DIRECT TESTIMONY OF A.R. (DICK) SCHLEIDEN
ON BEHALF OF
CONTINENTAL CABLEVISION, INC.
DOCKET NO. 950985A-TP
DATED DECEMBER 22, 1995

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS AND IDENTIFY THE PARTY ON WHOSE BEHALF YOU ARE TESTIFYING.

A. A.R. (Dick) Schleiden, Continental Fiber Technologies, Inc. doing/business/as AlterNet, 4455 Baymeadows Road, Jacksonville, Florida. Continental Fiber Technologies, Inc. and Continental Florida Telecommunications, Inc. are wholly-owned subsidiaries of Continental Telecommunications Corporation, which is a wholly-owned subsidiary of Continental Cablevision, Inc. I am testifying on behalf of Continental Cablevision, Inc., and its affiliated companies operating in Florida.

Q. WHAT IS YOUR POSITION WITH ALTERNET?

A. I am the General Manager of AlterNet, which was originally certified as an alternative access vendor and is currently certified as an alternative local exchange telecommunications company.

Q. WHAT ARE YOUR RESPONSIBILITIES IN THAT POSITION?

A. I have overall responsibilities for the day-to-day operations of AlterNet.

Q. DESCRIBE YOUR PREVIOUS PROFESSIONAL EXPERIENCE.

A. I have over 40 years of telecommunications experience in most disciplines of the former Bell system. During my tenure there, which began in 1954, I served in a number of different positions, mostly managing and supervising sales, marketing and technical teams. After retiring from AT&T and prior to joining AlterNet, I

was employed as Director of Sales for an alternative access vendor operating in Florida. I have been the General Manager of AlterNet for the past two and one-half years. A copy of my resume is attached as Exhibit CONT-1.

Q. Have you previously testified before the Commission in any other proceeding?

A. Yes, as a member of a panel of witnesses, I filed direct testimony on behalf of the Florida Cable Telecommunications Association in Docket No. 950985-TP relating to the petition of Teleport Communications Group (TCG). Later, I filed testimony individually on behalf of Continental in Docket No. 950985A-TP relating to Continental's petition involving BellSouth Telecommunications, Inc. ("BellSouth").

Q. Do you wish to withdraw both these sets of testimony, and if so, why?

A. Yes, I wish to withdraw both sets of testimony because Continental and Teleport have reached a settlement with BellSouth. Both parties entered into a Stipulation and Agreement ("the Stipulation") with BellSouth and various other parties to this docket. The Stipulation was approved by the Commission on December 19, 1995, thereby resolving the issues relating to interconnection between Continental and BellSouth. Continental is dismissing BellSouth from its petition; however, Continental seeks to continue Docket No. 950985A-TP in order to obtain an interconnection arrangement with Sprint/United-Florida and Sprint/Centel-Florida ("United/Centel").

Q. What is the purpose of your testimony here?

A. The purpose of this testimony is to describe the type of interconnection that Continental and United/Centel should provide to each other for exchanging traffic bound for the other's network and the compensation arrangement that should cover such interconnection. As discussed in its petition, Continental requires technically feasible and economically viable interconnection arrangements with the incumbent local exchange companies (LECs). It is Continental's intent to inaugurate local exchange service to residential and business customers as soon as possible after January 1, 1996. Continental's ability to provide effective local services in this timely manner is largely dependent upon its ability to complete calls between its customers and those of other service providers on Florida's Public Switched Network (PSN) under reasonable compensation arrangements. My testimony is being submitted in order to recommend to the Commission the appropriate arrangements that it should establish for the purpose of fostering the robust competition foreseen by the recently-enacted legislation ("New Legislation").

Q. Have you negotiated with representatives of United/Centel; and if so, has any agreement been reached?

A. Yes, I have communicated with representatives of United/Centel; no, we have not reached any agreement. A meeting took place between Continental and United/Centel representatives in Jacksonville where interconnection was discussed. While Continental intends to continue negotiating with United/Centel in the hope of reaching a settlement, Continental must pursue the Commission's

establishment of an interconnection arrangement with United/Centel in the event that such negotiations are unsuccessful.

Q. Are the interconnection arrangements being sought by Continental specific to your company or would they have applicability to other alternative local exchange telecommunications companies (ALECs)?

A. They would be specific to Continental; however, they would be applicable to other providers to the extent that discrimination is forbidden. While I am not an attorney, I am aware that the New Legislation requires the incumbent LECs to make interconnection available to ALECs and other providers on a nondiscriminatory basis. I am also aware that this legislation directs the Commission, upon petition, to set nondiscriminatory prices, terms and conditions of interconnection. I conclude that identical arrangement adopted by the Commission for Continental and United/Centel does not have to be established for other providers who seek different rates, terms, or conditions. However, the differences have to be justifiable on some basis which is not discriminatory. To me, a different rate could be justified by differences in equipment or topography; however, different rates could not be justified for the same interconnection service just because it is furnished to two different ALECs.

