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July 28, 2006

VIA ELECTRONIC MAIL AND OVERNIGHT MAIL

Filing Center
Oregon Public Utility Commission
550 Capitol Street NE #215
P.O. Box 2148
Salem, OR 97308-2148

Re: ARB 665— **QWEST SUPPLEMENTAL REBUTTAL TESTIMONY**

Dear Sir or Madam:

Please find enclosed an original and five (5) copies of Qwest Corporation's Supplemental Rebuttal Testimony of William Easton (Testimony Qwest/36), Larry Brotherson (Testimony Qwest/37), and Philip Linse (Testimony Qwest/38). None of the testimony has any separate exhibits. An electronic copy of the testimony will be served electronically today on the Service List filed contemporaneous with this letter. Also attached is a certificate of service.

Please contact me with any questions.

Very truly yours,

A handwritten signature in cursive script that reads "Ted D. Smith".

Ted D. Smith

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

ARB 665

**In the Matter of the Petition of Level 3
Communications, LLC's Petition for
Arbitration Pursuant to Section 252 (b) of
the Communications Act of 1934 with Qwest
Corporation**

SUPPLEMENTAL REBUTTAL TESTIMONY OF

WILLIAM R. EASTON

FOR

QWEST CORPORATION

July 28, 2006

(Disputed Issue Nos. 1, 2, and 18)

TABLE OF CONTENTS

I.	IDENTIFICATION OF WITNESS	1
II.	PURPOSE OF TESTIMONY	1
III.	DISPUTED ISSUE NO. 1: COSTS OF INTERCONNECTION	2
IV.	DISPUTED ISSUE NO. 2 (A-B): COMBINING TRAFFIC ON INTERCONNECTION TRUNKS	6
V.	DISPUTED ISSUE NO. 18: JURISDICTIONAL ALLOCATION FACTORS	9
VI.	CONCLUSION	10

1

I. IDENTIFICATION OF WITNESS

2 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**
3 **ADDRESS.**

4 A. My name is William R. Easton. My business address is 1600 7th Avenue, Seattle
5 Washington. I am employed as Director – Wholesale Advocacy. I am testifying on
6 behalf of Qwest Corporation (“Qwest”).

7

II. PURPOSE OF TESTIMONY

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

9 A. The purpose of my testimony is to respond to issues raised in the Direct Testimony
10 of Mack Greene filed on July 14, 2006.

1 **III. DISPUTED ISSUE NO. 1: COSTS OF INTERCONNECTION**

2 **Q. MR. GREENE STATES ON PAGE 9 THAT A NOTION FUNDAMENTAL**
3 **TO THE INTERCARRIER COMPENSATION REGIME IN PLACE TODAY**
4 **IS THAT THE COSTS OF EACH CARRIER OPERATING THE**
5 **NETWORK ON ITS SIDE OF THE POI ARE ITS COSTS TO BEAR. DO**
6 **YOU AGREE?**

7 A. No. Mr. Greene's assertion is surprising given that the FCC's reciprocal
8 compensation rules specifically provide for compensation for transport.
9 Accordingly, the Oregon Commission and Commissions in all of Qwest's other
10 states have approved rates for transport.

11
12 Not only is Mr. Greene's assertion in conflict with FCC rules, it also appears to
13 conflict with Level 3's own advocacy which introduces the concept of "Transport
14 Assumed IP Traffic." Level 3 has defined this as traffic originated in a local calling
15 area in which Level 3 does not have a POI and transported out of the local calling
16 area on Qwest facilities for which Level 3 will pay TELRIC rates. Based on this
17 concept and Mr. Greene's testimony that the costs of each carrier on its side of the
18 POI are its own responsibility, it is unclear when Level 3 is proposing to
19 compensate Qwest for the use of its facilities and when it is not.

20

1 This is not the only conflict inherent in Level 3's compensation proposals. As I
2 noted in my Supplemental Opening testimony, although Level 3 appears to agree to
3 compensate Qwest for transport related to "Transport Assumed IP Traffic," Level
4 3's proposed language provides no compensation mechanism. Level 3's proposed
5 language deletes Qwest's Relative Usage Factor (RUF) calculation that provides a
6 methodology for apportioning the costs of a shared interconnection facility, but
7 provides no alternative methodology.

8
9 **Q. ON PAGE 18 MR. GREENE ASSERTS THAT QWEST IS ATTEMPTING**
10 **TO RESTRICT LEVEL 3 FROM INTERCONNECTING AT OPTICAL**
11 **LEVELS. DOES THE QWEST INTERCONNECTION LANGUAGE**
12 **CONTAIN THIS RESTRICTION?**

13 A. No. Today Qwest does not have an optical facility interconnection offering
14 because no carriers are currently using such an arrangement. However, the Qwest
15 language provides for a Bona Fide Request process for forms of interconnection
16 that Qwest has not previously offered. Under this language, Level 3 can request
17 optical interconnection.

