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Carla M. Butler
Sr. Paralegal

September 6, 2005

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

Re: ARB 665

Dear Ms. Nichols Anglin:

Enclosed for filing please find an original and (5) copies of Qwest Corporation's Reply Testimony of William Easton, Larry Brotherson and Philip Linse, along with a certificate of service.

If you have any question, please do not hesitate to give me a call.

Sincerely,

Carla M. Butler

CMB:
Enclosures
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CERTIFICATE OF SERVICE VIA E-MAIL

I do hereby certify that a true and correct copy of the foregoing QWEST CORPORATION'S REPLY TESTIMONY OF WILLIAM EASTON, LARRY BROTHERSON and PHILIP LINSE was served on the 6th day of September, 2005 via e-mail electronic transmission upon the following individuals:

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DATED this 6th day of September, 2005.

QWEST CORPORATION

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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

REBUTTAL TESTIMONY OF

WILLIAM R. EASTON

FOR

QWEST CORPORATION

September 6, 2005

(Disputed Issue Nos. 1, 2, 5, 13, 17, 18, 21 and 22)

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I. IDENTIFICATION OF WITNESS

Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.

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

Q. ARE YOU THE SAME WILLIAM EASTON WHO FILED DIRECT TESTIMONY (EXHIBIT QWEST/1) IN THIS PROCEEDING?

A. Yes.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to respond to the Level 3 testimony of Mr. Gates and Mr. Ducloo. Specifically, I reply to the Level 3 testimony as it relates to the following disputed issues:

- Issue 1: Costs of Interconnection
- Issue 2: Combining Traffic on Interconnection Trunks
- Issue 5: Should Interconnection Terms be Incorporated by Reference?

- Issue 13: Local Interconnection Service Definition
- Issue 17: Trunk Forecasting
- Issue 18: Jurisdictional Allocation Factors
- Issue 21: Ordering of Interconnection Trunks
- Issue 22: Compensation for Construction

III. DISPUTED ISSUE NO. 1: COSTS OF INTERCONNECTION

Q. IN DISCUSSING THE COSTS OF INTERCONNECTION AT PAGE 7 OF HIS TESTIMONY (LEVEL 3/200, GATES/7), MR. GATES CLAIMS THAT QWEST'S NETWORK ARCHITECTURE "DOES NOT REMOTELY REFLECT WHAT AN EFFICIENT FIRM WOULD CONSTRUCT TODAY." PLEASE COMMENT.

A. Mr. Linse addresses Mr. Gates' allegations from a network perspective. From a policy perspective, and from the perspective of the issues that this Commission must resolve, it is irrelevant which company has the more or less efficient network. Issue 1 raises the question of which party is responsible for the costs of interconnection. Embedded in this question is the assumption that interconnection to Qwest's network, regardless of its alleged state of technological obsolescence, is valuable to Level 3. My direct testimony (Qwest/1) and the direct testimony of Mr. Linse (Qwest/6) explains that Qwest offers Level 3 a number of different options for interconnection and allows Level 3 to select the option that best meets its needs, given its business strategy, its own network configuration and its desire to interconnect with the Qwest network. The costs related to each of these options have been identified, discussed and determined by this Commission in various cost dockets. There is no question that, under the Act, Qwest is allowed to recover costs that are just and reasonable and based on the cost of providing service.

Q. ON PAGE 13 OF HIS TESTIMONY (LEVEL 3/200, GATES/13), MR.

GATES STATES THAT THE POINT OF INTERCONNECTION (POI) IS NORMALLY VIEWED AS THE FINANCIAL AND PHYSICAL DEMARCATION POINT THAT DEFINES WHERE ONE PARTY'S FINANCIAL AND OPERATIONAL OBLIGATIONS END AND WHERE THE OTHER PARTY'S OBLIGATIONS BEGIN. DO YOU AGREE?

A. No. The POI is clearly the physical demarcation point between the parties' networks, but it is not necessarily the demarcation point from a financial perspective. Whether Level 3 will incur expense on Qwest's side of the POI will depend on the form of interconnection that Level 3 chooses. As Mr. Linse explained in his testimony (Qwest/6), the POI is merely the point at which the two networks meet, but by itself it does not establish interconnection. If, for example, Level 3 requires an entrance facility to bring its traffic from the POI to the Qwest switch, it will be required to pay for its use of that facility as provided in the FCC's rule 51.709(b), which states:

> The rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers' networks shall recover only the costs of the proportion of that trunk capacity used by an interconnecting carrier to send traffic that will terminate on the providing carrier's network. Such proportions may be measured during peak periods.

Clearly, the FCC rules allow for Qwest to be compensated for the use of facilities on its side of the POI.

Q. AT PAGE 13 OF HIS TESTIMONY (LEVEL 3/200, GATES/13.), MR.

GATES STATES THAT FCC RULE 51.703(b) REQUIRES THAT EACH CARRIER BE RESPONSIBLE FOR THE COSTS OF ITS OWN NETWORK ON ITS SIDE OF THE POI. IS THAT A CORRECT INTERPRETATION OF 51.703(b)?

A. No. Rule 51.703(b) states that "A LEC may not assess charges on any other telecommunications carrier for *telecommunications traffic that originates on the LECs network."* (Italics added). This rule pertains only to the costs associated with telecommunications traffic originated by a local exchange carrier. It certainly does not state that each carrier is responsible for the costs on its side of the POI, as Mr. Gates has suggested.

Q. MR. GATES DISCUSSES "MEET POINT" INTERCONNECTION (AT LEVEL 3/200, GATES/38) AND STATES THAT THE FCC HAS RECOGNIZED THAT WITH THIS TYPE OF ARRANGEMENT "EACH PARTY IS RESPONSIBLE FOR ITS OWN COSTS IN GETTING TO A MEET POINT." IS THIS AN ISSUE AT DISPUTE IN THIS ARBITRATION?

A. No. As I discussed in my direct testimony, section 7.1.2.3 of the agreement that Qwest proposes allows for Mid-Span Meet POI interconnection,[1] which would involve Qwest and Level 3 each building facilities to the meet point and each being

[1] *Local Competition Order*, ¶ 553, cited by Mr. Gates refers to "meet point arrangements (or mid-span meets)."

responsible for its own costs. This form of interconnection does not require entrance facilities.

Q. WHAT, THEN, IS THE CONFUSION?

A. Mr. Gates seems to confuse establishing a Mid-Span Meet point with another form of interconnection that does require entrance facilities. The relative use (RUF) calculations, which apply to an entrance facility purchased from Qwest, do not apply to a Mid-Span Meet Point of Interconnection. Section 7.1.2.3 states that, under this latter option, "[e]ach Party will be responsible for its portion of the build to the Mid-Span Meet POI." Thus, to the extent that Level 3 seeks to avoid financial responsibility for entrance facilities provided by Qwest, it is free, under this agreement, to select the Mid-Span Meet POI option and thus avoid charges based on the RUF calculation.

Q. ON PAGE 39 (LEVEL 3/200, GATES/39), MR. GATES STATES THAT "…QWEST WILL TRY TO ASSIGN SOME OF THE COSTS OF ITS OWN NETWORK ON ITS SIDE OF THE POI TO LEVEL 3, BASED IN SOME WAY ON THE AMOUNTS OF TRAFFIC THAT QWEST SENDS LEVEL 3 AND VICE VERSA. THAT IS UNREASONABLE IN AND OF ITSELF." IS QWEST BEING UNREASONABLE?

A. No. Qwest is merely complying with FCC rule 51.709(b) cited earlier, which allows for cost recovery in proportion to the parties' usage of the facilities. If Level 3 subscribes to a Qwest facility, it is entirely reasonable for Qwest to be

compensated for network capacity used by Level 3 to transmit traffic that will terminate on the Qwest network. I would add that Mr. Gates' testimony is also at odds with the testimony of Mr. Ducloo, who states on page 5 of his direct testimony (Level 3/300, Ducloo/5) that "the parties agree that the cost of facilities used to connect their networks will be split based on relative use."

Q. ON PAGE 39 OF HIS TESTIMONY (LEVEL 3/200, GATES/39), MR. GATES ALLEGES THAT QWEST IS SEEKING TO "UNFAIRLY AND UNREASONABLY" EXCLUDE ISP-BOUND TRAFFIC THAT IT SENDS LEVEL 3 FROM THE RELATIVE USE CALCULATION. AT PAGE 6 OF HIS TESTIMONY (LEVEL 3/300, DUCLOO/6), MR. DUCLOO CHARGES THAT REMOVING ISP-BOUND TRAFFIC FROM THE CALCULATION IS A "SLEIGHT-OF-HAND." PLEASE COMMENT.

A. Although Mr. Gates argues that "there is no basis for excluding ISP-bound traffic from any RUF calculation," both he and Mr. Ducloo are certainly aware that in a previous arbitration between Level 3 and Qwest, this Commission ruled that Internet-related traffic should be excluded when calculating the relative use factor (RUF) by the originating carrier.[2] In its order at page 14, the Commission stated:

> The overall thrust of the language of the *ISP Remand Order* is clearly directed at removing what the FCC perceives as uneconomic subsidies and false economic signals from the scheme for compensating interconnecting

[2] Order No. 01-801, *In the Matter of Petition of Level 3 Communications LLC, for Arbitration Pursuant to§ 252(b) of the Telecommunications Act of 1934, as Amended by the Telecommunications Act of 1996, With Qwest Corporation Regarding Rates, Terms, and Conditions for Interconnection,* docket ARB 332 (Oregon PUC, September 13, 2001).

> carriers transporting Internet-related traffic. Since the allocation of costs of transport and entrance facilities is based upon relative use of those facilities, ISP-bound traffic is properly excluded, when calculating relative use by the originating carrier.

The Commission's order was subsequently appealed to federal court, which upheld the order.[3] More recently, the Commission reaffirmed this decision in an arbitration between AT&T and Qwest.[4] Given the previous rulings on this issue, Qwest's proposal to exclude this traffic is neither "unreasonable" nor accomplished through a "sleight of hand."

Q. MR. GATES STATES THAT EXCLUDING THE ISP-BOUND TRAFFIC IS CONTRARY TO THE ECONOMIC RULE OF COST CAUSATION. DO YOU AGREE?

A. No. In a previous arbitration between Level 3 and Qwest, the Colorado Commission directly addressed the issue of cost causation, stating:

> When connecting to an ISP served by a CLEC, the ILEC end-user acts primarily as the customer of the ISP, not as a customer of the ILEC. The end-user should pay the ISP; the ISP should charge the cost-causing end-user. The ISP should compensate both the ILEC (Qwest) and the CLEC (Level 3) for costs incurred in originating and transporting the ISP-bound call. Therefore, we agree with Qwest that Internet related traffic should be excluded when

[3] Opinion and Order, *Level 3 Communications, LLC v. Public Utils. Comm'n of Oregon*, CV 01-1818 (D. Or., Nov. 25, 2002) (slip op.).

[4] Order No. 04-262, *In the Matter of Qwest Corporation's Petition for Arbitration of an Interconnection Rates, Terms, Conditions, and Related Arrangements with AT&T Communications of the Pacific Northwest Inc. and TCG-Oregon)*, docket ARB 527 (Oregon PUC, April 19, 2004).

> determining relative use of entrance facilities and direct trunked transport.[5]

Qwest believes that this is a reasonable principle, and thus believes that this Commission should rule similarly/

Q. HOW DO YOU RESPOND TO MR. GATE'S CLAIMS AT PAGE 41 OF HIS TESTIMONY (LEVEL 3/200, GATES/41), THAT QWEST IS ATTEMPTING TO SHIFT ITS OWN NETWORK COSTS TO LEVEL 3?

A. The reality is that it is Level 3 who is attempting to shift costs. As the Colorado Commission noted in the order just cited, it is *Level 3* who is attempting to shift the cost of providing service to its ISP customers to Qwest. Consistent with the Oregon Commission's previous ruling on this issue, these costs should not be borne by Qwest.

Q. AT PAGE 41 OF HIS TESTIMONY (LEVEL 3/200, GATES/41), MR. GATES STATES THAT UNDER FCC RULE 51.703(b), QWEST HAS AN OBLIGATION TO COMPENSATE LEVEL 3 FOR ALL CALLS WHICH ORIGINATE ON QWEST'S NETWORK. DO YOU AGREE?

A. No. Clearly, under the FCC's rules, Qwest has an obligation to compensate Level 3 for "telecommunications traffic" that originates on its network. The ISP-bound traffic in question here, however, has been defined as "information access" by the

[5] *In the Matter of Petition of Level 3 Communications LLC, for Arbitration Pursuant to§ 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement With Qwest Corporation*, docket No. 00B-601T (Colorado PUC, March 16, 2001), p. 36.

FCC and, as such, is explicitly excluded from the FCC's definition of "telecommunications traffic."[6]

Q. ON PAGE 38 (LEVEL 3/200, GATES/38), MR. GATES STATES THAT THE FCC'S *TRIENNIAL REVIEW REMAND ORDER* HELD THAT ENTRANCE FACILITIES ARE "NO LONGER TO BE PROVIDED – AT LEAST AT TELRIC-BASED RATES." IS THIS YOUR UNDERSTANDING AS WELL?

A. No. The FCC determined that ILECs were no longer required to make unbundled elements available for use as entrance facilities. As Qwest's proposed language in the interconnection agreement makes clear, Qwest continues to offer entrance facilities as an interconnection option. These entrance facilities are offered at TELRIC rates.

Q. AT PAGE 21 (LEVEL 3/200, GATES/21), MR. GATES REFERS TO PARAGRAPH 995 OF THE FCC'S LOCAL COMPETITION ORDER, STATING THAT ONCE A POI IS ESTABLISHED IT CAN BE USED FOR THE EXCHANGE OF ALL TYPES OF TRAFFIC. IS THIS AN ACCURATE DESCRIPTION OF PARAGRAPH 995.

A. No. Mr. Gates refers to only a portion of the paragraph. The full text of paragraph 995 reads as follows:

[6] FCC rule 51.701(b)(1) defines "telecommunications traffic" as 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.*" (Italics added).

> We conclude that, if a company provides both telecommunications and information services, it must be classified as a telecommunications carrier for purposes of section 251, and is subject to the obligations under section 251(a), to the extent that it is acting as a telecommunications carrier. We also conclude that telecommunications carriers that have interconnected or gained access under sections 251(a)(1), 251(c)(2), or 251(c)(3), may offer information services through the same arrangement, so long as they are offering telecommunications services through the same arrangement as well. Under a contrary conclusion, a competitor would be precluded from offering information services in competition with the incumbent LEC under the same arrangement, thus increasing the transaction cost for the competitor. We find this to be contrary to the pro-competitive spirit of the 1996 Act. By rejecting this outcome we provide competitors the opportunity to compete effectively with the incumbent by offering a full range of services to end users without having to provide some services inefficiently through distinct facilities or agreements**.** *In addition, we conclude that enhanced service providers that do not also provide domestic or international telecommunications, and are thus not telecommunications carriers within the meaning of the Act, may not interconnect under section 251.* (Italics added.)

It is clear that telecommunications carriers are allowed to interconnect and, having done so, may carry both information services and telecommunications services. It is also clear that companies that do not provide telecommunications services are not entitled to interconnect under section 251. What is not clear is whether Level 3 has any end-user telecommunications customers, which raises the question whether it is in fact a telecommunications carrier or an enhanced service provider.

Q. DO YOU HAVE ANY OTHER COMMENTS ON THE LEVEL 3 TESTIMONY ON ISSUE NO. 1?

A. Yes. As I explained in my direct testimony, and as Level 3 details in the matrix of disputed issues, Issue 1 is comprised of 10 subparts. It is worth noting that, other than the high-level discussion about points of interconnection, compensation on

each party's side of the POI and the RUF calculation, to which I have just responded, Level 3 has offered neither detailed objections to Qwest's proposed language, nor an explanation of why Level 3's language is appropriate. The Commission should therefore adopt Qwest's contract language on this issue.

IV. DISPUTED ISSUE NO. 2: ALL TRAFFIC ON INTERCONNECTION TRUNKS

Q. AT PAGE 7 OF HIS TESTIMONY (LEVEL 3/200, GATES/7), MR. GATES STATES THAT QWEST WANTS LEVEL 3 TO SEPARATE TRAFFIC AND ROUTE IT OVER DIFFERENT TRUNK GROUPS BASED ON WHETHER THE TRAFFIC FALLS INTO "ARBITRARY" CATEGORIES. IS THIS WHAT QWEST IS PROPOSING?