Q. What do you mean by the term "interconnection?"

A. It means the procedure by which Continental will integrate its present and future facilities into Florida's public switched network (PSN). To me, Florida's PSN is the aggregation of all facilities being used, and to be used, by all providers to

furnish switched telecommunications services to the public in this state. No one entity "owns" the PSN by virtue of its ownership of facilities that are integrated into it. Nevertheless, concentrated ownership of large portions of those facilities by a few entities gives them control over access to the PSN. In my opinion, the New Legislation was enacted for the purpose of opening Florida's PSN to more providers to make the benefits of competition available to Floridians. These benefits include: (1) lower consumer prices; (2) enhanced services; and (3) expanded customers choice.

Q. What is the nature of the market that Continental seeks to enter through interconnection with the incumbent LECs?

A. Each local exchange market is characterized by the overwhelming dominance of one player--the incumbent LEC. The incumbent LECs own and control the facilities encompassing the total local exchange market of Florida's PSN, including subscriber loops and switches, access to which must be obtained in order to originate or terminate traffic. In order for the Florida PSN to appear seamless to consumers, there will always be a need for efficient interconnection between service providers. The only alternative is the unacceptable circumstance which existed at the beginning of this century when consumers often needed more than one telephone to communicate with other consumers. The incumbent LEC enjoys ubiquitous facilities throughout its market area. It begins the process of transitioning to competition with virtually all of the market as well as customer recognition which comes from decades of being the only provider.

The incumbent LEC may elect price regulation on January 1, 1996 even though it may actually face no competition in many areas. However, the ALEC will always face at least one competitor--the entrenched incumbent LEC. The incumbent LEC is the only competitor known and recognized as a provider of local exchange service and the only competitor controlling the essential market that rivals must access in order to provide service throughout an entire service area. Incumbent LECs have an enormous competitive advantage simply due to customer inertia. They have the ability to exercise market power gained from decades of advertising and from the leverage over end users based on long-standing business relationships.

ALECs, on the other hand, face many obstacles in order to compete. They must first make large investments in their own facilities. They must then connect these facilities to the ubiquitous LECs' facilities and attempt to overcome customer inertia and the incumbents' brand loyalty by providing superior service at the same or lower prices than the incumbent LECs. Because the incumbent LECs stand to lose market share (although not necessarily revenues) by such interconnection, they have little incentive to enter into interconnection arrangements that are economically viable or technically efficient for the new entrant. Yet, if ALEC services are perceived as inferior or more expensive to incumbent LECs' services, the effect on competition could be fatal. As it is, the ALEC currently enters the market with a serious risk of being placed at an immediate competitive disadvantage because of the effects of technical issues,

such as a technologically inferior interim number portability mechanism, that are under the complete control of the incumbent LEC.

Q. Given this context, what factors should the Commission consider in setting incumbent LECs' interconnection parameters in this proceeding?

A. First, the Commission should recognize that the intent of the New Legislation is to promote competition and consumer choice among a wide array of services. Indeed, worldwide experience indicates that competition lowers prices, provides greater freedom of choice, encourages the introduction of new technology and innovation as well as investment in telecommunications infrastructure, and promotes the usage of telecommunications services. Therefore, a competitive environment uses the least amount of society's scarce resources while providing the greatest amount of goods and services to the consumer.

As the Chairman of the Florida House Committee on Telecommunications recently stated in a letter to Chairman Clark, the Commission should view its new role as that of the "catalyst of competition." See Exhibit CONT-2. In other words, the Commission should be "promoting" competition rather than simply "permitting" it. As a result, the Commission should consider the impact of various rate structures and levels on the development of competition and residential consumer choice. I agree with Chairman Clemons' statement that, ultimately, the best way to protect consumers is by providing them with superior, innovative choices. Interconnection arrangements must permit ALECs to economically deliver competitive local telecommunications services.

Second, the Commission should consider that interconnection is an essential monopoly service. Only the incumbent LECs today enjoy ubiquitous facilities throughout their market areas, which is a great advantage to them. To spite the argument that having to serve everyone everywhere is a burden, this ubiquity confers immense positive effects from a marketing perspective. Because of incumbent LEC ubiquity, new entrants must interconnect with the incumbent LEC as a condition of doing business. Moreover, incumbent LECs, e.g., BellSouth, is investing in operations worldwide. The current wisdom is that telecommunications companies, regardless of their origination, will ultimately offer consumers a full package of services: video, local, toll, long-distance, data, security, and environmental controls. The investments of both the incumbent LECs and the ALECs will be amortized across that package, making the "burden of maintaining a ubiquitous network" less costly. It also provides the monopolist absolute market power and a marketing advantage the likes of which have not been seen in modern industry.

