

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Consideration of BellSouth  
Telecommunications, Inc.'s entry  
into interLATA services pursuant to  
Section 271 of the Federal Telecommunications  
Act of 1996.

Docket No. 960786-TL

Filed: July 17, 1997

DIRECT TESTIMONY

OF

JOSEPH GILLAN

ON BEHALF OF

FLORIDA COMPETITIVE CARRIERS ASSOCIATION,

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.,

MCI TELECOMMUNICATIONS, INC.

AND WORLDCOM, INC.

ACK \_\_\_\_\_  
AFA 1 \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU Green \_\_\_\_\_  
CTR \_\_\_\_\_  
EAG \_\_\_\_\_  
LEG 2 \_\_\_\_\_  
LIN Stag \_\_\_\_\_  
OPC \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC 1 \_\_\_\_\_  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE  
07208 JUL 17 97  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

JOSEPH GILLAN

1 I. INTRODUCTION AND WITNESS QUALIFICATION

2

3 Q. Please state your name and business address.

4

5 A. My name is Joseph Gillan. My business address is P.O. Box 541038,  
6 Orlando, Florida 32854.

7

8 Q. What is your occupation?

9

10 A. I am an economist with a consulting practice specializing in  
11 telecommunications. My clients span a range of interests and have  
12 included state public utility commissions, consumer advocate organizations,  
13 local exchange carriers, competitive access providers, and long distance  
14 companies.

15

16 Q. Please briefly outline your educational background and related

1           **experience.**

2

3           A.    I am a graduate of the University of Wyoming where I received B.A.  
4                   (1978) and M.A. (1979) degrees in economics. My graduate program  
5                   concentrated on the economics of public utilities and regulated industries  
6                   with course work emphasizing price theory and statistics.

7

8                   In 1980, I joined the staff of the Illinois Commerce Commission where I  
9                   had responsibility over the policy content of Illinois Commission filings  
10                   before the U.S. District Court and the Federal Communications  
11                   Commission. In addition, I was responsible for staff testimony relating to  
12                   the emergence of competition in regulated markets, in particular the  
13                   telecommunications industry. While at the Commission, I served on the  
14                   staff subcommittee for the NARUC Communications Committee and was  
15                   appointed to the Research Advisory Council overseeing NARUC's research  
16                   arm, the National Regulatory Research Institute.

17

18                   In 1985, I left the Commission to join U.S. Switch, a venture firm  
19                   organized to develop interexchange access networks in partnership with  
20                   independent local telephone companies. At the end of 1986, I resigned my  
21                   position of Vice President-Marketing to begin a consulting practice. I  
22                   currently serve on the Advisory Council for New Mexico State

1 University's Center for Regulation.

2

3 **Q. On whose behalf are you testifying?**

4

5 A. My testimony is sponsored in this proceeding by the Florida Competitive  
6 Carriers Association (FCCA), AT&T Communications of the Southern  
7 States, Inc. (AT&T), MCI Telecommunications Corporation (MCI), and  
8 WorldCom, Inc. (WorldCom). The FCCA is the successor organization to  
9 the Florida Interexchange Carriers Association. In anticipation of the  
10 fundamental change that will result from the full implementation of the  
11 Telecommunications Act of 1996 (Act), FIXCA has broadened its name  
12 and membership to respond to a broader range of competitive issues.

13

14 **Q. What is the purpose of your testimony?**

15

16 A. The purpose of my testimony is two-fold:

17

18 (1) to explain why the Act requires that BellSouth first satisfy each of  
19 its obligations under Sections 251, 252 and 271 of the  
20 Telecommunications Act, including all applicable federal rules,  
21 before it will be authorized to provide interLATA services, and

22

1 (2) to demonstrate that BellSouth does not provide the unbundled local  
2 switching network element (and its use in combinations) as required  
3 by the Act and the FCC's implementing regulations.

4

5 As my testimony below explains, BellSouth does not satisfy critical areas  
6 of the 14-point Competitive Checklist. Therefore, its application for  
7 interLATA authority is premature.

8

9 **Q. What specific issues does your testimony address?**

10

11 **A. My testimony will address the following issues (as delineated in the Issue  
12 List):**

13

14 1.A. Has BellSouth met the requirements of Section 271(c)(1)(A)  
15 of the Telecommunications Act of 1996?

16

17 3. Has BellSouth provided nondiscriminatory access to  
18 network elements in accordance with the requirements of  
19 Sections 251(c)(3) and 252(d)(1) of the Telecommunications  
20 Act of 1996, pursuant to 271(c)(2)(B)(ii) and applicable  
21 rules promulgated by the FCC?

22

1                   7.     Has BellSouth provided unbundled local switching from  
2                             transport, local loop transmission, or other services,  
3                             pursuant to Section 271(c)(2)(B)(vi) and applicable rules  
4                             promulgated by the FCC?

5  
6                   13.    Has BellSouth provided nondiscriminatory access to such  
7                             services or information as are necessary to allow the  
8                             requesting carrier to implement local dialing parity in  
9                             accordance with the requirements of Section 251(b)(3) of  
10                            the Telecommunications Act of 1996, pursuant to Section  
11                            271(c)(2)(B)(xii) and applicable rules promulgated by the  
12                            FCC?

13  
14                   The fact that I do not address other requirements of the Act and FCC rules  
15                             does not mean that I believe BellSouth is in compliance with them.  
16                             BellSouth must prove its compliance with each and every requirement.

17  
18                   **Q.     What is the basic conclusion of your testimony?**

19  
20                   A.     The Telecommunications Act of 1996 represents Congress' affirmation that  
21                             the competitive process unleashed by the AT&T divestiture brought  
22                             substantial benefits to American consumers. In large part, the Act is

1 structured to extend these same competitive benefits to the local market by  
2 applying the same principle which made the divestiture so successful --  
3 that is, by requiring that the local network be opened to competitive  
4 providers on nondiscriminatory terms. The MFJ limited this obligation to  
5 the use of the local network in only *one* of its roles (the origination and  
6 termination of long distance traffic); the Act applies this obligation to the  
7 incumbent's network in *all* of its roles (including local and access).  
8 Further, the Act provides that when the network is practicably available on  
9 nondiscriminatory terms to others -- including entrants deploying facilities  
10 -- then BellSouth may be authorized to provide long distance services.