A. No. First, the "arbitrary" categories to which Mr. Gates refers are anything but arbitrary. These categories (e.g. local vs. switched access) have long been established and maintained by the telecommunications companies and regulators alike. Each category has its own well-recognized intercarrier compensation mechanism.

More importantly, Qwest does allow all traffic types to be combined on a single trunk group. Qwest's proposed language in section 7.2.2.9.3.2 of the agreement allows for the combining of traffic over the same Feature Group D (FGD) trunk. But, as I explained in my direct testimony, Qwest is not able to allow both local and switched access traffic to be combined over LIS trunks because LIS trunks are not capable of producing records for the billing of switched access. In addition to the systems changes necessary to create Jointly Provided Switched Access records from LIS trunks, there are extensive billing changes that have the potential to be extremely expensive to implement. There are also potential network changes and

multiple process changes required to reflect the changed manner in which LIS trunks will be used. Finally, Level 3's proposal would necessitate a change in Qwest's access tariffs, which spell out how switched access is ordered, provisioned and billed today.

Combining all traffic over FGD trunks would allow for the efficiencies that Level 3 claims it is seeking, while allowing Qwest to use its existing processes and access tariffs for billing the appropriate tariffed rates for switched access and for producing the necessary Jointly Provided Switched Access records used by other ILECs, CLECs and wireless carriers.

Q. ON PAGE 25 (LEVEL 3/200, GATES/25), MR. GATES SPECULATES THAT QWEST'S TRUNKING PROPOSAL APPEARS TO BE DESIGNED TO "DISADVANTAGE OR DRIVE ITS COMPETITORS FROM THE MARKET PLACE." PLEASE COMMENT.

A. Qwest's trunking proposal here is entirely consistent with what Qwest has offered every other carrier, and with what the Commission has approved in numerous ICAs. Despite Mr. Gates' overheated rhetoric and speculation, the accurate and more rational explanation is that Qwest has offered Level 3 a solution that allows Qwest to use the tariffs, processes and systems it has in place, and to avoid investing significant amounts in systems and processes to meet the demands of a single carrier.

Q. ON PAGE 24 (LEVEL 3/300, DUCLOO/24), MR. DUCLOO OFFERS THAT LEVEL 3 WILL SEND TOLL TRAFFIC THAT DOES NOT TERMINATE TO QWEST END USERS, OR UNE/RESALE CUSTOMERS TO QWEST TOLL TANDEMS WHERE ADEQUATE RECORDINGS FOR THE THIRD PARTIES CAN BE MADE. DOES THIS ALLEVIATE QWEST'S CONCERNS ABOUT THE USE OF FACTORS FOR BILLING?

A. No. Level 3's offer does not reduce the systems changes required of Qwest to apply the factors, and the appropriate tariffed rates, to traffic on LIS trunks. Nor does it eliminate the issue of the third parties' need for Jointly Provided Switched Access records. It also does not remove the need for Qwest to modify its state and federal access tariffs to allow for this new way of ordering, provisioning and billing switched access service. I would also note that the proposed agreement filed by Level 3 does not include language that describes how traffic destined to non-Qwest end users would be handled. Thus, there is no language for the Commission to even consider regarding this. The Commission should therefore adopt Qwest's contract language on Issue No 2.

V. DISPUTED ISSUE NO. 5: SHOULD INTERCONNECTION TERMS BE INCORPORATED BY REFERENCE?

Q. IN DISCUSSING ISSUE NO. 5 ON PAGE 9 OF HIS TESTIMONY (LEVEL 3/200, GATES/9), MR. GATES STATES THAT IT IS LARGELY "LEGAL" IN NATURE. PLEASE COMMENT.

A. There is apparently still confusion about this issue. Qwest's response to the Level 3 Petition for Arbitration and my direct testimony explain that Qwest is not proposing to incorporate SGAT language into the interconnection agreement by reference. Rather, the SGAT language was cited in the contract negotiation template as a means to highlight the fact that state-specific language was to be a part of the proposed language for the states cited. The appropriate proposed language has been included in the interconnection agreement that Qwest filed with its reply to the Level 3 petition. Level 3 has yet to state whether this explanation allows for the closure of this issue or whether it is objecting to the proposed language. The Commission should therefore adopt Qwest's contract language on this issue.

VI. DISPUTED ISSUE NO. 13: LOCAL INTERCONNECTION SERVICE DEFINITION

Q. DID LEVEL 3 FILE ANY TESTIMONY SPECIFICALLY RELATED TO THE DEFINITION OF LOCAL INTERCONNECTION SERVICE?

A. No. Since Level 3 did not file any testimony specifically objecting to Qwest's proposed language, the Commission should adopt Qwest's contract language on Issue No 13.

VII. DISPUTED ISSUE NO. 17: TRUNK FORECASTING

Q. DID LEVEL 3 FILE ANY TESTIMONY SPECIFICALLY RELATED TO TRUNK FORECASTING?

A. No. Thus, since Level 3 did not file any testimony specifically objecting to Qwest's proposed language, the Commission should adopt Qwest's contract language on this issue.

VIII. DISPUTED ISSUE NO. 18: JURISDICTIONAL ALLOCATION FACTORS

Q. AT PAGE 24 OF HIS TESTIMONY (LEVEL 3/200, GATES/24), MR. GATES ARGUES THAT THE USE OF BILLING FACTORS IS A SIMPLE, INEXPENSIVE WAY TO RESOLVE BILLING ISSUES RELATED TO ALLOWING ALL TRAFFIC TYPES ON A LIS TRUNK GROUP. DO YOU AGREE?

A. No. Changing Qwest systems to allow for the use of factors is not a trivial matter, and would require Qwest to significantly rework its systems and processes. In addition, Level 3's "factors" proposal relies on estimates of traffic, based on periodic sampling, rather than on recordings of actual traffic information, which is a clearly superior method and is what Qwest is able to use today. There is simply no need to go through a process of developing estimates when there is already a system in place (FGD) that does this, based on actual traffic recording.

Q. AT PAGES 23 AND 24 OF HIS TESTIMONY (LEVEL 3/300, DUCLOO/23-24), MR. DUCLOO ARGUES THAT QWEST ALREADY USES FACTORS TO DETERMINE HOW MANY MINUTES ARE SUBJECT TO ACCESS CHARGES AND HOW MANY ARE SUBJECT TO RECIPROCAL COMPENSATION. IS HE CORRECT?

A. No. Mr. Ducloo apparently misunderstands how Qwest uses the Percent Local Usage (PLU) factor. The PLU is used only with traffic that does not contain a calling party number, and thus cannot be jurisdictionalized based on a comparison of the calling and called parties' numbers. In these situations, the PLU is applied to the bucket of these "unidentified" calls to determine what percent should be billed at the local rate. These calls represent a small minority of the total number of calls. The jurisdiction for all other calls is based on a comparison of the calling and called parties' numbers.

Q. IT APPEARS THAT THE LEVEL 3 PROPOSED LANGUAGE REQUIRES QWEST TO PROVIDE FACTORS TO LEVEL 3. ARE SUCH FACTORS NECESSARY?

A. No. Qwest believes that Level 3 is able to bill accurately today. Level 3 provides no reasons why Qwest-provided factors would be necessary in the future.

Q. DO YOU HAVE ANY ADDITIONAL COMMENT ON LEVEL 3'S PROPOSED FACTORS?

A. Yes. Level 3's proposed language does not include a factor for intrastate toll traffic. It is unclear to Qwest how this type of traffic would be handled under Level 3's proposal.

IX. DISPUTED ISSUE NO. 21: ORDERING OF INTERCONNECTION TRUNKS

Q. DID LEVEL 3 FILE ANY TESTIMONY SPECIFICALLY RELATED TO THE ORDERING OF INTERCONNECTION TRUNKS?

A. No. Thus, since Level 3 did not file any testimony specifically objecting to Qwest's proposed language, the Commission should adopt Qwest's contract language on this issue.

X. DISPUTED ISSUE NO. 22: COMPENSATION FOR SPECIAL CONSTRUCTION

Q. DID LEVEL 3 FILE ANY TESTIMONY SPECIFICALLY RELATED TO COMPENSATION FOR SPECIAL CONSTRUCTION?

A. No. Since Level 3 did not file any testimony specifically objecting to Qwest's proposed language, the Commission should adopt Qwest's contract language on Issue No 22.

XI. SUMMARY/CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. Despite the pages and pages of contract language at dispute in the arbitration, Level 3 has failed to file testimony on the contract language itself, offering neither detailed objections to Qwest's language, nor explanations of why its own proposed language is appropriate. Instead, Level 3 offers only high-level philosophical discussions, inaccurate interpretations of FCC rules based on fragments that are taken out of context, and repeated claims that Qwest is unreasonable, backward-thinking and somehow should be punished for the fact that it was once a regulated monopoly. However, the determination of the appropriate language for the interconnection agreement must be based on the language itself, in conjunction with the language of the Act, the FCC rules implementing the Act, this Commission's own rulings and common sense, and not on rhetoric.

In its proposed interconnection agreement, Qwest offers Level 3 several different options for interconnecting with the Qwest network. These options have been identified and discussed before this Commission in various cost dockets and have been approved by this Commission. Despite Level 3's denials, there is no question that under the Act, Qwest is allowed to recover costs that are just and reasonable and that are based on the costs of providing interconnection. Indeed, it only makes sense that Qwest be allowed to charge for network capacity used by Level 3 to send traffic that will terminate on the Qwest network.

In this arbitration, Level 3 has raised objections to the concept of a relative use factor calculation and, specifically, to Qwest's proposal to exclude ISP-bound traffic from the calculation of the RUF. These objections are misplaced, as the FCC has specifically provided for compensation based upon the relative usage of the parties, and this Commission (and a federal court) has specifically ruled in the parties' previous arbitration proceeding that ISP-bound traffic should be excluded from the relative use calculation.

Finally, Level 3 mischaracterizes Qwest's trunking options by stating that Qwest refuses to allow Level 3 to combine all traffic on a single trunk group. Level 3 fails to acknowledge that Qwest has agreed to allow the combining of all traffic over Feature Group D trunks. This proposal allows for the efficiencies that Level 3 claims it is seeking, while allowing Qwest to use existing tariffs, processes and systems to bill appropriate rates for switched access and for producing Jointly Provided Switched Access records. This proposal also has the benefit of using actual recordings of traffic for billing purposes, rather than using "estimated factors," as Level 3 proposes.

For all of these reasons, Qwest respectfully requests that the Commission approve and adopt Qwest's language as it relates to these issues.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

Qwest/10
Brotherson/i

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**

REBUTTAL TESTIMONY OF

LARRY B. BROTHERSON

FOR

QWEST CORPORATION

September 6, 2005

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1

I. IDENTIFICATION OF WITNESS

Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.

A. My name is Larry B. Brotherson. I am employed by Qwest Corporation (Qwest) as a Director-Wholesale Advocacy in the Wholesale Markets organization. My business address is 1801 California Street, 24th Floor, Denver, Colorado, 80202.

Q. ARE YOU THE SAME LARRY B. BROTHERSON WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to respond to the Level 3 testimony of Mr. Gates and Mr. Ducloo. Specifically, I will discuss the Level 3 testimony as it relates to the following disputed issues:

- ISSUE 16: DEFINITION OF VoIP
- ISSUE 1A: SECTION 7.1.1.1 OPERATION AUDITS
- ISSUE 1A: SECTION 7.1.1.2 CERTIFICATION
- ISSUE 3: VNXX TRAFFIC
- ISSUE 4: COMPENSATION FOR VOICE AND VoIP TRAFFIC
- ISSUE 19: ISP BOUND 3:1 RATIO, Section 7.3.6.2
- ISSUE 10: DEFINITION OF INTERCONNECTION
- ISSUE 11: DEFINITION OF INTEREXCHANGE CARRIER
- ISSUE 12: DEFINITION OF INTRALATA TOLL TRAFFIC
- ISSUE 14: DEFINITION OF TELEPHONE EXCHANGE SERVICE
- ISSUE 15: DEFINITION OF TELEPHONE TOLL SERVICE

In addition, I will respond to some of the general comments made by Level 3 regarding competition, network efficiencies, and the Internet.

Q. BEFORE ADDRESSING SPECIFIC ISSUES IN THE MATRIX AND SPECIFIC LANGUAGE SECTIONS, DO YOU HAVE ANY GENERAL COMMENTS?

A. Yes. This has been an unusual arbitration in terms of responding to the Petition and responding to the direct testimony. For a case whose sole purpose is to establish contract language in a disputed interconnection agreement ("ICA") pursuant to section 252 of the Act, Level 3 spends little time defending its own language or comparing it to Qwest's language. Its testimony is virtually all high-level policy discussion, whose thrust is that Level 3 should be entitled to special treatment. Furthermore, it should be noted that while Mr. Ducloo filed 17 exhibits, my review of his testimony indicates that he only refers to four of them (Level 3/301-303 and Level 3/309) in his testimony. Nonetheless, I have actually responded below to a few of the exhibits that he does not mention, simply because there are serious errors in them. Qwest, of course, reserves the right to move to strike exhibits that are not appropriately presented to the Commission.

I direct my reply testimony to specific issue numbers, but in general all of the Level 3 direct testimony on issues for which I am responsible fall into two issues: (1) the definition of VoIP and (2) the proper means of defining local and interexchange calls for compensation purposes.

In light of the fact that Level 3 has chosen not to provide testimony related to specific ICA language in its direct testimony, and given the possibility that it will raise specific issues related to language for the first time in rebuttal testimony, Qwest reserves the right to seek an opportunity to reply to such testimony in prefiled or live surrebuttal testimony or in some other appropriate manner.

III. DISPUTED ISSUE 16: DEFINITION OF VoIP

Q. WHY IS VoIP AN ISSUE IN THIS ICA?

A. Until now, Level 3's business model has been primarily the offering of originating numbers to ISPs using its status as a CLEC with single point of interconnection to provide statewide free **originating** calling to ISPs. This is the VNXX issue that I address later. However, Level 3 now appears to be expanding its business model. Level 3 intends to use its status as a CLEC able to assign local telephone numbers in distant towns as the means to provide LATA-wide **termination** to VOIP providers over Qwest's network, and to treat these calls as local as well. Because Qwest's language limits ISP terminations to terminations within the local calling area ("LCA") in which the Enhanced Service Provider ("ESP") purchases local service, Level 3 objects to Qwest's contract language related to VoIP.

Q. PLEASE EXPLAIN THE DISPUTE RELATING TO THE DEFINITION OF VoIP?

A. Level 3 and Qwest disagree on a variety of issues related to the definition of VoIP. These issues include (1) where the special equipment that converts calls to Internet Protocol ("IP") must be located; (2) how the ESP exemption applies to VoIP calls under certain circumstances; and (3) the significance of the location of the ESP point of presence ("POP") as it relates to defining a call as local or toll. My rebuttal testimony addresses Mr. Ducloo's and Mr. Gates' testimony relating to these issues.

Q. DID MR. DUCLOO OR MR. GATES SPECIFICALLY ADDRESS THE ICA LANGUAGE IN DISPUTE RELATING TO THE DEFINITION OF VoIP?

A. No. As I noted, the Level 3 testimony is mostly high-level policy testimony. However, in the course of delivering their high-level testimony, both Mr. Ducloo and Mr. Gates do address some of the issues associated with the language in dispute, though rarely the language itself. Mr. Ducloo discussed his definition of VoIP and provided Exhibit Level 3/306 as an illustration of two types of VoIP connections to the Public Switched Telephone Network ("PSTN").

Q. DO YOU AGREE WITH MR. DUCLOO'S DEPICTION OF A VoIP CALL IN EXHIBIT LEVEL 3/306?

A. Generally yes. Exhibit Level 3/306 is an accurate depiction of two configurations I discuss in my direct testimony. The example at the top of the page represents the type of traffic addressed in the AT&T case discussed in my initial testimony (TDM-IP-TDM),[1] which the FCC determined starts and ends as a TDM call and therefore has undergone no net protocol conversion. The FCC has ruled that this type of call is not properly characterized as VoIP.

The example at the bottom of that page is an accurate depiction of a second call that does involve a net protocol conversion. Based on this exhibit, Qwest and Level 3 agree that traffic that originates in IP on IP-compatible equipment and then is converted to TDM for delivery to a customer on the PSTN (IP-TDM) is an Interconnected VoIP call (hereafter

[1] Order, *In the Matter of Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services are Exempt from Access Charges*, WC Docket No. 02-361, FCC 04-97, 19 FCC Rcd 7457, ¶¶ 12-13 (April 14, 2004) (ruling that AT&T's TDM-IP-TDM service was a telecommunications service and is subject to access charges) ("*AT&T Declaratory Ruling*").

