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February 12, 2003

The Honorable Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

RE: Complaint of Aeneas Communications against Citizens Telecommunications Company L.L.C. in Weakley County, Tennessee

Docket No. 02-00438

Dear Chairman Kyle:

On behalf of Citizens Telecommunications Company L.L.C., I am filing with this letter rebuttal testimony of Robert M. Jeffrey in the above referenced matter. Copies are being served on counsel for all parties of record.

Should you have any questions or require anything further at this time, please do not hesitate to contact me.

Sincerely,

Guilford F. Thornton, Jr.

cc: Mike Swatts
Gregg Sayre

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by facsimile transmission and by first class mail postage prepaid this the 12th day of February, 2003 to:

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Guilford F. Thornton, Jr.

BEFORE THE TENNESSEE REGUKLATORY AUTHORITY

NASHVILLE, TENNESSEE

In re: Aeneas Communications, LLC against citizens Telecommunications, L.L.C. in Weakley County, Tennessee

Docket No. 02-00438

Rebuttal Testimony of Robert M. Jeffrey

Q. Do you agree with Mr. Jonathan Harlan's testimony on behalf of Aeneas Communications that there appears to be no dispute about the underlying facts of this case?

A. No. Mr. Harlan appears not to understand how either Citizens' or BellSouth's network is configured, nor is he correct about how the traffic from Citizens to Aeneas was or is routed.

Q. In what way does Mr. Harlan not understand how the Citizens and BellSouth networks are configured?

A. Mr. Harlan asserts that the Local Exchange Routing Guide ("LERG") requires Citizens to send Aeneas-bound traffic to BellSouth's Jackson tandem. Because all of the

Citizens switches that are in question subtend BellSouth's Memphis tandem, Citizens has no route to BellSouth's Jackson tandem. Thus, Mr. Harlan assumes that the network will accomplish something that does not exist. This failure to understand the network is a strong argument for the Authority to require a CLEC to engage in interconnection negotiations and make affirmative arrangements for direct or indirect interconnection with each ILEC with which it desires to exchange local traffic. Otherwise there will be more situations of CLECs "hanging back" like Aeneas, and making incorrect assumptions about how traffic will flow. In reality Citizens is complying with the LERG by sending the traffic over the only facilities between Citizens' network and the Greenfield rate center.

Q. In what way does Mr. Harlan not understand how the traffic from Citizens to Aeneas was or is routed?

A. Mr. Harlan claims that it is "intolerable" that Citizens has chosen to drop these calls. Quite to the contrary, Citizens has not dropped any calls. Citizens has always routed these calls, as explained in Mr. Hall's direct testimony, over the EAS trunks between Sharon and Greenfield, exactly as we have always routed all other traffic to Greenfield. If these calls were completed in the past, they were completed by BellSouth and Aeneas. If they are being dropped now, they are being dropped after they leave our network.

Q. Does Citizens take the position that direct connections are required between Aeneas and Citizens?

A. No. Mr. Harlan states that Citizens has "suggested" such a direct connection. It is correct that we have made such a suggestion, but it is only one of a number of options that Aeneas has to establish interconnection with Citizens. Mr. Harlan claims that a direct connection would be uneconomical in light of the amount of traffic in question. I cannot comment on the accuracy of that statement, as Aeneas has declined to offer any traffic volumes. However, Mr. Harlan himself claims that Citizens is required to route the traffic to BellSouth's tandem in Jackson. As I have explained, such a route does not exist. It would be just as uneconomical for Citizens to establish a new direct connection to the Jackson tandem to handle Aeneas' traffic as it would be for Aeneas to establish a new direct connection to Citizens' switches for the same purpose.

Q. Has Citizens had any discussions with Ms. Joelle Phillips of BellSouth, who wrote the letter attached as Exhibit B to Mr. Harlan's testimony?