18
19 **Q. ON PAGE 18 MR. GREENE DISCUSSES LEVEL 3'S ISSUE NO. 1D**
20 **LANGUAGE THAT "IT MAY PURCHASE TRANSPORT SERVICES**
21 **FROM QWEST AT TELRIC RATES AND ORDER PRIVATE LINE OR**
22 **OTHER FACILITIES FROM QWEST'S TARIFFS." PLEASE COMMENT.**

1 A. As I discussed in my Supplemental Opening Testimony, it is not clear why Level 3
2 has inserted its proposed language. If the intent of the language is to clarify that
3 Level 3 can purchase transport services either from the tariff or as TELRIC priced
4 interconnection services, such language is not necessary as it is already addressed in
5 undisputed section 7.1.2.1 of the Agreement. If, on the other hand, Level 3 intends
6 its language to refer to the establishment of a secondary POI, Qwest is opposed for
7 all of the reasons cited in my Supplemental Opening Testimony. To the extent the
8 language can be interpreted to allow Level 3 to purchase TELRIC-rated transport
9 under any circumstance it wishes, Qwest opposes it. While a CLEC has the right to
10 purchase TELRIC-priced LIS services for the exchange of local traffic, there are
11 many instances in which CLECs must purchase transport from Qwest's retail
12 private line tariff, from another provider, or self-provision it themselves. To the
13 extent this unexplained language is an attempt to undermine historical pricing
14 practices that are governed by tariffs or other provisions of the ICA, it should be
15 rejected. Given the ambiguity of Level 3's language and its potential to conflict
16 with other undisputed provisions of the agreement, it should be rejected.

17
18 **Q. ALSO ON PAGE 18 MR. GREENE DISCUSSES ISSUE NO. 1F WHICH**
19 **CONCERNS LEVEL 3'S DESIRE TO INSERT THE WORDS "FOR**
20 **PURPOSES OF NETWORK MANAGEMENT AND ROUTING OF**
21 **TRAFFIC TO AND FROM THE POI." DOES MR. GREENE'S**
22 **TESTIMONY CLARIFY WHY LEVEL 3 BELIEVES THIS LANGUAGE IS**
23 **NECESSARY?**

- 1 A. No. Qwest still has no idea what purpose this language serves or what Level 3's
- 2 intent is in proposing it. In the absence of an explanation and clarification of the
- 3 language by Level 3, it should be rejected.

1 and takes between the parties. Level 3 has not disclosed what it gave up to the
2 other ILECs in order to obtain this concession, but it is certainly conceivable that
3 Level 3 made financial concessions that made it financially feasible for the ILECs
4 to make any software and other changes necessary to allow all types of traffic on
5 LIS.

6
7 **Q. ON PAGE 6 MR. GREENE ARGUES THAT COMBINING ALL TRAFFIC**
8 **ON LOCAL INTERCONNECTION TRUNKS ALLOWS LEVEL 3 “TO**
9 **MAKE FULL ECONOMIC USE OF ITS INVESTMENT.” PLEASE**
10 **COMMENT.**

11 A. Contrary to Mr. Greene’s assertion, this issue is not about how Level 3 makes use
12 of *its* network. This issue is about how Level 3 makes use of the Qwest network.
13 Mr. Greene talks about Level 3 competing in the long distance market with MCI,
14 AT&T and QCC. These long distance carriers are all required to use FGD trunks
15 for switched access traffic just as Qwest is requiring Level 3 to do.

16
17 **Q. ON PAGE 6 MR. GREENE STATES THAT LEVEL 3 WANTS TO PUT IXC**
18 **TRAFFIC ON LOCAL TRUNKS BECAUSE IT IS CHEAPER. IS IT**
19 **CHEAPER FOR QWEST TO ALLOW THE IXC TRAFFIC OVER LOCAL**
20 **TRUNKS?**

21 A. No. Mr. Greene’s statement applies only to Level 3. This same claim cannot be
22 made on behalf of Qwest. Implementing the Level 3 proposal would require new
23 investment and significant reworking of Qwest systems and processes, forcing

1 Qwest to expend significant resources to meet the special needs of Level 3. Qwest
2 has not performed a detailed analysis of the systems and process changes required
3 to allow for the billing and routing of switched access on LIS trunks. However, a
4 high level estimate is that it would cost in excess of \$1 million.

5
6 **Q. HAS LEVEL 3 OFFERED IN THEIR PROPOSED CONTRACT TO**
7 **COMPENSATE QWEST FOR THESE COSTS?**

8 A. No, the proposed language contains no such provision.

9
10 **Q. MR. GREENE STATES AT PAGE 6 THAT THE LEVEL 3 PROPOSAL**
11 **ADDRESSES ANY THIRD PARTY BILLING CONCERNS. DO YOU**
12 **AGREE?**

13 A. No. As I noted in my Supplemental Opening Testimony, Qwest offers a service
14 called Qwest Platform Plus (QPP) which is the replacement for certain Unbundled
15 Network Elements-Platform (UNE-P) products that Qwest is no longer required to
16 offer as unbundled network elements under the ICA. As a part of the QPP product
17 offering, Qwest provides switched access billing records to allow CLECs to bill for
18 switched access related to their QPP lines. Under the Level 3 proposal to route
19 switched access over LIS trunks, Qwest would be unable to provide these records
20 and CLECs using the QPP services would therefore be unable to bill for switched
21 access.