VoIP), and is thus properly characterized as VoIP traffic under the ICA (in other words, on the lower half of Level 3/306, traffic that moves from left (IP) to right (TDM) is VoIP traffic). Although we agree in both the testimony and exhibits, Level 3 nevertheless seeks to strike some of the defining language in the ICA to that effect.

Q. ARE THERE OTHER PARTS OF MR. DUCLOO'S EXHIBIT LEVEL 3/306 WITH WHICH YOU DISAGEE?

A. Yes. Exhibit Level 3/306 appears to show VoIP calls going both ways. Qwest and Level 3 disagree on whether traffic that is originated in TDM on a PSTN phone and delivered in IP is a VoIP call for purposes of the ICA and the ESP exemption. Calls originating in TDM over PSTN telephones by Level 3 or its customers are not VoIP calls because, by definition, they would fall into the TDM-IP-TDM classification that Mr. Ducloo agrees is not an enhanced service. Mr. Ducloo's exhibit also fails to show the location of a VoIP POP, a critical piece in the exhibit and in this case. Assuming the dashed line labeled "net protocol conversion" is the VoIP POP, then under Qwest's language (which is consistent with FCC characterizations) two things are required in order for a call to be categorized as VoIP. First, it must originate in IP on IP-compatible CPE and, second, it must undergo a net protocol conversion (i.e., into TDM) before being delivered to a PSTN customer. Because the second example on Exhibit Level 3/306, moving from right (TDM) to left (IP), does not meet the first criterion, it is not a VoIP call and should not be treated as VoIP under the ICA. It is simply a voice call, a TDM call to a location on the network of the VoIP provider.

Q. IS LEVEL 3'S LANGUAGE CONSISTENT WITH LEVEL 3'S POSITION THAT A PSTN-ORIGINATED CALL IS A VoIP CALL?

A. No. While Level 3 discusses general theories, it makes no comment about Qwest's language. Interestingly, Qwest has no problem with Level 3's actual language in the ICA on this issue. However, in light of the exhibits, there may be a misunderstanding that needs comment for the record. Despite proposing language that states "VoIP" is "traffic that *originates* in Internet Protocol using IP-Telephone handsets . . . ," Level 3's response to Qwest Data Request No. 29 (attached hereto as Exhibit Qwest/11) states that Level 3 takes the position that calls that originate in TDM, but which terminate in IP, are also VoIP calls. Level 3's response to the data request is inconsistent with its own proposed ICA language. But more importantly, calls that terminate in IP over broadband would not be delivered to Qwest under this ICA; they would route directly to the end-user customer without ever being converted to TDM and without passing through the PSTN. Qwest would never see the terminating end of such calls. As such, there is no need to address them in the ICA.

Q. WHY DOES QWEST'S ICA LANGUAGE (SECTION 7.2.2.12) MAKE THE VoIP PROVIDER'S POP THE RELEVANT LOCATION FOR DETERMINING HOW TO PROPERLY CATEGORIZE A VoIP CALL AS LOCAL OR INTEREXCHANGE?

A. Mr. Ducloo discusses how, through the use of IP equipment connected to the Internet via a broadband connection, a customer can connect anywhere there is a broadband Internet connection to make a VoIP call. (See Level 3/300, Ducloo/62.) Qwest does not dispute this statement. Broadband IP calls originate, connect to the Internet backbone, and crisscross

the country without ever touching the PSTN. That is one of the reasons the physical location of the VoIP provider's POP, the point at which the call is converted to TDM and enters the PSTN, is so important. For purposes of application of the ESP exemption, the ESP (in this case, the VoIP provider) is treated as a retail end-user customer. Given the fact that the ESP exemption allows the ESP to connect to the network by purchasing local services as an end-user customer, it is essential to know which LCA the VoIP POP is located in (i.e., where it is buying local service). Thus, given the nature of the traffic (assuming it is properly categorized as VoIP), and given the fact that VoIP providers desire to take advantage of the benefits of the ESP exemption, it is essential that the physical location of the VoIP provider's POP be one of the relevant points for properly characterizing the traffic (the other relevant point is the physical location of the PSTN customer to whom the call is being terminated). The language that makes the VoIP provider's POP one of the relevant points of measurement is contained in Qwest's updated VoIP definition and shown on pages 25 and 26 of my direct testimony (Qwest/2, Brotherson/25-26.) Qwest's VoIP definition is critical to the proper application of the ICA and should be adopted by the Commission. Level 3's attempt to strike terms central to the definition of VoIP should be disregarded.

Q. MR. DUCLOO ALSO DISCUSSES IP-COMPATIBLE CPE. IS MR DUCLOO'S DISCUSSION CONSISTENT WITH LEVEL 3'S POSITION ON WHAT DEFINES VoIP?

A. Mr. Ducloo describes the specialized CPE required by VoIP: "Special phones, called "SIP" phones ("SIP" stands for "Session Initiation Protocol" . . .) can be used for VoIP. These

phones have small computers built into them that packetize the voice data and generate SIP messages." (Level 3/300, Ducloo/62.) I agree with that statement. Converting the call to IP protocol at the customer's premises (wherever that may be) with special equipment de facto makes the call an IP-originated call that must travel over a broadband connection. This is why Level 3's attempt to strike the language that requires that the call originate in this type of equipment on the customer's premises is surprising. If the end-user customer does not have this equipment on the customer's premises to convert the call to IP, the call must be originated as a traditional PSTN call in TDM and thus, when delivered to Qwest in TDM, cannot have undergone a net protocol conversion. Qwest's proposed ICA language for the definition of VoIP "traffic that originates in Internet Protocol *at the premises of the party making the call* using IP-Telephone handsets, *end user premises*…" (emphasis added) requiring the specialized equipment that Mr. Ducloo describes is critical. The language requiring that the IP equipment is at the customer's premises is an absolutely necessary piece to the definition to assure that the call is an IP-originated call. Therefore, Qwest's language should be adopted.

Q. DO MR. DUCLOO AND MR. GATES DISCUSS THE COSTS OF TERMINATING CALLS IN THEIR TESTIMONY?

A. Yes. Mr. Ducloo and Mr. Gates discuss whether the costs of terminating various types of calls (including VoIP, local calls, intrastate toll calls, and interstate toll calls) differ. My general comments to those discussions are that through long and extensive cost dockets, the Commission has established rates that Qwest can charge for various types of calls. An arbitration of contract terms for one CLEC is not the appropriate forum for changing

Commission-established rates that apply to all IXCs, CLECs, or other carriers that use the Qwest network. The isolated approach that Level 3 proposes would unduly distort the market and could create unanticipated consequences or opportunities for regulatory arbitrage.

Q. MR. DUCLOO STATES THAT "QWEST TERMINATES VoIP CALLS TO ITS END-USER CUSTOMERS IN THE SAME MANNER [IT] WOULD USE TO TERMINATE REGULAR PSTN BASED LOCAL CALLS TO [ITS] END-USER CUSTOMERS. THERE ARE NO EXTRA PROCESSES, NO ADDITIONAL TRANSPORT, AND NO ADDITIONAL SWITCHING." IS HIS STATEMENT ACCURATE?

A. This statement is accurate only for the termination of "regular PSTN based *local calls"* (Level 3/300, Ducloo/68), which are the only types of calls his answer relates to. But that misses the point. Both parties are in agreement that terminating access charges do not apply to local calls (whether it is a PSTN-originated local call or a local call handed off by the VoIP POP in the LCA). However, Mr. Ducloo's testimony is conspicuously silent about how, for example, VoIP calls from an ESP in Portland with Portland local exchange service will be delivered to a Qwest PSTN customer in Salem. Yet that is the central issue in dispute with regard to VoIP in this docket. The Qwest language in section 7.2.2.12 is intended to make clear that when a Portland Level 3 VoIP provider with a Portland local POP terminates a call to a Portland PSTN customer, it is a local call, and will be treated that way under the ICA. The call is measured from the VoIP POP to the Qwest PSTN customer. The contract language should make clear that a VoIP call from the Portland-

based VoIP customer to a Qwest PSTN customer in Salem is not a local call under the ICA, nor should it be.

Q. DO YOU HAVE COMMENTS REGARDING MR. GATES' COST STATEMENTS ON PAGES 52 AND 53 OF HIS DIRECT TESTIMONY (LEVEL3/200, GATES/52-53)?

A. Yes. Level 3 attempts to move the discussion away from Commission rules and the determination of the proper compensation regime and onto a discussion of costs. Mr. Gates states that it would not be appropriate for VoIP to be subject to access charges in any event. An example illustrates the special treatment that Level 3 seeks. First, assume that Level 3's VoIP provider customer and an IXC each have POPs located in Portland in adjoining rooms in the same building. Second, assume that a VoIP call from Level 3 destined for a Qwest customer in Salem is delivered to Qwest, and that Qwest transports the call to Salem and delivers it to the PSTN customer. Third, assume that a customer of the IXC does exactly the same thing: delivers a call to Qwest at the Portland POP, and that Qwest transports the call to Salem and delivers it to the customer. It is a fact, as Mr. Gates states, that precisely the same Qwest processes, transport, and switching are necessary to deliver both calls, yet under Level 3's proposal, Level 3 would pay Qwest $.0007 per minute to terminate the VoIP call, while the IXC would pay Commission-prescribed terminating exchange access rates to deliver the call to the same customer. For both calls, the same processes, transport and switching are necessary, but Level 3 seeks to exempt itself from the rules that apply to other carriers. Comparing costs does not resolve the consequences of disparate regulatory treatment being applied to certain traffic. In the example above,

there is absolutely no difference to the PSTN between the two calls: both are delivered to Qwest in TDM, both are voice calls, and both use precisely the same processes and facilities to terminate, and yet Level 3 proposes that completely different regulatory treatment be given to the Level 3 VoIP call. One of the goals of the 1996 Act is to create a competitively-neutral environment—Level 3's proposal is a major step in the wrong direction.

Q. MR. GATES MAKES THE COMMENT THAT; "BROADBAND VoIP SERVICES DO NOT IMPOSE ANY ADDITIONAL COSTS ON THE ILECs OR THEIR NETWORK EITHER." (LEVEL 3/200, GATES/55.) HE ALSO IMPLIES THAT VoIP SHOULD BE ALLOWED TO USE THE PSTN AT RATES LOWER THAN THE ACCESS CHARGES THAT APPLY TO OTHER CARRIERS. (LEVEL 3/200, GATES/55-56.) PLEASE COMMENT.

A. Again, Mr. Gates is really arguing that Level 3 should be exempt from the current rules and regulations that govern the rest of the industry. Mr. Ducloo, at page 13 of his direct testimony (Level 3/300, Ducloo/13), says that "Level 3 is not a traditional competitive local exchange carrier ("CLEC")." I agree that Level 3 does not appear to be a typical CLEC. In fact, Level 3 is much more like an ESP seeking inter-LEC compensation. The VoIP call that is converted to TDM, and that uses the PSTN just like other types of PSTN calls, should not be treated in a special, discriminatory manner by virtue of the fact that the VoIP call was once in IP protocol or that Level 3 characterizes itself as atypical.

Yet, despite these facts, Mr. Gates seeks a decision from the Commission that would constitute a major policy shift, by permitting either a lower charge or no access charge, on calls bound from Portland to LCAs at the other end of the state, simply because those calls just happened to have once been VoIP calls before being converted into TDM. I can certainly understand Level 3's desire to reduce or eliminate intrastate access charges—it would certainly be in Level 3's business interests, particularly if Level 3's competitors operated under a vastly different set of rules. But such a radical step, if undertaken at all, should be done only after the Commission has considered a broader range of interests than are represented in a language dispute in an arbitration between two companies. Before enacting fundamental reform as proposed by Level 3, other local exchange carriers, independent telephone companies, IXCs, wireless providers, and consumers who benefit from what Level 3 refers to as "subsidy-laden" charges, should all have a place at the table so that a reasoned decision, one that takes into account the full consequences, can be reached. An industry forum, for example, would be a reasonable way of addressing these issues. Such an important policy change should not be made in an arbitration proceeding for one specialized CLEC in one agreement.

Q. HAS THE FCC ALSO ADDRESSED THE ISSUE OF DIFFERENT CHARGES FOR SIMILAR NETWORK FUNCTIONS?

A. Yes. In the FCC's Local Competition *First Report and Order*, the FCC noted and rejected the same points that Mr. Gates and Mr. Ducloo raise:

> We recognize that transport and termination of traffic, whether it originates locally or from a distant exchange, involves the same network functions. Ultimately, we believe that the rates that local carriers impose for the transport and termination of

> local traffic and for the transport and termination of long distance traffic should converge. We conclude, however, as a legal matter, that transport and termination of local traffic are different services than access service for long distance telecommunications. Transport and termination of local traffic for purposes of reciprocal compensation are governed by sections 251(b)(5) and 252(d)(2), while access charges for interstate long-distance traffic are governed by sections 201 and 202 of the Act. The Act preserves the legal distinctions between charges for transport and termination of local traffic and interstate and intrastate charges for terminating long-distance traffic. [2]

Q. SHOULD ALL TDM CALLS USING THE PSTN BE TREATED THE SAME, EVEN IF SOME WERE ORIGINALLY VoIP CALLS?

A. Yes. On page 55 of his direct testimony (Level 3/200, Gates/55), Mr. Gates correctly quotes the FCC: "Dial-up, or narrowband, Internet access utilizes the same PSTN infrastructure that telephone subscribers use to place traditional circuit-switched voice calls." Qwest agrees with the FCC. Mr. Gates' ultimate proposals, however, are completely contrary to the substance of the quoted language. Mr. Gates ends his particular answer by saying, in an incongruous way, that "[t]here is simply no economic justification for treating IP-Enabled services as if they were traditional services." (Level 3/200, Gates/56.) To the extent that Mr. Gates believes a call to an ESP in TDM protocol is "IP-enabled," then his conclusion makes no sense. If dial-up access (i.e., in TDM format) to an ESP to make a VoIP call is identical to a traditional voice call (and it is), then there is no rational reason that a dial-up toll call to make a VoIP call (which is precisely what VNXX is) should not be treated like a traditional voice toll call. A dial-up call in TDM over a modem to a VoIP ESP is indistinguishable from the PSTN to a voice call placed over the

[2] First Report and Order and Notice of Proposed Rulemaking, *In the Matters of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, FCC 96-325, ¶ 48 (August 8, 1996).

PSTN. Thus, the reality reflected in the quote from the FCC is that voice calls and dial-up calls to a VoIP POP are the same, and should be treated the same.

Q. MR. GATES STATES (AT LEVEL 3/200, GATES/4) THAT NEITHER PARTY SHOULD BE PERMITTED TO IMPOSE COSTS ON THE OTHER PARTY THROUGH AN INTERCONNECTION AGREEMENT FOR NO GOOD REASON. DO YOU AGREE WITH HIM?

A. I agree with the general concept that he articulates, but I disagree with the conclusions that Mr. Gates ultimately reaches. The goal of fair and equal imposition of costs is one of the reasons that the FCC has, over the years, sought and received extensive comments on how network services should be priced, and has made determinations identifying the network elements and services for which it is appropriate to impose charges on other carriers. Likewise, this Commission has held extensive cost docket hearings with numerous participants and expert witnesses, and has considered a full range of proposals as to what each party could charge for specific services under interconnection agreements. The rates set forth in Exhibit A to the ICAs were reached only after extensive consideration by the Commission. The language that typically appears in interconnection agreements that imposes inter-carrier charges did not simply come into being for "no good reason." This language is the product of lengthy and often contentious proceedings. In the end, while Qwest and other parties undoubtedly disagree with specific decisions that have been reached, the result is an effort by the Commission to balance the interests of the parties, to impose reasonable charges based on benefit to the parties, and to promote results that are as competitively neutral as possible.

Q. WHAT IS THE REAL DISPUTE WITH LEVEL 3 OVER PAYMENT OF QWEST'S TARIFFED CHARGES FOR CALLS FROM THE VoIP POP TO THE QWEST PSTN END-USER CUSTOMER?

