



<b>I. IDENTIFICATION OF WITNESS.....</b>	<b>3</b>
<b>II. PURPOSE OF TESTIMONY .....</b>	<b>4</b>
<b>III. EXECUTIVE SUMMARY .....</b>	<b>5</b>
<b>IV. ISSUE 1: CHANGE OF LAW .....</b>	<b>8</b>
<b>V. ISSUE 3: FORM OF COMPENSATION.....</b>	<b>12</b>
<b>VI. ISSUE 4: TRANSPORT OF THIRD-PARTY TRAFFIC .....</b>	<b>27</b>
<b>VII. ISSUE 5: PHANTOM TRAFFIC .....</b>	<b>39</b>
<b>VIII. CONCLUSION .....</b>	<b>47</b>

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

**I. IDENTIFICATION OF WITNESS**

**Q. PLEASE STATE YOUR NAME, POSITION, EMPLOYER, AND BUSINESS ADDRESS.**

A. My name is Thomas R. Freeberg. My business address is Room 100, 301 W. 65<sup>th</sup> St., Richfield, Minnesota. I am employed by Qwest as a Director and I currently manage staff who work to ensure that Qwest's regulatory obligations are consistently fulfilled.

**Q. PLEASE REVIEW YOUR EDUCATION, WORK EXPERIENCE AND PRESENT RESPONSIBILITIES.**

A. I hold a Bachelor of Science degree in Civil Engineering from the University of Minnesota, Institute of Technology and am a Registered Professional Engineer in the state of Minnesota, License Number 16738 MN. I have completed post-graduate business administration education at the Kellogg School of Northwestern University in Evanston, Illinois and at the Carlson School of the University of Minnesota in Minneapolis. Other than during a two-year break, I have worked for Qwest and/or its predecessors since 1979 in various engineering, construction, administration, planning, and operations positions. As part of Qwest's construction operation, I directly supervised cable placement and splicing for interoffice and loop facilities. As part of Qwest's order provisioning operation, I directly supervised order administrators and facilities specialists who maintained records of idle and working cable and electronics inventories as orders processed. As part of Qwest's engineering operation, I drafted blueprints for outside plant

1       augments, I ran computer models comparing the economics of various  
2       network augment options (switching, loop and transport), and I developed  
3       the cost portion of business cases for potential new services. Finally, as  
4       part of Qwest's wholesale operation, I directly supervised the development  
5       and documentation of provisioning and maintenance processes associated  
6       with new resale, interconnection, and unbundled local services. These  
7       efforts were intended to ensure that basic provisioning and maintenance  
8       was in place to support the initial rollout of local wholesale services. Today  
9       my work focuses on Qwest's regulatory compliance.

10   **Q. HAVE YOU TESTIFIED PREVIOUSLY?**

11   A. Yes. I testified in each of Qwest's Telecommunications Act Section 271  
12   "checklist" dockets on the topics of reciprocal compensation,  
13   interconnection trunking, and third-party access to Qwest poles, ducts,  
14   conduits and rights-of-way (in Oregon, Docket UM 823). I also testified in  
15   ARB 527, the most recent Oregon AT&T/Qwest wholesale local services  
16   contract arbitration.

17                                   **II. PURPOSE OF TESTIMONY**

18   **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19   A. The purpose of this testimony is to explain the merits of Qwest's proposed  
20   interconnection agreement provisions primarily associated with the  
21   intercarrier compensation for calls moving between the Qwest and Beaver  
22   Creek networks. Beaver Creek proposes that disputed contract provisions

1 can be grouped into five issues. Those five issues are (1) change of law,  
2 (2) routing and trunking, (3) reciprocal compensation, (4) third-party traffic,  
3 and (5) "phantom" traffic. I will focus on the first, third, fourth and fifth  
4 issues. My colleague Ann Marie Cederberg will focus on the second issue.  
5 I also comment on just one contract paragraph that Beaver Creek's Petition  
6 associated with the second issue. My comments on this contract paragraph  
7 are included below where I address the fourth issue since that contract  
8 paragraph more closely relates to third-party traffic.

### 9 III. EXECUTIVE SUMMARY

#### 10 Q. PLEASE PROVIDE AN EXECUTIVE SUMMARY OF YOUR TESTIMONY.

11 A. My testimony primarily addresses matters associated with intercarrier  
12 compensation. As to the issues I cover, I address each paragraph of the  
13 agreement where the parties could not resolve differences during contract  
14 negotiation. I discuss the basis of the provision that Qwest endorses and  
15 the deficiencies in the textual revisions proposed by Beaver Creek.

16 Regarding Issue 1, Change of Law, Qwest's position provides an orderly  
17 and speedy process to amend the agreement to reflect changes in law.  
18 This eliminates uncertainty and disputes as to the effect of a change in  
19 law.

20 Regarding Issue 3, Form of Compensation, I show that the traffic is not  
21 balanced and that the transport distance is supplied in majority by Qwest.

1 The law supports Qwest's position that it is entitled to receive  
2 compensation for transporting traffic in these circumstances. Beaver  
3 Creek's proposed deletions and additions to certain paragraphs of the  
4 parties' interconnection agreement are inconsistent with the law and  
5 should be rejected. Here I also address Beaver Creek's position that  
6 intercarrier compensation should be according to bill-and-keep provisions  
7 without any showing that traffic is balanced. If the competitive operation of  
8 Beaver Creek continues to route its calls on the same trunk groups as its  
9 ILEC operation's traffic (its current practice), then I recommend that Qwest  
10 and Beaver Creek should be ordered to transact *all* future business<sup>1</sup>  
11 according to the contract under review here, and utilize bill and keep as  
12 proposed by Beaver Creek. This would mean that CLEC and ILEC calls  
13 would not be separated one from the other for billing purposes.<sup>2</sup> This  
14 would alleviate several other disagreements. This is an important  
15 compromise and a notable change in position as compared to Qwest's  
16 past advocacy on this topic. Finally, I discuss Beaver Creek's proposed  
17 misplaced reference to Exchange Access. I show that because Beaver  
18 Creek's proposed revision is inconsistent with the law, unnecessary, and  
19 contextually confusing, it should be rejected.

---

<sup>1</sup> Here I mean to make clear that both the ILEC and CLEC operations of Beaver Creek are implicated.

<sup>2</sup> Toll calls, transit calls and dedicated transport are not part of the bill-and-keep revisions proposed by Beaver Creek. These services are billable by either party.

1           Regarding Issue 4, Transport of Third Party Traffic, I discuss the NECA 4  
2           tariff, Qwest's continuing obligation to supply local interconnection to any  
3           requesting telecommunications carrier at any technically feasible point,  
4           including at Qwest's toll tandem, and the bases of classifying CLEC  
5           switches as tandems for intercarrier compensation purposes. As part of  
6           Issue 4, I discuss one paragraph that Beaver Creek's Petition suggested  
7           was associated with Issue 2, Routing and Trunking. I expect that the  
8           issue is more closely related to Issue 4. Regarding this matter, I show that  
9           because Qwest's proposed provision is consistent with federal law  
10          involving direct interconnection and with the approved contracts between  
11          Qwest and thirty carriers who are now interconnected with Qwest in  
12          Oregon, Beaver Creek's proposed deletion should not be approved.

13          Finally, I discuss Issue 5, Phantom Traffic. Here I explain why the parties  
14          each should be positioned under this agreement to supply transit service  
15          to the other and why provision of the transit call detail records to a  
16          downstream carrier at a just and reasonable price is proper. I show that  
17          these records can economically address the "phantom traffic" concerns of  
18          a terminating carrier and that the law does not support Beaver Creek's  
19          position that Qwest should be held financially responsible for any call that  
20          Beaver Creek cannot easily determine is billable to another carrier.

1 **Q. HOW WILL YOU REFLECT THE PARTIES' RESPECTIVE POSITIONS**  
2 **ON DISPUTED CONTRACT TEXT?**

3 A. I will show undisputed text in normal font. I will show Beaver Creek's  
4 proposed deletions that Qwest disputes as strikethrough font. I will show  
5 Beaver Creek's proposed additions that Qwest disputes as underlined  
6 font. Later in this document, when I use the term "Beaver Creek", I am  
7 speaking of the collective entity that is comprised of both the incumbent  
8 local exchange carrier (which I will call "BCI") and the competitive local  
9 exchange carrier (which I will call ("BCC").