11

12 **Q. How should the Commission approach its role with respect to**  
13 **evaluating Section 271 compliance?**

14

15 A. Under the Act, the fundamental role of a state commission is a *fact-*  
16 *consultant* to the FCC, determining through a practical and quantitative  
17 review of the conditions in its state whether BellSouth has fully  
18 implemented each of the tools required by the Checklist. This review  
19 includes determining whether BellSouth is in full compliance with each of  
20 the effective FCC rules implementing Sections 251 and 252, and that broad  
21 scale, commercial level, local competition is now possible. Only through  
22 a critical examination, where BellSouth's compliance can be empirically

1 demonstrated through practical experience, can the Commission perform  
2 its statutory role.

3

4 **Q. Why is empirical review so important?**

5

6 A. Conducting an empirical review is a necessary step in this process because,  
7 for all practical purposes, Congress adopted a national blueprint for local  
8 competition based on the limited experience of a few states, none of which  
9 had even fully implemented their own policies. The result is a law with  
10 excellent intentions, but without the benefit of a working model.

11

12 The dramatically higher barriers to entry to the local exchange market  
13 (particularly relative to long distance) must be *successfully* eliminated in  
14 order for exchange competition to proceed. Local competition depends not  
15 upon BellSouth's paper compliance with abstract concepts -- or, even more  
16 speculatively, *promises* of future compliance -- but rather upon whether the  
17 tools entrants actually needed are available in ways that support entry on  
18 a commercial scale. In particular, the Commission must ensure that  
19 network elements are fully operational in a manner which enables local  
20 entrants to offer services as quickly and broadly as BellSouth will be able  
21 to provide long distance services.

22



1 A. Does BellSouth today have experience providing these necessary  
2 elements?

3  
4 A. No. The following table summarizes the status of local competition in  
5 BellSouth's territory in Florida and documents just how premature its  
6 claim is that it complies with Section 271. I have presented the results  
7 both as a percentage and in scientific notation. Scientific notation is the  
8 accepted method of expressing very small values (the size of quarks, sub-  
9 atomic particles and the level of local competition in BellSouth's Florida  
10 territory). Table 1 demonstrates that local competition has not yet begun -  
11 - much less is irreversible as required under the Department of Justice's  
12 standard. (See DOJ Brief, dated May 16, 1997, in SBC  
13 Telecommunication's Application to the FCC for interLATA authority).

14 **TABLE 1: STATUS OF LOCAL ENTRY IN**  
15 **BELLSOUTH'S FLORIDA TERRITORY**  
16 **AS OF JUNE 1, 1997**

Measure	Entrant Quantity (1997)	BellSouth Quantity (1996)	Competitive Share	
			Percent	Scientific Notation
Interconnection Trunks	7,612	9,190,968	.0828%	8.3E-04
Unbundled Loops	1,085	6,614,273	.0164%	1.6E-04
Unbundled Switching	7	5,885,000	0001%	1.2E-06

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**Table 1 Sources**

Interconnection Trunks: Interoffice Carrier Links, 1996 ARMIS 4307.  
Unbundled loops: Working Channels, 1996.  
Unbundled switching: Total Access Lines in Service, 1996 ARMIS 4307.  
Entrant quantities based on BellSouth witness Milner prefiled direct testimony in this docket.

As Table 1 shows, there is no measurable competition in the BellSouth's Florida territory today. The *reason* is that BellSouth has not implemented the tools necessary for widespread competition -- particularly, the operating systems to support network element combinations -- and, as such, does not satisfy the threshold requirements of Section 271.

**II. THE REQUIREMENTS OF SECTION 271**

- Q. What must BellSouth do in order to obtain authority to provide in-region interLATA services pursuant to the Act?**
  
- A. BellSouth bears the burden of proving that it has met *each* of the conditions necessary for it to provide in-region interLATA services in Florida. In order to receive authority under Track A to provide interLATA**

1 services, BellSouth must prove: (1) that it has entered into one or more  
2 binding agreements that have been approved by the Commission under  
3 Section 252 of the Act specifying the conditions under which BellSouth is  
4 providing access and interconnection to its network facilities for the  
5 network facilities of one or more unaffiliated competing providers of  
6 telephone exchange service to residential and business subscribers; and (2)  
7 that the access and interconnection BellSouth is providing under such  
8 agreements meets the requirements of the Act's 14-point Competitive  
9 Checklist.

10  
11 **Q. What does a determination of Sections 251 and 252(D) and Checklist**  
12 **compliance entail?**

13  
14 **A.** The Act requires that BellSouth provide the basic tools necessary for  
15 commercial scale local competition to become a reality. Included among  
16 Sections 251, 252(d) and the Checklist is the requirement that BellSouth's  
17 carrier offerings comply with federal rules that are designed, in large part,  
18 to assure that entrants have the same ability to use the preexisting network  
19 to provide services as BellSouth does itself. For instance, 47 C.F.R. §  
20 51.311 provides:

21  
22 **Nondiscriminatory access to unbundled network**  
23 **elements**  
24

1 (b) Except as provided in paragraph (c) of this  
2 Section, to the extent technically feasible, the quality  
3 of an unbundled network element, as well as the  
4 quality of the access to such unbundled network  
5 element, that an incumbent LEC provides to a  
6 requesting telecommunications carrier shall be at  
7 least equal to that which the incumbent LEC  
8 provides to itself.

9

10 I cite this particular passage to emphasize how very significant the changes  
11 will be that must occur in order for BellSouth to satisfy the Competitive  
12 Checklist and be authorized to provide interLATA services. It is not  
13 enough for BellSouth to claim that it can accept an order and deliver an  
14 unbundled element at some uncertain point in the future. Rather, it must  
15 alter its systems to support an environment where network elements are  
16 available to multiple providers on terms equivalent to BellSouth's use of  
17 the network itself.

18

19 **Q. Why do your comments focus on the availability of network elements?**

20

21 **A.** Because entry using unbundled network elements is the option that most  
22 closely parallels BellSouth's interLATA opportunity and is most likely to  
23 achieve the potential benefits that are central to the Act's success. Of  
24 course, I do not intend to imply by this emphasis that other entry  
25 approaches, such as service-resale and facilities-construction are  
26 unimportant. Rather, network elements (including, network element

1 combinations) provide a wide range of economic benefits and are the most  
2 difficult to operationalize and support on a commercial scale.  
3 Consequently, once network elements (including combinations) are  
4 provisioned in a nondiscriminatory manner, the Commission should  
5 anticipate that BellSouth can adequately support the remaining entry  
6 techniques as well.