1 **V. DISPUTED ISSUE NO. 18: JURISDICTIONAL ALLOCATION FACTORS**

2 **Q. ON PAGE 7 MR. GREENE DISCUSSES ENSURING THAT QWEST**
3 **RECEIVE THE FULL ACCESS REVENUES IT IS ENTITLED TO. DOES**
4 **THE LEVEL 3 PROPOSAL REALLY DO THIS?**

5 A. No. Under Level 3's proposal Qwest would be denied the non-recurring charges
6 that are a part of FGD charges. These are charges that are contained in Qwest's
7 access tariffs and are charges that all IXCs are required to pay. The result of
8 adoption of this proposal would place Level 3 at an advantage over other carriers.

9

10 **Q. ON PAGES 7 AND 8 MR. GREENE DESCRIBES PROTECTIONS BUILT**
11 **INTO THE LEVEL 3 BILLING FACTORS PROPOSAL SHOULD THERE**
12 **BE AN ERROR IN THE CALCULATIONS. PLEASE COMMENT.**

13 A. I don't disagree that the proposal contains some protections. The problem with the
14 protections is that they are administratively burdensome, requiring significant
15 resources to verify the accuracy of the data. In the end, despite all of the work that
16 goes into developing and potentially verifying the factors, the factors provide only
17 an *estimate* of what the billing should be for the traffic that actually flows over the
18 trunks in any given month. This is because the factors are developed based on
19 previous periods' traffic but then applied to future periods. There is simply no need
20 to use estimates and the problems they entail when Qwest already has a mechanized
21 system that uses actual traffic information.

1

VI. CONCLUSION

2 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

3 **A. Yes.**

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

ARB 665

**In the Matter of the Petition of Level 3
Communications, LLC's Petition for
Arbitration Pursuant to Section 252(b) of the
Communications Act of 1934 with Qwest
Corporation**

**LEVEL 3 COMMUNICATIONS, LLC'S
PETITION FOR ARBITRATION**

SUPPLEMENTAL REBUTTAL TESTIMONY OF

LARRY B. BROTHERSON

FOR

QWEST CORPORATION

July 28, 2006

TABLE OF CONTENTS

I.	IDENTIFICATION OF WITNESS	1
II.	PURPOSE OF TESTIMONY	1
III.	DISPUTED ISSUE 3B: DEFINITION OF VNXX TRAFFIC	2
IV.	DISPUTED ISSUE 16: DEFINITION OF VOIP	10
V.	DISPUTED ISSUE 1A: SECTION 7.1.1.1, OPERATION AUDITS OF VOIP TRAFFIC.	11

1

I. IDENTIFICATION OF WITNESS

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION**
3 **WITH QWEST.**

4 A. My name is Larry B. Brotherson. I am employed by Qwest Corporation (“Qwest”)
5 as a Director-Wholesale Advocacy in the Wholesale Markets organization. My
6 business address is 1801 California Street, Room 2350, Denver, Colorado, 80202.

7

II. PURPOSE OF TESTIMONY

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

9 A. The purpose of my testimony is to respond to portions of the Direct Testimony
10 filed by Mr. Greene on July 14, 2006 in this case. Specifically, I will discuss Mr.
11 Greene’s testimony as it relates to section V of his testimony.

1 **III. DISPUTED ISSUE 3B: DEFINITION OF VNXX TRAFFIC**

2 **Q. PLEASE RESPOND TO MR. GREENE’S STATEMENTS THAT THE**
3 **POINT OF INTERCONNECTION (“POI”) WHERE QWEST AND LEVEL 3**
4 **EXCHANGE TRAFFIC IS A RELEVANT POINT FOR RATING CALLS**
5 **FOR INTERCARRIER COMPENSATION PURPOSES.**

6 A. In my Supplemental Testimony of June 7, 2006 (pages 13-20) and in my July 14,
7 2006 Supplemental Opening Testimony (pages 6-16), I discussed in detail the
8 proper call rating rules in Oregon and the reasons why a POI, the place where the
9 transport facilities of two telephone companies are connected, is not relevant to
10 what is or is not a local call in Oregon. I also gave examples of IXC
11 interconnection points and Independent telephone company interconnection points
12 and showed why those were not relevant for determining what is or is not a local
13 call. Mr. Greene states that the two end points of a traditional local call are easily
14 determined. I agree with that statement. But he also implies that calls to the
15 Internet are not. He gives examples of Internet destinations such as a bank web
16 page to support an argument that calls to the ISP are different. This argument is a
17 red herring that misstates Qwest’s position. Qwest has never suggested that the
18 ultimate websites be used as the relevant points for rating calls for intercarrier
19 compensation issues.