10 **IV. ISSUE 1: CHANGE OF LAW**

11 **Q. WHAT ARE BCC'S PROPOSED REVISIONS TO QWEST'S PROPOSED**  
12 **TEXT AT SECTION 2.2?**

13 A. Section 2.2 of the agreement states:

14 2.2 The provisions in this Agreement are intended to be in  
15 compliance with and based on the existing state of the law, rules,  
16 regulations and interpretations thereof, including but not limited to  
17 state rules, regulations, and laws, as of March 11, 2005 (the Existing  
18 Rules). Nothing in this Agreement shall be deemed an admission by  
19 Qwest or CLEC concerning the interpretation or effect of the Existing  
20 Rules or an admission by Qwest or CLEC that the Existing Rules  
21 should not be changed, vacated, dismissed, stayed or modified.  
22 Nothing in this Agreement shall preclude or estop Qwest or CLEC  
23 from taking any position in any forum concerning the proper  
24 interpretation or effect of the Existing Rules or concerning whether  
25 the Existing Rules should be changed, vacated, dismissed, stayed  
26 or modified. To the extent that the Existing Rules are vacated,  
27 dismissed, stayed or materially changed or modified, then this  
28 Agreement shall be deemed amended to reflect such legally binding  
29 modification or change of the Existing Rules, effective with the date  
30 of such change. ~~Where the Parties~~ Any failure to agree upon the



1 ~~terms of~~ such an amendment within sixty (60) Days after notification  
2 ~~from a Party seeking amendment due to a modification or change of~~  
3 ~~the Existing Rules or if any time during such sixty (60) Day period or~~  
4 ~~if~~ the Parties shall have ceased to negotiate such new terms for a  
5 continuous period of fifteen (15) Days, it shall be resolved in  
6 accordance with the Dispute Resolution provision of this Agreement.  
7 It is expressly understood that this Agreement will be corrected, or if  
8 requested by CLEC, amended as set forth in this Section 2.2, to  
9 reflect the outcome of generic proceedings by the Commission for  
10 pricing, service standards, or other matters covered by this  
11 Agreement. Rates in Exhibit A will reflect legally binding decisions  
12 of the Commission and shall be applied on a prospective basis from  
13 the effective date of the legally binding Commission decision, unless  
14 otherwise ordered by the Commission. ~~Where a Party provides~~  
15 ~~notice to the other Party within thirty (30) Days of the effective date~~  
16 ~~of an order issuing a legally binding change, any resulting~~  
17 ~~amendment shall be deemed effective on the effective date of the~~  
18 ~~legally binding change or modification of the Existing Rules for rates,~~  
19 ~~and to the extent practicable for other terms and conditions, unless~~  
20 ~~otherwise ordered. In the event neither Party provides notice within~~  
21 ~~thirty (30) Days, the effective date of the legally binding change shall~~  
22 ~~be the Effective Date of the amendment unless the Parties agree to~~  
23 ~~a different date. During the pendency of any negotiation for an~~  
24 ~~amendment pursuant to this Section 2.2 the Parties shall continue to~~  
25 ~~perform their obligations in accordance with the terms and~~  
26 ~~conditions of this Agreement, for up to sixty (60) Days. If the Parties~~  
27 ~~fail to agree on an amendment during the sixty (60) Day negotiation~~  
28 ~~period, the Parties agree that the first matter to be resolved during~~  
29 ~~Dispute Resolution will be the implementation of an interim~~  
30 ~~operating agreement between the Parties regarding the disputed~~  
31 ~~issues, to be effective during the pendency of Dispute Resolution.~~  
32 ~~The Parties agree that the interim operating agreement shall be~~  
33 ~~determined and implemented within the first fifteen (15) Days of~~  
34 ~~Dispute Resolution and the Parties will continue to perform their~~  
35 ~~obligations in accordance with the terms and conditions of this~~  
36 ~~Agreement, until the interim operating agreement is implemented.~~  
37 For purposes of this section, "legally binding" means that the legal  
38 ruling has not been stayed, no request for a stay is pending, and any  
39 deadline for requesting a stay designated by statute or regulation,  
40 has passed.

1 **Q. WHAT IS BCC'S POSITION AND QWEST'S RESPONSE?**

2 A. BCC wants changes of law to be self-effectuating with contract  
3 amendments executed later. Qwest sees this proposal as flawed for  
4 several reasons.

5 First, BCC's proposal creates a high likelihood of disputes and no  
6 incentive for carriers to enter into good faith negotiations for  
7 implementation of a change in law. Under BCC's proposal, each party  
8 would unilaterally interpret the change of law and implement it without  
9 amending the contract. This sets up the possibility that one  
10 interconnected carrier will see the other carrier's change in procedure as a  
11 breach of the contract, and invites further disputes. Further, if the carriers  
12 must carefully coordinate the timing of a change so that retail service will  
13 not be interrupted, BCC's proposal makes no allowance for the  
14 coordination.

15 Second, since dozens of Qwest's current interconnection agreements now  
16 require an amendment to implement a change of law, BCC's proposed  
17 language would create an administrative burden on Qwest for unique  
18 "one-off" implementation procedures. This could affect performance  
19 assurance plan execution.

20 Third, BCC may claim that the negotiation and amendment drafting  
21 process impedes implementation of change of law. Qwest's proposed  
22 language does not introduce any unreasonable delay. Reference to the

1 Qwest proposed text (above) shows that it is entirely within the control of  
2 the party seeking to implement the change of law to begin the process to  
3 implement dispute resolution. A change of law could favor either party  
4 and, in the past, some parties have preferred to live out the existing  
5 approved agreements that are in effect rather than execute amendments.  
6 Qwest's proposed language also ensures that if the parties proceed to  
7 dispute resolution, an interim operating agreement will be put into place  
8 very quickly.

9 Finally, what BCC proposes regarding the effective date of the change of  
10 law is already dealt with in the following Qwest-proposed language:

11 Where a Party provides notice to the other Party within thirty (30)  
12 Days of the effective date of an order issuing a legally binding  
13 change, any resulting amendment shall be deemed effective on the  
14 effective date of the legally binding change or modification of the  
15 Existing Rules for rates, and to the extent practicable for other terms  
16 and conditions, unless otherwise ordered.

17 Qwest's position protects the interests that BCC seeks to deal with in its  
18 proposal, while it ensures that disagreements regarding the meaning of  
19 changes of law are addressed in an orderly process with an amendment  
20 being implemented. Thus, Qwest submits that the Commission should  
21 adopt Qwest's proposed language on this issue.

1                                   **V.           ISSUE 3:    FORM OF COMPENSATION**

2   **Q.    WHAT ARE ENTRANCE FACILITIES AND DIRECT TRUNKED**  
3   **TRANSPORT?**

4   A.    Entrance Facilities and Direct Trunked Transport are high-speed circuits  
5        tied to LEC switches and dedicated to transmission of calls involving a  
6        particular competitive carrier who uses it between incumbent LEC central  
7        offices and tandem offices.<sup>3</sup> CLECs use dedicated transport as a means  
8        to aggregate end-user traffic when certain economies of scale (volumes of  
9        traffic) are reached. Intercarrier traffic is carried between a CLEC  
10       equipment location and the nearest incumbent LEC central office building  
11       along a circuit known as an Entrance Facility.<sup>4</sup> The nearest incumbent  
12       LEC central office building is *not* usually the location of the distant end of  
13       an interconnection trunk group that allows the retail subscribers of the  
14       interconnected LECs to call one another. Typically, no switching is  
15       performed at the nearest Qwest wire center, termed the Qwest Serving  
16       Wire Center. In order to create a trunk group between any particular ILEC  
17       central office switch and what is typically a single CLEC switch in the  
18       same LATA, the Entrance Facility is connected to Direct Trunked  
19       Transport ("DTT") requested by a CLEC to create transport between ILEC  
20       buildings (one of which is the Serving Wire Center). The price of these  
21       circuits is Qwest's wholesale rate (per Total Element Long Run

---

<sup>3</sup>    FCC UNE Remand Order, FCC 03-36, released 8/21/03, ¶ 361.

1 Incremental Cost, TELRIC) which is then further discounted to reflect the  
2 providing carrier's "relative use" of the circuit.

3 **Q. WHAT IS "RELATIVE USE"?**

4 A. According to Title 47 of the Code of Federal Regulation (CFR) at part 51:

5 Sec. 51.703 (b) A LEC may not assess charges on any other  
6 telecommunications carrier for telecommunications traffic that  
7 originates on the LEC's network.

8 When this rule is applied to dedicated transport which underlies a two-way  
9 trunk group, the carrier who supplies the dedicated transport between the  
10 carriers' switches is expected to adjust its charges to reflect that it also is  
11 originating local calls ("telecommunications traffic"<sup>5</sup>) on the trunk group.

12 This price adjustment reflects each carrier's "relative use" of the circuit.

---

<sup>4</sup> If the CLEC equipment location is within an ILEC central office building by virtue of "collocation", then the need for an Entrance Facility is avoided.

<sup>5</sup> 47 CFR 51.701 (a) The provisions of this subpart apply to reciprocal compensation for transport and termination of telecommunications traffic between LECs and other telecommunications carriers.

(b) Telecommunications traffic. For purposes of this subpart, telecommunications traffic means:

(1) Telecommunications traffic exchanged between a LEC and a telecommunications carrier other than a CMRS provider, except for telecommunications traffic that is interstate or intrastate exchange access, information access, or exchange services for such access (see FCC 01-131, paragraphs 34, 36, 39, 42-43); or

(2) Telecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in Sec. 24.202(a) of this chapter.

1 **Q. WHAT ARE THE PARTIES' POSITIONS AT SECTION 7.3.2.2.1?**

2 A. Section 7.3.2.2.1 of the proposed agreement provides:

3 The provider of the LIS two-way DTT facility will initially share the  
4 cost of the LIS two-way DTT facility by assuming an initial relative  
5 use factor of fifty percent (50%) for a minimum of one (1) quarter if  
6 the Parties have not exchanged LIS traffic previously. The nominal  
7 charge to the other Party for the use of the DTT facility, as described  
8 in Exhibit A, shall be reduced by this initial relative use factor.  
9 Payments by the other Party will be according to this initial relative  
10 use factor for a minimum of one (1) quarter. The initial relative use  
11 factor will continue for both bill reduction and payments until the  
12 Parties agree to a new factor, based upon actual minutes of use  
13 data for non-ISP-bound traffic to substantiate a change in that factor.  
14 If CLEC's End User Customers are assigned NPA-NXXs associated  
15 with a rate center other than the rate center where the End User  
16 Customers are physically located, traffic that does not originate and  
17 terminate within the same Qwest Local Calling Area (as approved by  
18 the Commission), regardless of the called and calling NPA-NXXs  
19 involving those End User Customers, is referred to as "VNXX traffic."  
20 For purposes of determining the relative use factor, the terminating  
21 carrier is responsible for ISP-bound traffic and for VNXX traffic. If  
22 either Party demonstrates with traffic data that actual minutes of use  
23 during the previous quarter justifies a new relative use factor, that  
24 Party will send a notice to the other Party. ~~The new factor will be~~  
25 ~~calculated based upon Exhibit H.~~ Once the Parties finalize a new  
26 factor, bill reductions and payments will apply going forward from the  
27 date the original notice was sent. ISP-bound traffic is interstate in  
28 nature. Qwest has never agreed to exchange VNXX traffic with  
29 CLEC. For bill-and-keep compensation, the relative use factor shall  
30 be fifty percent (50%).