Third, interconnection structure and rates should promote technological innovation and innovative pricing strategies. This, too, is one of the basic premises of the New Legislation. Not only are consumers to have choices of new providers, but of new services. Further, the price structure for interconnection should permit carriers to pursue their own independent retail marketing strategy. Price structures for interconnection should not be tied to existing incumbent LEC price structures so as to force new market entrants to mimic those pricing

structures. Nor should consideration be given to the incumbent LECs for keeping their current revenues whole. That would be resorting to traditional, rate-of-return regulation after that approach has been removed for the large incumbent LECs in the New Legislation. ALECs must be permitted to exercise the greatest possible latitude in developing their retail marketing strategies for local services.

Fourth, interconnection rates should not include a contribution to universal service. We understand that as the Florida Legislature considered revisions to the statutes governing regulation by the Commission of Florida's telecommunications industry, it explicitly "de-linked" interconnection rates from universal service considerations. I agree that these are two entirely different concepts, and should not be treated together.

Fifth, the interconnection rate should take into account any technical considerations placing new entrants at a competitive disadvantage. For example, Remote Call Forwarding is the only currently available option for number portability. It is an inefficient process for maintaining number portability. The known disadvantages of Remote Call Forwarding include impairment of the availability of CLASS features, degradation of service quality , call completion delays, cost burdens for all, and--potentially--customer dissatisfaction for the ALECs. Nevertheless, number portability is an essential element of providing competitive local service from both a price and quality perspective. The Commission should therefore take this shortcoming into account in setting interconnection rates and terms.

Finally, interconnection rates and rate structures should create incentives for competitive infrastructure development. The only way for sustainable competition to develop is if competitors do not have to rely exclusively on the incumbent LEC for the provision of service. Interconnection rates and structures should encourage companies to invest in plant, which would inure to the benefit of Florida's economy. I recommend that the Commission look down the road to consider how the structure for interconnection fits into the ultimate goal of achieving full and widespread competition so that as many consumers as possible benefit from the widest possible range of choice as quickly as possible. The Commission should view the competitive local market as evolving and thus should adopt policies today which promote the changes and advances that competition promises.

Q. Based upon these criteria, what is the most appropriate interconnection arrangement?

A The most appropriate arrangement is a "bill and keep" arrangement.

Q. Describe how a "bill and keep" arrangement operates.

A. I understand that "bill and keep" is the method often used as an interconnection arrangement between incumbent LECs when interconnecting with each other's facilities today in Florida. With "bill and keep," two participants exchange traffic originating on their own facilities bound for termination on the other's facilities at some agreed-upon point. Each participant bears the cost of its own facilities,

keeping the revenues it generates and not charging the other participant to use its facilities.

Q. Why do you recommend a "bill and keep" arrangement?

A. There are a number of reasons why I recommend a "bill and keep" arrangement. First, it is reciprocal, thus acknowledging that all participants in the local exchange market are co-carriers. Competing local exchange carriers should be treated as co-carriers, meaning as carriers having equal status with the incumbent LEC, in light of the fact that the public necessity for interconnection is mutual once an entrant signs up its first customer. Once an entrant gains that first customer, both the incumbent LEC and the ALEC have a mutual and equal need for services and compatible systems to enable their customers to reach all other telephone subscribers in the local calling area, maintaining the maximum number of features.

Second, because "bill and keep" is the least-cost method of compensation, it is the approach that is most likely to encourage lower local exchange rates for consumers.

Third, "bill and keep" presents the least possibility of creating barriers to entry. With "bill and keep," it is unlikely that the compensation mechanism will place unnecessary and unfair burdens upon the ALECs, as they enter the market with limited resources that are better spent investing in the companies' facilities to offer better service in wider areas.

Fourth, "bill and keep" provides economic incentives for ALECs to invest in and strengthen the State's local telecommunications infrastructure and its economy through job creation and purchases of goods and services. It will encourage expansion of the Florida PSN and multiple points of interconnection, increasing reliability. It is also neutral in terms of both the technology and architecture that ALECs might choose to adopt. Compensation arrangements for terminating traffic must not inhibit the ALECs' choice of technology or architecture. This is a crucial goal if the regulatory environment is to allow for flexibility and feature enhancements in the future.

Fifth, "bill and keep" is necessary in order to achieve traffic flow balance. In other words, traffic carried on each participant's facilities on the Florida PSN is more likely to be balanced between terminating and originating traffic, i.e., the minutes of use of inbound traffic equals the outbound minutes of use.

Finally, any other method of interconnection involving compensation is dangerous. Compensation, in any form, is an incentive that will drive behavior. It is difficult to foresee the behavior that might develop, but I will illustrate one type of behavior that could occur. To avoid paying under a reciprocal compensation arrangement based on measured terminating traffic, an ALEC could direct its marketing efforts toward inbound calling customers. This would skew the reciprocal compensation being paid toward the ALEC. It could just as readily be skewed in the other direction, depending on the incumbent LECs' practices. The only method of compensation for interconnection that will diminish the need

for regulatory intervention and contention between the service providers, perhaps involving the general public, is a "bill and keep" arrangement. Also diminished by the "bill and keep" arrangement is the potential for contention among the parties.