A. The fundamental problem with the approach taken by Level 3 is that it operates from the premise that, as the provider of new services on a modern IP network, it is entitled to a free pass from the obligations imposed on other carriers when it uses the PSTN, even when its use of the PSTN is identical to the use of other carriers. I doubt very much that any carrier (whether IXC, ILEC or CLEC) is completely happy with the intercarrier compensation process that currently exists. Most carriers, Qwest included, hope that the FCC will enact changes that will make intercarrier compensation mechanisms more rational than they are today. But, for the time being, the system is what it is, and the existing intercarrier compensation methods achieve a form of rough justice. Level 3, while disparaging the PSTN, has made no effort to duplicate it, and intends to utilize it in order for Level 3 and its customers to complete calls. Qwest believes that, along with the opportunity for Level 3 to use the PSTN for its own business purposes, Level 3 has an obligation to pay its fair share in a manner similar to the obligations of other carriers, no matter whether Level 3 is providing the latest "state of the art" services or more traditional TDM-based services. I agree that costs should not be imposed on one party for "no good reason"—but that does not mean, as Level 3 apparently believes, that one type of carrier is essentially granted a free ride in relation to other carriers or in relation to the network upon which it seeks that free ride.

Q. ON PAGES 54 AND 55 OF HIS TESTIMONY (LEVEL 3/200, GATES/54-55), MR. GATES DISCUSSES THE RETAIL PRICES THAT QWEST COMMUNICATIONS CORPORATION ("QCC") CHARGES FOR VoIP SERVICES. IS THAT RELEVANT TO THIS DOCKET?

A. No. In fact, it is unclear precisely what his point is. QCC does offer VoIP, as do many other providers. Qwest has no reason to believe that QCC's pricing is dramatically different than other VoIP providers, including Level 3's. But that has nothing to do with this case. The relevant issues for this docket are based on the fact that Level 3, a CLEC, interconnects with Qwest and also offers local connection to its VoIP provider customers. The fundamental issue before the Commission is to decide how that interconnection can be provided on a fair and reasonable basis. Mr. Gates offers no evidence, nor is there any, that Qwest provides preferential treatment to QCC. In fact, QCC terminates VoIP calls within the LCA using the ESP exemption, and QCC VoIP calls terminating to a PSTN customer outside the LCA are routed to an IXC. Qwest requires QCC VoIP traffic to be routed in the same manner as it is asking Level 3 to route traffic. As the prior response makes clear, Level 3 is seeking a considerably more advantageous interconnection arrangement with Qwest than QCC receives. Qwest's position is that VoIP providers are ESPs and should not be disadvantaged in relation to other carriers, nor should they receive any preferential treatment beyond the advantages already provided to them from the ESP exemption.

Q. PLEASE RESPOND TO MR. GATES' ARGUMENT (LEVEL 3/200, GATES/59-60) THAT VoIP SHOULD BE FREE FROM REGULATION.

A. Qwest agrees that VoIP should be free from regulation. Mr. Gates accurately quotes Qwest's position on VoIP regulation on page 63 of his testimony. But again, Mr. Gates misses the point. The issue before the Commission is how Level 3, in its role as a CLEC, interconnects to the PSTN and exchanges traffic with Qwest, including traffic from ESP end users that purchase connection to the local network from Level 3. In accord with Section 251(c)(2) of the Act, the Qwest/Level 3 ICA presumes interconnection between local exchange carriers ("LECs"). In reality, however, the interconnection between Qwest and Level 3 may not be interconnection between two LECs. Level 3 does not appear to be a LEC, by providing telecommunications service.[3] It remains only an ESP by providing only information services.

To Mr. Gates' point on the unregulation of VoIP, the fact is that VoIP is not subject to the kind of regulation to which traditional telecommunications services are subjected. No one

[3] The Act defines "telecommunications service" to mean "the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used." 47 U.S.C. § 153(46). In turn, the Act defines "telecommunications" as "the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received." 47 U.S.C. § 153(43). A "telecommunications carrier" is any provider of telecommunications service that is not an aggregator of telecommunications services. 47 U.S.C. § 153(44). Finally, "information service" means "the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service." 47 U.S.C. § 153(20. FCC Rule 701 states:

> 47CFR 51.701 Scope of transport and termination pricing rules. (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.

regulates the prices of VoIP providers. Furthermore, an IP-IP VoIP call is not regulated in any manner whatsoever. When a Level 3 customer originates a call in IP format over broadband, Level 3 hauls it across the country on its backbone fiber network in IP, and terminates the call in IP format over broadband to a residence or business with a broadband connection; there is not a single vestige of regulation for that call. Nor does the call involve the PSTN or an interconnection with a CLEC. But, and this is the point that Mr. Gates ignores, if a CLEC such as Level 3 wishes to interconnect and terminate traffic on the PSTN, then an ICA under the federal Act and this Commission are involved.

There is a fundamental difference between regulating VoIP calls on the Internet, which neither Qwest nor Level 3 support, and the rules governing an ICA between LECs. As a CLEC, the arbitration of this ICA is subject to no more regulation than an agreement between Qwest and any other LEC. But given that Level 3 is operating as a CLEC that wants to use the portion of the PSTN owned by an ILEC, subjecting Level 3 to the rules that govern all other carriers is not only reasonable, it is legally required. And it subjects Level 3 to no more regulation than other unregulated providers. If what Mr. Gates is trying to avoid under the guise of freeing VoIP from regulation is that Level 3 not be subject to the same interconnection and compensation requirements as other carriers, Qwest adamantly disagrees.

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same manner as regulations of the Commission.

Q. IS IT THE REGULATION OF IP TRAFFIC ON THE INTERNET OR THE REGULATION OF PSTN TRAFFIC IN TDM THAT LEVEL 3 REALLY OBJECTS TO?

A. It is the rules that govern Level 3's use of PSTN that Level 3 is really objecting to. Mr. Gates misinterprets the issue of service regulation from the necessary demands of appropriate intercarrier compensation when two carriers exchange traffic. In other words, Level 3's concept of "no regulation" is that it should receive preferential treatment for its use of the PSTN. Long distance prices have not been regulated for years, and wireless rates have never been the subject of state service regulation. That has not meant that IXCs and wireless providers are free from intercarrier obligations when they use the local wireline PSTN for call origination and termination. Access charges still apply to these "unregulated" calls. In fact, Level 3's concept of no regulation of VoIP really means that other companies, like IXCs and wireless providers, not to mention CLECs that are attempting to provide wireline competition to ILECs and to other CLECs, should remain subject to intercarrier compensation obligations, while Level 3, which markets to VoIP providers, gets preferential treatment. That result certainly was not, and is not, Qwest's or QCC's position. In effect, Level 3 believes it should be able to have its customers originate calls in IP, and then, simply because Level 3 converts those calls to TDM before sending them to the PSTN, it should have the ability to reach millions of PSTN customers in areas from the most urban to the most rural without the necessity of meeting the same rules that apply to other carriers interconnecting to the PSTN.

Q. ON PAGE 7 OF HIS TESTIMONY (LEVEL 3/300, DUCLOO/7), MR. DUCLOO SUGGESTS THAT QWEST ADVOCATES THE IMPOSITION OF SWITCHED ACCESS CHARGES ON ALL VoIP TRAFFIC. PLEASE COMMENT ON HIS CONCLUSION.

A. As Level 3 did in its Petition, Mr. Ducloo mischaracterizes Qwest's position on this issue; his suggestion that Qwest seeks to impose switched access charges on *all* VoIP (Level 3/300, Ducloo/7) is simply not true. Qwest does not seek to impose access charges on any traffic that properly qualifies for the ESP exemption. In fact, Qwest's position affirms the ESP exemption, but does so based on a proper interpretation of the exemption. To the extent that VoIP traffic meets the ESP exemption requirements, no access charges can or should be applied; if the traffic does not meet those requirements, neither the ESP exemption, nor a sound "competitively neutral" policy, suggests that this type of VoIP traffic should receive preferential treatment—it should be subject to the same rules that apply to other similar traffic. It is this Qwest position that the same rules should apply to Level 3's traffic as it does to other interconnectors' traffic that Level 3 objects to.

Q. DOES QWEST'S LANGUAGE AFFIRM THE ESP EXEMPTION, AND WHAT IS LEVEL 3'S RESPONSE TO THAT LANGUAGE?

A. Yes. Qwest language in section 7.2.2.12 affirms the ESP exemption. The Qwest language that Level 3 seeks to remove from the ICA states:

> 7.2.2.12 VoIP Traffic. VoIP traffic as defined in this agreement shall be treated as an Information Service, and is subject to interconnection and compensation rules and treatment accordingly under this Agreement based on treating the VoIP Provider Point of Presence ("POP") is an end user premise for purposes of determining the end points for a specific call.

> 7.2.2.12.1 CLEC is permitted to utilize LIS trunks to terminate VoIP traffic under this Agreement only pursuant to the same rules that apply to traffic from all other end users, including the requirement that the VoIP Provider POP must be in the same Local Calling Area as the called party.

Q. DOES LEVEL 3 RECOGNIZE THAT THE ESP EXEMPTION REQUIRES COMPLIANCE WITH CERTAIN REQUIREMENTS?

A. Yes. Mr. Ducloo states: "My understanding is that the status of traffic as ESP traffic depends on certain technical characteristics of the entities that provide it, so that entities that qualify as ESPs are entitled to have their traffic rated on an end-user basis, as opposed to on a carrier basis." (Level 3/300, Ducloo/7.) That is what Qwest states in its proposed VoIP definition and in section 7.2.2.12. Qwest's definition of VoIP traffic incorporates the requirements of the ESP exemption. It treats the VoIP provider as an end-user customer as required by the ESP exemption, and treats the VoIP provider's POP as an originating and terminating location for purposes of rating the call and for applying the appropriate form of intercarrier compensation.

Q. DOES QWEST'S PROPOSED LANGUAGE ACCURATELY CAPTURE THE TECHNICAL CHARACTERISTICS THAT MR. DUCLOO REFERS TO?

A. Yes. Consistent with the ESP exemption, Qwest's interpretation includes both the advantages and limitations that come with end-user customer status. The principal advantage of the exemption is that ESPs may originate and terminate traffic within the LCA in which its POP is located without being required to pay originating and terminating access charges. The limitation, however, is the same limitation imposed on end-user

customers. The ESP is permitted to connect to the local network by purchasing out of the local exchange tariffs or catalogs. An ESP cannot interconnect under section 251 ICA. ESPs are the customers of the ILEC or CLEC. The ESP exemption applies within the LCAs in which the ESP locates a POP, but (just as the rules apply to business end-user customers) the exemption does not allow for free calling outside of those LCAs (and it certainly does not provide for LATA-wide origination and termination of call, as Level 3 implies).

Q. DOES LEVEL 3 AGREE THAT THE ESP EXEMPTION, AND PURCHASE FROM THE LOCAL EXCHANGE TARIFFS, PERMITS ONLY LOCAL CALLING?

A. Since Level 3 does not address the contract language specifically, it is not entirely clear what is Level 3's position on the ESP exemption. To the extent that Level 3 asserts the ESP exemption requires Qwest to terminate a call from a Level 3 ESP customer's VoIP POP located in Portland to a Qwest Salem end-user PSTN customer, without the VoIP provider handing off the call to a PICed IXC, and the IXC paying access charges, Qwest strongly objects to Level 3's interpretation of the ESP exemption. This would create an inappropriate and competitively preferential result for Level 3 and its VoIP provider customers. Just as any Portland end-user customer would be required to hand off its call to an IXC to deliver that customer's traffic to Salem, so should the ESP. Qwest's language is consistent with this interpretation and application of the ESP exemption.

Q. IS LEVEL 3'S CONTRACT LANGUAGE CONSISTENT WITH THE ESP EXEMPTION?

A. No. The problem with Level 3's position is that it attempts to strike language that states the ESP's POP is an element in determining the jurisdiction of the call. Without this language the distinction between a toll call and a local call disappear. Level 3 misinterprets the ESP exemption, apparently based on the erroneous and self-serving conclusion that, unlike end-user customers who receive only a LCA-wide exemption from access charges, Level 3's VoIP providers are somehow entitled to LATA-wide (or perhaps even wider) exemption from access charges because the traffic originated in IP. End-user customers are not entitled to those benefits, and since an ESP is treated as an end-user customer for purposes of the exemption, I am aware of nothing that would suggest that it should be entitled to the broader treatment that Level 3 apparently advocates. In effect, Level 3 desires the exemption, which treats an ESP as an end user, to give it rights those same end users do not have.

Q. PLEASE COMMENT ON MR. DUCLOO'S EXHIBITS LEVEL 3/301 AND 302.

A. I think Mr. Ducloo's exhibits accurately show Level 3's real business. Exhibit Level 3/301 looks very similar to the networks of several long distance carriers with whom Qwest interconnects. It is an impressive network from Boston to Portland to Los Angeles for long-haul traffic across the nation and the world. But, the ICA being arbitrated here is between LECs. Level 3 seeks to originate and terminate its long-haul IP traffic within Oregon as a CLEC. Exhibit Level 3/302 is similar to Exhibit Level 3/301 in that it also depicts long-haul IP networks. Those links, however, are not particularly useful for a discussion about local interconnection and local service. As a provider of local service in Oregon, what is important is the map of Level 3's Oregon local network (Level 3/303).

This exhibit depicts Level 3 with Points of Interconnection ("POI") located in Oregon, but the exhibit does not depict that Level 3 has any substantial local network beyond those POIs. For that, it must interconnect with Qwest (and other ILECs) and have specific interconnection language providing for origination and termination of "local" calls. That is what the 1996 Act provides and what the ICA in this case is intended to accomplish.

Q. MR. DUCLOO CHARACTERIZES THE VoIP TRAFFIC ISSUE AS "WHETHER QWEST MAY PROHIBIT LEVEL 3 FROM UTILIZING LOCAL INTERCONNECTION FACILITIES TO TERMINATE INTERNET-ENABLED TRAFFIC, SPECIFICALLY FOR VoIP TRAFFIC." (LEVEL 3/300, DUCLOO/54.) IS THIS AN ACCURATE STATEMENT OF THE VoIP ISSUE IN THIS CASE?

A. No. This issue statement again misstates Qwest's position. Qwest has no intention of prohibiting the termination of VoIP traffic on Qwest's network, nor does Qwest take the position that no VoIP traffic can be terminated on local facilities. Qwest's proposed language clearly provides for interconnection of Qwest's network with Level 3's network to allow for the exchange of traffic with Level 3, the CLEC. Qwest's language also identifies how, and under what different circumstances, the traffic will be terminated. The real issue is not whether traffic will be exchanged and terminated, but whether a VoIP provider customer of Level 3 can obtain LATA-wide calling, or must be bound by the local vs. toll distinctions that other end-user customers abide by.

Q. DOES THE QWEST LANGUAGE PERMIT LEVEL 3 TO TERMINATE VoIP TRAFFIC WITHIN THE SAME LCA?

A. Yes. The VoIP provider may terminate its local traffic (traffic within the same LCA as the VoIP POP) over Local Interconnection Services ("LIS") facilities, and is not required to terminate its local traffic with switched access connections such as Feature Group D. However, for traffic terminated in a LCA different than the LCA where the VoIP POP is located (i.e., interexchange calls), the traffic should not be routed over local trunks (it should be handed off to an IXC, on FGD connections, and the IXC should pay the appropriate terminating access charges). Mr. Ducloo describes this routing on page 25 of his direct testimony.

Q. IS THE ESP EXEMPTION THE SAME WHETHER THE VoIP PROVIDER IS A CUSTOMER OF LEVEL 3 OR QWEST?

A. Yes. Qwest's position on the proper application of the ESP exemption has nothing to do with whether the ESP is directly connected to Qwest's network or to Level 3's network. In both cases, in the FCC's words, the ESP is treated as an end-user customer, and "thus may use *local* business lines for access for which they pay *local* business rates and subscriber line charges."[4] That rule did not change with the passage of the 1996 Act, and Qwest is not proposing a change in this case. In fact, it is Level 3 that is proposing a fundamental change in the application of the ESP exemption. Although Level 3 acknowledges that the historical application of the ESP exemption allowed ESPs to connect their equipment to Qwest's network "on the same basis as any business end user," it has leapt to the unsupported conclusion that the ESP exemption now gives it rights that business end users do not have today, nor are part of the services provides by a "local business line" (i.e.,

LATA-wide ability to terminate calls without incurring access or toll charges). Nowhere in its Petition or in its testimony does Level 3 provide any support for this proposition, nor does it provide anything more than the cryptic suggestion that ESPs on Level 3's network are somehow invested with greater rights than business end users on the PSTN.[5] Mr. Ducloo points out that the ESP can purchase the local connection from either Level 3 or Qwest, a proposition with which Qwest agrees, but that does nothing to change the proper application of the ESP exemption.

