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August 30, 1996

Mrs. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. ~~860833-TP and~~

Dear Mrs. Bayo:

Enclosed for filing in the above-referenced dockets are an original and fifteen copies of the Rebuttal Testimony of William J. Carroll, Wayne Ellison, Joseph Gillan, David L. Kaserman, Art Lerma, Ronald H. Shurter, and James A. Tamplin, Jr.

Copies of the foregoing are being served on all parties of record in accordance with the attached Certificate of Service.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LED _____
- LIN _____
- OPD _____
- TRF _____
- SEC _____
- WAS _____
- OTH _____

Yours truly,

Tracy Hatch

Attachments

cc: Parties of Record

1
5 tags

DOCUMENT NO.
09223-96
8-30-96

CERTIFICATE OF SERVICE

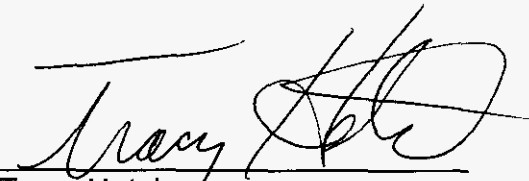
DOCKET NOS. 860833-TP and 960846-TP

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by United States Mail or hand-delivery to the following parties of record this 30th day of August, 1996.

BellSouth Telecommunications
c/o Nancy H. Sims
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301

Richard D. Melson
Hopping, Green, Sams & Smith
123 South Calhoun Street
Tallahassee, Florida 32301

Donna Canzano
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399


Tracy Hatch

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**REBUTTAL TESTIMONY OF
WILLIAM J. CARROLL
ON BEHALF OF AT&T COMMUNICATIONS
OF THE SOUTHERN STATES, INC.
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**Docket No. 960833-TP
Filed: August 30, 1996**

Q. PLEASE IDENTIFY YOURSELF.

A. My name is William J. (Jim) Carroll and my business address is 1200 Peachtree Street, Atlanta, Georgia, 30309.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THIS COMMISSION?

A. Yes. I supplied direct and supplemental testimony to this Commission in this docket. I also provided direct testimony before this Commission regarding AT&T's petition for arbitration with GTE.

Q. WHAT IS THE PURPOSE OF THIS REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to address BellSouth's agreements with other new entrants. Mr. Scheye asserts in his testimony that AT&T is unwilling or unable to reach an interconnection agreement with BellSouth while fifteen other companies

1 already have done so. Schey Test. at 4-9. My rebuttal testimony will demonstrate
2 that none of the agreements referred to by Mr. Schey contain prices that will achieve
3 effective competition. The prices in the agreements ensure that BellSouth will receive
4 higher revenue than competitively justified.

5

6 **Q. WHAT EVIDENCE DO YOU OFFER THAT BELLSOUTH'S**
7 **AGREEMENTS WITH OTHER COMPANIES INCLUDE NON-**
8 **COMPETITIVE PRICES?**

9

10 A. I requested that an analysis be conducted comparing the prices in each of the
11 BellSouth agreements with the proxy or default prices ordered by the FCC in its
12 Report and Order of August 8, 1996. In virtually all cases, the prices in the
13 BellSouth agreements for unbundled network elements are higher than the FCC-
14 ordered prices -- in some cases substantially higher -- and the discounts from retail
15 prices of resold services are substantially lower than ordered by the FCC. Likewise,
16 the prices and discounts BellSouth offered to AT&T also vary significantly from the
17 FCC -- in all cases favoring of BellSouth. A chart setting out the analysis is attached
18 at Exhibit JCR-1.

19

20 **Q. DID THE PRICES OFFERED AT&T BY BELLSOUTH PREVENT AT&T**
21 **FROM ENTERING INTO AN AGREEMENT WITH BELLSOUTH?**

22

23 A. Yes, and there were other, non-price reasons as well. AT&T always believed that the
24 prices sought by BellSouth for unbundled network elements were too high and the
25 discounts for resold services too low to generate true, fair local competition as

1 envisioned by the Telecommunications Act of 1996. BellSouth's demand for
2 excessive prices and unreasonably low discounts was a major contributing factor in
3 AT&T's decision not to enter into an agreement like the fifteen referred to in Mr.
4 Scheye's testimony.

5

6 **Q. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?**

7

8 **A. Yes.**