



Qwest
421 Southwest Oak Street
Suite 810
Portland, Oregon 97204
Telephone: 503-242-5420
Facsimile: 503-242-8589
e-mail: carla.butler@qwest.com

Carla M. Butler
Lead Paralegal

August 2, 2007

Frances Nichols Anglin
Oregon Public Utility Commission
550 Capitol St., NE
Suite 215
Salem, OR 97301

Re: IC 13

Dear Ms. Nichols Anglin:

Enclosed for filing in the above entitled matter please find an original and two (2) copies of Qwest Corporation's Supplemental Response to Commission Question Propounded by Judge Allan Arlow, along with a certificate of service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Carla".

Carla M. Butler

CMB:
Enclosure
L:\Oregon\Executive\Duarte\IC 13 (Universal)\IC 13 Transmittal Ltr (8-2-07).doc

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IC 13

UNIVERSAL TELECOMMUNICATIONS, INC.,

Plaintiff,

v.

QWEST CORPORATION,

Defendant

**QWEST CORPORATION'S
SUPPLEMENTAL RESPONSE TO
COMMISSION QUESTION
PROPOUNDED BY JUDGE ALLAN
ARLOW**

Pursuant to the request of Judge Allan Arlow in a procedural conference dated August 1, 2007, Qwest Corporation (“Qwest”) hereby responds to the additional question propounded by Judge Arlow on behalf of the Oregon Public Utility Commission (“Commission”).

Commission Question: Is any VNXX traffic currently being exchanged between Universal and Qwest in Oregon?

Qwest Response: Yes, Qwest believes that VNXX traffic continues to be exchanged. Prior to the effective date of the new interconnection agreement (“ICA”) between Qwest and Universal, Universal notified Qwest of its intent to place modems in three local calling areas (“LCAs”)—Corvallis, Roseburg, and Medford—in addition to the Eugene and Portland LCAs, where Universal has had modems for several years. Thus, all ISP traffic originating in those LCAs is treated as local, non-VNXX traffic. However, Universal has not, to Qwest’s knowledge, taken steps to place modems into the following LCAs from which ISP traffic is currently being originated and delivered to Universal: Astoria/Cannon Beach/Seaside, Baker City, Bend/Redmond, Florence/Mapleton, Hermiston, Klamath Falls, Newport, Pendleton,

Salem, and St. Helens. Thus, if Universal has not placed modems in any of these LCAs, the traffic originating from them is VNXX traffic.

Counsel for Qwest and Universal conferred on August 2, 2007 and both agreed that VNXX traffic continues to be exchanged between the parties.

Qwest wishes to explain the reasons VNXX service continues to be exchanged between Universal and Qwest.

First, it has been unclear to Qwest whether Universal intended to place modems in any other locations (or whether it has actually done so). Given that uncertainty, Qwest has been reluctant to disconnect trunks serving those areas.

Second, given that Universal has control over where it places modems, Universal is the party to the ICA that has control over whether traffic is routed as VNXX traffic or local traffic. Universal's decisions and network design, and not Qwest's, determines the routing of its traffic. Further, if Universal determines that it will not install modems in all LCAs, it—in its role as a CLEC with the control over numbering resources—could remove the NPA-NXX codes that result in VNXX from routing, which would eliminate the VNXX issues without the need to disconnect trunks. As the party that controls whether VNXX is employed for its managed modem service, the burden of compliance should be with Universal, as it designs and manages its own network and orders other network facilities from Qwest.

Third, significant uncertainty as to the Commission's position on banning VNXX has resulted from the Commission's recent order in the Qwest/Level 3 arbitration order in Docket ARB 665, where the Commission adopted a limited exception that allows the continuation of VNXX between Qwest and Level 3. Qwest recognizes that the decision in the Qwest/Level 3 docket approved a different ICA than is effective in this matter. However, the different approach

taken to VNXX in the Qwest/Level 3 docket has caused Qwest to pause in any effort to disconnect services that assist in the provision of VNXX service while the Universal federal court appeal was pending.

The foregoing provides Qwest's current understanding of the status of Universal's use of VNXX in Oregon. However, Qwest also respectfully notes that the central issues in the complaint filed by Universal relate to Universal's financial responsibility for transport (the RUF issue) and whether Qwest has failed to compensate Universal for terminating non-VNXX traffic. The evidence (as set forth in the affidavits of Ms. Batz, and as described in Qwest's Answer and its initial response to Commission questions) is clear that, even taking Universal's "disputes" at face value, at a minimum, Universal has a current undisputed financial obligation to Qwest of nearly \$200,000 that should be paid immediately.

DATED: August 2, 2007

Respectfully submitted,



Alex M. Duarte, OSB No. 02045
Qwest
421 SW Oak Street, Room 810
Portland, Oregon 97204
503-242-5623
503-242-8589 (facsimile)
Alex.Duarte@qwest.com

Ted D. Smith, Utah Bar No. 3017
STOEL RIVES LLP
201 South Main St. Suite 1100
Salt Lake City, UT 84111
801-578-6961
801-578-6999
tsmith@stoel.com
Pro Hac Vice Application In Process

Attorneys for Qwest Corporation

CERTIFICATE OF SERVICE

IC 13

I hereby certify that on the 2nd day of August, 2007, I served the foregoing **QWEST CORPORATION'S SUPPLEMENTAL RESPONSE TO COMMISSION QUESTION PROPOUNDED BY JUDGE ALLAN ARLOW** in the above-entitled docket on the following persons via U.S. Mail and electronic mail, by mailing a correct copy to them in a sealed envelope, with postage prepaid, addressed to them at their regular office address shown below, and deposited in the U.S. post office at Portland, Oregon, as well as submitting to the counsel listed below a courtesy electronic copy of same:

*Mark Trinchero
Davis Wright Tremaine LLP
1300 S.W. Fifth Ave., Suite 2300
Portland, OR 97201
marktrinchero@dwt.com

Jeffry Martin
Universal Telecom, Inc.
1600 SW Western Blvd., Suite 290
Corvallis, OR 97333
martinj@uspops.com

DATED this 2nd day of August, 2007.

QWEST CORPORATION



By: _____
Alex M. Duarte OSB No. 02045
421 SW Oak Street, Suite 810
Portland, OR 97204
Telephone: 503-242-5623
Facsimile: 503-242-8589
e-mail: alex.duarte@qwest.com

Attorney for Qwest Corporation