1 Qwest's position has consistently been that ISP traffic should be rated based on the
2 location of the calling party and the location of that calling party's ISP, which under
3 Oregon law is the location of the modem functionality of the ISP (whether it
4 provides it for itself or whether, as in the case of Level 3's Managed Modem
5 service, Level 3 provides that for the ISP). When an Oregon end user dials a seven
6 digit local telephone number, the call is not connected immediately to the web page
7 of a bank, the Washington Post, ESPN, or any of the millions of other web pages
8 that people can access on the Internet. Instead, the dialed call is delivered to and
9 answered by an ISP. That ISP is the entity with whom the calling party has a
10 business relationship, that ISP has a real telephone number assigned to it by its
11 CLEC, and that ISP answers the calls made to that local number. The same
12 equipment that answers the call also remains up and running throughout the call to
13 perform the IP-TDM conversion that continues to take place throughout the call's
14 duration.

15
16 Only if the end user is a subscriber of the ISP being called will the calling party
17 obtain the Internet access service it pays for. The call is not placed to the
18 amorphous and undefined "Internet." It is placed to a definite location to a
19 customer of Level 3. As we know from the technical conferences and the diagrams
20 supplied by the parties, the equipment that answers ISP calls for Level 3 ISP
21 customers serving Oregon is not located in Oregon, but is the Level 3 Media
22 Gateway located in Seattle. A call from an Oregon customer to Seattle is not and

1 never has been a local call under Oregon law. By improperly assigning NXX
2 codes, Level 3 avoids access charges that would normally apply to such calls, but to
3 add insult to injury, Level 3 proposes to charge Qwest the \$.0007 rate established
4 by the FCC for terminating a *local* ISP call. In the first round of testimony, Level 3
5 argued that simply assigning a local number to a customer located in a different
6 local calling area turns an interexchange call into a local call. Now Level 3 argues
7 that having a POI in the local calling area makes the call local, without regard for
8 where the parties to the call are located. As my past testimony has established, and
9 as Qwest briefs will show, this does not make such calls local.

10
11 **Q. MR. GREENE ALSO STATES THAT USING A POI LOCATION SHOULD**
12 **BE A RELEVANT LOCATION BECAUSE TO DO SO WOULD BE**
13 **“PRACTICAL.” (PAGE 10, LINE 19). PLEASE RESPOND.**

14 A. This argument ignores two key points. First, his argument ignores the law in
15 Oregon related to call rating. The applicable legal authorities that I have discussed
16 in prior testimony could not be more clear in requiring that call rating be based on
17 customer location. The ALJ ruling in the Level 3 Complaint case could not have
18 been more clear in defining “VNXX-routed ISP-Bound Traffic” as the “situation
19 wherein a CLEC, such as Level 3, obtains numbers for various locations within a
20 state. Those numbers are assigned by the CLEC to its ISP customers even though
21 *the ISP has no physical presence (i.e., does not locate its modem banks or server)*
22 *within the local calling area (“LCA”) associated with those telephone numbers.*

1 ISP-bound traffic directed to those numbers is routed to the CLEC's Point of
2 Interconnection (POI) and *then delivered to the ISP's modem bank/server at a*
3 *physical location in another LCA.*" (ALJ Ruling, Docket IC 12, p. 3 (August 16,
4 2005), affirmed in Order No. 06-037 (January 30, 2006) (emphasis added). Neither
5 Mr. Greene nor Mr. Wilson has ever suggested that Level 3's ISP customers that
6 serve Oregon end users are located at the POIs between Level 3 and Qwest in
7 Oregon. I am aware of no law that suggests that applicable rules may simply be
8 ignored because it is convenient or "practical" to do so.

9
10 Second, Mr. Greene's argument implicitly suggests that using the location of the
11 Media Gateway would somehow be difficult to administer. It is undisputed that
12 Level 3's Media Gateway located in Seattle performs the modem functionality for
13 Level 3's ISP customers that serve Oregon end users. Should Level 3 change its
14 network in order to move its modem functionality elsewhere, it would simply need
15 to inform Qwest of that fact and, subject to a reasonable right by Qwest to confirm
16 the underlying facts, intercarrier compensation could then be adjusted to take into
17 account such changes. This is not a difficult situation to administer.