31 With its revisions, BCC proposes that the parties should apply a  
32 permanent 50% assumption about relative use of DTT and should forgo  
33 calculation of relative use based on actual traffic volumes during the  
34 contract period. Qwest disagrees for three reasons.

1 First, 50% relative use of dedicated transport is accurate when each  
2 party's volume of originated local traffic is approximately the same.<sup>6</sup>  
3 When this is not the case, it is proper that the carrier who supplied the  
4 greater share of the dedicated transport should have an opportunity to  
5 recover its costs of terminating the other carrier's local calls at a TELRIC  
6 based rate.<sup>7</sup> The volume of traffic that Beaver Creek has historically  
7 originated is at least twice the volume of traffic sent by Qwest. In a typical  
8 month, BCI and BCC combined send Qwest about 3.6 million minutes of  
9 local calls. In contrast, Qwest sends Beaver Creek about 1.8 million  
10 minutes of calls each month. Compared a different way, more than 400  
11 trunks carry Beaver Creek-originated calls to Qwest. By contrast, fewer  
12 than 300 trunks are necessary to carry calls from Qwest to Beaver Creek.  
13 Beaver Creek does not separate its ILEC and CLEC traffic, so Qwest  
14 cannot readily compare the volume of traffic originated by BCC customers  
15 to the volume Qwest sends to BCC customers, but it is reasonable to  
16 expect that the traffic is similarly imbalanced.

17 Second, Qwest owns and operates a greater share of the transport  
18 necessary to move local calls between the Qwest and Beaver Creek

---

<sup>6</sup> A 50% relative use presumption is also reasonable for a temporary initial period of time when the parties have no history of having exchanged calls with each other in the past.

<sup>7</sup> It is also proper that the carrier who supplied the smaller share of the dedicated transport should have an opportunity to recover its presumably smaller costs of terminating the other carrier's local calls at a TELRIC-based rate.

1 interconnected switches. Bill-and-keep for transport of local calls is proper  
2 when each carrier supplies approximately half of the dedicated transport  
3 between their respective sites.<sup>8</sup> In this case, interconnecting calls follow  
4 dedicated transport between a Beaver Creek switch and Qwest switches  
5 in downtown Portland. In the past, Beaver Creek and Qwest have agreed  
6 that the transport between the Qwest Oregon City Central Office Building  
7 and the Beaver Creek Central Office building was a mid-span meet.  
8 According to the undisputed text of the agreement at 7.1.2.3, the transport  
9 associated with a mid-span meet is not subject to intercarrier

---

<sup>8</sup> First Report and Order, FCC 96-325, released 8/8/1996, ¶ 1098:

“In the LEC-CMRS Interconnection NPRM, we proposed bill and keep as an interim arrangement. We noted there that proponents have argued that bill-and-keep would be economically efficient if either of two conditions are met: (1) traffic flows between competing LECs are balanced; or (2) the per-unit cost of interconnection is de minimis. We, therefore, address whether interim bill-and-keep arrangements for LEC-CMRS traffic should be imposed.”

See also *id.* at ¶ 1112:

“Section 252(d)(2)(A)(i) provides that to be just and reasonable, reciprocal compensation must ‘provide for the mutual and reciprocal recovery by each carrier of costs associated with transport and termination.’ In general, we find that carriers incur costs in terminating traffic that are not de minimis, and consequently, bill-and-keep arrangements that lack any provisions for compensation do not provide for recovery of costs. In addition, as long as the cost of terminating traffic is positive, bill-and-keep arrangements are not economically efficient because they distort carriers’ incentives, encouraging them to overuse competing carriers’ termination facilities by seeking customers that primarily originate traffic. On the other hand, when states impose symmetrical rates for the termination of traffic, payments from one carrier to the other can be expected to be offset by payments in the opposite direction when traffic from one network to the other is approximately balanced with the traffic flowing in the opposite direction. In such circumstances, bill-and-keep arrangements may minimize administrative burdens and transaction costs. We find that, in certain circumstances, the advantages of bill-and-keep arrangements outweigh the disadvantages, but no party has convincingly explained why, in such circumstances, parties themselves would not agree to bill-and-keep arrangements. We are mindful, however, that negotiations may fail for a variety of reasons. We conclude, therefore, that states may impose bill-and-keep arrangements if traffic is roughly balanced in the two directions and neither carrier has rebutted the presumption of symmetrical rates.” (Emphasis added.)



1 compensation. The transport owned and operated by Qwest between  
2 Oregon City and downtown Portland constitutes the much larger fraction  
3 of the distance between the switches that are trading calls. The distance  
4 from the Qwest-Beaver Creek network interface near Oregon City to  
5 Qwest's downtown Portland tandem switches is over 15 miles. The  
6 distance from the Qwest-Beaver Creek POI near Oregon City to the  
7 Beaver Creek switch is just over six miles. The same Beaver Creek  
8 switch provides dial tone to both BCC and BCI local service customers.  
9 Exhibit H of the proposed agreement makes clear how relative use of  
10 dedicated transport should be calculated to reflect the actual traffic  
11 exchanged. This calculation makes each carrier financially responsible for  
12 the proportion of traffic that it generates. This calculation contradicts the  
13 BCC proposed text which would have Qwest simply decrement its  
14 dedicated transport charges by an arbitrary 50%.

15 Third, Qwest's proposed text is consistent with law. Title 47 of the Code  
16 of Federal Regulations provides:

17 51.701(c) Transport. For purposes of this subpart, transport is the  
18 transmission and any necessary tandem switching of  
19 telecommunications traffic subject to section 251(b)(5) of the Act  
20 from the interconnection point between the two carriers to the  
21 terminating carrier's end office switch that directly serves the called  
22 party, or equivalent facility provided by a carrier other than an  
23 incumbent LEC.

24 51.701(e) Reciprocal Compensation. For purposes of this subpart, a  
25 reciprocal compensation arrangement between two carriers is one in  
26 which each of the two carriers receives compensation from the other  
27 carrier for the transport and termination on each carrier's network

1 facilities of telecommunications traffic that originates on the network  
2 facilities of the other carrier.

3 51.713(c) Nothing in this section precludes a state commission from  
4 presuming that the amount of telecommunications traffic from one  
5 network to the other is roughly balanced with the amount of  
6 telecommunications traffic flowing in the opposite direction and is  
7 expected to remain so, *unless a party rebuts such a presumption.*

8 Here, Qwest respectfully requests that the OPUC recognize Qwest's right  
9 to rebut the balanced traffic presumption.

10 Because the traffic is not balanced, the transport is supplied in majority by  
11 Qwest and, since the law supports Qwest's proposed text, BCC's  
12 proposed deletion and addition to paragraph 7.3.2.2.1 of the parties'  
13 interconnection agreement should be rejected.

14 **Q. WHAT IS THE BASIS OF QWEST-PROPOSED TEXT AT 7.3.1.1.3.1?**

15 **A.** Section 7.3.1.1.3.1 of the proposed agreement states:

16 The provider of the LIS two-way Entrance Facility (EF) will initially  
17 share the cost of the LIS two-way EF by assuming an initial relative  
18 use factor (RUF) of fifty percent (50%) for a minimum of one (1)  
19 quarter if the Parties have not exchanged LIS traffic previously. The  
20 nominal charge to the other Party for the use of the EF, as described  
21 in Exhibit A, shall be reduced by this initial relative use factor.  
22 Payments by the other Party will be according to this initial relative  
23 use factor for a minimum of one (1) quarter. The initial relative use  
24 factor will continue for both bill reduction and payments until the  
25 Parties agree to a new factor, based upon actual minutes of use data  
26 for non-ISP-bound traffic to substantiate a change in that factor. If  
27 CLEC's End User Customers are assigned NPA-NXXs associated  
28 with a rate center different from the rate center where the End User  
29 Customers are physically located, traffic that does not originate and  
30 terminate within the same Qwest Local Calling Area (as approved by  
31 the Commission), regardless of the called and calling NPA-NXXs  
32 involving those End User Customers, is referred to as "VNXX traffic."  
33 For purposes of determining the relative use factor, the terminating

1 carrier is responsible for ISP-bound traffic and for VNXX traffic. If  
2 either Party demonstrates with traffic data that actual minutes of use  
3 during the previous quarter justifies a new relative use factor, that  
4 Party will send a notice to the other Party. ~~The new factor will be~~  
5 ~~calculated based upon Exhibit H.~~ Once the Parties finalize a new  
6 factor, bill reductions and payments will apply going forward from the  
7 date the original notice was sent. ISP-bound traffic or traffic delivered  
8 to Enhanced Service providers is interstate in nature. Qwest has  
9 never agreed to exchange VNXX traffic with CLEC. Under a bill-and-  
10 keep compensation, the relative use factor shall be fifty percent  
11 (50%).

12 This paragraph is very similar to the paragraph just discussed, except that  
13 this paragraph applies to Entrance Facilities. The basis of Qwest's  
14 proposed text is the same as was just discussed for paragraph 7.3.2.2.1,  
15 regarding DTT. Paragraph 7.3.1.1.3.1 should be less contentious since  
16 the mid-span meet that the parties have constructed is a mutually  
17 exclusive alternative to an Entrance Facility. Because the mid-span meet  
18 exists, it is unlikely that BCC would seek to order an Entrance Facility from  
19 Qwest during the contract period.