Q. How does "bill and keep" minimize costs that could otherwise act as a barrier to entry?

A. Once the conditions for effective competition have been met, it is certain that the amount of compensation owed to one participant would be offset by the amount owed to the other. Unless there are significant distortions between facilities, the traffic exchanged by participants tends to be in approximate balance over time. This means that it is inefficient for companies to develop measurement and billing arrangements that can significantly increase the cost of doing business when the amounts to be paid are going to cancel out over relatively short periods of time. The cost of such equipment which measures traffic in today's climate is immense. Moreover, new and imminent technologies, such as personal communications systems (PCS), might or might not be compatible with such equipment, which could mean investment dollars earmarked for infrastructure development could well be wasted on equipment which serves only to front load costs onto competitors.

Q. Have any other states adopted "bill and keep?"

A. Yes. The commissions in Connecticut, California and Washington have done so. I also understand that the commission in Tennessee has very recently adopted the

"bill and keep" method. In addition to the simplicity of "bill and keep," these commissions believe it is too difficult to predict the outcome of any compensation schemes or their impact on competition. As such, they did not want to adopt any plan which would clearly place one company at an advantage over another, as an immediate compensation plan based on minutes-of-use would. "Bill and keep," with a provision for traffic that is substantially out of balance, allows new entrants to predictably invest in facilities and expansion of the Florida PSN to the public good.

Q. If the Commission sets rates, terms, and conditions for interconnection between the ALECs and United/Centel, should United/Centel tariff the interconnection rate(s) or other arrangements?

A. I do not have a position on this issue at this time.

Q. What are the appropriate technical and financial arrangements which should govern interconnection between the ALECs and United/Centel for the delivery of calls originated and/or terminated from carriers not directly connected to the ALECs' network?

A. United/Centel should provide intermediary tandem switching and transport to connect the ALECs' end users to any other provider of service on Florida's PSN for the purpose of making local and toll calls. These procedures benefit consumers not only to complete calling efforts, but to provide alternative paths when normal trunks are busy. At critical times, e.g., during hurricanes, they

minimize the opportunity for communities to become isolated. The ALECs should be permitted to reciprocate this arrangement.

Q. What are the appropriate technical and financial requirements for the exchange of intraLATA 800 traffic which originates from an ALEC customer and terminates to an 800 number served by United/Centel?

A. United/Centel should compensate the ALEC for the origination of 800 traffic terminated to them pursuant to the ALEC's originating switched access charges. Continental will provide to United/Centel the appropriate records necessary for United/Centel to bill its customers. At such time as Continental elects to provide 800 services, United/Centel should reciprocate this arrangement.

Q. What are the appropriate technical arrangements for the interconnection of the ALECs' networks to United/Centel's 911 provisioning network such that the ALECs' customers are ensured the same level of 911 service as they would receive as a customer of United/Centel?

A. The ALECs' customers must have the same level of access to reliable 911 service as customers of United/Centel. For basic 911 service, United/Centel should provide a list consisting of each municipality it serves in Florida that subscribes to basic 911 service. The list will also provide the E911 conversion date and, for network routing purposes, a ten-digit directory number representing the appropriate emergency answering position for each municipality subscribing to basic 911 service. The ALECs should arrange to accept 911 calls from their customers in the municipalities that subscribe to basic 911 service and translate

the 911 call to the appropriate ten-digit directory number as stated on the list provided by United/Centel and route that call to United/Centel at the appropriate tandem or end office. When a municipality converts to E911 service, the ALEC should discontinue the basic 911 procedures and begin the E911 procedures.

For E911 service, the ALECs should connect Feature Group D trunks to the appropriate E911 tandem, including the designated secondary tandem. If a municipality has converted to E911 service, the ALECs should forward 911 calls to the appropriate E911 primary tandem, along with Automatic Number Identification ("ANI"), based upon the current E911 end office to tandem homing arrangement as provided by incumbent LECs. If the primary tandem trunks are not available, the ALECs should alternate route the call to the designated secondary E911 tandem. If the secondary tandem trunks are not available, the ALECs should alternate route the call to the appropriate Traffic Operator Position System (TOPS) tandem.

Under my proposal, 911 services will be preserved for the communities that the ALECS serve. Arrangements should be made to bill the ALECs' customers in order to appropriately compensate the entity providing 911 emergency services. Continental reserves the right to deal directly with the 911 entity.

Q. What procedures should be in place for the timely exchange and updating of the ALECs' customer information for inclusion in appropriate E911 databases?

A. In order to ensure the proper working of the system along with accurate customer data, the ALECs should provide daily updates to the E911 database. United/Centel must be required to work cooperatively with the ALECs to define record layouts, media requirements and procedures for this process.