Q. DO MR. DUCLOO'S EXHIBITS LEVEL 3/307 AND 308 ALSO RAISE AN ISSUE OF HOW LEVEL 3 VIEWS THE ESP EXEMPTION?

A. Yes. Although Mr. Ducloo's testimony did not address specific disputed language sections, I have attempted to respond to the statements that Level 3 did file. Exhibits Level 3/307 and 308 depict how an ESP could purchase local connections from either Level 3 or Qwest. While these exhibits show the connections to end offices, neither of Mr. Ducloo's exhibits make any reference to the LCAs within which those end offices are located. As discussed in prior responses, LCAs (which Level 3 euphemistically characterized as "artificial geographic designations" in its Petition) go to the very heart of the application of the ESP exemption. The ESP connects to the PSTN as an end-user customer; this does not entitle the ESP to LATA-wide termination at local calling "end user rates," as the Level 3

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[4] Order, *In the Matter of Amendments of Part 69 of the Commission's Rules Relating to Enhanced Service Providers*, 3 FCC Rcd 2631, ¶ 20, n 53 (1988) ("*ESP Exemption Order*").

[5] Another example of the vagueness of Mr. Ducloo's testimony on this point is his statement that ESPs are "not subject to access charges though the underlying communication may well involve transport over significant distances." (Level 3/300, Ducloo/47.) It is unclear whether a "significant distance" is from the north end to the south end of the Portland EAS area, or whether he means from Portland to Salem. If it is the latter, his statement is inaccurate.

testimony implies. Adding LCAs to the picture in Exhibit Level 3/308 would more accurately depict how the ESP exemption really works and would make clear what Level 3 is advocating. For example, in the lower right hand corner of that exhibit, Mr. Ducloo shows an ESP connected to the Qwest network. If that ESP's POP is located in Portland, the ESP would be able to purchase Portland local service out of Qwest's local exchange tariffs. If the other end offices depicted in Mr. Ducloo's exhibit are also connected to Qwest end offices in the Portland LCA, then the ESP could terminate traffic to each of the phones shown in the exhibit without incurring terminating access charges. However, if the three end offices with telephones depicted on Exhibit Level 3/308 were in Salem, Eugene, and Medford, the ESP exemption would not allow the Qwest end user ESP to terminate traffic to those other LCAs (just as a typical business end-user customer would not be able to do). Under this example, the ESP customer of Qwest would be required to hand off any call bound for those exchanges to an IXC. The call is measured, for jurisdictional purposes, between the ESP's POP and the party called. It is that simple; that is what the ESP exemption requires. By not depicting the LCA boundaries, Level 3 is masking the real issue before the Commission.

Q. WOULD YOU PLEASE SUMMARIZE YOUR REBUTTAL COMMENTS REGARDING VoIP TRAFFIC?

A. Yes. VoIP is traffic that originates in IP and terminates on the PSTN using TDM protocol. It originates in one protocol and is converted to TDM, thus resulting in a net protocol conversion; this, in turn, makes it an enhanced service call entitled to the ESP exemption. All other types of calls that Level 3 discuses, such as IP to IP, or TDM to IP, do not

terminate over the PSTN, and thus do not involve Level 3's ICA with Qwest. Dial-up calls to a VoIP provider are TDM to a VoIP provider and thus are treated as PSTN calls; the fact that they may later be converted to IP is of no consequence. Qwest's definition and section 7.2.2.12 capture these necessary requirements, and Level 3's attempts to strike them should be rejected. Level 3's arguments that VoIP calls are somehow unique and thus entitled to different treatment when terminating to distant towns should also be rejected. These calls are subject to the same local and long distance classifications as other PSTN calls on the network. If an ESP, in this case a VoIP provider, purchases a local connection out of the local tariffs, then calls from the ESP bound for other LCAs in the state must be routed through an IXC.

IV. DISPUTED ISSUE 1A: SECTION 7.1.1.1, OPERATION AUDITS

Q. DOES LEVEL 3 ADDRESS SECTION 7.1.1.1, OPERATION AUDITS, IN ITS TESTIMONY?

A. No. Level 3 provided no testimony regarding its dispute with the language contained in Section 7.1.1.1, identified on Level 3's Issue List as Issue 1a. Thus, the Commission should adopt Qwest's proposed language on this issue.

V. DISPUTED ISSUE 1A: SECTION 7.1.1.2, CERTIFICATION

Q. DOES LEVEL 3 ADDRESS SECTION 7.1.1.2, CERTIFICATION, IN ITS TESTIMONY?

A. No. Level 3 provided no testimony regarding its dispute with the language contained in Section 7.1.1.2, identified on Level 3's Issue List as Issue 1a. Qwest's proposed language requests that Level 3 certify that the connections it sells to its customers will comply with the ESP exemption, and comply with the terms of the ICA. Level 3, however, wants to remove any obligation from the ICA.

Q. DOES QWEST'S LANGUAGE IN ANY WAY PROHIBIT LEVEL 3 FROM PERMITTING ESPs TO CONNECT TO LEVEL 3'S NETWORK?

A. Absolutely not. Qwest is not attempting to prevent VoIP providers from obtaining connection to the PSTN through local service from Level 3, or to prevent them from receiving the benefit of the ESP exemption. But, as we have seen, and as Level 3 seems to agree, not every call that once was in IP is entitled to the ESP exemption. And it is for this reason that Qwest is requesting that Level 3 certify that the connections it sells to its customers will comply with the ESP exemption, and comply with the terms of the ICA. Level 3, however, wants to remove any obligation from the ICA by striking the certification language. Qwest simply is requesting assurance that Level 3 will enforce the ESP exemption for its customers on the same basis that other LECs, like Qwest, apply the

exemption to its ESP customers. The Commission should adopt Qwest's proposed certification language.

VI. DISPUTED ISSUE 3: VNXX TRAFFIC

Q. PLEASE EXPLAIN THE DISPUTE RELATING TO VNXX TRAFFIC?

A. Level 3 and Qwest disagree on the definition of VNXX and the treatment of, and compensation for VNXX traffic. Just as Level 3's testimony on VoIP essentially ignored the contract language, neither Mr. Ducloo's nor Mr. Gates' testimony specifically addresses the VNXX contract language in dispute. All they do is discuss in very broad and general terms the issues related to VNXX traffic. Since I addressed issues related to the specific language in my direct testimony, I will respond to those broad comments in this testimony.

Q. MR. DUCLOO STATES THAT THE ONLY THING THE PSTN "KNOWS" ABOUT A CALL IS THE ORIGINATING AND TERMINATING TELEPHONE NUMBER. (LEVEL 3/300, DUCLOO/79.) PLEASE COMMENT ON HIS STATEMENT.

A. I discuss this issue in more detail later in connection with my testimony on Oregon and federal law as it applies to the local/toll distinction. The fact is that historically, telephone companies have routinely assigned telephone numbers based upon the geographic location of the switch to which that number is connected. Thus, to imply that the PSTN knows nothing about the physical location of the called and calling parties is simply untrue. It was not until certain CLECs began obtaining numbers associated with LCAs that were assigned to customers with absolutely no physical presence in that LCA that geographical

information related to calls became suspect. That is not the fault of the network, nor does it represent an effort by carriers or regulatory commissions to redefine local calls. It is Level 3, and certain other CLECs like it, that disregard the geographical nature of calls mandated by state law and which has been inherent in federal law for decades. As Mr. Linse points out in his testimony, the telephone numbers that Level 3 uses in Oregon are all Geographic NPA numbers. In other words, they are telephone numbers that should, according to the Central Office Code Administration Guidelines ("COCAG"), correspond to discrete geographic areas. Level 3's numbers do not correspond to discrete geographic areas, and Level 3 proposes that the Commission sanction this misuse of numbering resources. The Commission should reject Level 3's practice.

Q. MR. DUCLOO PROVIDES AN ARGUMENT WHY, WITH NEWER TECHNOLOGIES, THE GEOGRAPHIC LOCATION OF CUSTOMERS IS NO LONGER RELEVANT. (LEVEL 3/300, DUCLOO/85.) DO YOU AGREE WITH HIS CONCLUSIONS?

A, No. Perhaps technically it is possible for Level 3 to declare several states to be one LCA, but the issue here relates to the PSTN and Level 3's use of it. There are two major problems with Mr. Ducloo's argument. The first, of course, is that the entire PSTN and the regulatory structure related to retail service pricing and intercarrier compensation are based on the geographic location of the parties to a call. FCC jurisdiction over interstate calls is determined by the NPA/NXX of the calling and called parties because those NPA/NXXs have traditionally related to geographic areas. State telephone rates are established recognizing both local and intrastate toll calls based on this numbering scheme. Intrastate

access and exchanges of traffic between independent companies is based on this 100-year-old convention. Thus, this issue has a rational historical basis and is not, as Mr. Ducloo describes it, an "essentially arbitrary decision." (Level 3/300, Ducloo/83.) His so-called "arbitrary decision" has, for good reasons that still exist today, governed the industry for more than 100 years.

The second problem with Mr. Ducloo's testimony on this point it that, while he talks about VoIP and soft switches, and of backbone fiber transporting IP packets around the world, the telephone numbers at issue in this case are numbers assigned on the *PSTN* that relate to specific *circuit-based switches*. The technologies that Mr. Ducloo discusses are on the Internet side of the POI, and thus are irrelevant to this issue. PSTN numbers must relate to the geographic locations of the end-user customers to maintain the current structure of the PSTN, or call rating will break down entirely. Level 3, of course, can manage its own network in any manner it chooses. For example, Level 3 may use IP addresses, instead of telephone numbers, to exchange traffic within its own network. But when Level 3 connects to the PSTN, and assigns NANPA-assigned telephone numbers to its end-user customers, or delivers VoIP calls to PSTN customers, Level 3 must comply with the same rules that apply to the hundreds of companies whose networks comprise the PSTN.

Q. CAN YOU PROVIDE AN EXAMPLE THAT ILLUSTRATES AN UNINTENDED CONSEQUENCE THAT COULD RESULT FROM ABANDONING CUSTOMER LOCATION AS A RELEVANT FACTOR IN ASSIGNING NUMBERS?

A. Yes. On page 81 of his testimony (Level 3/300, Ducloo/81), Mr. Ducloo discusses the Local Exchange Routing Guide (LERG), and in particular, the routing and delivery of interexchange calls. The LERG is a database that identifies switches and telephone numbers associated with those switches, based on the NPA/NXX codes assigned by NANPA. Of course, the entire basis for whether to assess toll charges to a call relate to the specific physical locations at which traffic bound for particular switches may be delivered. To the extent that telephone numbers lose any geographic significance, then next-door neighbors calling each other could each have telephone numbers assigned to different LCAs, and parties on opposite ends of the state could in theory be in the same LCA (in both circumstances, of course, the concept of a LCA becomes meaningless). The point is that there are compelling policy reasons (completely aside from legal mandates, telephone numbering rules, or technical capabilities) to maintain the system of rating calls based on physical location; telephone numbers must retain their geographic associations. Finally, if a LATA boundary becomes essentially an LCA boundary, LEC rates must change dramatically.

Q. MR. DUCLOO TESTIFIES THAT A SWITCH REALLY CANNOT KNOW THE GEOGRAPHIC LOCATION OF THE CUSTOMER, THAT THE SWITCH CANNOT STORE THE ADDRESSES ASSOCIATED WITH NUMBERS, AND THAT IN ORDER TO DEVELOP A PERIPHERAL DEVICE TO TRACK ADDRESSES, IT WOULD BE EXPENSIVE. (LEVEL 3/300, DUCLOO/84-85.) IS THE DEVELOPMENT OF SUCH A SYSTEM NECESSARY?

A. Absolutely not. This argument is a red herring. The solution to this issue is simple, which is to require that companies obtaining telephone numbers on the PSTN routinely assign the numbers to customers in the actual LCAs where the customer is located. If that were done, as it has been done for years, none of the tracking discussed by Mr. Ducloo of identifying the actual physical location of the virtual numbers would be necessary. The problem is not the existing system, but rather, the problem is companies like Level 3 that adopt a policy of assigning telephone numbers that have no relationship to the LCAs where the numbers are assigned. Neither Qwest, nor Level 3, should build databases to further track geographic locations beyond the LCA.

Q. IN HIS TESTIMONY, MR. DUCLOO SUGGESTS (LEVEL 3/300, DUCLOO/79) THAT QWEST IS TRYING TO "CHANGE" THE METHOD OF DETERMINING LOCAL AND TOLL FROM TELEPHONE NUMBERS TO THE PHYSICAL LOCATIONS OF THE PARTIES TO THE CALL. HAS HE CORRECTLY CHARACTERIZED THE MEANS BY WHICH LOCAL AND TOLL CALLS HAVE BEEN DETERMINED IN OREGON?

A. No. Mr. Ducloo's testimony is unsound on its face and is directly contrary to Oregon statutes, Commission rules and approved tariffs, prior Commission and federal court decisions, federal statutes, and FCC rules.

Q. BEFORE ADDRESSING THOSE ISSUES, PLEASE ADDRESS THE ISSUE FROM A COMMON SENSE PERSPECTIVE.

A. From a purely common sense perspective, the Level 3 argument does not make sense and it ignores a fundamental building block of telecommunications in Oregon and in every other state (i.e., the concept of the LCA). As I understand it, this Commission has consistently taken an active role in the definition of LCAs based primarily on the existence or non-existence of a community of interest among the residents and businesses of specific geographical locations. A good example of this would be the Portland metro LCA, which is quite large and which covers most of the Portland metropolitan area.

The language used to distinguish among different types of calls likewise is focused on geography. For example, the use of the word "local" by telephone companies and state commissions is not an accident: the concept of calling *within* a certain specified geographical area where the residents and businesses share a geographically-based community of interest has been plainly distinguished from calls *between* geographical areas, often hundreds of miles apart, where no such community of interest exists. Historically, this Commission has treated local calls (i.e., where the parties to the call are in the same geographical area) different from toll calls. State commissions have recognized the community of interest within certain narrowly-defined rural areas, or even within large metropolitan areas, and have therefore required that telephone companies provide service *within* these defined geographical areas on a flat-rated basis. These requirements have been based on the idea that calls to and from neighbors and local businesses within an area of community of interest should not be constrained by per-minute charges. Thus, prices for local service in those areas traditionally have been flat-rated so that no extra charges apply no matter how much time a customer spends on the telephone calling others located in the

same LCA. To suggest, as Mr. Ducloo and Mr. Gates do, that the concept of local service and local calls is based purely on telephone numbers, and not on geographical proximity, is incorrect and historically inaccurate.

Q. DO THE RECOGNIZED DISTINCTIONS BETWEEN LOCAL AND TOLL HAVE PRICING DIFFERENCES AS WELL?

A. Yes. Consistent with the underlying logic of creating geographically-based LCAs, state commissions and telephone companies have also historically based the pricing of toll calls on the relative lack of geographical proximity. Thus, telephone companies, regulatory commissions, and the public refer to such calls as "long distance" calls. The phrase "long distance" (like the word "local") has a direct geographical component inherent in its name. Likewise, another synonym for long distance calls—interexchange calls—suggests that the calls originate in one exchange and terminate in another distant exchange. The same is true with the word "toll," yet another synonym for long distance calls, which recognizes that a toll charge, or additional charges, apply to such long distance calls. Given the lack of a general community of interest that justifies flat-rate pricing, long distance calls have traditionally been priced on a per-minute basis.

Thus, a simple analysis of the language used to describe the two types of service ("local calls" versus "long distance calls") demonstrates the underlying error of Level 3's testimony. The defining and distinguishing factor for local and toll calling has been geographical proximity (or the lack thereof).

Q. IS LEVEL 3'S PROPOSAL TO DEFINE LOCAL AND TOLL BASED ON TELEPHONE NUMBERS INSTEAD OF PHYSICAL LOCATION OF THE PARTIES TO THE CALL CONSISTENT WITH OREGON STATUTES?

A. No. For example, ORS 759.005(2)(c) defines "Local exchange telecommunications service" as "telecommunications service provided *within the boundaries of exchange maps filed with and approved by the commission*." (Emphasis added) This definition is based solely on geography. It defines local service based on calls "provided within the boundaries of exchange maps."