20 **Q. WHAT IS THE BASIS OF QWEST PROPOSED TEXT AT 7.3.4.1.1?**

21 A. Section 7.3.4.1.1 of the proposed agreement states:

22 The per-minute-of-use call termination rates as described in Exhibit  
23 A of this Agreement will apply reciprocally for Exchange Service  
24 traffic terminated at a Qwest or CLEC End Office Switch. For  
25 purposes of this Agreement, the Parties agree to use a bill-and-keep  
26 form of call termination rate.

27 Here BCC makes clear that it seeks an agreement where the parties  
28 would not bill one another for per-minute call termination. This would be  
29 reasonable if the parties' traffic were balanced. As I discussed in my

1 answer to the previous questions, the traffic is not balanced as far as  
2 Qwest can tell. Qwest resisted the BCC bill-and-keep proposal in contract  
3 negotiations because of the imbalance that would favor BCC as compared  
4 to the payments that might otherwise occur if the parties applied reciprocal  
5 rates to the traffic. Here again, Qwest has the right to rebut the balanced  
6 traffic presumption.

7 47 C.F.R. § 51.713(c) Nothing in this section precludes a state  
8 commission from presuming that the amount of telecommunications  
9 traffic from one network to the other is roughly balanced with the  
10 amount of telecommunications traffic flowing in the opposite  
11 direction and is expected to remain so, *unless a party rebuts such a*  
12 *presumption.*

13 The traffic quantities that I cited earlier were inclusive of all local calling  
14 moving on trunks between Qwest and Beaver Creek switches. Because  
15 Beaver Creek intermingles BCC and BCI calls on the same trunk groups, I  
16 am not able to estimate what volume of calling is generated specifically by  
17 BCC subscribers. Qwest and BCC have configured two-way trunk groups  
18 between each others' switches, but BCC does not send its calls on these  
19 trunk groups. Qwest sends about 150,000 minutes of local calls to BCC  
20 subscribers each month on the local interconnection trunk groups. If it  
21 can be verified that BCC is originating approximately the same volume of  
22 calls as Qwest each month, then a bill-and-keep agreement would be  
23 reasonable.

24 If BCC intends to continue to route its calls on the same trunk groups as  
25 the BCI traffic (its current practice), then I recommend that Qwest and

1 Beaver Creek (BCI and BCC) should be ordered to transact *all* future  
2 business according to the contract under review here because further  
3 disagreement between the parties is otherwise likely. The contract  
4 between Qwest the ILEC and BCI is unwritten. Debates linger as to  
5 whether certain state rules that predate the Telecommunications Act  
6 should still govern the ILEC-ILEC interconnection at a time when inter-  
7 LEC competition thrives. Despite the fact that disparate sections of the  
8 Telecommunications Act govern ILEC-CLEC interconnection as opposed  
9 to ILEC-ILEC interconnection, Beaver Creek operates as if there is no  
10 distinction between its ILEC and CLEC operations. Qwest and BCC  
11 arranged separate trunking that Qwest uses, but BCC does not use this  
12 trunking to originate calls. Qwest and BCC entered into a separate  
13 contract that Qwest uses, but BCC resists recognizing. BCC repeatedly  
14 seeks for its CLEC operation to transact all intercarrier business as if it  
15 were an ILEC, but it is not an ILEC. For these reasons, the contract  
16 should be modified at section 1.2 as follows:

17 As used in this Agreement, the term CLEC is a term of convenience  
18 to avoid unintentional modifications of Qwest's form agreement. It is  
19 the intent of the parties to address the exchange of traffic between  
20 Qwest and *both the ILEC and CLEC operations of* Beaver Creek  
21 Cooperative Telephone Company ~~for the operations of Beaver~~  
22 ~~Creek Cooperative Telephone Company in Qwest territory~~ in the  
23 Portland LATA.

24 Here I proposed new text in underlined italics and I proposed deletion of  
25 text in double strikethrough font. This modification would mean that calls  
26 of BCC and BCI would not need to be parsed one from the other for billing

1 purposes. This would alleviate several disagreements. This would allow  
2 existing physical plant (switching and transport) to remain in place to serve  
3 the Qwest-BCC interconnection. The parties would submit Access  
4 Service Requests to each other when transport, trunking or switching  
5 required augmentation or decommissioning.<sup>9</sup> Non-transit local calling  
6 could be subject to bill-and-keep, but dedicated transport and transit  
7 service would be billable by the providing carrier.<sup>10</sup> Trunking of operator-  
8 handled calls, E911 calls and jointly provided exchange access calls that  
9 accommodate interexchange carriers could remain in place. With the  
10 change to section 1.2, Qwest could accept the BCC proposal to modify  
11 7.3.4.1.1. If this agreement is limited to Beaver Creek's CLEC operation,  
12 then bill-and-keep should not apply and BCC should be instructed to route  
13 its traffic on the set of trunks that have been configured per section 251 of  
14 the Telecommunications Act.

15 **Q. HAS QWEST ENTERED INTO INTERCONNECTION AGREEMENTS**  
16 **WITH OTHER PARTIES WHERE THE ILEC AND CLEC TRAFFIC ARE**

---

<sup>9</sup> Where the parties transact business using Access Service Requests associated with a mostly bill-and-keep agreement or a mid-span meet, the parties are not ordering Feature Group switched access from one another. In this case there may be no billing triggered by submission of the Access Service Request.

<sup>10</sup> First Report and Order, FCC 96-325, released 8/8/1996, ¶ 1096:

"In the NPRM, we defined bill-and-keep arrangements as those in which neither of two interconnecting networks charges the other network for terminating traffic that originated on the other network. Instead, each network recovers from its own end users the cost of both originating traffic delivered to the other network and terminating traffic received from the other network. *A bill-and-keep approach for termination of traffic does not, however, preclude a positive flat-rated charge for transport of traffic between carriers' networks.*" (Emphasis added.)

1           **COMBINED IN THE SAME TRUNK GROUP AND SUBJECT TO THE**  
2           **SAME TERMS?**

3  
4           A.     Yes, Qwest and Project Mutual Telephone Cooperative Association Inc.  
5                   honor an agreement similar to the agreement just described. This is an  
6                   Idaho agreement.

7           **Q.     HASN'T QWEST REPEATEDLY INSISTED IN THE PAST THAT BCC**  
8           **AND BCI TRAFFIC MUST BE SEPARATELY ROUTED ON DISTINCT**  
9           **TRUNK GROUPS AND RATED ACCORDING TO DIFFERENT**  
10           **AGREEMENTS?**

11  
12          A.     Yes, Qwest has in the past insisted that BCC and BCI calls must be  
13                   routed on separate trunk groups and rated according to different  
14                   agreements. Qwest did this since it expected that one agreement  
15                   governing one set of trunks (relating to Beaver Creek's ILEC operation)<sup>11</sup>  
16                   was consistent with section 259 of the Telecommunications Act and the  
17                   other agreement governing the other set of trunks (relating to Beaver  
18                   Creek's CLEC operation)<sup>12</sup> was associated with sections 251, 252 and 271  
19                   of the Telecommunications Act. At page 7 of Qwest's response to the  
20                   petition for arbitration in this case, Qwest mentioned that the parties in  
21                   negotiation considered a single agreement to govern all transactions  
22                   between the respective companies. While the Qwest May 30 Response  
23                   accurately describes that the parties could not reach concurrence on a  
24                   single agreement, I want to be clear here that this proposal is still open

---

<sup>11</sup> This bill-and-keep agreement was between incumbent local exchange carriers.

<sup>12</sup> This agreement was between a competitive local exchange carrier and a larger incumbent local exchange carrier.

1 and may serve as the best resolution to the parties' various unresolved  
2 issues.

3 **Q. WHAT ARE THE BCC PROPOSED REVISIONS AT 7.3.4.1.4?**

4 A. Section 7.3.4.1.4 of the proposed agreement states:

5 Neither Party shall be responsible to the other for call termination  
6 charges associated with third party traffic that transits such Party's  
7 network; provided, that this limitation shall not apply to Exchange  
8 Access traffic delivered through local Tandems or Exchange Access  
9 traffic without sufficient detail for billing that is delivered through  
10 Access Tandems.

11 **Q. WHAT IS THE EFFECT OF BCC'S PROPOSED REVISION TO THIS**  
12 **SECTION AND QWEST'S RESPONSE?**

13 A. I understand that Beaver Creek wants to require Qwest to pay termination  
14 charges for third-party traffic that Qwest delivers to Beaver Creek (transit  
15 traffic) if that is delivered without sufficient detail to allow BCC to bill the  
16 originating carrier for it. Qwest passes on to Beaver Creek any signaling  
17 information, unaltered, that it receives from originating carriers. Thus, the  
18 absence of data is not due to any fault of Qwest's. Beaver Creek's  
19 position is inconsistent with the law.<sup>13</sup>

20 The basis of Qwest's proposed text is 47 U.S.C. § 252:

21 252(d)(2) CHARGES FOR TRANSPORT AND TERMINATION OF  
22 TRAFFIC.--

---

<sup>13</sup> In its Ruling dated May 13, 2005, in Docket No. UCB 18, the Commission determined that Beaver Creek may not recover access charges from Qwest where Qwest acts as a transit provider for toll calls. "Although someone is liable to BCT for those charges, . . . I find that Qwest is not the responsible party . . ." *Id.* at 10.



1 (A) IN GENERAL.--For the purposes of compliance by an incumbent  
2 local exchange carrier with section 251(b)(5), a State commission  
3 shall not consider the terms and conditions for reciprocal  
4 compensation to be just and reasonable unless—

5 (i) such terms and conditions provide for the mutual and reciprocal  
6 recovery by each carrier of costs associated with the transport and  
7 termination on each carrier's network facilities of calls *that originate*  
8 *on the network facilities of the other carrier.*

9 The third-party traffic discussed at 7.3.4.1.4 does not, by definition,  
10 originate on the network facilities of either Qwest or BCC. A transit call  
11 involves at least three LECs and the intermediate LEC(s) supplying transit  
12 service to the originating LEC. Rule 252(d)(2) is clear that the terminating  
13 LEC may not bill the LEC who did not originate the call. No rule allows the  
14 terminating LEC to bill the intermediate LEC. When Qwest has transited a  
15 call to Beaver Creek, Qwest has not originated that call and the law does  
16 not allow Beaver Creek to bill Qwest for that call.