A. Yes. Citizens and BellSouth personnel, including Ms. Phillips and Mr. Paul Stinson, had a teleconference on February 7, 2003. We explained how all of the Citizens switches in question subtend only the Memphis tandem, not the Jackson tandem. Ms. Phillips stated that BellSouth's previous communication with Aeneas, including the above referenced letter, was based on its assumption that Citizens' switch subtends the Jackson tandem. Once Citizens corrected this misconception, Ms. Phillips indicated that BellSouth would reconsider its position. During this same teleconference, BellSouth also stated its concern, one that is shared by Citizens, that routing Aeneas' local dial-up

Internet traffic over toll trunks from Citizens' switches to BellSouth's Memphis tandem would put into jeopardy the toll traffic between Citizens' customers and the rest of the world. And on the assumption that BellSouth would have to route Aeneas' traffic between BellSouth's Memphis and Jackson tandems, Aeneas' ISP traffic would also put at risk all of BellSouth's intraLATA toll traffic on this route.

Q. Is it "industry standard" as Mr. Harlan asserts to route traffic to the physical location of a CLEC switch as stated in the LERG, or to the tandem that serves that switch?

A. No. There is no such industry standard, and the case at hand is an excellent counterexample. Citizens does not even have a route to Jackson, the physical location of Aeneas' switch and the tandem that serves it. As I explained in my direct testimony, the industry standard in New York, by regulatory commission order, is to route EAS traffic between an ILEC and a CLEC in another ILEC's territory over the normal ILEC-to-ILEC EAS trunks. This holds true whether or not the ILEC and CLEC switches subtend the same tandem. In my experience the industry standard elsewhere is for the CLEC to enter into interconnection negotiations and for the parties to establish an interconnection point on the ILEC's network for direct or indirect interconnection. If the parties cannot agree, then the state regulatory commission will arbitrate the disputes. It is certainly not industry standard for a CLEC such as Aeneas to "hang back" and expect all neighboring ILECs to set up interconnection arrangements with the CLEC at the ILECs' expense.

Q. Is it correct that Citizens has, as asserted by Mr. Harlan, created an "intolerable situation"?

A. No. Aeneas has created this situation by failing to make either direct or indirect interconnection arrangements with Citizens as required by the federal Telecommunications Act. Aeneas is attempting to reap the benefits of the Act without accepting any of its obligations with respect to the exchange of traffic with Citizens:

- Aeneas demands that Citizens make arrangements to interconnect with Aeneas, but has failed to negotiate an interconnection agreement to provide for the exchange of local traffic. The Act has a process for interconnection negotiations and, if necessary, arbitration. The Authority should deem it an "intolerable situation" for a CLEC to fail to follow the process and to insist that the ILECs take care of Aeneas' responsibilities to enter into a direct or indirect interconnection agreement.

- Aeneas demands that Citizens meet Aeneas at some point in Jackson. It is not clear from Mr. Harlan's testimony whether the proposed point of interconnection is at the BellSouth tandem, or whether Mr. Harlan proposes to require Citizens to bear BellSouth's charges to take the traffic all the way to Aeneas' switch, which would establish an interconnection point at Aeneas' switch. The Act, however, requires Aeneas to meet Citizens either directly or indirectly at a technically feasible point on Citizens' network.

- Aeneas demands that Citizens pay the costs of reaching Aeneas' switch, regardless of

the Act's requirement that the meet point must be a location on Citizens' network. If Aeneas met Citizens through a direct trunk on Citizens' network, Aeneas would have no basis to demand that Citizens pay for Aeneas' facilities. Aeneas' claim is no stronger where Aeneas chooses, for reasons of economy, to use BellSouth as its agent to establish indirect interconnection.

- Aeneas demands that Citizens send local ISP traffic over toll routes to BellSouth's tandem, thus putting at risk all of the incoming and outgoing toll traffic of all Citizens customers in Weakley County, and ignoring the Act's requirement that the proposed method of interconnection must be technically feasible. As I will explain below in response to Sprint's testimony, if Aeneas wishes to interconnect with Citizens over a toll route between Citizens and BellSouth that is the sole gateway to the world for Citizens' customers, Aeneas should be required to pay Citizens and BellSouth to establish appropriately sized local trunk groups to handle Aeneas' local traffic.