Q. IS QWEST'S CHARACTERIZATION OF CALLS BASED ON LOCATION CONSISTENT WITH COMMISSION RULES?

A. Yes. The Commissions rules tie local exchange traffic to exchange areas. In OAR 860-032-0001(5), a Commission rule defines "local exchange service" as local exchange telecommunications service as defined in ORS § 759.005(2)(c). As mentioned above, ORS 759.005(2)(c) defines local service based on geographical proximity. Consistent with these rules, Qwest's proposed language treats traffic as local traffic only if it originates and terminates within the same exchange area. While these rules retain a clear link to geography, the Commissions rules do not purport to categorize calls between local and interexchange based on the NPA/NXX assigned to a particular call.

Q. ARE QWEST'S OREGON TARIFFS CONSISTENT WITH OREGON STATUTES AND COMMISSION RULES?

A. Yes. Qwest's Oregon tariffs are completely consistent with Oregon statutes and rules. Among the relevant tariff definitions are the following:

> Local Service: Telephone service furnished *between customer's premises* located within the same local service area.[6]
>
> Local Service Area: The area within which telephone service is provided under a specific schedule of rates. This area may include one or more exchanges without the application of toll charges.[7]
>
> Premises: A tract of land. This tract of land may have one or more building structures or individual space or units on its grounds. There may also be individual space or units also within this building structure.[8]

Thus, per Qwest's tariffs, local service in Oregon is "*between customer's premises* located within the same local service area." Premises are defined as an actual physical location. Thus, the physical location of the calling and called parties define local service in Oregon.

Q. IS QWEST'S POSITION CONSISTENT WITH PREVIOUS COMMISSION DECISIONS?

A. Yes. The VNXX issue with regard to ISP-bound calls was recently addressed by a federal district court in Oregon, which ruled that, under the ICA at issue, Qwest was not responsible to pay a CLEC reciprocal compensation for ISP traffic that did not physically originate and terminate in the same LCA. In that case, *Qwest Corporation v. Universal Telecom,*[9] the CLEC (Universal) adopted a business plan essentially identical to that of Level 3. It served only ISPs and, like Level 3, it obtained local numbers that it gave to its

[6] Oregon PUC No. 29, Exchange and Network Services, Section 21, at sheet 10 (emphasis added).

[7] *Id.*

[8] *Id.*, at sheet 13 (emphasis added).

[9] 2004 WL 2958421 (D. Ore. 2004).

ISP customers for local access, but which were actually routed to a Universal POI in another part of the state. The court noted that

> "VNXX traffic involves a call that is originated in one local calling area "LCA") and is terminated in a different LCA without incurring the toll charges which would normally apply. The essence of VNXX traffic is that a LEC who does not have a physical presence in a particular calling area *may appear to be local*. The LEC gains this local appearance by holding a block of local numbers which the end user, who is located in that LCA, may call. Upon making what *appears to be a local call*, the call is relayed over the lines of the local LEC [Qwest], passed of to the distant LEC [Universal], and terminated by that distant LEC."[10]

Applying the terms of the ICA, which required that calls be categorized by Qwest's local tariffs (which defined local service as service "furnished between customer's premises located within the same local calling area"), the court found that the calls were not local in nature and that, therefore, Qwest did not owe reciprocal compensation on non-local ISP traffic.[11]

Q. ARE THERE OTHER CASES?

A. Yes. Another case is the Commission's 2004 decision in the arbitration between Qwest and AT&T in Docket ARB 527.[12] In Docket ARB 527, the Administrative Law Judge acting as the Arbitrator concluded that local traffic in Oregon must originate and terminate at physical locations within the same LCA. Qwest had proposed to define "exchange

[10] *Id.* at *9 (emphasis added).

[11] *Id.* at *9-*11.

[12] See Arbitrator's Decision, *In the Matter of Qwest Corporation's Petition for Arbitration of Interconnection Rates, Terms, Conditions and Related Arrangements with AT&T Communications of the Pacific Northwest, Inc. and TCG Oregon*, Docket No. ARB 527 (Apr. 19, 2004), adopted by Commission Decision, Order No. 04-262 (May 17, 2004).

service" as "traffic that is originated and terminated within the same Local Calling Area as determined for Qwest by the Commission." AT&T had proposed to add that the definition "shall not affect compensation for the exchange of VNXX traffic," and that the issue of compensation for VNXX traffic would be resolved in a generic docket in Oregon.

The arbitrator's decision was issued on April 19, 2004, and accepted the Qwest language. The Arbitrator noted that although Qwest's Statement of Generally Available Terms ("SGAT")[13] was not dispositive, the language proposed in the arbitration by Qwest mirrored the language in the SGAT, which "is persuasive because in the SGAT process, the Commission, with the aid of numerous intervening parties, thoroughly reviewed Qwest's language for meeting its burden of proof [for] compliance with FCC rules." The Arbitrator noted that the VNXX traffic issue was being considered in a generic docket, but stated that "[a]ny changes in the treatment of VNXX after a final order is issued in UM 1058 can be integrated into this ICA using the change of law provisions in Section 2.2. *Therefore, I adopt Qwest's definition of 'Exchange Service*.'"[14] The Commission affirmed the Arbitrator's Decision.[15] The Commission thus rejected AT&T's effort to treat VNXX traffic as local traffic. Moreover, the Commission adopted a definition of "local exchange traffic" that makes it clear that such traffic must originate and terminate *within the same local calling area*; in other words, the Commission reaffirmed definitions of "local traffic" that are consistent with Qwest's Oregon tariff and with its proposed language in this case.

[13] Each ILEC must have an approved SGAT in each state that sets forth basic interconnection agreement terms that a CLEC can simply opt into. 47 USC § 252(f)(1).

[14] *Id.*

[15] Commission Decision, Order No. 04-262 (May 17, 2004), docket ARB 527.

Q. WHAT HAPPENED IN THE GENERIC DOCKET REFERRED TO IN THE AT&T DECISION?

A. On September 7, 2004, the Commission issued an order closing its generic Virtual NXX ("VNXX") docket ("Docket UM 1058"),[16] wherein the Commission clarified several issues, and which decision directly contradicts key arguments made by Level 3. In that order, the Commission stated that VNXX occurs "when a CLEC assigns a 'local' rate center code to a customer physically located in a 'foreign' rate center. For example, a customer physically located in Portland might order a phone number from a CLEC with a Salem NXX rate center code."[17] This is a perfect description of Level 3's method of operation.

The Commission also stated:

> This type of service [VNXX] was not unknown to the telephone industry prior to the arrival of CLECs. For many years, incumbent carriers offered foreign exchange (FX) services, which, for an additional monthly fee, also provided business customers served out of one central office with numbers from an NXX assigned to another central office, usually so that their customers could call them without incurring intraLATA toll charges. By Order No. 83-869, issued almost 21 years ago, the [Commission] prohibited incumbent carriers from offering FX services to any new customers or adding additional FX lines for existing customers.[18]

The Commission then expressed its deep concern about the impact that VNXX has on incumbent carriers. For example, after quoting two conditions that the Commission has placed in all Oregon CLEC certificates (including Level 3's certificate), which conditions

[16] *In re the Investigation into the Use of Virtual NPA/NXX Calling Patterns*, Order No. 04-504, Docket No. UM 1058 (Sept. 7, 2004).

[17] *Id.*, p. 2.

[18] *Id.*

require adherence to LCAs and the appropriate use of NXX codes, the Commission stated: "A plain reading of these conditions leads to the conclusion that any carrier engaging in the conduct [VNXX] described by OTA [the Oregon Telecommunications Association] . . . would clearly be in violation of its certificate."[19] The conduct the OTA was describing is VNXX as defined above.

Two conclusions are readily apparent from this order. First, the Commission has never authorized VNXX. Indeed, the only example of VNXX it cited in its order is FX service, which the Commission began eliminating 21 years ago. Second, the Commission's suggestion that any CLEC engaging in VNXX would be in violation of its certificate demonstrates that the Commission has deep reservations about VNXX. The *UM 1058 Order*, in conjunction with the recent decision in the AT&T arbitration, leads to the inescapable conclusion that VNXX violates Commission policy and Oregon law.

Q. ARE THERE ANY ANOTHER DECISIONS YOU WOULD LIKE TO MENTION.

A. Yes. The final decision, of course, is Judge Petrillo's recent ruling in Docket IC 12, which is Qwest's interconnection enforcement complaint against Level 3, where he rejected Level 3's argument that the *ISP Remand Order* preempts state commissions on the question whether non-local ISP traffic is required to be subject to the interim regime of the *ISP Remand Order*. The ALJ Ruling found that there is no compensation authorized for

[19] *Id.*, p. 11.

VNXX-routed ISP traffic and that VNXX-routed ISP-bound traffic was not included in the term "ISP-bound traffic" as that term was used in the ISP Remand Order. [20]

Q. IS QWEST'S LANGUAGE CONSISTENT WITH THE DEFINITIONS IN THE COMMUNICATIONS ACT OF 1934, AS AMENDED BY THE 1996 ACT?

A. Yes. The Act defines "exchange access," "telephone exchange service," and "telephone toll service" as follows:

> The term "exchange access" means the offering of access to *telephone exchange services* or facilities for the purpose of the origination or termination of telephone toll services.[21]
>
> * * *
>
> The term "telephone exchange service" means (A) service *within a telephone exchange,* or within a connected system of telephone exchanges *within the same exchange area* operated to furnish to subscribers intercommunicating service of the character *ordinarily furnished by a single exchange,* or (B) *comparable service* provided through a system of switches, transmission equipment, or other facilities (or a combination thereof) by which a subscriber can originate and terminate a telecommunications service.[22]
>
> * * *
>
> The term "telephone toll service" means telephone service *between stations in different exchange areas* for which there is made *a separate charge* not included in contracts with subscribers for exchange services.[23]

[20] Finally, although not entirely on point, since it addressed the "relative use factor" (RUF) for certain interconnection facilities (DTT), the Commission ruled in Order No. 05-874 in dockets IC 8 and IC 9 that the RUF did not apply to VNXX traffic because VNXX traffic is not "local" traffic.

[21] 47 U.S.C. § 153(16) (emphasis added).

[22] 47 U.S.C. § 153(47) (emphasis added).

[23] 47 U.S.C. § 153(48) (emphasis added).

Under the Act, therefore, telephone exchange service is a service provided to subscribers that enables a particular subscriber to originate and terminate calls within a single exchange, or within an area ordinarily served by a single exchange, or comparable service. Telephone toll service, in contrast, applies when a customer places a call to end users located beyond the calling area covered by Qwest's basic local exchange service tariff. Such calls are normally subject to additional charges designed to compensate the toll provider or exchange access provider for carrying calls over what could be considerable distances.[24]

Q. IS QWEST'S PROPOSED LANGUAGE CONSISTENT WITH FCC RULES?

A. Yes. The FCC recognizes and has preserved the state's role in defining LCAs. For example, in the *Local Competition Order*, the FCC held that except for traffic to or from a CMRS network, "state commissions have the authority to determine what geographic areas should be considered 'local areas' for the purpose of applying reciprocal compensation obligations under section 251(b)(5), consistent with the state commissions' historical practice of defining local service areas for wireline LECs. Traffic originating or terminating outside of the applicable local area would be subject to interstate and intrastate access charges."[25] The FCC further recognized that as a legal matter, transport and termination of local traffic is different from exchange access service. The FCC stated that

[24] Of course, as noted in my prior testimony, and in Qwest's response to Level 3's Petition, Level 3 wants to engraft the federal Act's "telephone toll service" definition into the interconnection agreement, then claim that because Qwest does not impose "separate charges" for such traffic, it cannot, by definition, be toll. This, of course, ignores the fact that, as a CLEC, Level 3 has no obligation to tell Qwest in advance where calls directed to it will terminate, thus rendering it impossible for Qwest to bill the calls as toll charges.

"[t]he Act preserves the legal distinctions between charges for transport and termination of local traffic and interstate and intrastate charges for terminating long-distance traffic."[26]

Q. LEVEL 3 CLAIMS THAT THE FCC'S *ISP REMAND ORDER* CHANGED THIS BODY OF LAW. DO YOU AGREE?

A. No. The *ISP Remand Order* made no change in this regime. The *ISP Remand Order* addressed the proper rate and treatment of traffic bound for ISPs located in the same local calling area as the calling party.[27] The FCC did not convert intraLATA toll traffic into traffic subject to reciprocal compensation, as Level 3 contends. Had the FCC intended to take away the states' ability to define LCAs and what constitutes an intraLATA toll call, it would have done so explicitly. In fact, the FCC recognized that section 251(b)(5) does not apply to intraLATA toll calls.[28] Thus, this Commission's definitions of LCAs and local exchange service continue to govern the proper definition for the parties' agreement.

Q. AS PREVIOUSLY DISCUSSED, THE LEVEL 3 WITNESSES CLAIM THAT THE MEANS OF DETERMINING LOCAL CALLS HAS ALWAYS BEEN BASED, NOT ON GEOGRAPHY, BUT ON THE TELEPHONE NUMBERS ASSIGNED TO THE

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[25] *Local Competition Order*, ¶ 1035 (emphasis added).

[26] *Id.*, ¶ 1033.

[27] This was later confirmed by the federal courts in *Bell Atlantic Tel. Cos. v. FCC*, 206 F.3d 1, 2 (D.C. Cir. 2000) and *WorldCom Inc. v. FCC*, 288 F.3d 429, 430 (D.C. Cir. 2002).

[28] *ISP Remand Order*, at fn. 66 ("In this regard, we again conclude that it is reasonable to interpret section 251(b)(5) to exclude traffic subject to parallel intrastate access regulations, because "it would be incongruous to conclude that Congress was concerned about the effects of potential disruption to the interstate access charge system, but had no such concerns about the effects on analogous intrastate mechanisms") (citing *Local Competition Order*).

CALLED AND CALLING PARTIES. PLEASE COMMENT ON THEIR TESTIMONY.

A. The foregoing discussion of Oregon statutes, rules, and tariffs, as well as federal statutes and FCC rules, demonstrates that Level 3's contention is false.

These witnesses' testimony is a typical example of getting the cause and effect relationship between two concepts backwards. The Level 3 witnesses suggest that, because telephone numbers have been the means of rating calls as local or toll, this necessarily means that telephone companies and state commissions had made a conscious conclusion that physical location is not relevant to call classification, and that the assigned telephone numbers are the only criterion. In other words, they suggest that community of interest, distance, and the geographical location of called and calling parties are never relevant factors, and that the only relevant factor is the relationship between the assigned telephone numbers.

As demonstrated above, this argument has no basis in law or fact in Oregon. Geographical locations of the parties to the call have always been the prime criterion under both Oregon and federal law.

Q. PLEASE PROVIDE EXAMPLES TO ILLUSTRATE THE FOREGOING POINT.

A. It is true that historically the means by which telephone companies have been able to make the determination of the geographical location of customers has been the telephone number assigned to them. For example, assume I am an Oregon customer of Qwest and have been

assigned the telephone number 503-242-XXXX. Customers with a 503 area code and an NXX of 242 are associated with the Portland LCA, which means that I am physically located in the Portland LCA,[29] and thus can call other residents of Portland (and indeed the entire Portland LCA) on a flat-rated basis. If I decide to make a call to a friend in Salem (who has a 503-378-XXXX telephone number associated with the Salem exchange), I would first need to dial 1 and then the Salem number. Qwest's equipment would recognize this as an interexchange call, route it to my toll carrier, and then deliver the call to that carrier. At the Salem end, Qwest would terminate the call (if the Salem customer received local service from Qwest), or it would be terminated by the local provider for that customer.

In this example, the geographical location of the two parties to the call was disclosed by their telephone numbers. However, that does not mean that Qwest or the Commission ever concluded that telephone numbers were the end of the analysis. To the contrary, the telephone numbers and their geographical association with specific exchanges are simply the means to the end of rating calls based on the geographical location of the parties to the call. For decades, this system has worked very well because telephone numbers was a reliable and consistent means of determining the geographical location the parties to a call. Thus, the Level 3 witnesses have it backwards. For purposes of distinguishing local from toll calls, the end purpose has been to determine whether calls are within or between LCAs,

[29] FX service, of course, is one exception; however, with that service, the customer pays the full private line rate to transport the traffic to a distant LCA. However, as the Commission knows, FX services were eliminated 22 years ago in 1983, with only then-existing FX customers grandfathered.

and not (as Level 3 contends) to determine whether the telephone numbers of the parties to the call are assigned to the same LCA.