17 **Q. DO YOU HAVE ANY OTHER COMMENTS ON BCC'S PROPOSED**  
18 **REVISIONS?**

19 A. Beaver Creek confuses matters by using the term "Exchange Access" in a  
20 paragraph devoted to describing billing for transit service. "Exchange  
21 Access" is, by definition, originated by a Qwest retail subscriber and so is  
22 not third-party-originated, and is not associated with transit service. From  
23 the undisputed text at section 4 of the agreement:

24 "Exchange Access" (IntraLATA Toll) as used in Section 7 is defined  
25 in accordance with Qwest's current IntraLATA toll serving areas, as  
26 determined by Qwest's state and interstate Tariffs and excludes toll  
27 provided using Switched Access purchased by an IXC. "Exchange

1           Access" as used in the remainder of the Agreement shall have the  
2           meaning set forth in the Act.

3           "Exchange Access", as the term is narrowly defined in section 7 of the  
4           agreement, is necessarily an intraLATA toll call originated by a Qwest  
5           retail subscriber who elected to use Qwest the incumbent LEC as its  
6           presubscribed intraLATA toll provider. No classic interexchange carrier is  
7           involved in an Exchange Access call.<sup>14</sup> Qwest has paid access tariff  
8           charges assessed by Beaver Creek when Beaver Creek has terminated  
9           Exchange Access calls in the past. Qwest has freely supplied call detail  
10          for these calls and Beaver Creek receives call detail records from the Data  
11          Distribution Center in Oregon for these intrastate/intraLATA calls.

12          Because the Beaver Creek proposed text is inconsistent with the law,  
13          misplaced and confusing, it should be denied.

14   **Q. IS THERE A DISPUTE BETWEEN THE PARTIES REGARDING SECTION**  
15    **7.3.6?**

16    A.    Beaver Creek's Petition identifies section 3.6 as being in dispute (p. 4);  
17          however, based on the language set forth in Appendix A to the Petition,  
18          which I understand to set forth BCC's proposed language, I do not think  
19          there is a dispute between the parties regarding section 7.3.6. Appendix  
20          A to BCC's Petition in this docket contains language at section 7.3.6 which  
21          is acceptable to Qwest. Because Appendix A at section 7.3.6 contains no

---

<sup>14</sup> Qwest's interexchange carrier affiliate is not involved in an Exchange Access call. Where the term "exchange access" is used elsewhere in the agreement, it has broader meaning.

1 revisions similar to what were reflected in section 7.3.7.4 of Appendix A, I  
2 understand that BCC and Qwest do not dispute the content of section  
3 7.3.6 or its subsections.

4 **VI. ISSUE 4: TRANSPORT OF THIRD-PARTY TRAFFIC**

5 **Q. WHAT IS THE BASIS OF QWEST-PROPOSED TEXT AT 7.3.2.1.2 AND**  
6 **BCC'S PROPOSED REVISION?**

7 A. Section 7.3.2.1.2 of the proposed agreement states:

8 When DTT is provided to a local ~~or Access Tandem~~ Switch for  
9 Exchange Service traffic or to an Access Tandem Switch for  
10 Exchange Access or Jointly Provided Switched Access traffic, the  
11 applicable DTT rate elements apply between the Serving Wire  
12 Center and the Tandem Switch. Additional rate elements for  
13 delivery of traffic to the terminating End Office Switch are tandem  
14 switching and tandem transmission. These rates are described  
15 below.

16 Qwest's intent with its proposed language is to permit charges for DTT  
17 provided to either local or access tandems at TELRIC-based rates.  
18 Beaver Creek seeks to delete Qwest's proposed reference to Direct  
19 Trunked Transport (DTT) associated with a Qwest Access Tandem  
20 switched call. In this case, the DTT exists between Qwest's Oregon City  
21 Serving Wire Center and Qwest's tandem switch location in downtown  
22 Portland. I expect that BCC plans to send no local calls to Qwest's  
23 Access Tandem switch and so considers the existing dedicated transport  
24 to be subject to the National Exchange Carrier Association (NECA) 4 Tariff  
25 meet-point billing conventions. Qwest end offices do not send local calls

1 to Qwest's Access Tandem switch for routing on to BCC, but BCC's  
2 proposal is still problematic for several reasons.

3 First, Qwest and BCC have not submitted a joint NECA 4 filing, which  
4 would be required if Qwest and BCC were going to avoid billing one  
5 another and instead each recover these costs via interexchange carrier  
6 meet-point billing.<sup>15</sup> If BCC intended to submit a joint NECA 4 filing with  
7 Qwest, BCC would need a unique Operating Company Number ("OCN")  
8 that it does not now have. Qwest and BCI have submitted joint NECA 4  
9 filings. Qwest expects that it cannot force BCC or any other  
10 interconnected carrier to submit a joint NECA 4 filing. As a result, Qwest  
11 has repeatedly agreed to bill a CLEC at a TELRIC-based rate for Qwest-  
12 provided dedicated transport to an Access Tandem while at the same time  
13 agreeing Qwest will not bill an interexchange carrier for the same transport

---

<sup>15</sup> From [http://www.neca.org/source/NECA\\_AccessSupport\\_954.asp](http://www.neca.org/source/NECA_AccessSupport_954.asp):

"NECA's Tariff FCC No. 4 is your company's legal billing authority for your interstate access service charges. Tariff No. 4 is the database that carriers reference for the ordering, billing, and provisioning of interstate access services in North America. Tariff No. 4 contains information on telecommunications providers that describes the location and technical capabilities of the wire centers which provide interstate access. It also contains interconnection information that supports the ordering, billing, and provisioning of interstate access services. The tariff is essentially composed of three sections: Wire Center (Vertical and Horizontal Coordinates), Billing Percent (BP), and Subtending Wire Center. Tariff No. 4 contains the basis for determining the distance of any particular segment of interstate access transmission for the purposes of calculating a bill for interstate access services provided to an access customer. It is also useful for determining billing ratios when services are jointly provided by more than one carrier. Tariff No. 4 is a database of information describing the location and technical capabilities of EC wire centers from which interstate access service is provided, as well as information on billing agreements. Actual rates, terms and conditions for access services are contained in a participant's Interstate Access Tariff(s) or in contracts."

1 via the meet-point billing procedure. This allows BCC to bill an  
2 interexchange carrier for the same transport at BCC's tariff rate  
3 (presumably above Qwest's TELRIC-based rate). By contrast, when  
4 Qwest and an interconnected carrier have submitted a joint NECA 4 filing,  
5 each carrier bills an interexchange carrier for a percentage of the transport  
6 distance at each carrier's tariffed rate. Since BCC and Qwest have not  
7 filed Billing Percentages in the NECA 4 Tariff, Qwest prefers to use a  
8 contract that allows BCC to bill an interexchange carrier for the entire  
9 distance between the Qwest tandem and the BCC switch at the BCC tariff  
10 rate while Qwest bills BCC at a lower TELRIC-based rate for the distance  
11 between the Qwest tandem switch and the BCC network interface. If the  
12 BCC deletion were adopted here, Qwest would have no opportunity to  
13 recover from either the interexchange carrier or from BCC any cost for the  
14 transport necessary to move Jointly-Provided Switched Access ("JPSA")  
15 calls from Qwest's Access Tandem switch to the network interface with  
16 BCC, a distance of over 15 miles.

17 A second reason Qwest's proposed text is more appropriate is that other  
18 carriers deliver local calls to Qwest at the Qwest Access Tandem<sup>16</sup> and  
19 some of those calls are destined for BCC retail subscribers. Since this is  
20 the case, a path between the Qwest Access Tandem switch and the

---

<sup>16</sup> This is per the effective arbitrated and negotiated agreements between Qwest and other CLECs. Section 251(c)(2) of the Telecommunications Act requires incumbent LECs to supply interconnection to any requesting telecommunication carrier at any technically feasible point, which presumably includes interconnection at its toll tandem switches.

1 Beaver Creek switch needs to carry these calls. Regardless of whether  
2 certain calls each follow separate trunk groups versus a single trunk group  
3 from Qwest's Access Tandem switch to the network interface with BCC,  
4 as addressed by Ms. Cederberg, there can be no doubt that the calls  
5 between the two locations do now exist. If Beaver Creek contends that  
6 DTT charges should not apply here because all traffic between its switch  
7 and the Qwest Access Tandem switch must be toll in nature, that stance is  
8 not accurate. The traffic is not all toll, and DTT charges do properly apply  
9 to JPSA/toll in this case.<sup>17</sup> BCC should pay at the TELRIC-based rate that  
10 Qwest proposes regardless of whether the local calls follow the path or do  
11 not unless BCC and BCI propose to operate according to a single contract  
12 with Qwest. If a single contract is used, then existing NECA 4 Billing  
13 Percentages can be adjusted to BCI's advantage through a new joint filing  
14 involving the existing OCN.

15 For these reasons, BCC's proposal to delete the Access Tandem  
16 reference in paragraph 7.3.2.1.2 is not proper and Qwest's proposed  
17 language should be approved.

18 **Q. WHAT IS THE BASIS OF QWEST-PROPOSED TEXT AT 7.2.1.2.4 AND**  
19 **BEAVER CREEK'S PROPOSED REVISIONS?**

20 A. Section 7.2.1.2.4 of the proposed agreement states:

---

<sup>17</sup> This is addressed in Qwest's proposed Exhibit H.