7  
8 This conclusion is based on the following characteristics of entry using  
9 network elements:

- 10 • The pricing of network elements is to be based on  
11 cost and nondiscriminatory. If true, then the entrant  
12 and the incumbent should face the same cost  
13 structure for the underlying network they share. (If  
14 not, then an artificial advantage will result that will  
15 translate to a consumer loss.)  
16  
17
- 18 • Network elements pre-position the entrant for either  
19 network construction of its own or, at the least, the  
20 replacement of incumbent local exchange carrier-  
21 provided network elements with components  
22 obtained from third parties.  
23  
24
- 25 • Network elements establish the entrant as a complete  
26 provider of local and exchange access services, an  
27 economic predicate to full service competition.  
28 Partial entry strategies -- such as service-resale --  
29 will not drive retail prices (particularly toll prices)  
30 to cost, since the incumbent LEC retains an access  
31 monopoly to the service-resellers' customers.  
32  
33  
34  
35

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

- Network elements enable the entrant to craft its own unique local services, varying calling boundaries and feature mixes to meet unique customer needs, thereby unleashing the creative energies of the competitive process.

Overall, fully implementing the requirements necessary to make network elements operationally available will be the step most likely to lead to alternative networks and full-scale facilities competition. Most importantly, network elements must be available in logical combination which rapidly permit wide-scale local competition if consumers are to broadly benefit under the Act as Congress intended. The Commission should carefully scrutinize BellSouth's claim that it is able to provide entrants with nondiscriminatory access to network elements, and network element combinations, as required by FCC rules.

**III. UNBUNDLED LOCAL SWITCHING AND NETWORK ELEMENT COMBINATIONS**

**Q. What conditions must be satisfied for the rapid, wide-scale, local competition required by the Act to become a reality?**

**A. The threshold condition is that entrants have the ability to use the existing network to offer their own services. The local network is simply too vast**

1 for any entrant to replicate this resource in the near term. Of course, this  
2 principle -- nondiscriminatory access to the incumbent's network -- is the  
3 cornerstone of the Act. See 47 CFR § 51.311.

4  
5 The critical step is translating the principle of nondiscrimination into  
6 practical tools that entrants can actually use to offer customers competitive  
7 services. To give this principle meaningful effect, the incumbent's  
8 network must be made available in ways which:

- 9
- 10 • enable the entrant to offer service to a broad,  
11 geographic market;
  - 12  
13  
14  
15 • permit the entrant to design its own service offerings  
16 (such as, for example, deciding its local calling  
17 scope and selecting which "optional" features it will  
18 include in its basic service);
  - 19  
20  
21  
22 • support customer migrations between carriers with  
23 an ease and cost comparable to the ease with which  
24 customers can change long distance carriers today.

25  
26 **Q. What entry technique is capable of supporting the rapid, commercial**  
27 **scale entry anticipated by Congress?**

28  
29 **A. Commercial-scale entry demands that services can be mass-produced and**

1 customers can shift between carriers simply and inexpensively, where  
2 customers experience the same convenience whether they choose the  
3 services of the incumbent or those of an entrant for all their  
4 telecommunications needs.

5  
6 Achieving this vision requires that network elements be offered in logical  
7 combinations, as well as in the form of individual components. Of course,  
8 individual elements will continue to play a critical role, both to serve large  
9 customers and as carriers substitute incumbent-provided facilities with  
10 facilities of their own (or those obtained from third parties). Single-  
11 element arrangements, however, narrow entrants geographically to selected  
12 end-offices (where alternative facilities exist) or to selected customers  
13 (those sufficiently large to offset the cost to reconfigure). Logical  
14 combinations avoid these concerns which would otherwise, inevitably,  
15 force entrants to focus on niche markets.

16  
17 **Q. Doesn't service-resale satisfy the need for wide-scale entry?**

18  
19 **A.** No. Service-resale establishes the entrant as the incumbent's faint echo  
20 offering identical services, with little to no ability to offer lower prices.  
21 If a carrier has no interest in designing unique services, has no reason to  
22 offer both local exchange and exchange access service, has no desire to



1 compete aggressively with BellSouth's prices, and has no intention to  
2 replace individual network components with the facilities of other carriers  
3 (or its own) as they become available, then service-resale is the ideal  
4 solution. While service-resale will provide carriers a *simple* entry option -  
5 - and, for that reason, the Commission can expect that carriers will use this  
6 approach, particularly at first -- robust local competition depends upon the  
7 more challenging opportunities made possible by network element  
8 combinations.

9  
10 **Q. Which network element is most critical to achieving the benefits of**  
11 **network combinations?**

12  
13 **A. The local switching network element is the key to widespread local**  
14 **competition (and, not surprisingly, where BellSouth is far from compliance**  
15 **with the Act's requirements). The switch lies at the heart of local**  
16 **exchange service. It is here where services are created and most revenues**  
17 **generated. The *only* way that entry will occur on a broad scale, and on an**  
18 **economic basis comparable to BellSouth, is if multiple carriers can use the**  
19 **existing switches (and, as explained below, loop/switch combinations) to**  
20 **provide their own individual services.**

21  
22 **Q. Do the Act and FCC rules require an unbundled local switch (ULS)**

1           **network element that establishes its purchaser as a local carrier,**  
2           **coequal to BellSouth?**

3  
4           A.    Yes. A multi-vendor switching element -- which provides entrants local  
5           switching capacity with the same opportunities to provide their own  
6           services as BellSouth -- is clearly a goal of the Act and applicable FCC  
7           rules. The starting point for defining the ULS can be found in the  
8           Competitive Checklist, § 271(c)(2)(B)(vi), which requires that BellSouth  
9           must provide unbundled local switching prior to its offering of in-region  
10          interLATA services:

11                       (vi)   Local switching unbundled from transport, local  
12                                loop transmission, or other services.