Q. GIVEN THE HISTORY AND EXAMPLES YOU HAVE DESCRIBED, WHAT HAS CAUSED THIS TO BECOME AN ISSUE NOW?

A. There are two significant factors: (1) the ability of CLECs like Level 3 to obtain local telephone numbers from NANPA (something end users like ISPs are unable to do) and (2) the regulatory requirement that CLECs are able to interconnect, not in each LCA, but at a single point within each LATA in an arrangement known as Single Point of Interconnection ("SPOI"), or Single Point of Presence ("SPOP"). Thus, a company like Level 3 is able to obtain local telephone numbers in LCAs throughout a LATA, but instead of assigning them to customers that are physically located in the exchange associated with the telephone numbers, they assign them to customers actually physically located elsewhere, something that CLECs had not been doing until recently.

To illustrate this point, let me contrast two methods of operation by CLECs. Many CLECs, unlike Level 3, actually provide local exchange service to customers in the exchanges in which they obtain telephone numbers. Thus, for example, while such a CLEC may have a SPOI in Portland, it may also serve local exchange customers in Salem. In that case, the CLEC would obtain local Salem numbers and assign them to real customers located in Salem. Thus, a call from a Qwest customer located in Salem to a CLEC Salem customer will be routed to the CLEC POI in Portland, and the CLEC would then route it back to its

customer in Salem. In that case, consistent with the traditional association of telephone numbers with geographical location, the call would be truly local in nature because the parties to the call would be physically located within the same LCA.

The second example—which describes Level 3's business—illustrates the problem. In Level 3's case, because it is a CLEC, it may also obtain local telephone numbers in Salem, but Level 3 does not (and never has purported to) provide local exchange service to end-user customers in Salem. Level 3 candidly admits that it is in the business of serving ISPs. Thus, Level 3 will obtain local numbers associated with the Salem exchange, but will assign them to ISPs whose modems, routers, and servers are located in Portland (or perhaps in another state altogether.) Those ISPs will market their dial-up services to Salem customers, and will provide the local numbers provided to them by Level 3 as the local access number for the end-user customers to access the ISP, and thus the Internet. Other than the telephone numbers, there is nothing remotely "local" about the call to the ISP. It originates in Salem, but it is answered by the ISP's modems in Portland or elsewhere; from there, the call is then sent to websites throughout the country, or even the world.

Level 3's claims are: (1) despite the fact that such calls are interexchange in nature (as defined by the physical end points of the call), they are really "local" because the telephone numbers associated with the calls appear to be local to each other, and (2) such treatment is sanctioned by the historical means by which Qwest has determined whether a call is local or long distance.

The error in Level 3's logic is its contention that telephone companies and state Commissions really intended that these calls be treated as local because the telephone companies' traditional means of categorizing a call was based on the telephone numbers. This argument stands logic on its head. In fact, what has happened is that, by virtue of rights given to it as a CLEC, Level 3 is able to obtain what appear to be local telephone numbers for the purpose of making interexchange calls. Qwest certainly did not intend that CLECs use "local telephone numbers" in a way that essentially "fools" the system into believing that long distance calls are really local calls. Furthermore, Oregon statutes, Commission rules, and Commission and federal court decisions certainly disclose no intent by the Commission or courts to abandon the concept of geography and the physical end points for the proper classification of calls.

Q. MR. GATES STATES THAT BOTH CLECs AND ILECs PROVIDE LOCAL NUMBERS TO ISPs. HE THEN SAYS (LEVEL 3/200, GATES/32) THAT THE VNXX SERVICE OF THE CLEC SERVICE IS IDENTICAL TO FX SERVICE OFFERED BY QWEST, "AT LEAST FROM AN END-USER CUSTOMER PERSPECTIVE." DO YOU AGREE WITH HIS CLAIM?

A. No. In fact, the FX service that Qwest previously offered in Oregon and the VNXX service that Level 3 offers are very different. This is true from the perspective of the carriers, which Mr. Gates appears to implicitly acknowledge and from the end-user customers' perspective as well. From the end-user customers' perspective, the two services are

completely different. If a customer had purchased FX service from Qwest, the customer actually purchased a connection in the geographic LCA associated with the telephone number (for which it paid the appropriate local exchange rate), and it would have also paid for private line transport. When Qwest provides services to ISPs, it requires the ISPs to pick up the calls in the LCAs where they want telephone numbers by purchasing a local connection in that LCA, and by paying to haul it to the distant location through a dedicated private line to their premises. The party that wants the call transported to the distant exchange pays the transport. With Level 3's VNXX service, however, there is no need for Level 3 to ask the ISP to pay for any transport from a distant exchange. This is so because, by single point of interconnection and number assignments, Level 3 represents to Qwest that the call is a "local" call that Qwest should deliver to Level 3's Portland POP for free. Neither Level 3, nor the ISP, nor the end-user customer, is required to pay Qwest for gathering and transporting the traffic. Instead, because Level 3 uses local telephone numbers, such calls are routed on local single-point-per LATA interconnection trunks as if the calls were local calls terminating to a customer located in the originating LCA. In fact, not only does Level 3 want the transport for free, but Level 3 also proposes charging Qwest a local termination rate once the call arrives at its switch as if it were a local call. Most Level 3 VNXX traffic today is ISP calling. Despite Level 3's request in its Petition for $.0007/minute for such traffic, those calls are currently rated at $.00069/minute under Oregon rules. But, if the VNXX issue is expanded to terminating calls from VoIP providers or other originating traffic, the issue of seeking local termination of VNXX calls remains and must be resolved in the contract language. Thus, Qwest's language in section

7.3.6.3 stating that reciprocal compensation will not be paid on VNXX traffic should be adopted.

Q. ON EXHIBITS LEVEL 3/310, 311 AND 315, MR. DUCLOO DEPICTS LEVEL 3'S VIEW OF QWEST FX SERVICE AND LEVEL 3'S VNXX SERVICE. (SEE ALSO LEVEL 3/200, GATES/33.) ARE THESE EXHIBITS ACCURATE?

A. No. Exhibits Level 3/310 and 311 inaccurately depict a Qwest FX call. These exhibits show the call path using common PSTN trunk groups and being switched by multiple end offices and tandem offices, in essence using the toll network. In fact, that is completely wrong. Although the Commission discontinued FX service in Oregon in 1983 (see Order No. 83-839), the remaining grandfathered FX customers' service is a simple configuration where the customer has purchased an actual connection in the LCA where the number was assigned, like other end users in that LCA. The traffic was then transported from that LCA, not over common trunks and switches, but over what is essentially a private line-rated long loop. The FX customer was connected from the actual LCA where the number was assigned directly to the distant customer premises in the "foreign" exchange over a tariffed private line service at full retail rates. Level 3's Exhibit Level 3/310 depiction does not reflect that configuration. The routing on that exhibit is the routing that would apply to a typical toll call, using the trunks connecting the two switches following the same path as a toll call.

This point is illustrated by Exhibit Level 3/315, Mr. Ducloo's diagram of a Level 3 VNXX call. From this exhibit, it is clear that, unlike Qwest's FX service, Level 3 does not pick up the call in the originating LCA, does not take it off the common trunks of the PSTN network, and does not provide the private line circuit carrying the call to the customer premises. Rather than the Level 3 VNXX customer paying for transport to its distant premises, Level 3 puts the call on LIS trunks, whose purpose is to deliver *local* calls from local customers to the Level 3 switch. And, while the diagram suggests that Level 3 pays Qwest TELRIC rates to transport this call to the Level 3 POP, Level 3's position in its Petition is that Qwest is financially responsible for *all costs* on its side of the POI, and that neither Level 3 nor its customers should pay anything for the delivery. Setting that point aside (Mr. Easton addresses this in his testimony), the point that these exhibits make clear is that the Qwest FX customer bears the full retail cost of transporting the call to the distant location on its private network (i.e., the private line circuit that it leases from Qwest). In Level 3's model, however, Level 3 seeks statewide free transport, and further, wants the call treated as local, including the billing of local termination charges, without any nexus whatsoever to the originating LCA.

Q. WHAT DO YOU MEAN BY NO NEXUS TO THE LCA?

A. Let me give a real example. According to the LERG, Level 3 has requested and obtained from NANPA 10,000 telephone numbers for the NXX of 320 in area code 541. These numbers are associated with the LCA to Sumpter, whose population is approximately 171 people. Based on Level 3's own descriptions of its business model, it is highly unlikely that Level 3 serves any actual customers who live in Sumpter. I doubt that a Level 3

employee has ever been in Sumpter, at least on a work-related matter. Level 3's sole purpose in obtaining those numbers is clearly to assign Sumpter numbers to an ISP customer (such as Earthlink or MSN) actually located in Portland (or even in another state). Level 3 claims that the Qwest Sumpter customer has made a local call if the customer calls an ISP when the call actually is delivered to the Portland POP of Level 3, and then delivered to Level 3's Portland ISP customer. Furthermore, Level 3 not only wants Qwest to deliver the traffic to the POP for free, Level 3 also intends to bill reciprocal compensation to Qwest for terminating that local call to its local "Sumpter" ISP customer. If Level 3 can pull that off, it would have a bullet-proof business plan. Qwest would gather and deliver traffic to it for free from throughout Oregon, Level 3 would charge the ISPs for that service, and then, Level 3 would want Qwest to actually pay it local call termination rate for the privilege of doing all of these things for Level 3 for free. Beyond charging Qwest to deliver it traffic, as a CLEC certified to provide local service, Level 3 has no relationship with any customer in Sumpter, and no nexus to the Sumpter LCA.

Q. IS THE EXISTENCE OF ILEC FX SERVICE A REASON TO ABANDON THE EXISTING MEANS OF RATING CALLS?

A. No. I have already discussed why the grandfathered FX service is significantly different from the VNXX arrangement that Level 3 seeks to sanction through the ICA. Level 3 is taking the exception and turning it into the numbering convention. NANPA expects that every carrier that elects to interconnect with and become part of the network that comprises the PSTN assign telephone numbers associated with specific geographic locations. There

is one exception, specifically permitted by NANPA, which is FX. And NANPA recognizes FX not as the general rule, but as a limited exception that is regulated by states and that recovers the transport through tariffed private line rates. In Oregon, Qwest has only four remaining (grandfathered) FX lines assigned. With the exception of these four FX lines, all numbering follows the established structure. Level 3, however, seeks to use FX (which is actually very different from VNXX, and which, by any measure, is a small exception to a general rule), as the justification to establish an entire network based on assigning virtually all telephone numbers to customers located outside the LCA associated with the assigned numbers. Thus, the vast majority of its telephone numbers would bear no relationship to the actual physical location of the customer to whom they are assigned. Other than those Level 3 ISP customers who happen to be located within the same LCA as the Level POI, 100% of Level 3's traffic would bear no relation to the LCAs for which its numbers are associated. In fact, Level 3 does not even deny that is has no customers physically located in those communities. Level 3 is simply using the assigned telephone numbers to disguise calls that would otherwise be toll calls, a fact recognized by the Oregon federal court in the *Universal* case, which noted that Universal's VNXX arrangement allowed "the person making the call [to] be billed at the local rate for a call that was *really long distance*."[30]

Q. MR. GATES ALSO REFERS TO A SERVICE OFFERED BY QCC KNOWN AS "WHOLESALE DIAL" SERVICE. (LEVEL 3/200, GATES/55.) IS THAT RELEVANT TO THE VNXX ISSUES IN THIS CASE?

[30] 2004 WL 2958421, at * 9 (emphasis added).

A. No. Again, Level 3 first inaccurately describes the Qwest product, and then states that Level 3 does the same thing. Mr. Gates states that Wholesale Dial provides many of the same "benefits" as Level 3's VNXX service. Wholesale Dial is a product that Qwest's unregulated affiliate company, QCC, offers to ISPs. QCC is able to offer the product in Qwest's territory because it purchases tariffed services from Qwest (the ILEC), and then packages those tariffed services for ISPs. In particular, QCC purchases tariffed Primary Rate ISDN ("PRI") services. This means that Wholesale Dial customers pay tariffed private line transport rates to haul calls from the LCA where the dial tone is provided to the location of the ISP. The calls are handed off within the LCA where the local service is purchased. In other words, it bears no resemblance to VNXX.

Q. WHAT IS WHOLESALE DIAL?

A. QCC, through its Wholesale Dial product offering, is simply aggregating traffic and providing a service as a bundled product to ISPs. Another way of describing this product is that a single ISP can buy PRI services out of Qwest's retail tariffs or catalogs today as any other end-user customer can. But, if a single ISP does not have enough customers or volume to warrant such a purchase, then a company like QCC (or any other carrier, including Level 3) can buy the same retail tariffed services and create a product that can aggregate traffic for multiple ISPs (just like QCC's Wholesale Dial) and market it to ISPs. The point is that Wholesale Dial is a bundling of tariffed products, and it does not do what Level 3 does, as Mr. Gates suggests. It is simply built upon existing tariffed products, and thus is not what Level 3 is doing with its VNXX service. Wholesale Dial bears no resemblance to VNXX, and QCC is not a CLEC in Portland assigning VNXX codes to

itself so that it may have all traffic in the state delivered to it for free. This is yet another red herring that should be ignored in addressing the real issue.

Q. LEVEL 3 SEEMS TO IMPLY THAT ONEFLEX™, OFFERED BY QWEST'S INTERNET COMPANY, IS ALSO A VNXX-TYPE PRODUCT. DO YOU AGREE?

A. No. Level 3's only argument for ignoring telephone numbering conventions is to claim that everybody else does it. I have already shown that this is not the case. Level 3 inaccurately describes a Qwest product and then says "they do it, so we can do it." Qwest admitted in response to Level 3's Request No. 63, that Qwest Communications Corporation ("QCC") does offer OneFlex™ with virtual numbers. (See Level 3/206.) These numbers, however, honor the LCA guidelines, and calls to or from these numbers from outside the LCA where the VoIP POP is located are not local calls, as Level 3 advocates. In terms of the ESP exemption, all traffic is measured to and from the VoIP POP, just as Qwest's language requires of Level 3, and all calls comply with the exemption. No VNXX calls are permitted with OneFlex™ because calls are exchanged between the POP and the caller within the same LCA. If Level 3 assigns a Portland number to its ESP customer in Portland, then calls from Qwest Portland customers will be delivered to it as local. OneFlex™ does not, nor should Level 3 be permitted to assign a Salem VNXX number to a Portland ESP customer. (See Qwest exhibit/12 for a diagram of Qwest OneFlex).

Q. IN HIS TESTIMONY, MR. GATES STATES (LEVEL 3/200, GATES/31) THAT "ISP-BOUND TRAFFIC AND VIRTUAL NXX ISSUES ARE VERY MUCH INTERTWINED." DO YOU AGREE?

A. Yes, but that is only because certain CLECs, including Level 3, choose to intertwine them. It is my understanding that currently all of Level 3's assigned VNXX numbers are assigned to ISPs. That does not necessarily mean they must be intertwined. As I stated in my direct testimony, a VNXX call is a VNXX call, whether it is to an ISP, an airline, or to a hardware store. VNXX can be analyzed and evaluated in its own right, and the fact that an ISP has been assigned a number is of no particular impact on the analysis, except from the perspective that the longer holding times associated with dial-up Internet calls add greater costs to Qwest than calls to an airline or hardware store would, and that this Commission has excluded VNXX calls from reciprocal compensation. From a legal and policy perspective, however, the issues are the same. A call originating in Salem and terminating to an end user with a Salem number in Portland is a VNXX call, and the type of business of the called party does not change that fact.

Q. MR. GATES STATES ON PAGE 34 OF HIS TESTIMONY THAT THE LOCATION OF THE ISP EQUIPMENT HAS NO IMPACT ON THE PROPER JURISDICTION OF THE CALL; IS HE CORRECT?

A. No. Remember, the ISP is the customer. To say, as Mr. Gates does, that the location of the customer receiving the call has no impact on the jurisdictional categorization of the call simply highlights the extreme position that Level 3 is taking in this docket. The local/toll distinction, the intrastate/interstate distinction, and the end-user customer/carrier distinction, among other things, are all premised on a historical approach that treats the location of customers as one of the paramount factors. The regulatory structure related to the PSTN is based on these kinds of facts, as is the intercarrier financing structure. While

the Level 3 witnesses attempt to camouflage Level 3's approach in overheated rhetoric, the fact of the matter is that its intent is simply to be able to use the PSTN for free (and, incidentally, to receive reciprocal compensation at the same time).

Q. BEGINNING ON PAGE 37 OF HIS TESTIMONY, MR. GATES LISTS WHAT HE CONSIDERS NEGATIVE CONSEQUENCES OF TREATING VNXX CALLS AS ANYTHING OTHER THAN LOCAL CALLS. PLEASE ADDRESS THE CONSEQUENCES HE DESCRIBES.

