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Case Number: 96-694-TP-ARB

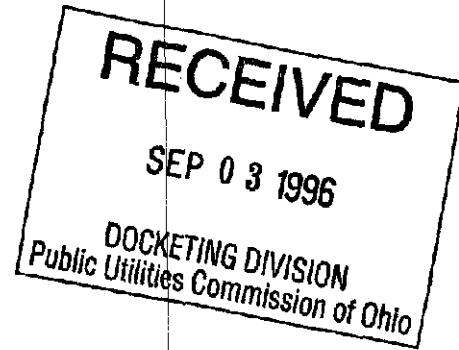
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**DIRECT TESTIMONY OF JAMES E. FARMER
ON BEHALF OF AMERITECH OHIO
PUBLIC UTILITIES COMMISSION OF OHIO
CASE NO. 96-694-TP-ARB**



Q. Please state your name, occupation and business address.

A. My name is James E. Farmer. I am a Certified Public Accountant and a partner of Arthur Andersen. My business address is 33 West Monroe Street, Chicago, Illinois 60602.

Q. Please describe the firm of Arthur Andersen.

A. Andersen Worldwide, with over 82,000 people, provides professional services to clients through member firms in 361 locations in 76 countries. It consists of Arthur Andersen for audit, tax, business advisory and specialty consulting services and Andersen Consulting for global management and technology consulting. I am a member of a group at Arthur Andersen who provide audit, tax and consulting services to clients in the telecommunications industry.

Q. Please describe your professional background and qualifications relevant to this testimony.

A. During my 19-year career, I have been almost exclusively involved in financial, regulatory and cost accounting matters in the telecommunications and utilities industries. I have served as an auditor for and consultant to clients in the telecommunications industry and currently direct my firm's telecommunications industry practice in the areas of cost accounting and regulatory consulting. From 1985 to 1988, I was employed by Ameritech Services, Inc. as its Director- Federal Regulatory Accounting. My curriculum vitae is attached as Farmer Exhibit 1.

Q. What is the purpose of your verified testimony?

A. On June 20, 1996, Arthur Anderson was engaged by Ameritech to analyze and attribute shared and common costs to unbundled network elements (UNEs) for purposes of network interconnection with New Entrant Carriers (NECs), referred to hereinafter as competitive local exchange carriers (CLECs). I was the partner with overall responsibility for Arthur Andersen's work on this engagement. My affidavit will describe our approach and the results of shared and common cost attribution to UNEs. I will also discuss the consistency of this approach with the interconnection requirements recently adopted by the Federal Communications Commission (FCC). Documentation of our study has been provided to both the arbitration panel and TCG.

Q. How does your testimony relate to other evidence submitted by Ameritech in this proceeding?

A. I will refer at times to the Direct Testimony of Dr. Kent A. Currie, Manager-Economic Analysis at Ameritech (the "Currie Testimony"). The Currie Testimony explains how Ameritech determined the total costs of UNEs, including one of the major components, the total element long run incremental cost (TELRIC).

Q. What guidance did you follow in designing the approach to your analysis and attribution of shared and common costs?

A. On August 1, 1996, the FCC adopted rules in CC Docket No. 96-98 to implement the local competition provisions of the Telecommunication Act of 1996 (the "FCC Interconnection Order"). The FCC order released August 8, 1996 concluded that "Because forward-looking common costs are consistent with our forward-looking, economic cost paradigm, a reasonable measure of such costs shall be included in the prices for interconnection and access to network elements." FCC 96-325 ¶694 (the FCC Interconnection Order refers to joint and common costs for simplicity as common costs as noted at Paragraph 676). Ameritech previously directed Arthur Andersen to analyze its forward-looking total costs in order to identify costs that are shared among UNEs or common to UNEs and other services. Ameritech provided Arthur Andersen with TELRICs for all UNEs. Arthur Andersen was then to attribute such shared and common costs to individual UNEs based on measures of cost causation when available or accepted allocation methods when measures of cost causation do not exist.

Q. How did you define shared and common costs for purposes of your analysis?

A. We used the following definitions for our analysis?

Shared costs are incurred to provide two or more UNEs but are unrelated to products and services that are not UNEs.