13          This provision requires that BellSouth offer a local switching element as  
14          a generic functionality that can be used by entrants to offer their own  
15          exchange services without any requirement that they purchase other  
16          BellSouth network elements (loop or transport) or services (such as DA,  
17          Operator Services, exchange access or, quite obviously, BellSouth's local  
18          service itself).

19  
20          **Q.    Has the FCC provided additional detail concerning the ULS element**  
21          **that BellSouth must offer?**

22  
23          A.    Yes. Under the Act, the FCC is responsible for defining the *minimum set*

1 of network elements that incumbent LECs (like BellSouth) must offer to  
2 comply with Section 251 of the Act. Section 251(d) charges the FCC with  
3 establishing regulations implementing Section 251 of the Act. I realize  
4 that there is a legal controversy concerning the FCC's authority to address  
5 *pricing* within these rules and the FCC's pricing regulations are currently  
6 stayed. The FCC's rules *defining* network elements, while under appeal,  
7 have not been stayed.

8  
9 The unbundled switching element required by federal rules is the lease of  
10 switching capacity on a per-line basis to an entrant that then becomes the  
11 subscriber's local telephone carrier with respect to local exchange  
12 (including vertical features) and exchange access services:

13  
14 . . . a carrier that purchases the unbundled  
15 local switching element to serve an end user  
16 effectively obtains *the exclusive right* to provide all  
17 features, functions, and capabilities of the switch,  
18 including switching for exchange access and local  
19 exchange service, for that end user.

20  
21  
22 Order on Reconsideration, Federal Communications Commission, CC  
23 Docket No. 96-98, Released September 27, 1996.

24  
25 More specifically, the ULS must include all features, functions and  
26 capabilities of the switch, including:

27

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44

- basic switching connecting lines and trunks, § 51.319(c)(1)(i)(C)(1),
- any capability available to incumbent LEC customers, including telephone number, white page listing and dial tone, § 51.319(c)(1)(i)(C)(1),
- every feature the switch is capable of providing, including custom calling, CLASS functionality, and Centrex, § 51.319(c)(1)(i)(C)(2),
- software-controlled systems which transfer end-users to a new exchange carrier in the same interval as the LEC transfers customers between interexchange carriers, § 51.319(c)(1)(ii) (a software-controlled transfer would occur where the entrant purchases the preexisting loop/switch combination serving an end-user. In such an instance, it would not be necessary to physically reconfigure the end-user's loop to change its service provider),
- establishes the ULS purchaser as the provider of local exchange and exchange access service, § 51.307(c) (obligates BellSouth to provide a network element in a manner that permits its purchaser to offer any service made possible by the element), § 51.309(a) (prohibits BellSouth from imposing any restriction that would limit an entrant's ability to use an element to offer any service the entrant desires), and § 51.309(b) (specifies that an entrant may use an element to provide exchange access),
- use of the incumbent's signalling and call-related data base systems in the same manner as the LECs

1 use such systems themselves, ¶ 51.319(e)(1)(ii) and  
2 ¶ 51.319(c)(2)(iii),  
3

- 4  
5  
6 • access to the *entrant's* operator services by dialing  
7 "0" or "0 plus," the desired telephone number,  
8

9 (FCC Second Report and Order, Docket 96-98, ¶¶ 112, 114, 116.)  
10

- 11  
12  
13 • access to directory services using the 411 and 555-  
14 1212 dialing patterns,  
15

16 (FCC Second Report and Order, CC Docket 96-98, ¶ 151).  
17

- 18  
19  
20 • routing to the entrant's repair functions (611) and  
21 business office (811).  
22

23 (FCC First Report and Order, CC Docket 92-105, ¶ 46.)  
24

25 The collective effect of these provisions is to define an ULS element that  
26 establishes the purchaser as its subscribers' local telephone company in  
27 every material respect. The ULS element provides the entrant the ability  
28 to: (1) decide the features applicable to each of its subscribers' lines  
29 (constrained by the features resident in the switch or accessible through  
30 AIN); (2) direct its operator and directory traffic to its own services or  
31 those provided by the LEC or a third party; (3) complete local calls using  
32 the transport network of the LEC, its own network or the network of a  
33 third party; and (4) provide exchange access services to itself or other

1 carriers.

2

3 **Q. Is the introduction of an unbundled switch element sufficient for wide-**  
4 **scale competition?**

5

6 A. No. Unbundled switching, by itself, would provide the heart of local  
7 competition without a body to sustain it. Local competition also requires  
8 that entrants be able to obtain logical combinations of network elements,  
9 including combinations where each network element is purchased from  
10 BellSouth.

11

12 **Q. What combination of network elements do you expect competitors will**  
13 **require to enter the market initially?**

14

15 A. As a practical matter, because no alternative exchange networks yet exist,  
16 I expect that entrants will need to purchase most (if not all) network  
17 elements from BellSouth. At the least, I expect entrants to obtain both  
18 loop and switch capacity as a combination of network elements (frequently  
19 with transport and signalling) to form their basic exchange-serving  
20 arrangement. This combination of network elements is known as the  
21 "platform configuration."

22

1 With an ability to obtain the full combination of network elements,  
2 competition will not be limited to those areas, and those few customers,  
3 that will first attract alternative networks. Any number of entrants will be  
4 able to approach the market with new services and competitive choices  
5 because each will be able to use however much (or little) of the exchange  
6 network they need to offer their services.

7

8 **Q. Does the Commission require BellSouth to provision network element**  
9 **combinations?**

10

11 **A. Yes. The Florida Commission has consistently maintained that BellSouth**  
12 **must support network element combinations as required under the Act and**  
13 **the FCC's implementing regulations. The FCC rules clearly spell out**  
14 **BellSouth's obligation to honor entrant requests for network element**  
15 **combinations:**

16

17

47 CFR § 51.315(a):

18

19

20

21

22

23

24

25

26

47 CFR § 51.315(b):

27

28

29

Except upon request, an incumbent LEC shall not  
separate requested network elements that the

1                   incumbent LEC currently combines.

2

3                   The FCC further emphasized its commitment to network element  
4 combinations, noting that:

5                                 Under our [the FCC] method, incumbents must  
6 provide, as a single, combined element, facilities  
7 that could comprise more than one element.