1 Transit traffic is any traffic that originates from one  
2 Telecommunications Carrier's network, transits another  
3 Telecommunications Carrier's network, and terminates to yet  
4 another Telecommunications Carrier's network. For purposes of the  
5 Agreement, transit traffic does not include traffic carried by  
6 Interexchange Carriers. That traffic is defined as Jointly Provided  
7 Switched Access. Transit service is provided by Qwest, as a local  
8 and Access Tandem Switch provider, to CLEC to enable the  
9 completion of calls originated by or terminated to another  
10 Telecommunications Carrier (such as another CLEC, an existing  
11 LEC, or a wireless Carrier), which is connected to Qwest's local or  
12 Access Tandem Switches. ~~To the extent that CLEC's Switch~~  
13 ~~functions as a local or Access Tandem Switch, as defined in this~~  
14 ~~Agreement,~~CLEC may also provide transit service to Qwest.

15 Here Beaver Creek seeks to delete text originally proposed by other  
16 CLECs that was reflected in Qwest's negotiation agreement template.  
17 Because the final text is shown in normal font above, it should be  
18 understood that Qwest agrees that Beaver Creek is allowed in this  
19 contract to supply transit service to Qwest, contrary to Beaver Creek's  
20 statement in its Petition (pp. 4-5). I am confident that BCC would agree it  
21 is providing transit service to Qwest when its switch functions as a  
22 tandem.<sup>18</sup> By its recommended deletion at 7.2.1.2.4, it appears that BCC  
23 wants the agreement to state that BCC is providing transit service to  
24 Qwest even when its switch is not functioning as a tandem. This is  
25 contrary to 47 C.F.R. § 51.711(a)(3):

26 Where the switch of a carrier other than an incumbent LEC serves a  
27 geographic area comparable to the area served by the incumbent  
28 LEC's tandem switch, the appropriate rate for the carrier other than  
29 an incumbent LEC is the incumbent LEC's tandem interconnection  
30 rate.

---

<sup>18</sup> A tandem switch does not connect lines to trunks. A tandem switch connects only trunks to trunks.

1 This rule allows BCC to bill Qwest for tandem switching when its switch  
2 does not function as a tandem, yet serves a geographic area comparable  
3 to the area served by Qwest's tandem switch<sup>19</sup>, but this rule applies only  
4 when BCC is terminating an Exchange Service call from a Qwest retail  
5 subscriber to a BCC retail subscriber. I understand that 47 C.F.R. §  
6 51.711 specifically addresses only non-transit traffic because the FCC  
7 WCB in DA 02-1731, an arbitration in Virginia, advised at paragraph 117:

8 In the absence of such a precedent or rule, we decline, on delegated  
9 authority, to determine for the first time that Verizon has a section  
10 251(c)(2) duty to provide transit service at TELRIC rates.  
11 Furthermore, any duty Verizon may have under section 251(a)(1) of  
12 the Act to provide transit service would not require that service to be  
13 priced at TELRIC.

14 This leads me to understand that 47 C.F.R. § 51.711 is solely addressing  
15 calls originated by one carrier and terminating to the other, not third-party  
16 transiting calls since the FCC makes clear its rules do not address  
17 transiting calls. For this reason, BCC's proposed deletion at 7.2.1.2.4 of  
18 the parties' agreement is unwarranted.

19 **Q. COULD THE BCC-PROPOSED DELETION AT SECTION 7.1.2.4**  
20 **STIMULATE FUTURE DISAGREEMENT?**

21 A. Yes, the BCC proposed deletion at section 7.1.2.4 could stimulate future  
22 disagreement. BCC should not be in a position to claim it is transiting  
23 calls to BCI such that Qwest cannot trunk directly to BCI. BCC and BCI  
24 use the same switch. Certainly Qwest should not be billed twice for call

---

<sup>19</sup> See § 4, "Tandem Office Switch" of the parties' current interconnection agreement.



1 termination, once by BCC and again by the carrier whose switch subtends  
2 the BCC switch. Qwest is concerned that the deletion may create a  
3 circumstance where, for an individual call, Qwest is billed by BCC for  
4 transport, tandem switching and end office switching for a call that BCC  
5 relays to a third party (perhaps even to its own affiliated operation, BCI),  
6 and BCI also bills Qwest for the same transport and end office switching.

7 **Q. WHAT IS THE BASIS OF QWEST'S PROPOSED DEFINITION OF**  
8 **ACCESS TANDEM SWITCH AT SECTION 4 OF THE AGREEMENT AND**  
9 **BEAVER CREEK'S RESPONSE?**

10 A. Section 4 of the proposed agreement states:

11 "Access Tandem Switch" is a Switch used to connect End Office  
12 Switches to interexchange Carrier Switches. Qwest's Access  
13 Tandem Switches are also used to connect and switch traffic  
14 between and among Central Office Switches within the same LATA  
15 and may be used for the exchange of local traffic.

16 Consistent with its recommendations at 7.3.2.1.2, BCC at section 4 seeks  
17 to delete Qwest's proposed statement that an Access Tandem may be  
18 used in the exchange of local traffic. Qwest's basis of disagreement is the  
19 same as I previously discussed regarding paragraph 7.3.2.1.2. Qwest's  
20 proposed text is appropriate because other carriers deliver local calls to  
21 Qwest at the Qwest Access Tandem<sup>20</sup> and some of those calls are  
22 destined for Beaver Creek retail subscribers. Since this is the case, the

---

<sup>20</sup> This is per the effective arbitrated and negotiated agreements between Qwest and other CLECs. Section 251(c)(2) of the Telecommunications Act requires incumbent LECs to supply interconnection to any requesting telecommunication carrier at any technically feasible point, which presumably includes interconnection at its toll tandem switches.

1 Qwest Access Tandem switch must process these calls. The parties'  
2 switches cannot determine whether a call is local or toll during call  
3 processing.<sup>21</sup> If a call path is available, a switch efficiently forwards the  
4 call toward its destination. Determination of the jurisdiction of a call is  
5 performed long after the call has occurred using the record of the call.

6 For these reasons, BCC's proposal to delete the Access Tandem  
7 reference in paragraph 7.3.2.1.2 is not proper and Qwest's language  
8 should be approved.

9 **Q. WHAT IS THE BASIS OF THE QWEST PROPOSED DEFINITION OF**  
10 **TANDEM OFFICE SWITCH AT SECTION 4 OF THE AGREEMENT?**

11 A. Section 4 of the proposed agreement states:

12 "Tandem Office Switches" (or "Tandem Switches") which are used  
13 to connect and switch trunk circuits between and among other End  
14 Office Switches. CLEC Switch(es) shall be considered Tandem  
15 Office Switch(es) to the extent such Switch(es) ~~serve(s) a~~  
16 ~~comparable geographic area as Qwest's Tandem Office Switch. A~~  
17 ~~fact-based consideration by the Commission of geography should~~  
18 ~~be used to classify any Switch on a prospective basis~~ is a Tandem  
19 Switch as registered in the LERG.

20  
21 The basis of Qwest's proposed text is FCC Order No. 96-325 at paragraph  
22 1090. There the FCC said:

23 We find that the "additional costs" incurred by a LEC when  
24 transporting and terminating a call that originated on a competing  
25 carrier's network are likely to vary depending on whether tandem  
26 switching is involved. We, therefore, conclude that states may

---

<sup>21</sup> Ms. Cederberg describes this technical infeasibility.

1 establish transport and termination rates in the arbitration process  
2 that vary according to whether the traffic is routed through a tandem  
3 switch or directly to the end-office switch. In such event, states shall  
4 also consider whether *new technologies* (e.g., fiber ring or wireless  
5 networks) perform functions similar to those performed by an  
6 incumbent LEC's tandem switch and thus, whether some or all calls  
7 terminating on the new entrant's network should be priced the same  
8 as the sum of transport and termination via the incumbent LEC's  
9 tandem switch. Where the interconnecting carrier's switch serves a  
10 geographic area comparable to that served by the incumbent LEC's  
11 tandem switch, the appropriate proxy for the interconnecting carrier's  
12 additional costs is the LEC tandem interconnection rate.

13 The FCC rules<sup>22</sup> provide that:

14 Where the switch of a carrier other than an incumbent LEC serves a  
15 geographic area comparable to the area served by the incumbent  
16 LEC's tandem switch, the appropriate rate for the carrier other than  
17 an incumbent LEC is the incumbent LEC's tandem interconnection  
18 rate.

19 Qwest's proposed language is directly supported by the FCC rule. The  
20 basis for Beaver Creek's proposed revision is not in the law. The law does  
21 not reference the LERG (Local Exchange Routing Guide). Qwest's  
22 proposed text should stand because it matches the federal rule.

23 **Q. WHAT IS THE BASIS OF QWEST-PROPOSED TEXT AT SECTION 7.3.1**  
24 **AND BCC'S PROPOSED REVISIONS?**

25 A. Section 7.3.1 of the proposed agreement provides:

26 The Reciprocal Compensation provisions of this Agreement shall  
27 apply to the exchange of Exchange Service traffic between CLEC's  
28 network and Qwest's network. Where either Party acts as an  
29 IntraLATA Toll provider, each Party shall bill the other the  
30 appropriate charges pursuant to its respective tariff or price lists.  
31 Where either Party interconnects and delivers traffic to the other

---

<sup>22</sup> 47 C.F.R. § 51.711(a)(3).

1 from third parties, each Party shall bill such third parties the  
2 appropriate charges pursuant to its respective tariffs, price lists or  
3 contractual offerings for such third party terminations. Absent a  
4 separately negotiated agreement to the contrary, the Parties will  
5 directly exchange traffic between their respective networks without  
6 the use of third party transit providers.

