordance.

9/1/94 - 9/1/95 **SENIOR STAFF SPECIALIST III, MCI, SOUTHERN CARRIER RELATIONS.**

Responsibilities: Manage all aspects of MCI's business relationship with ALLTEL. Instrumental in obtaining agreement for MCI to carry ALLTEL's long distance traffic. Advance all of MCI's Countdown to Independence Day objectives and identify opportunities for alternative access arrangements.

1/1/93 - 9/1/94 **SENIOR STAFF SPECIALIST II, MCI, SOUTHERN CARRIER MANAGEMENT.**

Responsibilities: Chief of Staff. Manage the Southern Region's compliance with the yearly Carrier Relations tasking and present objectives and accomplishments to Senior Management. Develop and Manage \$2.5 Million Capital and Expense Budget. Hire and evaluate staff personnel. Advise MCI's Senior Management on the effects of changes in access policy and procedures.

9/1/91 - 1/1/93 **MANAGER, MCI, ECONOMIC ANALYSIS.**

Responsibilities: Testify on behalf of MCI in state regulatory proceedings on access issues. Write MCI tariff and rulemaking pleadings before the FCC. Serve as MCI's expert on Local Exchange Carrier revenue requirements, demand forecasts and access rate structures.

1/1/90 - 9/1/91 **SENIOR STAFF SPECIALIST I, MCI, FEDERAL REGULATORY.**

Responsibilities: Direct the development of analysis to support MCI's positions in all annual and periodic FCC tariff and rulemaking proceedings. Provide access cost input to MCI's Business Plan. Write and file petitions against annual tariff filings and requests for rulemaking. Train State Public Utility Commissions on the use and design of fully distributed cost databases.

1/1/89 - 1/1/90 **STAFF SPECIALIST III, MCI, FEDERAL REGULATORY.**

Responsibilities: Track and monitor tariff transmittals for Ameritech, BellSouth, SWBT and U S West. Write and file petitions against objectionable tariff filings. Represent MCI at National Ordering and Billing Forum.

10/9/87 - 1/1/89 **SUPERVISOR, MCI, TELCO COST ANALYSIS.**

Responsibilities: Supervise team of analysts in their review of interstate access tariff changes. Coordinate updates to Special Access billing system. Employee development, hiring and evaluations.

1/1/86 - 10/9/87 **FINANCIAL ANALYST III, MCI, TELCO COST.**

Responsibilities: Produce monthly telco cost forecast. Develop accrual factors. Produce and reconcile variance reports.

6/1/85 - 1/1/86 **STAFF ADMINISTRATOR II, MCI, LITIGATION SUPPORT.**

Responsibilities: Support MCI's antitrust counsel in taking depositions, preparing interrogatories and document requests.

1/1/84 - 6/1/85 **PRODUCTION ANALYST, MCI, LITIGATION SUPPORT.**

Responsibilities: Review and abstract MCI and AT&T documents obtained in MCI's antitrust litigation.

8/1/82 - 1/1/84 **LEGAL ASSISTANT, GARDNER, CARTON AND DOUGLAS.**

Responsibilities: Research and obtain information from the FCC, FERC and SEC.

EDUCATIONAL EXPERIENCE

9/1/92 - 1/1/93 **GEORGE WASHINGTON UNIVERSITY, GRADUATE SCHOOL OF TELECOMMUNICATIONS.**

Studies: Advanced courses in Public Policy, Electrical Engineering and Economics.

9/1/78 - 6/1/82 **UNIVERSITY OF MARYLAND, B.A., ECONOMICS.**

Studies: Macro and Micro Economics, Statistics, Calculus, Astronomy and Music.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by hand delivery or Federal Express(**) this 20th day of January, 1998.

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Tallahassee, FL 32399

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Attorney