8

9                                 First Report and Order, CC Docket 96-98, ¶ 295.

10

11           **Q.     Why are network combinations so important to local competition?**

12

13           **A.     For three reasons. First, effecting a large number of customer requests to**  
14 **change local carriers will require that the customer's decision can be**  
15 **implemented in an automated fashion. Using the unbundled loop by itself**  
16 **means that a physical change in the network will be necessary -- i.e., the**  
17 **actual loop to the customer must be reconfigured from BellSouth's local**  
18 **switch to a competitor's every time a customer changes its local service**  
19 **provider. As a result, unbundled loops (by themselves) cannot satisfy the**  
20 **fundamental condition for local competition that customers can be moved**  
21 **to a new local provider in a service interval equal to the interval that**  
22 **customers will be able to choose BellSouth for long distance services.**

23

24           **Second, there are over 23,000 local switches in the local exchange**



1 networks of the incumbent local exchange carriers today. No competitor  
2 can replicate, any time soon, this vast switching matrix on which virtually  
3 all customer loops now terminate. Importantly, the economic cost of local  
4 switching is closely aligned with that of the loops that it connects. To the  
5 extent that loop plant is a natural monopoly, a similar (although not  
6 identical) conclusion must apply to the local switches that connect them.

7  
8 Moreover, even where competitive switches are installed, the fact remains  
9 that the cost to reconfigure loops, particularly to connect to a  
10 geographically distant or different switch, will likely limit the utility of this  
11 form of entry to large customers. The only way that entry will occur on  
12 a broad scale, and on an economic basis comparable to BellSouth, is if  
13 multiple carriers can use the existing switches (and loop/switch  
14 combinations) to provide service.

15  
16 **Q. Does the Department of Justice recognize the availability of network**  
17 **element combinations (i.e., the platform) as a necessary precondition**  
18 **to Checklist compliance?**

19  
20 **A. Yes.** The Department of Justice recently completed its review of  
21 Ameritech's application for interLATA authority in the State of Michigan.  
22 In its comments to the FCC, the Department recommended rejection of the

1 application because Ameritech does not satisfy the Checklist, including its  
2 requirements to offer network element combinations:

3  
4 This [the FCC's Local Competition Order] requires BOCs to provide what  
5 has often been referred to as the "network platform."

6 Thus . . . Ameritech cannot receive Section 271  
7 authority unless it makes common transport  
8 available, in conjunction with both unbundled  
9 switching and the 'network platform,' as both a  
10 legal and a practical matter.

11  
12 (Evaluation of the U.S. Department of Justice, Ameritech-Michigan, June  
13 25, 1997, pages 14-15.)

14  
15 Furthermore, the Department noted the importance of the "network  
16 platform" to achieving the competitive environment envisioned by the Act.

17  
18 It is important to appreciate, however, the  
19 competitive significance of the failure to provide  
20 these items, which precludes a determination that  
21 approval of Ameritech's application would be  
22 consistent with the public interest. With respect to  
23 unbundled switching and shared transport (as  
24 defined by the relevant orders of the Commission  
25 and the MPSC), Ameritech's failure to make these  
26 Checklist requirements practically available to its  
27 competitors forecloses an important entry vehicle  
28 involving the "network platform."  
29

30  
31 (Id. at 34.)

32

1                   Consequently, the Department of Justice both recognizes that the platform  
2                   is necessary to satisfy the stated requirements of the Competitive Checklist  
3                   as well as its competitive importance to consumers.

4  
5           **Q.    Has the FCC recently reaffirmed its decision to require BellSouth (and**  
6           **other incumbents) to provide network element combinations in the**  
7           **manner you have described?**

8  
9           **A.    Yes.  The FCC has reemphasized the importance of network element**  
10           **combinations in its recent access reform decision.  The FCC has**  
11           **specifically rejected applying access charges to purchasers of network**  
12           **elements (who, in effect, become the access provider for their customers),**  
13           **including BellSouth's argument that resale treatment should apply:**

14  
15  
16                               We [the FCC] are also unpersuaded by  
17                               suggestions that access charges should be imposed  
18                               on unbundled elements because provision of  
19                               competitive service by rebundling the same network  
20                               elements used by the incumbent LEC to provide  
21                               access is equivalent to resale of a retail service.

22  
23                               (FCC First Report and Order, Docket 96-262, Released May 16, 1997, ¶  
24                               340.)

25  
26                               As a result, the FCC reaffirmed the decision in its Interconnection Order  
27                               that the loop and switch network elements establish their purchaser as the

1 provider of both local exchange and exchange access service:

2

3

4

5

6

7

As we noted in the *Local Competition Order*, payment of cost-based rates represents full compensation to the incumbent LEC for use of the network elements that carriers purchase.

8

9

10

11

12

13

14

15

16

17

Allowing incumbent LECs to recover access charges in addition to the reasonable cost of such facilities would constitute double recovery because the ability to provide access services is already included in the cost of the access facilities themselves.

(*Id.* at ¶ 337.)

18

19

20

21

22

In fact, the FCC emphasized that it would have taken a more prescriptive approach to access charge reform if new entrants could not use network elements, including combinations, to enter the exchange market.

23

24

**Q. Has the appeals court upheld the FCC's decision concerning the application of access charges?**

25

26

27

28

29

**A.** Yes, in a decision dated June 27, 1997, the Court of Appeals for the 8th Circuit upheld the FCC's decision to permit the *temporary* application of interstate access charges ". . . even though such charges on their face appear to violate the statute. . . ." The practical effect of this decision is

1 to uphold the FCC's temporary exception -- an exception which has now  
2 expired -- and affirm the FCC's authority to require that the ILEC is no  
3 longer the access provider for the ULS purchaser's customers.

4

5 **Q. Does BellSouth have the operational systems to support unbundled**  
6 **local switches and combination of network elements?**

7

8 A. No. BellSouth has not yet operationalized an unbundled local switching  
9 network element that satisfies the above-cited requirements. BellSouth has  
10 recently informed AT&T that its systems do not have the ability to render  
11 accurate bills for this arrangement. BellSouth has admitted this to the  
12 Commission. (BellSouth's Response and Memorandum in Opposition to  
13 AT&T's Motion to Compel, Florida Dockets 960833-TP/960846-TP, filed  
14 June 23, 1997, page 8).