Q. What are the appropriate technical and financial requirements for operator handled traffic flowing between the ALECs and United/Centel including busy line verification and emergency interrupt services?

A. United/Centel and the ALECs should mutually provide each other busy line verification and emergency interrupt services.

Q. What are the appropriate arrangements for the provision of directory assistance services and data between the ALECs and United/Centel?

A. United/Centel should include the ALECs' customers' primary listings (residence and business listings) and yellow page (business) listings in its directory assistance database at no charge.

Q. Under what terms and conditions should United/Centel be required to list the ALECs' customers in its white and yellow pages directories and to publish and distribute these directories to the ALECs' customers?

A. United/Centel should include the ALECs' customers' primary listings in the white page and yellow page directories, distribute directories to the customers of each and recycle all customers' directory books at no charge. United/Centel and the ALECs should work cooperatively on issues concerning lead time, timeliness, format, and content of list information.

Q. What are the appropriate arrangements for the provision of billing and collection services between the ALECS and United/Centel, including billing and clearing credit card, collect, third party and audiotext calls?

A. The ALECs and United/Centel should bill and clear credit card, collect and third party calls (calls where the recording company is different from the billing company) through Centralized Message Distribution Service (CMDS) provided by United/Centel.

Q. What arrangements are necessary to ensure the provision of CLASS/LASS services between the ALECs' and United/Centel's networks?

A. United/Centel and the ALECs should provide LEC-to-LEC Common Channel Signaling (CCS) to one another, where available, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions. All CCS signaling parameters should be provided, including ANI, Originating Line Information (OLI) calling party category, charge number, etc. All privacy indicators should be honored. United/Centel and the ALECs should cooperate on the exchange of Transactional Capabilities Application Point (TCAP) messages to facilitate interoperability of CCS-based features between their respective facilities. CCS should be provided Signal Transfer Point to Signal Transfer Point. The features provided to each customer should be billed by United/Centel or the ALEC providing service. I note that all Class 5 offices cannot provide CLASS features. This dictates that all vertical features should be part of the "bill and keep" arrangement.

Q. What are the appropriate arrangements for physical interconnection between the ALECs and United/Centel, including trunking and signalling arrangements?

A. The technical interface for the delivery of all calls by one company to the other should all be identical. Such interconnecting facilities should conform, at the minimum, to the telecommunications industry standard of DS1 pursuant to BellCore Standard No. TR-NWT-00499 (or higher in the digital hierarchy) for facilities terminating as trunks on both companies' switching devices. Signalling System 7 (SS7) connectivity should also be required.

Q. To the extent not addressed in the number portability docket, Docket No. 950737-TP, what are the appropriate financial and operational arrangements for interexchange calls terminated to a number that has been "ported" to the ALECs?

A. I understand that this issue involves an IXC delivering incoming calls, bound for an ALEC, to United/Centel because the NXX code involved is assigned to United/Centel. The called party, however, is a customer of the ALEC and the call must be "ported" through United/Centel's call forwarding function to the ALEC for completion. However, this call will appear to the ALEC as a "local" call since it is delivered from a United/Centel end office. Clearly, United/Centel will bill the IXC for terminating switched access charges associated with this call. Since this has great possibility of working in both directions and, over time, traffic should be equalized, I believe that this call should be handled on a "bill and keep"

basis. In my view, every exchange of traffic on end office trunks should be under the "bill and keep" financial arrangement.

Q. What arrangements, if any, are necessary to address other operational issues?

A. There are a number of operational issues that must be resolved in order for local interconnection to function between companies. Any issue which cannot be negotiated to the satisfaction of both interconnecting companies should be resolved by the Commission through an expedited complaint procedure. An example of such issues is the handling of maintenance calls that are reported to the wrong company. Such misdirected calls must be handled in a manner that holds the consumer interest foremost. Both United/Centel and the ALECs must develop consumer educational campaigns for maintenance management. These campaigns should assure that consumers are made aware of the proper maintenance numbers. In certain circumstances, the receiving company should forward trouble reports to the appropriate company.

Q. What arrangements, if any, are appropriate for the assignment of NXX codes to the ALECs?

A. It is imperative that telephone numbers be conserved as valuable resources. Nevertheless, such valuable resources must be shared and should not be controlled by the dominant competitor in the marketplace. However, that is the situation at the initiation of competition. An ALEC ought to be able to enlist the Commission's assistance in overcoming any delays that occur in obtaining NXX

codes. The Commission should handle such requests for assistance on an expedited basis, preferably in less than 30 days. Minimally, the ALECs should be able to get an NXX for each United/Centel office with which the ALECs interconnect. They should also be able to get additional NXXs when 60% or more of the numbers in an existing NXX have been allocated. ALEC requests for NXXs should be expected to be fulfilled by United/Centel in 30 days or less.