18
19 **Q. MR. GREENE CLAIMS THAT THE *ISP REMAND ORDER* DOES NOT**
20 **SUPPORT THE IDEA THAT AN ISP SERVER OR MODEM BANK IS AN**
21 **APPROPRIATE POINT FOR DETERMINING INTERCARRIER**
22 **COMPENSATION. DO YOU AGREE?**

23 A. While this is a legal issue that will be dealt with in briefs, it is clear that the FCC in
24 its *ISP Remand Order* was focused on the location of the ISP's equipment as the

1 relevant location for intercarrier compensation purposes. The FCC discussed the
2 fact that ISP calls are first routed to the ISP's modems and servers (see, for
3 example, paragraphs 10, 13, 14, 58, and 61 of the *ISP Remand Order*), and it is
4 clear that the order was focused on the situation where the calling party and the
5 ISP's equipment were located in the same local calling area. In fact, in paragraph
6 58 of the order, the FCC described the role the modems play, which include
7 answering the call to the ISP: "Typically, when the customer wishes to interact
8 with a person, content, or computer, the customer's computer calls a number
9 provided by the ISP *that is assigned to an ISP modem bank*. The ISP modem
10 *answers the call* (the familiar squelch of computers handshaking)." (Emphasis
11 added). As I understand it, the modem also remains engaged for the duration of the
12 call continually performing the TDM-IP conversion that needs to take place
13 throughout a dial-up call. To suggest, as Mr. Greene does, that the FCC was not
14 focused on this kind of ISP equipment as the relevant point for intercarrier
15 compensation purposes requires him to ignore both the language of the order and
16 the holdings of federal circuit courts that have interpreted the order.
17

18 **Q. LEVEL 3 CONTINUES TO COMPARE ITSELF TO QCC AND**
19 **WHOLESALE DIAL AS THOUGH THEY ARE THE SAME (GREENE**
20 **DIRECT AT 12-13). DO YOU AGREE WITH THAT COMPARISON?**

21 A. No. While I addressed this issue in my Supplemental Testimony (pages 8-12), the
22 following simple chart illustrates that any technical similarities are overwhelmed by
23 the completely different regulatory regimes that apply to Level 3's Managed
24 Modem Service and Qwest's Wholesale Dial Service.

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**Comparison of Level 3 Managed Modem Service v. QCC Wholesale Dial Service
For Calls Outside the Local Calling Area**

Level 3 Managed Modem Service

QCC Wholesale Dial Service

Local Origination Costs: Level 3, a CLEC, pays nothing to compensate Qwest for the use of Qwest's local network (loops, switches, etc.) within each local calling area.	Local Origination Costs: QCC, an ESP end user, buys Primary Rate Service (PRS), a local exchange service, in the local calling area at the applicable tariffed rate.
Transport Costs: Level 3 asserts that it has no responsibility for any costs on Qwest's side of the POI. However, if required to pay for transport, Level 3 wants to pay TELRIC-based transport charges.	Transport Costs: QCC pays for transport to its Network Access Servers at retail private line transport rates.
Termination Costs: Level 3 proposes to charge \$.0007 to terminate all long distance ISP traffic (VNXX).	Termination Costs: QCC, as an ESP, is treated as an end user and as such may not charge terminating compensation.

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Contrary to Mr. Greene's statement, Qwest Corporation does not terminate the call to itself. It delivers the call to an ESP end user pursuant to tariffed services that are available to any end user, including Level 3. Level 3 considers this mere legal gymnastics, but in fact Level 3 does not want to connect in the same manner as QCC because then it would be required to bear a portion of the costs in the local exchange that it now gets for free, would be required to pay retail transport rates, and would not be able to even claim the right to collect terminating compensation.

1 Level 3's suggestion that Qwest somehow gives preference to QCC is simply false.
2 Level 3 is not seeking "competitive parity." It is seeking a significantly more
3 advantageous competitive situation than QCC receives.

4
5 Level 3 attempts to cloud the issue by arguing that QCC (or Qwest) is doing
6 something wrong because, with Wholesale Dial, the calling party and QCC's
7 Network Access Server are not always in the same LCA. What Level 3 ignores,
8 however, is that the location of the modem functionality is relevant only when a
9 party (Level 3) seeks to charge Qwest the \$.0007 terminating compensation rate.
10 QCC cannot claim terminating compensation; it obtains access to each LCA
11 through a retail local exchange service and it buys retail transport to the location of
12 its modem functionality. As such, the fact that callers and the modems are not in
13 the same LCA has no relevance whatsoever, and neither Qwest nor QCC are doing
14 anything improper. As I have said, Level 3 can provision its service just like QCC
15 does. But Level 3 claims it is entitled to terminating compensation, and that is what
16 makes the location of its Media Gateway relevant. Level 3 has every right to place
17 its modem functionality in Seattle; but it cannot make that decision for network
18 efficiency purposes and then create a fiction that somehow traffic that is originated
19 in Oregon and answered in Seattle is a local call entitled to terminating
20 compensation. When Level 3 decided for its own business reasons to configure its
21 network as it has done, and with full knowledge of the rules related to call rating, it
22 made the decision that its network efficiency was more important than terminating

1 compensation. Having made that decision, Level 3 now wants the Commission to
2 bend the rules so that it can pretend these calls are local. It is a classic case of
3 wanting to have your cake and eat it too.