Q. Do you agree with the testimony of Mr. James Maples on behalf of Sprint that a CLEC is entitled to indirect interconnection with a nearby ILEC?

A. Yes, subject to some clarifications. I agree with Mr. Maples that a CLEC is entitled to interconnect with any ILEC via indirect interconnection. I would further clarify, however, that a CLEC desiring indirect interconnection under the Act must comply with the Act itself. The Act requires the CLEC to engage in interconnection negotiations with the ILEC in question, and it further requires the CLEC to interconnect with the ILEC at a technically feasible location within the ILEC's network. Aeneas has failed in both

respects with respect to Citizens. Aeneas has failed to make any interconnection agreement with Citizens, and Aeneas further insists that Citizens is responsible to make arrangements for and bear the costs of hauling traffic all the way to Aeneas' switch in Jackson, a location far removed from Citizens' network. This means that Aeneas is insisting upon an interconnection point either at BellSouth's Jackson tandem or at Aeneas' switch for traffic originating in Citizens' territory, not at a point within Citizens' network.

Q. Do you agree with the testimony of Mr. Maples that an ILEC owning a tandem is required to provide transit service for traffic among carriers subtending the tandem?

A. Again yes, subject to some clarifications. An ILEC with a tandem should make that tandem available for transiting service. I would further clarify, however, that this is an arrangement that must be requested by the CLEC establishing a new connection at the tandem, and that this arrangement should be part of the CLEC's interconnection agreement with the tandem owner, subject to TRA approval and, if necessary, arbitration.

Q. Do you agree with the testimony of Mr. Maples that "standard industry practice is that the originating carrier compensates the tandem providers for this tandem switching function"?

A. No. He is correct only in one limited situation. Where two CLECs both interconnect to the same tandem, normally the originating CLEC pays tandem transiting charges for traffic between the two CLECs, although the interconnection agreements between the CLECs and the ILEC, or between the CLECs themselves, may provide otherwise. However, when a CLEC wishes to use a tandem to interconnect to neighboring ILEC switches that subtend either the same tandem or a different tandem, there is no such

standard practice. In New York, as I explained in my direct testimony, the practice established by Public Service Commission order is quite to the contrary. The CLEC is responsible for transiting charges for traffic in both directions up to the meet point with the neighboring ILEC. This makes sense under the Telecommunications Act, because the CLEC is using the transiting carrier as the CLEC's agent to establish indirect interconnection. If the CLEC were to connect directly with the neighboring ILEC, it would be responsible to establish a technically feasible interconnection point on the ILEC's network. Both the CLEC and the ILEC would clearly be responsible for their own costs on their own sides of the interconnection point. Where the CLEC chooses to use a third party agent to establish indirect interconnection, that does not insulate the CLEC from bearing the agent's costs for transiting traffic on the CLEC side of the interconnection point. If the costs arise on the CLEC's side of the interconnection point, then the CLEC is responsible to pay them. On the other side of the interconnection point, the ILEC bears the costs. Under Mr. Maples' view, where the CLEC serves ISP customers and the traffic is one-way from the ILEC to the CLEC, the ILEC would be bearing all costs on both sides of the interconnection point.

Mr. Maples' view does not make sense under the Act or as a matter of logic. A CLEC could readily locate its switch 100 or 1,000 miles away from an ILEC's territory. If the CLEC used direct interconnection, it would clearly be responsible for the costs of routing traffic from the interconnection point to its switch. However, under Mr. Maples' incorrect view, if the CLEC used indirect interconnection, the ILEC would be a captive customer of the intermediate carrier and would be required to pay whatever the intermediate carrier chose to charge to route traffic over the 100 or 1,000 miles from the ILEC's territory to