Q. Does that conclude your testimony?

A. Yes.

ALBERT RICHARD SCHLEIDEN
818 Tournament Road
Ponte Vedra Beach, FL 32082
904-273-6018

Work Experience

1993 - Present	General Manager for Continental Fiber Technologies, Inc. d.b.a. AlterNet and several Continental Telecommunications Companies including Continental Florida Telecommunications, Inc. Manager of all the disciplines of the telephone companies. As GM of AlterNet in the AAV business, developed a team of professionals getting a dynamic start in IXC carrier access and private line services. Prepared AlterNet for entrance into the competitive dial tone business. Deployed an all fiber SONET MAN in Jacksonville providing the highest quality and reliable service in the industry. Managing an annual capital budget of over $10M and an expense budget of approximately $5M and 30 personnel.
1990 - 1991	Director of Sales for Intermedia Communications of Florida, Inc. Management of Sales personnel and corporate marketing responsibilities. Managed and trained a sales force of six. Brought two new services to the marketplace in first five months. Increased monthly recurring revenues $60,000 in the same time period.
1988 - 1989	Account Executive through voluntary redeployment to Major Markets Sales. Managed the redeployment/new hiring effort of the Tampa Major Markets Sales Office. Thirteen people were relocated to Tampa, trained and organized into an effective sales team. Account Executive duties include selling the entire AT&T product line, focusing on network applications. Sales include very large competitive winbacks.
8/86 - 8/88	District Manager, Product Manager for DATAPHONE^{R} Digital Service. Directly managed a marketing team of about 10 people developing sales and marketing strategies and tactics for this 1/2 billion dollar product. Matrix managed a corporate product team of about 100 for the implementation of the annual product plan. This premier data networking product is used exclusively by major business customers for highly reliable data transport. Product enhancements to prolong the growth stage of life cycle management was our thrust. It was showing a robust growth of about 22% annually. I interacted daily with customers, sales

personnel and other AT&T line entities to keep in touch with the realities of the marketplace.

4/86 - 7/86 — District Manager Parsippany (NJ), Business Sales and Support Center (BS&SC). This office was similar in size and scope to the one in Pittsburgh. One notable difference was an international organization managing all orders from Canada and Mexico.

2/84 - 3/86 — District Manager, Pittsburgh Business Sales and Support Center (BS&SC). I directed three sub-organizations - Primary Account Sales Center (PASC) - Service Order Entry Center (SOEC) and Account Inquiry Center (AIC) and several smaller support organizations. The force of 200 manages 250,000 accounts and $150 million revenue on a budget of $5.6 million. The PASC is a reactive and proactive state of the art telemarketing center. The SOEC processes orders on the most sophisticated widely distributed order entry system in the nation. The AIC handles claims, collection, credit management and sales (referrals) while maintaining a positive image with our customer base. The strengths of the organization are order quality and timeliness with an eye toward productivity increases (SOEC); aggressive marketing and sales techniques (PASC); and innovative problem solving (all) through excellent personnel management.

10/82 - 2/84 — Staff Manager of a Headquarters District of 25 persons and a budget of 1.6M. This organization of subject matter experts supports the National Sales Force (NSF) of National Account Managers (NAMs) and Intercity Service Group (ISG). The support includes systems, order procedures, special billing, claims, collections, measurements and other sales and administrative support. This support requires extensive interfunctional interface with other headquarters organizations on company policy and procedures. Late in 1982, I reduced 2nd level manager groups from 12 to 7 while enhancing their managerial positions. During this period, we managed the NSF through the Computer Inquiry (CI) II transition. I integrated this organization into AT&T-C Headquarters Sales Operations for divestiture.

7/82 - 10/82 — Market Manager - Served as Certification Manager and Certification Board Manager. Acted as NAM consultant for Business Services Segment on Account Management, Business Function Systems Selling and Certification.

1979 - 1982	National Account Manager - Automatic Data Processing, Inc. (ADP) with total Bell billed revenue of approximately 35 million dollars (a 94% increase over the 3 years). Established the National Account Team and developed to an organization of 25 on a budget of $1.2M. Positioned the NAM and appropriate team members with the highest executive levels in ADP and each of its divisions. Managed improved service results through the operations department and Bell Operating Companies at executive levels. Personally sold and tutored sales personnel in large sales including data terminals and telemarketing. Detailed account planning with the team and BOCs. Performance took account team to the President's Club for two successive years (1981-1982). Certified Industry Consultant (IC) along with five of six subordinate Account Executive (AEs).
7/76 - 8/79	Staff Supervisor of Product Marketing in Product Management at Long Lines Headquarters, July 1, 1976, to August 1, 1979. Developed sales stimulation packages for selected data products (DATAPHONE Service, DDS, Network Control Systems, ACS, DSAS, and low speed terminals) from brochures to multi-media productions. Directly supported field sales personnel in seminars and client presentations and proposals. Managed direct marketing program.
1974	Sales Staff Data Specialist - Interpret tariffs and provide technical expertise on all data matters to sales organization.
1972	Basic Plans Engineer - Staff Supervisor - Long range engineering - Managerial responsibilities for a two-state area.
1971	Personnel Assessment Center - Assess vocational personnel for management potential.
1969	Engineering intercompany Services Coordinator - Administer methods and controls for implementing private line telephone, telegraph and data services.
1968	Engineering Staff Supervisor - Administrative responsibilities associated with the design engineering of telephone and data services.
1967	Electronic Data Processing Staff Supervisor - Supervising the implementation of new engineering data processing systems.

