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March 1, 2007

VIA ELECTRONIC FILING

ALJ Sam Petrillo
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: Docket No. ARB 665

Dear Judge Petrillo:

We have received Qwest's letter opposing our request for oral argument before the Commission. We offer the following brief response.

The bulk of Qwest's letter details the company's procedural objections to Level 3's request for oral argument. None of these should serve as a basis for denying Level 3's request.

Qwest is concerned that Level 3's request was unclear and that it was contained in a letter instead of a motion. On these points, we would point out that Level 3 sent a letter upon the advice of Commission staff who informed us that that this would be the best way to request oral argument. Level 3 does agree that the request could have been worded more clearly. However, if it was not clear before, it is certainly clear by now that Level 3 is requesting oral argument.

In addition, Qwest argues that "oral argument is not appropriate here because this docket has not been classified a 'major proceeding' . . ." Qwest misinterprets the Commission's rules. OAR 860-0014-0023—the Commission's Major Proceeding rule—provides that, if a case has been classified as a major proceeding, the parties "must" schedule oral argument before the Commission. However, there is nothing in the Commission's rules to suggest that a party cannot request oral argument in a case not so designated if the party believes that oral argument would be helpful to the Commission's deliberations.

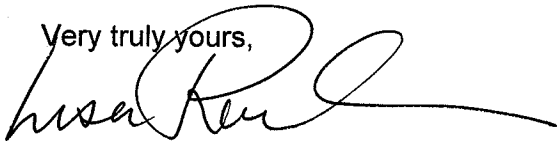
Indeed, Level 3 believes that the Commission's deliberations would benefit significantly from oral argument in this case—and it is this substantive issue that should determine the Commission's decision to grant or deny Level 3's motion.

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The primary issue presented in this arbitration- the proper treatment of VNXX traffic—is one of the most hotly contested issues in the telecommunications industry, both here in Oregon and around the country. And, as noted in our letter requesting oral argument, the Commission's determination of this issue will have far-reaching effects. It will not only determine the economic viability of Level 3's services in Oregon, it is certain to set precedent for future CLECs petitioning for arbitration with any ILEC in the state. If the Commission has any question that this issue is of great significance to the industry, it has only to recall the facts and ultimate disposition of UM 1058—the generic docket the Commission opened in August 2002 to investigate VNXX calling patterns. There were 8 intervenors in that docket from all corners of the industry—CLECs, ILECs, Rural LECs, and industry trade groups—all with a significant stake in the proceedings. In closing that docket, the Commission expressed its regret in not being able to address the issues raised—except by way of an arbitration or complaint proceeding. Thus, Qwest's objection that a "two-party arbitration docket" should not be allowed oral argument is hardly on point in this case.

Level 3 appreciates that the Commissioners' schedule is tight, and that a request for oral argument in a telecommunications arbitration is unusual. However, we believe that this particular arbitration presents a significant issue of far-reaching impact and therefore deserves the Commission's time and attention.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lisa Rackner", with a large, stylized flourish extending to the right.

Lisa F. Rackner

cc: Service List

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CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in Docket ARB 665 on the following named person(s) on the date indicated below by email and first-class mail addressed to said person(s) at his or her last-known address(es) indicated below.

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DATED: March 1, 2007.


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Of Attorneys for Level 3 Communications, LLC