7 The basis of Qwest's position on paragraph 7.3.1 is 47 U.S.C. § 251(b)(5)  
8 which obligates all Local Exchange Carriers (LECs) to "establish  
9 reciprocal compensation arrangements for the transport and termination of  
10 telecommunications." BCC's proposed deletion reflects its incorrect  
11 position that BCC and Qwest do not need a reciprocal compensation  
12 arrangement if a third-party carrier relays calls between Qwest and BCC.  
13 Section 252(d)(2) states that, for the purpose of compliance by an  
14 incumbent LEC with section 251(b)(5), a state commission shall not  
15 consider the terms and conditions for reciprocal compensation to be just  
16 and reasonable unless such terms and conditions both: (1) provide for the  
17 "mutual and reciprocal recovery by each carrier of costs associated with  
18 the transport and termination on each carrier's network facilities of calls  
19 that originate on the network facilities of the other carrier," and (2)  
20 "determine such costs on the basis of a reasonable approximation of the  
21 additional costs of terminating such calls." At Section 7.3.1, the parties  
22 should be clear that this agreement involves traffic moving on trunk groups  
23 with one end on a BCC switch and the other end on a Qwest switch . . .  
24 directly.

1 The FCC discussed reciprocal compensation at section XI(A) of FCC  
2 Order No. 96-325. This FCC First Report and Order closely followed  
3 Congress' passage of the 1996 Telecommunication Act. FCC  
4 determinations based on this discussion are captured in many rules at  
5 Title 47 of the Code of Federal Regulation, § 51. In almost 100  
6 paragraphs of FCC commentary in the FCC Order, the focus is solely on  
7 the direct exchange of calls between two LECs. Calls involving three  
8 LECs are not discussed. Because the FCC's statements are consistent  
9 with the paragraph Qwest seeks to include in the parties' agreement, the  
10 Qwest version of the contract paragraph should be approved.

11 Finally, the sentence that BCC seeks to delete has been a part of every  
12 Oregon Qwest interconnection agreement since 2000. The OPUC has  
13 repeatedly approved agreements containing this text. It is not clear why  
14 BCC now finds fault with this sentence.

15 Qwest is now directly interconnected to both BCC and to BCI. Indirect  
16 interconnection does not exist between Qwest and either operation of  
17 Beaver Creek. BCC's position appears to be that the parties may  
18 exchange traffic through a third-party transit provider without negotiating a  
19 separate agreement. Qwest's proposed language is appropriate because  
20 if the parties exchange traffic through a third-party intermediary, a  
21 separate agreement would be appropriate to clarify what intercarrier  
22 compensation system applies to different possible arrangements. If, for

1 example, a call were switched at two tandems as it moved from originating  
2 switch to terminating switch, a separate agreement could ensure that  
3 carriers were not billed twice for the same switching or transport function.  
4 The separate agreement might also clarify that either carrier could bypass  
5 the intermediary with its originating traffic. The requirement of a separate  
6 agreement does not preclude BCC from using a third-party transit provider  
7 to exchange traffic with Qwest, as BCC claims in its Petition (p. 4).  
8 Rather, it would simply require BCC to negotiate an appropriate  
9 amendment for the use of a third-party transit provider. BCC, however,  
10 has not offered any terms for the use of such third-party providers, and it  
11 is evidently requesting a blanket license to utilize any third-party provider  
12 without specifying the terms and conditions that would apply. It is not  
13 unreasonable for Qwest to require that the parties negotiate these terms  
14 and conditions since use of an intermediary is not a common occurrence,  
15 and Qwest would need to ensure that applicable standards are  
16 encompassed and that financial outcomes are predictable and consistent  
17 with law.

18 Because the Qwest-proposed text at Section 7.3.1 is consistent with  
19 federal law and with the approved contracts between Qwest and thirty  
20 carriers who are now interconnected with Qwest in Oregon, BCC's  
21 proposed deletion should be rejected.

1                   **VII. ISSUE 5: PHANTOM TRAFFIC**

2   **Q. WHAT IS PHANTOM TRAFFIC?**

3   A.    So-called “phantom traffic” is intercarrier calling involving at least three  
4           carriers that is not easily billed because the signaling or recording of the  
5           call lacks detail such that the identity of the originating carrier is unknown  
6           and/or the jurisdiction of the call is uncertain to the downstream carriers.

7   **Q. DOES IMPROPER CALL ROUTING CREATE PHANTOM TRAFFIC?**

8   A.    No, improper call routing is not the root cause of phantom traffic. To the  
9           extent that elimination of phantom traffic is the goal of BCC’s proposed  
10          revisions at paragraphs 7.2.2.9.3.1 and 7.2.2.9.6, as addressed in Ms.  
11          Cederberg’s testimony, I expect that routing traffic on various individual  
12          trunk groups is not the best solution.

13   **Q. WHAT CAN QWEST DO TO SUPPORT BCC’S BILLING THE**  
14   **ORIGINATING CARRIER FOR TERMINATION OF THIS TRAFFIC?**

15   A.    Qwest can supply records of calls that terminating carriers can use to rate  
16           and bill originating carriers and IXCs. Carriers who supply transit service  
17           should make these records available. Qwest-supplied transit records  
18           contain the identity of the carrier from whom Qwest received each  
19           incoming call that was transited to BCC. Qwest-supplied records contain  
20           the calling number<sup>23</sup> when that number was sent to Qwest by the

---

<sup>23</sup> The calling number is sometimes a “Charge Number” which reflects the billable party who is financially responsible for origination of the call.

1           originating carrier. Terminating carriers who can identify the necessary  
2           detail from a call's real-time interswitch signaling information may not want  
3           or need these records. Carriers who have bill-and-keep agreements with  
4           originating carriers may not want or need these records. The current  
5           Qwest-BCC agreement reflects that these records cost \$.0025 each.  
6           Beaver Creek does not currently purchase these records from Qwest.

7           **Q.   WHAT IS THE BASIS OF QWEST'S PROPOSED VERSION OF SECTION**  
8           **7.2.2.3.3 AND BCC'S PROPOSED REVISIONS?**

9           A.   Section 7.2.2.3.3 of the proposed agreement states:

10                   7.2.2.3.3           The So long as traffic is properly routed, the  
11                   originating company is responsible for payment of appropriate  
12                   rates to the transit company and to the terminating company. The  
13                   Parties agree that it is each Party's sole responsibility to seek to  
14                   enter into traffic exchange agreements with third party  
15                   Telecommunications Carriers prior to delivering traffic to be  
16                   transited to third party Telecommunications Carriers. In the event  
17                   one Party originates traffic that transits the second Party's  
18                   network to reach a third party Telecommunications Carrier with  
19                   whom the originating Party does not have a traffic exchange  
20                   agreement, then the originating Party will indemnify, defend and  
21                   hold harmless the second Party against any and all charges  
22                   levied by such third party Telecommunications Carrier, including  
23                   any termination charges related to such traffic and any attorneys  
24                   fees and expenses. In the case of Exchange Access traffic where  
25                   Qwest is the designated IntraLATA Toll provider for existing  
26                   LECs, Qwest will be responsible for payment of appropriate  
27                   usage rates. If either Party delivers traffic to the other Party  
28                   without providing sufficient call detail for billing purposes and, in  
29                   the case of Jointly Provided Switched Access traffic, without an  
30                   industry standard terminating access record, upon request of the  
31                   terminating Party, the other Party will deliver all available call  
32                   records, without charge, to assist the terminating Party in  
33                   rendering an accurate bill for such terminating traffic.



1 Qwest opposes this BCC proposed language for several reasons. First, it  
2 is always debatable whether a call was properly routed or was not. BCC's  
3 first revision invites the disagreement and is likely to generate ongoing  
4 disputes between the parties. Second, parties' disagreement over  
5 compensation should not turn on the routing of a call but rather on the  
6 classification, such as Exchange Service, Exchange Access, and  
7 Information Access. The definitions of these classifications do not reflect  
8 call routing. Finally, in Qwest's role as a provider of indirect  
9 interconnection, federal rules do not permit it to be placed in a position of  
10 needing to (1) block certain transit calls, or (2) supply call records at no  
11 charge or, alternatively, (3) pay premium rates to downstream carriers for  
12 calls it did not originate. BCC's proposed revisions would allow it to  
13 subjectively decide whether it was satisfied that any call record "provided  
14 sufficient call detail for billing purposes" or did not. BCC's proposed  
15 revisions would create a dilemma for Qwest that is not consistent with law  
16 and it would allow BCC an open-ended opportunity to be supplied a free  
17 service. For these reasons, the BCC-proposed revisions should be  
18 rejected.