15

16 Importantly, creating the systems needed for unbundled local switching to  
17 be practically available -- systems to place the purchaser in control of the  
18 features on its subscribers' lines, systems to support carrier-access billing  
19 by the entrant (and, just as importantly, to cease the access billing by  
20 BellSouth), and the software and systems necessary to ultimately provide  
21 the entrant control over the routing of its subscribers' traffic -- will take  
22 some time to develop.

1                   **IV. THE COMPETITIVE IMPLICATIONS OF FULL SERVICE**  
2                   **COMPETITION AND THE NEED FOR RAPID LOCAL ENTRY**

3

4           **Q.    Why did Congress require state regulators to verify complete**  
5           **implementation of the Competitive Checklist?**

6

7           A.    BellSouth's interLATA opportunity is immediate and ubiquitous. There  
8           must be a similarly rapid opportunity for entrants to offer local services  
9           broadly in the market or competition will fail. The speed and ease by  
10          which BellSouth can provide long distance services (discussed in Section  
11          IV) means that the Commission must be absolutely convinced that local  
12          exchange markets are competitive and that the Checklist is operational  
13          *before* BellSouth is allowed to enter the long distance market. It will  
14          simply be too late to try and establish local competition *after* BellSouth as  
15          entered the long distance market.

16

17          **Q.    Will BellSouth's ability to offer interLATA services alter the**  
18          **telecommunications industry?**

19

20          A.    Yes. It is important to recognize that the removal of the interLATA  
21          restriction on BellSouth will forever change the telecommunications  
22          industry and has implications for both local and long distance competition.  
23          This expectation underscores not only the need for local competition, but

1 the need for local competition *now*.

2

3 The most likely consequence of the removal of BellSouth's interLATA  
4 restriction is the reintegration of the local and long distance markets.  
5 BellSouth will *never* operate as a conventional interexchange carrier,  
6 providing long distance services to a customer that obtains local service  
7 from another provider. Rather, BellSouth will operate as a full service  
8 provider, offering both local and long distance services.

9

10 I recognize that Bellsouth will use a different *legal* entity to offer  
11 interLATA service. The relevant issue, however, is whether BellSouth will  
12 offer its interLATA services through an entity that is perceived as a  
13 separate provider by Florida consumers. If not, then BellSouth is  
14 essentially operating as an integrated full service provider and the future  
15 of competition depends on the ability of others to do the same.

16

17 **Q. What will be the effect of BellSouth's offering interLATA services?**

18

19 **A.** As I discuss in more detail below, the combined effect of a market  
20 preference for "one-stop" shopping and BellSouth's full participation as a  
21 one-stop provider will have a dramatic effect on the structure of the  
22 telecommunications industry. BellSouth will not "enter" the long distance

1 market so much as its interLATA authority will effectively eliminate long  
2 distance service as a separate market. If consumers prefer one-stop  
3 shopping -- and available evidence suggests this is the case -- then there  
4 must be competition for each service in the "one-stop package" or  
5 competition in all telecommunications markets will suffer. The single most  
6 important piece of any package -- indeed, the compulsory element of the  
7 package -- is local phone service.

8

9 **Q. Are you implying that the future of all competition depends on local**  
10 **competition succeeding?**

11

12 **A. Yes. Local service must become competitive or full service competition**  
13 **will never be a reality. BellSouth cannot be permitted to offer interLATA**  
14 **long distance services (and thus become a full service provider) until others**  
15 **can just as easily offer local services and compete.**

16

17 As shown below, BellSouth's ability to offer interLATA services will be  
18 rapid and complete. It will quickly be able to offer long distance services  
19 to every customer within its territory as soon as it has obtained its legal  
20 authority. Sections 251 and 252(D) and the Competitive Checklist (and the  
21 federal rules which it includes) are intended to assure that others have a  
22 comparable ability to approach these same customers and offer a choice of



1 full service provider.

2

3 **Q. Will it be simple for BellSouth to offer long distance services once it**  
4 **obtains the legal authority to do so?**

5

6 **A. Yes. There is no question that BellSouth will be able easily to offer long**  
7 **distance service -- after all, thousands of firms since divestiture have**  
8 **entered this market without any of the advantages of being an incumbent**  
9 **local exchange carrier. The reason that BellSouth will be able to enter the**  
10 **long distance market so quickly, however, is that the actions needed to**  
11 **reduce (indeed, eliminate) long distance entry barriers began more than 15**  
12 **years ago and are now fully implemented.**

13

14 Divestiture, and the FCC rules which followed it, fundamentally  
15 restructured the industry to enable long distance competition. Fifteen years  
16 later, these changes are all fully implemented and operational. In 1995,  
17 more than 42 million customers changed their long distance carrier, many  
18 within 24 hours of making the decision. (Peter K. Pitsch, The Long  
19 Distance Market is Competitive, PITSCH COMMUNICATIONS,  
20 September 3, 1996, page 2).

21

22 In direct contrast to the uncertainty surrounding local competition, the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43

prerequisites to BellSouth offering long distance service are trivial:

- BellSouth must be able to *market* long distance services. Of course, BellSouth already markets intraLATA long distance services, and it has a preexisting relationship with each and every subscriber in its territory.
  
- BellSouth must be able to *convert* a customer to its long distance service. The process used to transfer a customer between long distance carriers -- the PIC-change process -- is now fully automated, software-executed, and inexpensive. (PIC refers to a customer's Presubscribed Interexchange Carrier, that is, the carrier to which the customer's 1+ calling is directed.)
  
- BellSouth must be able to *provision* its long distance service. For all practical purposes, BellSouth already supports the long distance traffic in its region, switching nearly every interLATA call on its way to a long distance carrier, and switching many of these calls again as they terminate within its region.
  
- BellSouth must be able to obtain *interLATA network elements* for the long distance switching and transmission of calls that terminate beyond its region. Long distance transmission and switching is competitively available from at least four national networks.
  
- BellSouth must be able to *bill and collect* for its long distance services. Again, BellSouth already bills each of its subscribers and continues to bill on



1 before it may purchase others, nor is BellSouth limited to the resale of the  
2 retail services designed by its competitors.

3  
4 Further, BellSouth will be able to immediately convert customers to its full  
5 service package with little incremental effort or cost. The cost to move  
6 customers to its long distance services is nominal. BellSouth charges  
7 \$1.49 to implement such a change and its true cost (i.e., its economic cost)  
8 is far less.