1 **IV. DISPUTED ISSUE 16: DEFINITION OF VOIP**

2 **Q. HOW DO YOU RESPOND TO MR. GREENE'S CLAIM THAT THE**
3 **CONCEPT OF A "VOIP POP" IS CONFUSING?**

4 A. First, Mr. Greene mischaracterizes Qwest's language. Qwest's language refers to
5 the "VoIP provider POP," not the "VoIP POP." The concept of a "VoIP provider
6 POP" is simply another way that Qwest uses to describe the concept the FCC
7 established as part of the ESP exemption. The FCC ruled that an ESP, such as a
8 VoIP provider, can purchase service as an end user out of the local exchange tariffs.
9 When a VoIP provider purchases local service from Qwest, Qwest knows where it
10 provisions the service to its end user customer. If there is a service problem, Qwest
11 knows where the service is delivered so that it can go to that location and make
12 repairs. If Level 3 is representing to Qwest and to the Commission that the VoIP
13 ESP (e.g., Vonage) is a Level 3 local customer entitled to the ESP exemption, it is
14 surely not too much to ask Level 3 where the customer is located (and that location
15 is the location of the "VoIP provider POP"). It is interesting that Mr. Greene does
16 not say that Level does not know where its customers are located; instead, he just
17 says that the POI between the companies is all that is relevant and that using the
18 POI will bring more certainty than knowing where the Level 3 customer is located.
19 Certainty is not a substitute for complying with the law as it relates to rating calls as
20 local or interexchange in nature.

1 **V. DISPUTED ISSUE 1A: SECTION 7.1.1.1, OPERATION AUDITS OF VOIP**
2 **TRAFFIC.**

3 **Q. WHAT IS YOUR RESPONSE TO MR. GREENE’S ARGUMENT THAT**
4 **LEVEL 3 SHOULD HAVE THE RIGHT TO DISPUTE A QWEST**
5 **ASSESSMENT OF ACCESS CHARGES ON VOIP TRAFFIC?**

6 A. As I noted in my Supplemental Opening Testimony (pages 47-48), Qwest
7 acknowledges that a Qwest determination of an “operational verification audit
8 failure” would be subject, just as other disputes under the interconnection
9 agreement are, to dispute resolution. But that does not mean each provision that is
10 subject to dispute resolution should make an affirmative statement to that effect.

11
12 The problem with Level 3’s language is that it could be read to require Qwest to
13 invoke dispute resolution in any case in which it asserts an “operational verification
14 audit failure.” This is inconsistent with the whole concept of dispute resolution, in
15 that it suggests that dispute resolution will always be necessary in case of a claimed
16 audit failure. While Qwest continues to take the position that no reference to
17 dispute resolution is necessary in section 7.1.1.1, it would agree to place the
18 following sentence at the end of its proposed language: “If CLEC disagrees with
19 Qwest’s redefinition of traffic as the result of an ‘operational verification audit

1 failure,' CLEC may challenge that determination through the dispute resolution
2 provisions of this Agreement.”

3

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 A. Yes it does.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

ARB 665

<p>In the Matter of the Petition of Level 3 Communications, LLC's Petition for Arbitration Pursuant to Section 252(b) of the Communications Act of 1934 with Qwest Corporation</p>	<p>LEVEL 3 COMMUNICATIONS, LLC'S PETITION FOR ARBITRATION</p>
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SUPPLEMENTAL REBUTTAL TESTIMONY OF

PHILIP LINSE

FOR

QWEST CORPORATION

July 28, 2006

(Disputed Issue Nos. 1, 2, 20, and additional Issues regarding Transit Limitations and Quad Links)

TABLE OF CONTENTS

I.	IDENTIFICATION OF WITNESS	1
II.	PURPOSE OF TESTIMONY	2
III.	DISPUTED ISSUE NO. 1: COSTS OF INTERCONNECTION	3
IV.	DISPUTED ISSUES NO. 2: ALL TRAFFIC ON INTERCONNECTION TRUNKS.....	5
V.	DISPUTED ISSUES NO. 2C: TRANSIT LIMITATION	7
VI.	DISPUTED ISSUE NO. 20: SIGNALING PARAMETERS	9
VII.	DISPUTED ISSUE: QUAD LINKS	10

1 **I. IDENTIFICATION OF WITNESS**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION**
3 **WITH THE QWEST CORPORATION.**

4 A. My name is Philip Linse. My business address is 700 West Mineral Avenue,
5 Littleton Colorado. I am employed as Director – Technical Regulatory in the
6 Network Policy Organization. I am testifying on behalf of Qwest Corporation
7 (“Qwest”).