Common costs are incurred to operate the business as a whole and are not directly associated with individual UNEs, products or services or any groups thereof.

Q. Are your definitions of "shared" and "common" costs consistent with the terms "joint" and "common" costs used in the FCC Interconnection Order?

A. Yes, they are. I will refer to "shared" costs in the balance of my testimony with the understanding it is synonymous with the term "joint" costs used by the FCC.

Q. How did you begin your analysis of shared and common costs?

A. The first step in our analysis was to identify the sources of shared and common costs within Ameritech related to UNEs.

Q. What sources of shared and common costs did you identify?

- A. We determined that shared and common costs of UNEs originate principally from four sources within Ameritech.

Ameritech Information Industry Services (AIIS) - The business unit that is responsible for serving wholesale customers of Ameritech's local exchange services. AIIS offers local exchange services on a resale basis in addition to UNEs.

Network Services - The business unit that plans, constructs, operates, maintains and manages Ameritech's integrated wireline telecommunications network which is used to provide both retail and wholesale services.

Centralized Services - Groups within Ameritech that provide centralized services such as information technology, real estate, purchasing, etc.

Corporate - The headquarters of Ameritech that performs functions such as finance, legal, investor relations, etc.

- Q. What time period was used for your analysis of shared and common costs?

- A. The FCC Interconnection Order specifies that shared and common costs are to be forward-looking. Ameritech concluded that forecasted shared and common costs for calendar year 1997 would be most consistent with this requirement.

Q. Do you agree?

A. Yes, I do. A reasonable interpretation of the FCC Interconnection Order is that shared and common costs attributed to UNEs are to be identified on a going-forward, projected basis as opposed to an analysis of embedded, historical costs. Calendar year 1997 is a forward-looking time period for which the anticipated cost effects of interconnection and unbundling are reflected in Ameritech's financial planning (budgeting) process. At the same time, 1997 is not so distant in the future as to be speculative. It will be difficult to accurately forecast costs beyond one year during the implementation period of the Telecommunications Act of 1996. Calendar year 1997 strikes an appropriate balance between being forward-looking yet for a future period that can be reasonably estimated.

Q. Was 1997 budget information fully available at the time of your analysis of shared and common costs?

A. No, it was not. Because our analysis was performed primarily during June and July of 1996, Ameritech had not finalized its detailed budgets for 1997. In addition, the Network Services organization had not yet developed its preliminary 1997 budget at the level of detail required for our analysis.

Q. What do you mean by "detailed" budgets and why were they necessary for your analysis?

A. Detailed budgets for an organization include cost information broken down by function (e.g., central office maintenance) as well as by type of cost (e.g., salaries and wages, software right-to-use fees). This level of detail enabled us to more discreetly identify the activities performed within each organization and the cost relationship of those activities to UNEs.

Q. How did you address the need for more detailed 1997 budget information?

A. It was necessary for us to derive an estimated detailed 1997 budget for the Network Services organization and use preliminary detailed budgets for the three other Ameritech organizations described above.

Q. What process did you follow to derive an estimated detailed 1997 budget for Network Services?

A. The process used to derive the estimated detailed 1997 Network Services budget was as follows:

- We obtained detailed year-to-date actual costs through June 30, 1996 for Network Services.**

- We combined June 30, 1996 year-to-date actual costs with Ameritech's current budget for the remaining six months of 1996 to develop the most recent view of actual/forecasted detailed costs for calendar year 1996.
- We interviewed Ameritech personnel responsible for financial planning and analysis in Network Services and incorporated known changes for 1997 to derive a detailed budget for 1997.
- We compared the derived detailed 1997 budget, in total, with Ameritech's most recent financial forecasts for 1997 to ensure consistency.

Q. Are all costs of the four organizations included in the budgets used for your analysis of shared and common costs?

A. No, we did not include capital-related costs of fixed assets (i.e., depreciation expense, return and taxes) in our analysis.

