

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

ARB 665

In the Matter of)	
)	
LEVEL 3 COMMUNICATIONS, LLC's)	MEMORANDUM
)	
Petition for Arbitration Pursuant to)	
Section 252(b) of the Communication Act)	
of 1934 with QWEST CORPORATION.)	

This matter has been scheduled for four days of hearing in early February. A substantial portion of the testimony proffered by the parties deals with the regulatory treatment of VOIP and VNXX traffic, both of which have been addressed in other state and federal proceedings.

Because the resolution of these issues will have a substantial impact upon the evidentiary record and the outcome of this proceeding, the resources of the parties and the Commission may be more effectively utilized if the following matters are decided prior to hearing:

1. Is it permissible for a competitive provider such as Level 3 Communications to provide services in Oregon using VNXX arrangements?
2. In light of the FCC's decision in **Vonage Holdings** [FCC Order 04-267], does the Oregon Public Utility Commission (OPUC) have authority to determine the regulatory treatment [*e.g.*, intercarrier compensation] for VOIP traffic?

I propose these issues be considered and resolved prior to hearing, and that the current schedule be postponed if necessary. Before making a final decision, however, I would like to receive input from the parties. Accordingly, the parties should be prepared to address this matter at the telephone conference scheduled for February 2, 2006.

Dated at Salem, Oregon, this 27th day of January, 2006.

Samuel J. Petrillo
Administrative Law Judge