8 **Q. ARE YOU THE SAME PHILIP LINSE THAT PROVIDED**
9 **SUPPLEMENTAL OPENING TESTIMONY IN THIS ARBITRATION?**

10 A. Yes, I am.

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II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to respond to the Direct Testimony of Mr. Greene filed on July 14, 2006 with respect to technical matters related to certain disputed issue between the parties. My testimony will address the following issues from the Matrix of Unresolved Issues filed by Level 3 in this arbitration:

- Issue 1: Costs of Interconnection
- Issue 2: Combining Traffic on Interconnection Trunks
- Issue 2C: Transit Limitation
- Issue 20: Signaling Parameters
- Issue: Quad Links

1 **III. DISPUTED ISSUE NO. 1: COSTS OF INTERCONNECTION**

2 **Q. DOES MR. GREENE CONFUSE THE CURRENT INTERCARRIER**
3 **COMPENSATION REGIME WITH INTERCONNECTION ON PAGE 9 OF**
4 **HIS TESTIMONY?**

5 A. Yes. While the intercarrier compensation regime has to do with the compensation
6 for the types of traffic that each party originates and terminates, interconnection has
7 to do with the network facilities and the connections that are required to facilitate
8 the exchange of this traffic. In this proceeding, Qwest seeks to be compensated for
9 the interconnection facilities that it provides to Level 3 for Level 3's use. Level 3,
10 however, inappropriately proposes language that prohibits Qwest from being
11 compensated for the interconnection facilities that Qwest provisions/builds for
12 Level 3's use.

1 **Issue No. 1F**

2 **Q. DOES LEVEL 3'S PROPOSED LANGUAGE PROVIDE CLARITY FOR**
3 **ESTABLISHING DIRECT TRUNK GROUPS TO QWEST'S END OFFICE**
4 **AS MR. GREENE CONTENDS ON PAGE 18 LINES 9 THROUGH 11 OF**
5 **HIS TESTIMONY?**

6 A. No. As I explained in my Supplemental Opening Testimony the purpose of the
7 language at section 7.2.2.9.6 is not to manage the network or routing of traffic to
8 the Level 3 POI but rather to manage the capacity of the Qwest tandem. The
9 purpose of the language in this section is to reduce the number of network
10 connections that are necessary at the Qwest tandem so that Qwest tandems have
11 capacity to meet the needs of all of the carriers who seek to interconnect at Qwest
12 tandems. Each direct connection between Level 3's POI and Qwest's end offices
13 that is created by moving these connections away from the Qwest tandem frees up
14 the capacity of two connections at Qwest's tandem. Thus, establishing direct
15 connections between Level 3's POI and Qwest end offices makes it less likely that
16 Qwest's tandem will prematurely exhaust and provides spare tandem capacity so
17 that other carriers may interconnect.

- 1 address Level 3's delivery to Qwest of interexchange traffic. Level 3's attempt to
- 2 use its CLEC interconnection agreement to bolster its IXC operation is
- 3 inappropriate and should be rejected.

1 **V. DISPUTED ISSUES NO. 2C: TRANSIT LIMITATION**

2 **Q. MR. GREENE CLAIMS THAT THERE IS NO HARM TO “ANY OTHER**
3 **PARTY” BY COMBINING ACCESS AND LOCAL TRAFFIC OVER LIS**
4 **TRUNKS IS THIS A TRUE STATEMENT?**

5 A. No.

6 **Q. DOES LEVEL 3’S PROPOSED LANGUAGE PROTECT THIRD PARTY**
7 **CARRIERS AS MR. GREENE CONTENDS ON PAGE 6 OF HIS DIRECT**
8 **TESTIMONY?**

9 A. No. As I explained in my supplemental opening testimony, Level 3’s language
10 does not protect ^{third} party carriers at all. Level 3 claims in its proposed language
11 that it will not send traffic to NPA-NXXs that do not home to Qwest’s switches.
12 However, other carriers do, in fact, have NPA-NXXs homing arrangements with
13 Qwest’s switches. This can be seen in two ways. First, other carriers such as
14 CLECs, Independent Company (“ICO”) LECs, and Wireless Service Providers
15 (“WSP”) designate Qwest’s tandem switches as their NPA-NXX homing tandem
16 switch. Secondly, Qwest offers wholesale switching to CLECs. The NPA-NXX
17 codes that are used to provide wholesale switching to CLECs are homed to Qwest
18 switches. Thus Level 3’s language does not prevent Level 3 from routing calls
19 destined for third parties as Level 3 suggests.

20 In addition, if Level 3 were to route un-queried traffic to Qwest NPA-NXXs that
21 are ported to a CLEC, this traffic would transit through Qwest network such that the
22 terminating carrier would be unable to obtain a record from Qwest. As a result, the
23 CLEC would not be compensated for the traffic. Level 3’s language appears to

- 1 create more opportunities to generate traffic that the industry is attempting to
- 2 reduce, namely phantom traffic. Thus, Level 3's language should be rejected.

1 **VI. DISPUTED ISSUE NO. 20: SIGNALING PARAMETERS**

2 **Q. ON PAGE 18 OF HIS DIRECT TESTIMONY MR. GREENE CONTENDS**
3 **THAT VOIP (IP ORIGINATION) IS A TECHNICAL LIMITATION FOR**
4 **PROVIDING CPN (CALLING PARTY NUMBER). DOES LEVEL 3’S**
5 **PROPOSED LANGUAGE APPLY TO MORE THAN CALLING PARTY**
6 **NUMBER?**

7 A. Yes. Level 3’s language applies also to other signaling parameters that are
8 classified as “valid originating information”. As I have discussed in my
9 Supplemental Opening Testimony, Charge Number signaling parameter is also
10 “valid originating information”. Level 3’s language incorrectly identifies IP
11 origination as a technical limitation that would also inappropriately apply to valid
12 originating information other than CPN such as the Charge Number signaling
13 parameter. Thus Level 3’s language should be rejected.