1965	Plant Network Manager - Administrative duties dealing with the serviceability of several large national accounts.
1964	Transmission Supervisor - Coordinating the installation of interstate private line telephone services.
1963	Transmission Supervisor - Administrative and supervisory responsibilities with regard to installation and maintenance of private line telephone services.
1962	Telegraph Service Supervisor - Administrative and supervisory responsibilities with regard to installation and maintenance of private line telegraph services.
1958 - 1962	Vocational technician and Engineering Assignments.

Employment prior to AT&T
Bell Telephone Company of Pennsylvania - Accounting
Methodist Publishing House

Florida House of Representatives

PETER RUDY WALLACE, SPEAKER OF THE HOUSE

COMMITTEE ON UTILITIES & TELECOMMUNICATIONS

SCOTT W. CLEMONS
CHAIR

SHARON J. MERCH
VICE CHAIR

August 17, 1995

Susan Clark, Chairman
Public Service Commission
Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Chairman Clark:

I am pleased to learn of the plans the Public Service Commission has made to implement Chapter 95-403, the telecommunications act. For Florida to realize competition as quickly as the Legislature intended, a rather ambitious schedule was included in the act's framework. And, the PSC was tasked with a variety of responsibilities to make the January 1, 1996, starting date for competition a realistic one. It appears that your agency is striving to meet that schedule.

Having worked closely with the Legislature during the development of the telecommunications legislation, you are aware of the law's two important goals: protecting consumers and encouraging competition. And, you know that the Legislature believes that in the final analysis competition will prove to be the ultimate consumer protection.

The Legislature has passed the law, thus clearly stating our intent that in the near future Floridians should have a choice in local telephone service. It now falls to the PSC to determine if our hopes for a quick emergence of competition will become a reality. In short, we will be observing the PSC's efforts to change its mission from the previous one--being the surrogate for competition--to its new role as the catalyst of competition.

For example, the Legislature's concern for both consumer protection and the development of competition was evidenced in the act's provisions for universal service. In this issue the consumer benefits are self-evident, however, the Legislature also evidenced a concern about its impact on competition. The act refers specifically to the PSC's determining a *mechanism* to provide for universal service. Legislators knew that after considering various mechanisms, the PSC might eventually decide that a fund is necessary. However, they were concerned that a fund could prove to be anti-competitive and so desired the consideration of a variety of options.

Based on a review of the actual list of staff-identified issues provided at a July meeting, the commission appears not to be limiting itself to a fund; however, the title of the proceeding is "Determination of *Funding* for Universal Service and Carrier of Last Resort Responsibilities," and the use of the word "funding" may signal a conflict with the notion of considering other options as well.

Another issue before you that could have an impact on the rapid development of competition requirement that ALEC's file tariffs for all services. Legislative intent provides that the Commission is to encourage competition through "flexible regulation" and "by allowing a transitional period in which new entrants are subject to a lesser level of regulatory oversight." know the tariff issue will be a difficult one to resolve, and I do not presume to recommend to you which way you should decide. I write only to emphasize that the impact of your decision on the pace of the growth of competition must be weighed heavily.

Other issues I understand the PSC will face are the charges assessed payphone operators by incumbent LEC's and the timing of establishing payphone operators' eligibility to subscribe to flat-rate, single-line business local exchange services, as called for in the law. As before, I do not presume to tell you what to decide in these cases. However, I do request that you consider how your decision will aid in fostering competition

A final example provided to illustrate my interest in stimulating competition and in recognition of the complex nature of the issues you will face regards access to poles, conduits, rights-of-way and other facilities--access which is required pursuant to the law Section 14 of ch. 95-403, Laws of Florida, does not explicitly provide for the parties to address the PSC should they fail to mutually agree on rates and conditions of access. However, in other similar circumstances, pursuant to the law parties may petition the PSC to bring about a legislatively-mandated agreement The absence of a means of bringing the PSC into the process may have an impact on a party's ability to compete in a timely fashion. This should be considered when deciding the issue of access to poles, conduits, rights-of-ways, and other facilities

I am confident that under your leadership the PSC can meet the challenge of transforming itself from the substitute for to the catalyst of competition I am comfortable relying upon your and your colleagues' judgement and expertise I write and offer these examples to assure you that I am cognizant of the complexity of your challenges and to emphasize the legislature's keen desire that competition--the biggest consumer protection encompassed in the new law--be encouraged with all deliberate speed