the CLEC's switch. The ILEC's only alternative would be to build facilities or find a fourth carrier to route the traffic, a result that is clearly unreasonable and not contemplated by the Act. In a situation where the CLEC is only providing service to Internet Service Providers within the ILEC's local calling area, which is the case with Aeneas and Citizens, all of the traffic flows from the ILEC to the CLEC. Under Mr. Maples' view, the ILEC would be responsible for 100% of the costs of the facilities, transit and switching between the ILEC's territory and the CLEC's switch -- but this would be true only in the case of indirect interconnection, not in the case of direct interconnection. The CLEC would be entitled to choose the intermediate carrier, and the ILEC would have to pay all of the charges. This would be a completely arbitrary and unreasonable result.

Q. Do you agree with the testimony of Mr. Maples that "interconnection at a tandem switch provides access to all the end offices subtending the tandem"?

A. Only in part. Indirect interconnection using a third party ILEC's tandem and trunks meets only half of the requirement of the Act that the interconnection point be at a technically feasible point on the ILEC's network. In particular, it meets the second half of the test by establishing an interconnection point at the normal location where the two ILECs hand off tandem traffic to each other, as long as each party pays all costs on its side of the interconnection point. This kind of meet point is a point that is on the network of both ILECs. However, the use of tandem trunks for CLEC traffic is not necessarily technically feasible. If the route between the tandem and the subtending ILEC switch is a toll route, not a local route, it may not be technically feasible to route local traffic over that route. This is especially true where the CLEC, as is the case with Aeneas, wishes to

use the indirect interconnection to attract large volumes of dial-up ISP traffic, which is characterized by many calls with very long holding times. As I discussed in my direct testimony, dial-up ISP traffic can completely overwhelm a trunk group and can prevent other calls from being completed. We have seen this occur recently in West Virginia. If the indirect interconnection is proposed to be established over the only toll route available for ILEC customers to reach the rest of the world, in my opinion the proposed interconnection is not technically feasible.

Q. How could such a tandem-routed interconnection over a toll route be made technically feasible?

A. Mr. Maples and I both agree that the CLEC needs an interconnection agreement with both the tandem owner and with the subtending ILEC. In those interconnection agreements, the CLEC should request that local trunk groups be established if they do not exist between the tandem and any subtending switches with which the CLEC wishes to exchange local traffic. Appropriate cost-based charges would apply, subject to negotiation, Authority approval and, if necessary, arbitration. Any other result would either require the two ILECs to engage in construction activities without compensation in order to achieve a technically feasible CLEC interconnection where technical feasibility does not exist, or risk the blockage of all of the ILEC's toll traffic as a result of the CLEC's local ISP traffic.

Q. Would this type of arrangement work between Aeneas and Citizens?

A. No, not as Aeneas is presently interconnected with BellSouth. Citizens' switches do not subtend the Jackson tandem, which is where Aeneas is interconnected with

BellSouth. Neither toll nor local trunk groups run from BellSouth's Jackson tandem to Citizens' switches. Citizens' switches subtend the Memphis tandem. The trunks between Citizens' switches and the Memphis tandem are toll routes only, and would be subject to the concerns I have described immediately above. It would be technically feasible for Aeneas to interconnect with Citizens through the Memphis tandem if Aeneas establishes an interconnection with BellSouth at that tandem and pays both BellSouth and Citizens to establish appropriately-sized local trunk groups between the Memphis tandem and our subtending switches.

Q. How should local traffic from Citizens' to Aeneas' customers be routed?

A. I believe that the most economical solution to this issue is that the traffic should be routed over the only facilities that actually exist in the area in question, the EAS route from Sharon to Greenfield. These are local trunk groups, not subject to the toll blockage concerns that I addressed above. Aeneas should make arrangements with BellSouth, its agent for indirect interconnection purposes, to transport and switch the traffic at BellSouth's Jackson tandem to reach Aeneas' switch, which subtends that tandem. If it cannot negotiate such arrangements, the Authority would either arbitrate or otherwise resolve any disputes.

Q. Does this conclude your rebuttal testimony?

A. Yes.