14 **Q. CAN LEVEL 3’S SWITCHES POPULATE THE CHARGE NUMBER**
15 **SIGNALING PARAMETER?**

16 A. Yes. Level 3 has admitted to Qwest that it can. IP origination is not a limitation for
17 populating valid originating information such as charge number as I have described
18 in my Supplemental Opening Testimony and as Level 3’s switches are capable of
19 populating.

1 **VII. DISPUTED ISSUE: QUAD LINKS**

2 **Q. ON PAGE 18 OF HIS DIRECT TESTIMONY MR. GREENE CLAIMS**
3 **THAT QWEST REQUIRES LEVEL 3 TO ESTABLISH MORE THAN ONE**
4 **SET OF SS7 QUAD LINKS FOR SIGNALING WITH QWEST. DOES**
5 **QWEST REQUIRE MORE THAN ONE SET OF SS7 QUAD LINKS?**

6 A. No. It is not clear why this is an issue in this arbitration. Qwest has not contended
7 that Level 3 must provide more than a single SS7 quad link connection with
8 Qwest's signaling network. Qwest's language does not require multiple quad link
9 connections nor do the industry standards impose such a requirement.

10 **Q. DOES MR. GREENE OMIT QWEST'S LANGUAGE REGARDING SS7**
11 **SIGNALING OFFERING?**

12 A. Yes. For some reason Level 3 has chosen only to provide Level 3's proposed
13 language.

14 **Q. WHAT IS QWEST'S LANGUAGE?**

15 A. Qwest proposes the following language which I have also discussed in my
16 Supplemental Opening Testimony:

17 7.2.2.6.1 SS7 Out-of-Band Signaling. SS7 out-of-band signaling is
18 available for LIS trunks. SS7 out-of-band signaling must be requested on the
19 order for new LIS trunks. Common Channel Signaling Access Capability Service
20 may be obtained through the following options: (a) as set forth in this Agreement
21 at Section 9.6 or 9.13; (b) as defined in the FCC Tariff # 1; or (c) from a third
22 party signaling provider. Each of the Parties, Qwest and CLEC, will provide for
23 Interconnection of their signaling network for the mutual exchange of signaling
24 information in accordance with the industry standards as described in Telcordia
25 documents, including but not limited to GR-905 CORE, GR-954 CORE, GR-394
26 CORE and Qwest Technical Publication 77342.
27

1 **Q. ON PAGE 18 OF HIS TESTIMONY AS WELL AS ON PAGE 16 OF HIS**
2 **ATTACHMENT, MR. GREENE APPEARS TO BELIEVE THAT QWEST'S**
3 **LANGUAGE DOES NOT ALLOW LEVEL 3 TO PROVIDE ITS OWN**
4 **SIGNALING OR TO OBTAIN ITS SIGNALING FROM A THIRD PARTY.**
5 **IS THAT CORRECT?**

6 A. No. Qwest's proposed language could not be clearer. As I have also described in
7 my Supplemental Opening Testimony Sub-item "b" allows Level 3 to provide its
8 own quad links and establish connections with Qwest's signaling network through
9 Qwest's tariff. Sub-item "c" specifically allows Level 3 to use a third party
10 signaling provider.

11 **Q. DOES MR. GREENE APPEAR TO BELIEVE THAT QWEST WOULD**
12 **REQUIRE MULTIPLE SIGNALING QUAD LINKS?**

13 A. Yes. This too is perplexing. Anyone that is familiar with signaling should be
14 familiar with the list of industry standards that is referenced in the last sentence of
15 Qwest's language and those that are undisputed and identified in section 21.3.1.
16 These standards represent signaling for multiple types of traffic and the connections
17 between multiple types of carriers such as the connections between Qwest and
18 CLECs/IXCs like Level 3.

19 **Q. WILL THE IMPLEMENTATION OF QWEST'S LANGUAGE IN THIS**
20 **AGREEMENT FORCE LEVEL 3 TO CHANGE THE WAY IT**
21 **CURRENTLY PROVISIONS ITS SIGNALING WITH QWEST?**

22 A. No.

23 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

24 A. Yes, it does.

CERTIFICATE OF SERVICE VIA E-MAIL

I do hereby certify that a true and correct copy of the foregoing QWEST CORPORATION'S SUPPLEMENTAL REBUTTAL TESTIMONY OF WILLIAM EASTON (TESTIMONY QWEST/36), LARRY BROTHERRSON (TESTIMONY QWEST/37), AND PHILIP LINSE (TESTIMONY QWEST/38) was served on the 28th day of July, 2006 via e-mail electronic transmission upon the following individuals:

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