Q. Why were these costs excluded?

A. Capital-related costs were excluded from our analysis of shared and common costs for two reasons. First, we confirmed that capital-related costs of network fixed assets used to provide UNEs (e.g., cable and wire facilities, switching equipment) were already reflected in Ameritech's TELRIC studies. Second, for the costs of general support assets not included in the TELRICs (e.g., land and buildings), there was insufficient time for us

to perform a detailed analysis to determine the shared/common cost relationship of such assets to UNEs. While it is likely that the capital-related costs of many general support assets would be classified as common costs upon further analysis, we excluded all such costs from our analysis. As a consequence, the shared and common costs of UNEs are understated because these costs are excluded.

Q. What were the results of your analysis of the 1997 budgets?

A. The total 1997 budgets used for our analysis of shared and common costs were as follows:

Organization	Budget
AIIS	\$249,445,000
Network Services	\$2,407,297,000
Centralized Services	\$1,206,978,000
Corporate	\$233,631,000

Q. How did you use this detailed 1997 budget information to develop the shared and common costs of UNEs?

A. We conducted interviews with appropriate Ameritech personnel to determine the nature of activities performed within each of the four organizations and the cost relationship of each activity to UNEs. These interviews, together with analyses performed by Ameritech

and Arthur Andersen and our review of Ameritech's TELRIC studies, enabled us to assign costs to the following seven categories:

1. Volume sensitive costs which were already reflected in TELRIC studies of individual UNEs.
2. Non-volume sensitive costs which were not included in TELRIC studies of individual UNEs.
3. Costs directly attributable to retail services.
4. Costs directly attributable to non-UNE wholesale services.
5. Costs shared among UNEs.
6. Costs shared among wholesale services including UNEs.
7. Costs common to UNEs, wholesale and retail services.

Q. What is an example of the first category of costs?

A. An example of costs included in category 1 is maintenance of network assets used to provide UNEs. The labor and benefits costs of technicians, first level supervisors and clerical support involved in relevant maintenance activities are included in TELRIC studies for UNEs.

Q. What costs are included in category 2?

A. During our review of the detailed 1997 budget of the Network Services organization, we identified some relatively minor non-volume sensitive costs primarily involved with upfront network planning for the deployment of certain UNEs which had not been included in the TELRIC studies for UNEs. See the Currie Testimony for further discussion of such costs.

Q. What kinds of costs are included in categories 3 and 4?

A. The costs included in both categories have no relationship to UNEs. Category 3 costs are exclusively related to retail services. Costs of provisioning special access services for interexchange carriers are an example of this category of costs. Category 4 includes costs similarly associated only with non-UNE wholesale services. The costs of a system developed to bill CLECs for the local exchange services on a resale basis are an example of costs included in this category.

Q. What are categories 5 and 6?

A. Category 5 is for costs that relate only to UNEs, but are shared among two or more individual UNEs. Product management costs incurred by AIIS for the family of UNEs are an example of category 5 costs. Category 6 costs are shared among all wholesale services provided by AIIS to CLECs. For example, legal and regulatory costs incurred by

Ameritech to negotiate interconnection agreements covering UNEs, resale and other arrangements with CLECs are included in category 6.

Q. What costs are included in the last category?

A. Category 7 represents the common costs of operating Ameritech's retail and wholesale businesses. Common costs of planning, operating, monitoring and maintaining Ameritech's integrated wireline network are examples from this cost category as well as corporate costs such as shareholder services and treasury management.

Q. Which shared and common cost categories were attributed or otherwise apportioned to UNEs?

A. Costs in categories 1 and 2 were already reflected in Ameritech's TELRIC studies for UNEs, so they were of course not included again as shared or common costs. Costs in categories 3 and 4 are directly related to services other than UNEs and were likewise excluded from shared and common costs. Categories 5, 6 and 7 were the only shared and common cost categories attributed or apportioned to UNEs. Our approach was specifically designed to avoid double counting by insuring that costs were accounted for in only one of these seven categories.

Q. How were shared costs in category 5 attributed to individual UNEs?

A. Shared costs in category 5 were attributed to individual UNEs based on the ratio of extended TELRIC costs. Extended TELRIC costs were computed by multiplying the TELRIC volume sensitive unit cost for each UNE by the forecasted 1997 demand in units for the UNE. Extended TELRIC costs served as the necessary "common denominator" to attribute costs among UNEs based on different measures of unit cost (i.e., monthly cost per loop versus cost per minute of use). For unbundled loops, shared costs were first attributed to unbundled loop UNEs in total for each state based on the respective extended TELRIC costs. These aggregate costs were then further attributed to each type of unbundled loop within the state (basic residence and business, coin, ISDN etc.) and among loops in each of the three rate zones (B, C and D) based on the forecasted relative number of loops.