Sincerely,

Scott W. Clemons

Scott W. Clemons
Chairman, Commission on Utilities &
Telecommunications

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the Notice of Submission of the Direct Testimony of A.R. (Dick) Schleiden dated December 22, 1995, by Continental Cablevision, Inc., were furnished by hand delivery (*) or by mail (**) this 22th day of December, 1995, to the following:

Lee L. Willis, Esq.*
J. Jeffrey Wahlen, Esq.
McFarlane, Ausley, et al.
227 South Calhoun Street
Tallahassee, FL 32301

Leo I. George**
Lonestar Wireless of Florida, Inc.
1146 19th St., Suite 200
Washington, DC 20036

Anthony P. Gillman, Esq.*
Kimberly Caswell, Esq.
GTE Florida Inc., FLTC0007
201 N. Franklin St.
Tampa, FL 33602

Charles W. Murphy, Esq.*
Pennington Law Firm
215 S. Monroe St., 2nd Floor
Tallahassee, FL 32302

Steven D. Shannon**
MCI Metro Access Trans. Svcs., Inc.
2250 Lakeside Blvd.
Richardson, TX 75082

Patrick K. Wiggins, Esq.*
Wiggins & Villacorta, P.A.
501 E. Tennessee St.
Tallahassee, FL 32302

Leslie Carter**
Digital Media Partners
1 Prestige Place, Suite 255
2600 McCormack Dr.
Clearwater, FL 34619

Andrew D. Lipman**
Metropolitan Fiber Systems of Florida, Inc.
One Tower Lane, Suite 1600
Oakbrook Terrace, IL 60181

F. Ben Poag*
Sprint/United-Florida
Sprint/Centel-Florida
555 Lake Border Dr.
Apopka, FL 32703

Richard D. Melson, Esq.*
123 S. Calhoun St.
Tallahassee, FL 32317

James C. Falvey, Esq.*
Swidler & Berlin, Chartered
3000 K St. N.W., Suite 300
Washington, DC 20007

J. Phillip Carver, Esq.*
c/o Nancy H. Sims
BellSouth
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

David Erwin, Esq.*
225 S. Adams St., Suite 200
Tallahassee, FL 32301

John Murray**
Payphone Consultants, Inc.
3431 N.W. 55th St.
Fort Lauderdale, FL 33309

Richard A. Gerstemeier**
Time Warner AxS of Florida, L.P.
2251 Lucien Way, Suite 320
Maitland, FL 32751

Patricia Kurlin, Esq.*
Intermedia Communications of Florida, Inc.
9280 Bay Plaza Blvd., Suite 720
Tampa, FL 33619

Gary T. Lawrence**
City of Lakeland
501 E. Lemon St.
Lakeland, FL 33801

Jill Butler*
2773 Red Maple Ridge
Tallahassee, FL 32301

Graham A. Taylor**
TCG South Florida
1001 W. Cypress Creek Rd., Suite 209
Ft. Lauderdale, FL 33309

William Tabor, Esq.**
Utilities & Telecommunications
410 House Office Bldg.
Tallahassee, FL 32399

Greg Krosovsky, Esq.**
Commerce & Economic Opportunities
4265 Senate Office Bldg.
Tallahassee, FL 32399

Charles Beck, Esq.**
Office of the Public Counsel
111 W. Madison St., Room 812
Tallahassee, FL 32399

Nels Roseland**
Exec. Office of the Governor
Office of Planning & Budget
The Capitol, Room 1502
Tallahassee, FL 32399

Paul Kouroupas**
Director, Regulatory Affairs
Teleport Communications Group, Inc.
Two Teleport Dr., Suite 300
Staten Island, NY 10311

Robert V. Elias, Esq.*
Division of Legal Services
2540 Shumard Oak Blvd., Room 370
Tallahassee, FL 32399-0850

Floyd R. Self, Esq.*
Messer, Caparello, et al.
215 S. Monroe St., Suite 701
Tallahassee, FL 32301

Michael W. Tye, Esq.*
A T & T
101 N. Monroe St., Suite 700
Tallahassee, FL 32301

Robin D. Dunson, Esq.**
1200 Peachtree St., N.E.
Promenade I, Room 4038
Atlanta, GA 30309

Sue E. Weiske**
Senior Counsel
Time Warner Communications
160 Inverness Dr. W.
Englewood, CO 80112

Laura Wilson, Esq.*
F C T A
310 N. Monroe St.
Tallahassee, FL 32301

Ken Hoffman, Esq.*
Rutledge, Ecenia, et al.
215 S. Monroe St., Suite 420
Tallahassee, FL 32301

Jodie Donovan-May, Esq.**
Eastern Region Counsel
Teleport Communications Group, Inc.
1133 21st St. N.W., Suite 400
Washington, DC 20036

By: Donald L. Crosby
DONALD L. CROSBY