19 **Q. WHAT IS THE BASIS OF QWEST'S PROPOSED VERSION OF SECTION**  
20 **7.3.7.4 AND BCC'S PROPOSED REVISIONS?**

21 A. Section 7.3.7.4 of the proposed agreement states:

22 ~~Category 11 mechanized record charge, per record, for records~~  
23 ~~provided to the terminating Party, as contained in Exhibit A.~~

1 A "category 11 mechanized record" is an item in an industry standard  
2 electronic file that is shared between carriers who collaborate to complete  
3 calls. Nowhere in the standards or in the law is it required that these  
4 records be shared at no charge, yet that is BCC's position. Qwest's rate is  
5 reasonable. In a typical month, Beaver Creek receives just over one  
6 million minutes of calls transited by Qwest. If the calls were typically three  
7 minutes in duration, the records associated with these calls would cost  
8 Beaver Creek about \$900/month. This is not a critical financial burden for  
9 BCC. Here Qwest is reasonably recovering the cost of the service it is  
10 supplying. Qwest faces material expense to generate and supply these  
11 records. To the extent this expense is viewed otherwise by BCC, BCC  
12 could obtain the same records from originating carriers by negotiating  
13 either direct or indirect interconnection agreements with the originating  
14 carriers. Those agreements could specify a sharing of records whether  
15 the parties are directly connected or are not directly connected. I expect  
16 that Beaver Creek could make considerable progress in alleviating its  
17 phantom traffic problem, and recovering its costs from originating carriers,  
18 by purchasing these records either from Qwest or from the originating  
19 carrier. This minor expense would allow for the most efficient call routing  
20 at the same time since BCC would not need to rely on call routing to be  
21 the basis for its call rating.<sup>24</sup>

---

<sup>24</sup> On the other hand, if Qwest were required to provide these records to BCC at no charge,

1 **Q. WHAT IS THE BASIS OF QWEST'S PROPOSED SECTION 7.5.4 OF THE**  
2 **AGREEMENT AND BCC'S PROPOSED REVISIONS?**

3 A. Section 7.5.4 of the proposed agreement states:

4 Except as otherwise set forth in this Agreement, Aa charge will apply  
5 for Category 11-01-XX and 11-50-XX records sent in an EMR  
6 mechanized format. These records are used to provide information  
7 necessary for each Party to bill the Interexchange Carrier for Jointly  
8 Provided Switched Access Services and 8XX database queries.  
9 The charge for each ~~B~~billable ~~R~~record created and transmitted is  
10 listed in Exhibit A of this Agreement.

11 The basis of Qwest's proposed text is the same as was discussed in the  
12 previous description of 7.3.7.4, except that this section applies to Jointly  
13 Provided Switched Access. Qwest's rate is reasonable. Here, BCC  
14 presumably desires that the parties should supply these call records to  
15 each other without an associated charge. Nowhere in the law is it  
16 required that these records be supplied at no charge, yet that is BCC's  
17 position. I suspect that the basis of BCC's stance on this may be the  
18 same one associated with its desire for a permanent presumption of  
19 balanced traffic as discussed early in my testimony. BCC may argue that  
20 the parties should not bill one another since each is supplying to the other  
21 approximately the same volume of these records. Qwest is not convinced  
22 that the volumes are offsetting and so asks that these records not be  
23 subject to bill-and-keep as BCC suggests. I do not believe that there is

---

then Qwest could be required to provide them at no charge to all CLECs in Oregon. While the charge is minor for BCC, waiving the charge for all CLECs could be significant for Qwest.

1 disagreement between the parties regarding capitalization of “billing  
2 record” in 7.3.7.4.

3 In a typical month, Qwest could supply about 60,000 jointly provided  
4 switched access call records to Beaver Creek. The cost of these records  
5 is about \$150. This is not a financial hardship to Beaver Creek.<sup>25</sup>

6 **Q. WHAT IS THE BASIS OF QWEST'S PROPOSED SECTION 7.6.1 OF THE**  
7 **AGREEMENT?**

8 A. Section 7.6.1 of the proposed agreement states:

9 Qwest and CLEC will exchange wireline network usage data for  
10 Jointly Provided Switched Access Service originated by a wireline  
11 Local Exchange Carrier (LEC) where the NXX resides in a wireline  
12 LEC Switch, transits Qwest's network, and terminates to CLEC's  
13 network. Each Party agrees to provide to the other this wireline  
14 network usage data when Qwest or CLEC acts as a transit provider  
15 currently or in the future. The Parties understand that this  
16 information is Carrier proprietary information under §222 of the Act  
17 and shall be used solely for the purposes of Billing the wireline LEC.  
18 CLEC will provide to Qwest information to be able to provide transit  
19 records on a mechanized basis when Technically Feasible. The  
20 information to be exchanged includes, but is not limited to: service  
21 center information, operating company number, and state  
22 jurisdiction. Qwest and CLEC agree to exchange wirelineJointly  
23 Provided Switched Access Service network usage data as Category  
24 11-01-XX.

25 The basis of Qwest's proposed text is 47 U.S.C. 251:

26 INTERCONNECTION.

---

<sup>25</sup> Again, if Qwest were required to provide these records to BCC at no charge, then Qwest could be required to provide them at no charge to all CLECs in Oregon. While the charge is minor for BCC, waiving the charge for all CLECs could be significant for Qwest.

1 (a) GENERAL DUTY OF TELECOMMUNICATIONS CARRIERS.-  
2 -Each telecommunications carrier has the duty—

3 (1) to interconnect directly or indirectly with the facilities  
4 and equipment of other telecommunications carriers

5 Transit service is how Qwest accommodates indirect interconnection  
6 among local carriers. Call detail records of transited calls are optionally  
7 available to carriers who receive the traffic that Qwest has transited.  
8 These records are reasonably priced. Qwest does not preclude other  
9 carriers from competing with Qwest for transit service and Qwest actually  
10 aids carriers who seek to create direct interconnection with each other.  
11 Direct interconnection makes Qwest-provided transit service unnecessary.

12 BCC seeks to insert references to jointly provided switched access in  
13 section 7.6.1. This is a mistake for several reasons.

14 First, jointly provided switched access is addressed in section 7.5, not 7.6.  
15 Section 7.6 regards transit service, not jointly provided switched access  
16 service. These call types are not the same.

17 Second, section 7.6.1 includes a phrase:

18 . . . [records] shall be used solely for the purposes of billing the  
19 wireline LEC.

20 Records of jointly provided switched access calls are used solely by LECs  
21 to bill interexchange carriers. Records of jointly provided switched access  
22 calls are not used by wireline LECs to bill each other. This is clear based  
23 on the undisputed text at 7.5.1 of the agreement where the parties agree

1 to follow industry guidelines (MECAB and MECOD) which involve the  
2 intercarrier supply of the call records.

3 Finally, if this paragraph is modified per BCC's request, no similar  
4 paragraph exists to make similar commitments about transit call records.  
5 Transit calls do not involve classic interexchange carriers and jointly  
6 provided switched access calls always involve interexchange carriers.  
7 The two call types are independent of each other.

8 Because BCC has advocated a position on jointly provided switched  
9 access in a contract section not involving that topic, BCC's proposed text  
10 should be denied.

11 **Q. WHAT IS THE BASIS OF QWEST'S PROPOSED SECTION 7.6.3 OF THE**  
12 **AGREEMENT AND BCC'S POSITION?**

13 A. Section 7.6.3 of the proposed agreement states:

14 7.6.3 A charge will apply for Category 11-01-XX records sent in  
15 an EMR mechanized format. These records are used to provide  
16 information necessary for each Party to bill the originating Carrier for  
17 transit when Technically Feasible. The charge for each Billable  
18 Record created and transmitted is listed in Exhibit A of this  
19 Agreement. There will be no charge for records related to intraMTA  
20 traffic.

21 Qwest is entitled to be compensated for collecting, collating and providing  
22 electronic files of call records if requested by BCC. Qwest is already  
23 providing BCC all signaling data that Qwest receives from originating  
24 carriers. BCC thinks such records should be prepared by Qwest and  
25 provided to BCC free of charge. Nothing in the law requires that these

1 records should be collected, sorted and supplied by Qwest to BCC at no  
2 charge. Qwest is not persuaded that bill-and-keep must apply here or that  
3 Qwest has an opportunity to recover its costs from another source. There  
4 is no cost to BCC if BCC opts not to receive these call records from  
5 Qwest. There is also considerable development cost if Qwest is expected  
6 to separate interMTA records from intraMTA records solely for BCC. An  
7 MTA is within a line on a map reflecting a wireless carrier's "Major Trading  
8 Area". Qwest is not a facilities-based provider of wireless service and  
9 Qwest mechanized call recording systems do not allow it to parse  
10 intraMTA calls from interMTA calls. Qwest will supply to any downstream  
11 carrier a record of wireless carrier originated calls, but Qwest relies on the  
12 wireless carrier's declaration of intraMTA versus interMTA to  
13 jurisdictionalize and rate these calls. To supply a separate accounting of  
14 interMTA versus intraMTA call records to Beaver Creek, considerable  
15 software enhancements that do not now exist would necessarily need to  
16 be created, which would entail significant cost. This is not Qwest's  
17 obligation. The BCC proposed revision should be rejected.

18

## VIII. CONCLUSION

19 **Q. WHAT IS YOUR RECOMMENDATION TO THE OREGON COMMISSION?**

20 A. For the reasons previously described in my testimony, I ask the Oregon  
21 Commission to find that Qwest proposed text at 7.3.1, 7.3.1.1.3.1,  
22 7.3.2.2.1, 7.3.4.1.1, 7.3.4.1.4, 7.3.2.1.2, 7.2.1.2.4, 7.2.2.3.3, 7.3.7.4, 7.5.4,

1           7.6.1, 7.6.3 and at section 4 is most appropriate for the parties'  
2           interconnection agreement.



1  
2  
3 **BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

4 **ARB 747**

5 In the Matter of Beaver Creek Cooperative  
6 Telephone Company's Petition for Arbitration  
7 of the Terms, Conditions, and Prices for  
8 Interconnection and Related Arrangements  
with Qwest Corporation.

**CERTIFICATE OF SERVICE**

9  
10 I certify that I have this day served the DIRECT TESTIMONY OF THOMAS R.  
11 FREEBERG by causing a copy to be sent via electronic mail and U.S. mail to:

12 Richard A. Finnigan  
13 Law Office of Richard A.  
14 Finnigan  
2112 Black Lake Blvd. SW  
Olympia, WA 98512

Alex M. Duarte  
Corporate Counsel  
Qwest Corporation  
Suite 810  
421 SW Oak Street  
Portland, OR 97204

15  
16 DATED: July 14, 2006.

17 **PERKINS COIE**

18  
19 By 

Lawrence H. Reichman, OSB No. 86083

20 Attorneys for Qwest Corporation  
21  
22  
23  
24  
25  
26