Q. How were shared wholesale costs in category 6 attributed to UNEs?

A. Shared wholesale costs were first divided between UNEs and other wholesale services based on the direct expenses of such categories within AIIS. Costs assigned to UNEs were then further attributed to individual UNEs in the same manner as shared costs in category 5.

Q. How were category 7 common costs attributed to UNEs?

A. Common costs were first divided between Ameritech's retail and wholesale businesses based on either measures of cost causation or the relative total expenses for such categories, as applicable. The amount assigned to wholesale (AIIS) was then further attributed to UNEs in the same manner as shared wholesale costs in category 6.

Q. Can you provide an example to illustrate how shared and common costs were attributed to UNEs?

A. Yes. I will explain our approach to attribution of shared and common costs for a representative UNE related to the transport and termination of local calls—End Office Local Termination (LS) in Ohio.

Q. What is the total cost calls for End Office Local Termination (LS) in Ohio?

A. The total monthly cost per minute of use for this UNE consists of the following components:

TELRIC:		
Volume Sensitive Costs	\$0.003545	
Non-Volume Sensitive Costs	<u>0.000455</u>	
Subtotal -- TELRIC		\$0.004000
Shared Costs		0.000764
Common Costs		<u>0.000484</u>
Total Cost		<u>\$0.005248</u>

Q. How did you determine the amount of shared costs?

A. The shared costs of \$0.000764 per minute of use were determined in the following manner. First, the following three sources of costs shared among UNEs were identified through the process previously described in my testimony:

AIIS	\$11,039,747
Centralized Services	6,549,583
Corporate	<u>2,827,695</u>
Total Shared Costs	<u>\$20,417,025</u>

There were no shared costs of UNEs identified within the Network Services organization.

Q. How were total shared costs of UNEs attributed to the End Office Local Termination (LS) UNE in Ohio?

A. The total shared costs of \$20,417,025 were attributed based on the ratio of extended TELRIC costs as previously described in my testimony. The numerator of \$243,846 was computed by multiplying the TELRIC volume sensitive unit cost for the End Office Local Termination (LS) UNE in Ohio (\$0.003545 per minute of use) times the forecasted 1997 demand for this UNE in Ohio (68,786,035 minutes of use). The denominator of \$94,722,139 represents the sum of extended TELRIC costs for all UNEs in Ameritech's five states. The resulting ratio of 0.2574% was next applied to total shared costs of \$20,417,025 resulting in an apportionment of \$52,560 of annual shared costs to the Ohio

End Office Local Termination (LS) UNE. This annual cost amount was then divided by forecasted 1997 minutes of use of 68,786,035 for this UNE in Ohio to produce shared costs per minute of use of \$0.000764.

Q. How were common costs attributed to UNEs?

A. The common costs of \$0.000484 per minute of use attributed to the End Office Local Termination (LS) UNE in Ohio was determined through a two stage process. First, common costs were divided between AIIS and Ameritech's other business units. Second, AIIS cost were attributed to UNEs in the same manner as shared costs.

Q. Can you describe the first step in detail?

A. Yes, the common costs of Network and Centralized Services totaling \$1,408,140,304 were first attributed to AIIS on three bases consistent with Ameritech's actual approach for business unit cost apportionment. 2.14% of centralized real estate-related costs were attributed to AIIS based on a combination of direct assignment, relative square footage utilization etc. 2.17% of centralized information technology costs were similarly attributed to AIIS based on direct assignment or system utilization statistics. 7.30% of the remaining Centralized Services common costs, and all Network Services common costs, were attributed to AIIS based on the ratio of the total expenses of AIIS to the total expenses of "Core Tel" Ameritech business units (i.e., those that utilize the wireline

telecommunications network). Corporate common costs of \$194,428,848 were attributed to AIIS based on the ratio of total AIIS expenses to the total expenses of all Ameritech business units resulting in an apportionment of 5.9276% or \$11,524,964. Network Services and Centralized Services common costs attributed to AIIS of \$69, 853,965 were then added to AIIS common costs of \$33,606,295 and Corporate common costs attributed to AIIS of \$11,524,964 resulting in total AIIS common costs of \$114,985,224.