9  
10 BellSouth's entry barriers are insignificant because it has the equivalent of  
11 cost-based network elements; it can combine any network element of its  
12 choice without restriction; it has complete control of the services it offers;  
13 it enjoys the benefit of incurring only the economic cost of its local  
14 network facilities; and, each of the operational systems necessary to  
15 support its entry are fully implemented and routine.

16  
17 **Q. Does this anticipated demand for one-stop shopping imply that**  
18 **BellSouth would be disadvantaged if the Commission first assures that**  
19 **the conditions for local competition are actually available and working**  
20 **before BellSouth is authorized to provide interLATA services?**

21  
22 **A. No. BellSouth will no doubt claim that any approach which does not**

1 guarantee it immediate entry will provide its competitors a "head start."  
2 This claim is a complete illusion -- as much an illusion as the "head start"  
3 enjoyed by the outside runner of a race. The runner in the outside lane  
4 requires a "head start" because that runner has farther to run. Similarly,  
5 entrants to the local market -- where each and every aspect of local  
6 competition is new and untested -- require actual market experience before  
7 the Commission can determine whether the tools are actually being  
8 provided in the manner necessary for local competition to be commercially  
9 viable.

10

11 **Q. Are today's barriers to entry in the local market comparable to those**  
12 **that once existed in long distance?**

13

14 **A.** No. By contrast to entry into the long distance market, the barriers to  
15 entry into the local service market are high. As a starting point, the  
16 Commission should understand that long distance networks exhibit  
17 significantly different economic characteristics than local networks.  
18 Intercity long distance networks are high-usage facilities, requiring  
19 relatively little switching investment, with more flexibility in right-of-way  
20 selection between distant points. As a result, the nation's experience  
21 establishing long distance networks was relatively rapid (i.e., *only* 20  
22 years) and successful.

1           These attributes, however, do not apply to local networks. Local networks  
2           are constructed to specific premises for individual consumers, not general  
3           areas. Switches are located closer to customers, loop investment sits idle  
4           much of the day, and local calling volumes far exceed those of long  
5           distance. These characteristics make entry into this market significantly  
6           more difficult and costly than entry into the long distance market.

7

8           For comparison, consider,

9

- 10                   •     AT&T serves the entire nation with just over 130  
11                           switches (MCI, Sprint and WorldCom use fewer);  
12                           the LECs have 23,000. (In the Matter of  
13                           Implementation of the Local Completion Provision  
14                           of the Telecommunications Act of 1996, CC Docket  
15                           96-98 (FCC First Report and Order), ¶ 411 (August  
16                           8, 1996).) In Florida alone, BellSouth has 218  
17                           switches.
  
- 18  
19  
20  
21                   •     In 1995, long distance carriers serving BOC  
22                           territories switched 54.6 billion interLATA calls; the  
23                           BOCs switched 482.7 billion calls, nearly 9 times  
24                           more. (Table 2.10, 1995 Statistics of  
25                           Communications Common Carriers, All Reporting  
26                           RBOCs.)
  
- 27  
28  
29  
30                   •     Each long distance switch typically routes the traffic  
31                           of multiple cities (sometimes states); local switches,  
32                           on average, handle the routing of 6,200 customers.  
33                           (Table 2.10, 1995 Statistics of Communications  
34                           Common Carriers, All Reporting LECs.)

1 Local networks are more difficult to replicate because their ubiquity and  
2 scale give rise to substantial declining costs. Further, BellSouth acquired  
3 the local rights-of-way necessary to establish the basic network footprint  
4 of loops and local switches over the past 115 years.

5  
6 Because of the local exchange carriers' economies of connectivity, density  
7 and scale, competition will not develop in local markets unless the  
8 incumbents share these economies with other service providers. This, in  
9 turn, requires the complete implementation of the unbundling and  
10 interconnection requirements of the Act, including the modification of  
11 operational and billing systems to make these tools real.

12  
13 **Q. Should the Commission rely on the Act's requirement that BellSouth**  
14 **offer long distance services through an affiliate as justification to**  
15 **weaken its review of BellSouth's Checklist compliance?**

16  
17 **A. No.** Even after the requirements of Sections 251 and 271 are fully  
18 satisfied, the Act recognizes that BellSouth will retain an incentive to  
19 discriminate in favor of its affiliated long distance services. As such, the  
20 Act imposes minimal protections in Section 272 intended to lessen (but  
21 which do not eliminate) BellSouth's ability to exploit this incentive by  
22 favoring its own competitive services.

1           The requirements of Section 272, and the FCC rules which implement  
2           them, however, do not diminish the Commission's obligation to fully  
3           assure that BellSouth has complied with the Checklist. These rules are not  
4           a substitute for the competition expected by Section 271's full compliance.  
5           For instance, neither "imputation" requirements, nor transactional rules are  
6           a substitute for cost-based rates. The true economic consequences of  
7           BellSouth's affiliate structure is relevant only when BellSouth reports to  
8           its shareholders. The performance of its subsidiary operations individually  
9           are irrelevant -- where two subsidiaries are providing service, all that  
10          matters is the *net* effect, not isolated performance. When you own the  
11          pants, it does not matter in which pocket you keep your money.

12

13

## V. CONCLUSION

14

15       **Q.     Please summarize your testimony.**

16

17       **A.     Section 271 establishes this Commission as a fact-consultant to the FCC.**  
18           To discharge this role, the Commission must critically examine BellSouth's  
19           claimed satisfaction of the requirements of Sections 251 and 252(d) of the  
20           Act and the Competitive Checklist, it must verify that BellSouth complies  
21           with all applicable federal rules, and it should report to the FCC on the  
22           quantitative status of local competition in Florida. The Commission should



1 remember that BellSouth must prove that it has satisfied each of these  
2 conditions. It is not the responsibility of other parties, the Staff, or the  
3 Commission to prove BellSouth's non-compliance.

4  
5 The Act holds the promise of a fully competitive telecommunications  
6 industry, but achieving this vision requires the full implementation of  
7 BellSouth's obligations. A competitive *one-stop* market depends upon a  
8 competitive *local* market as an initial, essential condition. Barriers to long  
9 distance entry -- including, importantly, operational barriers -- have all  
10 fallen as a result of the nation's decades-long commitment to competition.  
11 Local barriers must fall to this same low level for the next stage of the  
12 industry's evolution to succeed. My testimony has demonstrated that  
13 BellSouth does not provide a local switching network element, nor can it  
14 support network element combinations, as required by the Act, the FCC,  
15 and this Commission's arbitration decisions.