Q. How were AIIS common costs then further attributed to the End Office Local Termination (LS) UNE in Ohio?

A. The \$114,985,224 of AIIS common costs were next multiplied by the ratio of direct expenses within AIIS associated with UNEs to total AIIS expenses producing an 11.0523% attribution to UNEs or \$12,708,512. AIIS Network provider Services (NPS) common costs of \$1,795,594 were multiplied by the ratio of 1997 forecasted direct expenses within AIIS associated with UNEs to total AIIS NPS direct costs, which produced an 11.9528% attribution of NPS common costs to UNEs, or \$214,624. The total common costs apportioned to UNEs of \$12,923,136 were then further attributed to the Ohio End Office Local Termination UNE in the same manner as shared costs described above resulting in common costs per minute of use of \$0.000484.

Q. Does the FCC Interconnection Order provide any specific direction as to how forward-looking shared and common costs should be attributed to UNEs?

A. No, it does not. The FCC concluded that state regulatory commissions were in a better position to evaluate the reasonableness of shared and common costs included in the costs of UNEs. However, paragraph 696 of the FCC Interconnection Order does suggest that one reasonable approach is "to allocate common costs using a fixed allocator, such as a percentage markup over the director attributable forward-looking costs." Conversely, the FCC states in the same paragraph that an *unreasonable* method "relies exclusively on allocating common costs in inverse proportion to the sensitivity of demand for various network elements and services."

Q. Is Ameritech's approach to shared and common costs consistent with this guidance?

A. Yes, it is. The use of direct expenses to attribute common costs to AIIS and the use of extended TELRIC costs to attribute shared and common costs to UNEs is entirely consistent with the FCC's example of a reasonable approach. Ameritech's approach to shared and common costs of unbundled loops likewise addresses the concern illustrated by the FCC's example of an unreasonable allocation method. By attributing shared and common costs equally among all unbundled loop types and rate zones, Ameritech voluntarily chose to avoid attributing a higher proportion of shared costs to less competitive UNEs (e.g., rate zone D unbundled basic loops).

Q. Has Ameritech's approach to shared and common costs been accepted by regulators in other contexts?

A. Yes, it has. The shared and common cost approach is similar to the FCC's prescribed approach to allocation of costs between regulated services and nonregulated activities under Section 64.901 of the FCC's rules. Shared costs were indirectly attributed in proportion to the direct costs of UNEs using extended TELRICs. Common costs were either attributed based on direct measures of cost causation (e.g., square footage for certain real estate-related costs) or a "general allocator" based on total expenses where direct or indirect measures of cost causation do not exist.

Q. What overall conclusion have you reached about Ameritech's shared and common costs attributed to UNEs?

A. I have concluded that Ameritech's shared and common costs were determined and attributed in a manner consistent with the FCC's requirement that the costs of UNEs are to include a reasonable share of forward-looking joint and common costs.

Q. Does this conclude your verified testimony?

A. Yes, it does.

JAMES E. FARMER

Curriculum Vitae

Jim Farmer is a partner of Arthur Andersen with over 19 years of experience concentrating on financial, regulatory and cost accounting matters in the telecommunications industry. He currently directs Arthur Andersen's business consulting practice for clients in the telecommunications industry in the areas of cost accounting and regulatory consulting.

Mr. Farmer has been employed by Arthur Andersen from 1977 through 1985 and 1989 to the present. He also worked for Price Waterhouse during 1988 and 1989. In these positions, he has:

- ☐ Designed, implemented and audited cost accounting systems and studies used for tariff and other regulatory filings, rate rebalancing, interconnection, measurement of service profitability and competitive analysis.
- ☐ Developed and presented expert testimony on regulatory, costing and accounting issues and provided other consulting services in proceedings before courts and regulatory agencies (see Attachment A for details).
- ☐ Advised telecommunications clients on privatization, restructuring, corporate strategy, business planning, costing, pricing, new product/service development, performance measurement and management, operational improvement and other issues in the U.S. and a number of countries around the world including Argentina, Australia, Bermuda, Brazil, Bulgaria, Canada, Chile, France, Greece, Guatemala, Hungary, Israel, Italy, Jamaica, Korea, Latvia, Malaysia, Mexico, Norway, Peru, The Philippines, Portugal, Spain and Thailand.
- ☐ Directed numerous financial and special purpose audits for clients of all sizes. He presently is an active advisory partner to the engagement teams for many of Arthur Andersen's clients in the telecommunications industry.
- ☐ Formulated strategies for corporate structure and provided regulatory support for affiliate relationships and transactions.
- ☐ Advised clients on incentives and other implications of alternative forms of regulation and developed tools to measure performance under such plans.
- ☐ Consulted with companies on the financial aspects of business plans for deployment of alternative wireline and wireless telecom networks and services.

JAMES E. FARMER
Curriculum Vitae (Continued)

- ☐ Conducted or reviewed studies in connection with the capital recovery of fixed assets.
- ☐ Reviewed financial information filed by clients in connection with the registration of billions of dollars of securities.
- ☐ Spoken publicly on a wide range of subjects before regulators, industry groups and professional organizations in the U.S. and abroad.
- ☐ Quoted about telecommunications industry developments in such diverse publications as the *Chicago Sun-Times* and the *Journal of Accountancy* and co-authored an article on "The Effects of Part X" in the October 1987 issue of *Telephone Engineer & Management* magazine.
- ☐ Responded to proposals by regulatory agencies and accounting standards setting bodies. Mr. Farmer was the principal author of comments filed with the Federal Communications Commission (FCC) concerning re-regulation of cable TV services. He also participated in Arthur Andersen's response to an "Analysis Report on the Application of ONP to Voice Telephony" by the Commission of the European Communities and to a consultative document issued by the British regulatory agency, Oftel, on "Interconnection and Accounting Separation."
- ☐ Instructed over 50 client training seminars including a course about telecommunications regulation featuring the simulation of a ratemaking proceeding.

Mr. Farmer's clients in the telecommunications industry have included:

- | | | | |
|--------------------|---------------|---------------------|---------------|
| • All of the RBOCs | • TDS | • Telefónica | • Bezeq |
| • GTE | • SNET | • Telecom Italia | • OTE |
| • ALLTEL | • Bellcore | • Portugal Telecom | • PLDT |
| • Sprint | • Bell Canada | • Bulgarian Telecom | • TelecomAsia |

From 1985 through 1988, Mr. Farmer was the Director - Federal Regulatory Accounting for Ameritech Services. His responsibilities included serving as:

- ☐ The primary interface between the Ameritech Bell Operating Companies and FCC and industry organizations for such matters as accounting, cost allocation and data reporting.
- ☐ Coordinator for affiliated interest regulatory support activities within the Ameritech Region.

JAMES E. FARMER
Curriculum Vitae (Concluded)

- ❑ Ameritech's representative on the United States Telephone Association Accounting and Finance Committee and Chairman of the Committee's Cost Allocation Task Group which developed a prototype cost allocation manual and conducted seminars for member companies.

Jim Farmer received a Bachelor of Science degree, with honors, in 1977 from the University of Montana and is a Certified Public Accountant. He is a member of the American Institute of Certified Public Accountants and the Illinois CPA Society.