16  
17 **Q. Does this conclude your direct testimony?**

18  
19 **A. Yes.**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Direct Testimony of Joseph Gillan on Behalf of Florida Competitive Carriers Association, AT&T Communications of the Southern States, Inc., MCI Telecommunications Corporation, and WorldCom, Inc. has been furnished by U.S. Mail, by hand delivery (\*), or by overnight delivery(\*\*) on this 17th day of July, 1997, to the following:

\*Monica Barone  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

Thomas K. Bond  
MCI Telecommunications Corporation  
780 Johnson Ferry Road  
Suite 700  
Atlanta, Georgia 30342

Richard D. Melson  
Hopping Green Sams & Smith  
123 South Calhoun Street  
Post Office Box 6526  
Tallahassee, Florida 32314

Marsha E. Rule  
AT&T Communications  
101 North Monroe Street  
Suite 700  
Tallahassee, Florida 32301

Floyd R. Self  
Messer, Caparello & Self  
Post Office Drawer 1876  
Tallahassee, Florida 32302-1876

Benjamin W. Fincher  
Sprint Communications Company  
3100 Cumberland Circle  
Atlanta, Georgia 30339  
Mailstop: GAATLN0802

Robert S. Cohen  
Pennington, Moore, Wilkinson  
& Dunbar, P.A.  
Post Office Box 10095  
Tallahassee, Florida 32302-2095

Laura L. Wilson  
Charles F. Dudley  
Florida Cable Telecommunications  
Association  
310 North Monroe Street  
Tallahassee, Florida 32302

\*\*Nancy B. White  
BellSouth Telecommunications, Inc.  
Museum Tower Building, Suite 1910  
150 West Flagler Street  
Miami, Florida 33130

\*Nancy H. Sims  
Southern Bell Telephone Company  
150 South Monroe Street, Suite 400  
Tallahassee, Florida 32301

Patrick K. Wiggins  
Donna L. Canzano  
Wiggins & Villacorta, P.A.  
Post Office Box 1657  
Tallahassee, Florida 32302

Kenneth A. Hoffman  
Rutledge, Ecenia, Underwood,  
Purnell & Hoffman  
215 South Monroe Street, Suite 420  
Tallahassee, Florida 32301-1841

Enrico C. Soriano  
John E. Canis  
Kelley Drye & Warren  
1200 19th Street, N.W.  
Suite 500  
Washington, D.C. 20036

C. Everett Boyd, Jr.  
Ervin, Varn, Jacobs, Odom & Ervin  
Post Office Box 1170  
Tallahassee, Florida 32302

Andrew O. Isar  
Telecommunications Resellers  
Association  
4312 92nd Avenue, N.W.  
Gig Harbor, Washington 98335

*Vicki Gordon Kaufman*

Joseph A. McGlothlin  
Vicki Gordon Kaufman  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
117 South Gadsden Street  
Tallahassee, Florida 32301  
Telephone: (904) 222-2525

Attorneys for Florida Competitive  
Carriers Association

CERTIFICATE OF SERVICE 960786-72

I HEREBY CERTIFY that a true and correct copy of the foregoing Direct Testimony of ~~Joseph Gillan~~ on Behalf of Florida Competitive Carriers Association, AT&T Communications of the Southern States, Inc., MCI Telecommunications Corporation, and WorldCom, Inc. has been furnished by U.S. Mail, by hand delivery(\*), or by overnight delivery(\*\*) on this 17th day of July, 1997, to the following:

\*Monica Barone  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

Thomas K. Bond  
MCI Telecommunications Corporation  
780 Johnson Ferry Road  
Suite 700  
Atlanta, Georgia 30342

Richard D. Melson  
Hopping Green Sams & Smith  
123 South Calhoun Street  
Post Office Box 6526  
Tallahassee, Florida 32314

Marsha E. Rule  
AT&T Communications  
101 North Monroe Street  
Suite 700  
Tallahassee, Florida 32301

Floyd R. Self  
Messer, Caparello & Self  
Post Office Drawer 1876  
Tallahassee, Florida 32302-1876

Benjamin W. Fincher  
Sprint Communications Company  
3100 Cumberland Circle  
Atlanta, Georgia 30339  
Mailstop: GAATLN0802

Robert S. Cohen  
Pennington, Moore, Wilkinson  
& Dunbar, P.A.  
Post Office Box 10095  
Tallahassee, Florida 32302-2095

Laura L. Wilson  
Charles F. Dudley  
Florida Cable Telecommunications  
Association  
310 North Monroe Street  
Tallahassee, Florida 32302

\*\*Nancy B. White  
BellSouth Telecommunications, Inc.  
Museum Tower Building, Suite 1910  
150 West Flagler Street  
Miami, Florida 33130

\*Nancy H. Sims  
Southern Bell Telephone Company  
150 South Monroe Street, Suite 400  
Tallahassee, Florida 32301

Patrick K. Wiggins  
Donna L. Canzano  
Wiggins & Villacorta, P.A.  
Post Office Box 1657  
Tallahassee, Florida 32302

Kenneth A. Hoffman  
Rutledge, Ecenia, Underwood,  
Purnell & Hoffman  
215 South Monroe Street, Suite 420  
Tallahassee, Florida 32301-1841

DN 07208 - 97  
7/17/97

Enrico C. Soriano  
John E. Canis  
Kelley Drye & Warren  
1200 19th Street, N.W.  
Suite 500  
Washington, D.C. 20036

C. Everett Boyd, Jr.  
Ervin, Varn, Jacobs, Odom & Ervin  
Post Office Box 1170  
Tallahassee, Florida 32302

Andrew O. Isar  
Telecommunications Resellers  
Association  
4312 92nd Avenue, N.W.  
Gig Harbor, Washington 98335

*Vicki Gordon Kaufman*

Joseph A. McGlothlin  
Vicki Gordon Kaufman  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
117 South Gadsden Street  
Tallahassee, Florida 32301  
Telephone: (904) 222-2525

Attorneys for Florida Competitive  
Carriers Association