JAMES E. FARMER

Expert Evidence

Date	Client	Jurisdiction	Evidence	Subject
8/9/96	Ameritech Illinois Ameritech Indiana Ameritech Michigan Ameritech Ohio Ameritech Wisconsin	Illinois Commerce Commission Indiana Utility Regulatory Commission Michigan Public Service Commission Public Utilities Commission of Ohio Public Service Commission of Wisconsin	Verified Statement in Docket No. 96-AB-001 Verified Statement in Cause No. 40559 Verified Statement in Case No. U-11138 Verified Statement in Case No. 96-694-TP-ARB Verified Statement in Docket Nos. 5837 MA 100 and 6720 MA 102	Apportionment of Shared and Common Costs to Unbundled Network Elements for the Transport and Termination of Local Calls Originated by Competitive Local Exchange Carriers
4/4/96	Commonwealth Edison Company	Illinois Commerce Commission	Rebuttal Testimony in Docket No. 95-0615	Affiliated Interests Agreement
2/23/96	Commonwealth Edison Company	Illinois Commerce Commission	Direct Testimony in Docket No. 95-0615	Affiliated Interests Agreement
5/30/95	BellSouth Corporation, NYNEX Corporation and SBC Communications Inc.	United States District Court for the District of Columbia	Reply Affidavit Filed in Connection with Motion to Vacate the Decree - Civil Action No. 82-0192 (HHG)	Adequacy and Effectiveness of FCC Accounting Safeguards for the BOCs' Provision of Interexchange Services and Telecommunications Equipment Manufacturing
5/10 - 5/11/95	Stentor Resource Centre, Inc.	Canadian Radio-television and Telecommunications Commission	Direct and Rebuttal Evidence in Telecom Public Notices CRTC 94-52/56/58	Comparison of U.S. and Canadian Toll Costs
7/29/94	Southwestern Bell Telephone Company	Missouri Public Service Commission	Direct Testimony in Case No. TR-94-364	Reliability and Verifiability of Cost Accounting Procedures
6/17/94	Bell Atlantic Corporation, BellSouth Corporation, NYNEX Corporation and Southwestern Bell Corporation	United States District Court for the District of Columbia	Affidavit Filed with Motion to Vacate the Decree - Civil Action No. 82-0192 (HHG)	Adequacy and Effectiveness of FCC Accounting Safeguards for the BOCs' Provision of Interexchange Services and Telecommunications Equipment Manufacturing
11/10/93	BellSouth Telecommunications, Inc.	United States District Court for the Eastern District of Tennessee at Greeneville	Expert Witness Statement in Civil Action No. 2-92-207	Profitability of Inside Wire Services
10/18/93	Minnegasco, A Division of Arkla, Inc.	Minnesota Public Utilities Commission	Rebuttal Testimony in MPUC Docket No. G-008/C-91-942 and OAH Docket No. 7-2500-7892-2	Regulated/Nonregulated Cost Allocations

JAMES E. FARMER
Expert Evidence (Cont.)

Date	Client	Jurisdiction	Evidence	Subject
7/2/93	Minnegasco, A Division of Arkla, Inc.	Minnesota Public Utilities Commission	Direct Testimony in MPUC Docket No. G-008/C-91-942 and OAH Docket No. 7-2500-7892-2	FCC Cost Apportionment Principles
6/24/93	Southern Bell Telephone & Telegraph Company	United States District Court for the Southern District of Florida, Miami Division	Affidavit in Case No. 89-2839-CIV-Nesbitt	Profitability of Nonregulated Inside Wire Services
11/18/92	Minnegasco, A Division of Arkla, Inc.	Minnesota Public Utilities Commission	Rebuttal Testimony in MPUC Docket No. G-008/GR-92-400	Regulated/Nonregulated Cost Allocations
1/13/92	Central Telephone Company of Texas	Texas Public Utility Commission	Rebuttal Testimony in Docket No. 9981	Affiliate Transactions
8/30/91	Central Telephone Company of Texas	Texas Public Utility Commission	Direct Testimony in Docket No. 9981	Affiliate Transactions
2/25/91	U S WEST Communications	Colorado Public Utilities Commission	Rebuttal Testimony in Docket No. 90-S-544T	Rent Compensation for Assets Used in Multistate Operations
2/13/91	Bell Operating Companies	Federal Communications Commission	Affidavit in CC Docket No. 90-623	Adequacy and Effectiveness of FCC Accounting Safeguards
1/8/91	Bell Operating Companies	United States District Court for the District of Columbia	Reply Affidavit in Information Services Remand Case - Civil Action No. 82-0192 (HHG)	Adequacy and Effectiveness of FCC Accounting Safeguards for the BOCs' Provision of Information Services
9/26/90	Southwestern Bell Telephone Company	Missouri Public Service Commission	Surrebuttal Testimony in Case No. TO-89-56	Reliability and Verifiability of Cost Accounting Safeguards