A. First, let me state that treating a call according to its actual classification is not a negative consequence. If that were so, then every toll carrier could claim that treating its toll calls as toll is a negative consequence as compared to the treatment accorded local calls. Treating a call according to its actual jurisdiction is not a value judgment; it is a jurisdictional assignment that is neither negative nor positive. It is true that different tariffed charges apply to different classifications. Level 3's costs will undoubtedly increase if it cannot treat a call from Salem to Portland as a free local call. But that is not the issue. The real question for the Commission is what is the proper treatment and classification of calls under existing compensation methods.

It is also true that ISPs' costs will likely increase if a call from Salem to Portland is no longer treated as a local call. But ISPs were paying someone to transport calls from Salem to Portland long before Level 3 became certified. They typically bought a local connection in a distant town, and then bought transport back to their equipment from Qwest, an IXC, or a Competitive Access Provider ("CAP") that would sell transport, or the ISP would use

its own fiber network. It was only after Level 3 began leveraging its status as a CLEC, and began obtaining local numbers throughout the state, and began claiming that these were local calls, that ISPs began receiving free transport. Any expense savings or efficiencies that exist for ISPs exist only because Level 3 has inappropriately classified these calls. Whether ISPs would need to raise their rates if forced to buy transport from Level 3, Qwest, an IXC, or a CAP from these distant towns, as Mr. Gates claims, depends on their margins (which are unknown to Qwest). Unlike Mr. Gates, however, if that were to happen, it would not be an unfair negative impact, but would simply require the cost causer (the ISP) to pay the costs, rather than impose those costs on others.

Q. MR. GATES CLAIMS (LEVEL 3/200, GATES/38) THAT QWEST'S PROPOSAL IMPROPERLY BENEFITS ITS OWN AFFILIATE AND REDUCES COMPETITION FOR ISP DIAL-UP SERVICES. IS THAT TRUE?

A. No. Once again, the exact opposite is true. As I explained in my direct testimony, Qwest requires that its ISP customers pay to transport from distant LCAs to their Internet equipment through private line tariffs. Furthermore, Qwest's offerings require the ISP to actually pick up the traffic in the LCA that the local number is associated with. The reality, however, is that there is no significant competition for ISP dial-up customers today because, given a choice, an ISP would prefer free transport from companies like Level 3, rather than to pay for the costs of transporting these calls. It does not take an extremely sophisticated analyst to figure out that free services (even though unfair to Qwest and other customers) are more beneficial than to actually pay for services received.

Q. ON PAGE 38, LINE 8 OF HIS TESTIMONY, MR. GATES ASKS THE QUESTION "ARE THERE ANY ADDITIONAL NEGATIVE CONSEQUENCES?" WHAT ARE THEY, AND WHAT IS YOUR RESPONSE?

A. Mr. Gates' fundamental argument is that Level 3 has built a multi-billion dollar, highly efficient network, and that the efficiencies of this network would be of no use if Level 3 were burdened by the arbitrary and unwarranted requirements of interconnection rules, and the local/toll distinction mandated by state and federal law when it uses the PSTN. This argument, of course, ignores the significant capital dollars that Qwest has spent in Oregon alone to build a network to places like Sumpter and Salem. It is not unreasonable for Qwest to request compensation for the use of its network. Level 3's argument also ignores the billions of dollars spent by IXCs and wireless carriers, all of whom play by the same rules that Level 3 is asking the Commission to exempt it from. Mr. Gates also states that Level 3's network can serve large regions of the country on an integrated basis. "It is indifferent to ILEC legacy central office boundaries." (Level 3/200, Gates/38.) Local boundaries are not ILEC local boundaries, however, but they are boundaries established for very good reasons by this Commission. And whether it likes it or not, Level 3, if it goes beyond those local boundaries and into the toll business, cannot be indifferent to these boundaries simply because it happens to have built simply an IP-based network.

Q. MR. DUCLOO MAKES THE POINT (LEVEL 3/300, DUCLOO/88) THAT QWEST'S TRUNKNG TO LEVEL 3 IS THE SAME NO MATTER WHERE THE END-USER CUSTOMER IS LOCATED. MR. GATES MAKES A SIMILAR POINT. IS THIS TRUE?

A. Yes, they made similar points when discussing why Level 3's VoIP calls should receive special treatment. But Mr. Ducloo misses the critical point. Consistent with regulatory requirements, Qwest's ICAs permit CLECs to serve end-user customers in various LCAs in the LATA from a single switch under the SPOI or SPOP arrangement. Assume that Level 3 places its POP for the Portland LATA in Portland. Under SPOP, if a Qwest customer in Salem calls a Portland number of a customer served by Level 3, and located in Portland, Qwest would deliver the call to the Level 3 POP in Portland. If a Salem Qwest customer calls the Salem number of a customer served by Level 3 and who is physically located in Salem (which, of course, is purely hypothetical since Level 3 provides no local exchange service), Qwest will deliver the call to the Level 3 switch in Portland. Level 3 then would have the responsibility to deliver the call back to its Salem customer. In both instances, Qwest must transport the call to the Level 3 POP in Portland. The cost to Qwest is the same in both situations, but the point is that the regulatory treatment of the two calls is very different. A Salem to Portland call is a toll call, and access charges apply to the IXC responsible for the traffic (and the IXC recovers toll revenue from the caller). However, the Salem end-user customer to Salem end-user customer call is a local call, and thus is treated differently under Oregon regulatory rules and ICAs. Level 3, however, wants to ignore these rules, and thus argues that since both calls were delivered to the same POP, they are the same type of call. The issue here, however, is not call routing on one side of the POI—the issue here is the proper categorization of the call, and the application of the appropriate intercarrier compensation mechanism.

Q. DOES YOUR PREVIOUS RESPONSE REFLECT LEVEL 3'S ACTUAL METHOD OF OPERATION?

A. No. In the previous question, I used the example of a Level 3 Salem customer whose telephone number accurately reflected its physical location. In reality, however, Level 3 is assigning local numbers from LCAs throughout Oregon to customers with no physical presence in those LCAs. These calls all appear as local calls because the switch operates on the premise that Level 3 has followed industry rules and actually have customers located in those towns; nothing could be further from the truth, however. The calls at issue in this case are, for example, where a Qwest customer in Salem calls a Salem number of an ISP customer served by Level 3, but the customer is actually located in Portland. Under those circumstances, Qwest delivers the call to the Level 3 POP in Portland. But, unlike the prior example, Level 3 wants to treat the call as local when it is really interexchange in nature.

Q. PLEASE SUMMARIZE YOUR CONCLUSIONS ON VNXX.

A. My summary is very simple. Qwest's language is consistent with Oregon statutes, rules, tariffs and Commission and court decisions. It is also consistent with NANPA rules. It is likewise consistent with federal statutes and rules. Qwest's language bases the categorization of calls on the location of the calling and called parties, an approach that is mandated by Oregon law.

Level 3, on the other hand, proposes a sweeping change in categorizing calls, all for the purpose of avoiding inter-carrier compensation mechanisms that govern others in the industry. Its purpose is quite obvious. By pretending that interexchange traffic is local (which is the essence of VNXX), Level 3 wants to be able to originate traffic for its ISPs,

and terminate traffic for its VoIP customers throughout Oregon, and force Qwest to transport this traffic for free. In an effort to justify its proposals, Level 3 uses red herrings like FX service (which is not the same as VNXX), and its claim that, because it has built a modern IP-based network, it should not be required to play by the same rules that govern the industry. The latter argument misses a critical point: the special rules that Level 3 seeks relate to its use of the PSTN, not its IP network.

Qwest, like most others in the industry, has suggested that the FCC reform intercarrier compensation. But it must be done on a comprehensive and rational basis that takes into account the consequences on the public interest and individual participants in telecommunications markets. Level 3's approach, which in effect would reform compensation methods to its benefit, but which would require the rest of the industry to play by existing rules, would not only benefit Level 3 financially, but it would also create a result that is directly contrary to the goal of competitive neutrality. Level 3's self-serving approach should be rejected by the Commission.

VII. DISPUTED ISSUE 4: COMPENSATION FOR VOICE AND VOIP TRAFFIC

Q. DID LEVEL 3 ADDRESS THE CONTRACT LANGUAGE FOR COMPENSATION FOR VOICE AND VOIP TRAFFIC IN ITS TESTIMONY?

A. No. Level 3 provided no testimony regarding the specific contract language in dispute for the compensation for voice and VoIP traffic. Level 3 did provide general testimony relating to these issues, which I have addressed in the VoIP and VNXX sections of my rebuttal testimony.

VIII. DISPUTED ISSUE 19: ISP-BOUND 3:1 RATIO, SECTION 7.3.6.2

Q. DID LEVEL 3 ADDRESS THE CONTRACT LANGUAGE FOR ISSUE 19?

A. No. Level 3 provided no testimony regarding the language in dispute for Issue 19. As discussed in my direct testimony, Qwest has not yet brought this matter before the Commission, and the Commission has not yet ruled on Qwest's method of identifying ISP traffic.

IX. DISPUTED ISSUE 10: DEFINITION OF INTERCONNECTION

Q. DID LEVEL 3 ADDRESS THE DEFINITION OF INTERCONNECTION IN ITS TESTIMONY?

A. No. Level 3 provided no testimony regarding the language in dispute for the definition of interconnection. Mr. Gates did mention interconnection on page 13 of his testimony, but he simply said that the FCC rules refer to "interconnection" as the linking of two networks. There is no testimony explaining why Qwest's definition should not be accepted. Thus, Qwest's language should be adopted.

X. DISPUTED ISSUE 11: DEFINITION OF INTEREXCHANGE CARRIER

Q. DID LEVEL 3 ADDRESS THE DEFINITION OF INTEREXCHANGE CARRIER IN ITS TESTIMONY?

A. No. Level 3 provided no testimony to support its position regarding the definition of interexchange carrier in its testimony. Thus, Qwest's language should be adopted.

XI. DISPUTED ISSUE 12: DEFINITION OF INTRALATA TOLL TRAFFIC

Q. DID LEVEL 3 ADDRESS THE DEFINITION OF INTRALATA TOLL TRAFFIC IN ITS TESTIMONY?

A. No. Level 3 provided no testimony to support its position regarding the definition of intraLATA toll traffic. Thus, Qwest's language should be adopted.

XII. DISPUTED ISSUE 14: DEFINITION OF TELEPHONE EXCHANGE SERVICE

Q. DOES LEVEL 3 ADDRESS THE DEFINITION OF TELEPHONE EXCHANGE SERVICE IN ITS TESTIMONY?

A. No. Level 3 provided no testimony to support its position regarding the definition of telephone exchange service. As previously discussed, several definitions and other provisions of Qwest's Oregon tariffs demonstrate that the Commission views the local/long distance distinction from a geographical perspective, and among the relevant definitions are "exchange," "exchange service," and "local exchange service." Qwest's definition of telephone exchange service should be adopted.

XIII. DISPUTED ISSUE 15: DEFINITION OF TELEPHONE TOLL SERVICE

Q. DID LEVEL 3 ADDRESS THE DEFINITION OF TELEPHONE TOLL SERVICE IN ITS TESTIMONY?

A. No. Level 3 provided no testimony to support its position regarding the definition of telephone toll service. Thus, Qwest's language should be adopted.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes it does.

INDEX TO EXHIBITS

REQUEST QWEST 29:

Does Level 3 consider a call that originates in TDM and terminates with a VoIP called party in Internet Protocol (commonly referred to as a TDM-IP call) a VoIP call for purposes of the interconnection agreement in this case?

LEVEL 3'S RESPONSE TO REQUEST QWEST 29:

Level 3 objects to this request on the basis that it is vague, ambiguous, and overly broad. Level 3 further objects to this request on the grounds that it calls for speculation. In addition, Level 3 objects on the grounds that it seeks legal conclusions rather than facts and is therefore not reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving its objections, Level 3 responds as follows: Yes.

Submitted and prepared
By: Rogier Ducloo
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Tim Gates
Senior Vice President
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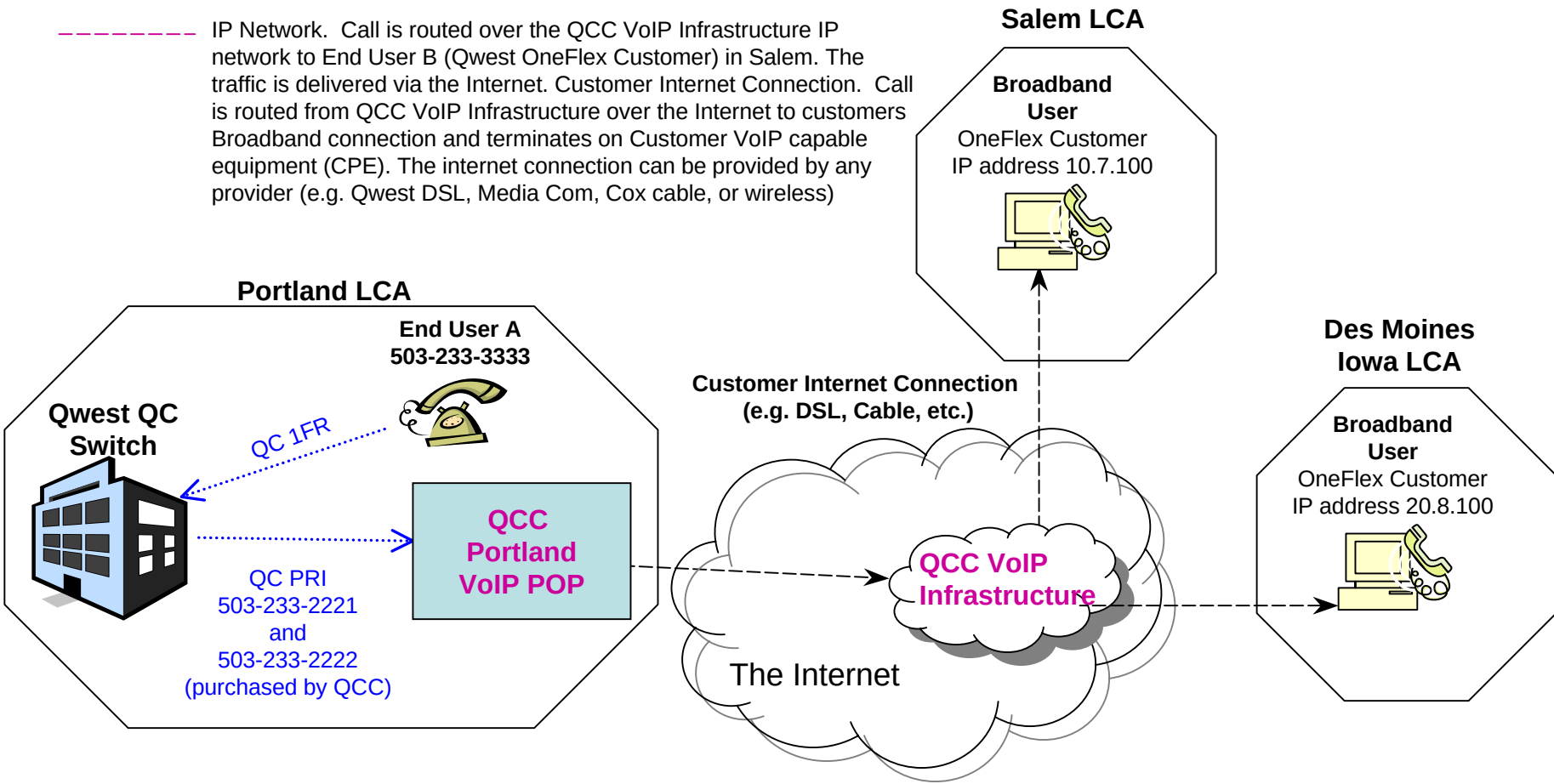
OneFlex Routing

PSTN Network. End User A calls a OneFlex Customer that has a telephone number assigned in the Portland LCA. QCC establishes a VoIP POP in the Portland LCA. Call routes from the QC PSTN network to the QCC VoIP POP in Portland Local Calling Area.

IP Network. Call is routed over the QCC VoIP Infrastructure IP network to End User B (Qwest OneFlex Customer) in Salem. The traffic is delivered via the Internet. Customer Internet Connection. Call is routed from QCC VoIP Infrastructure over the Internet to customers Broadband connection and terminates on Customer VoIP capable equipment (CPE). The internet connection can be provided by any provider (e.g. Qwest DSL, Media Com, Cox cable, or wireless)



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**

REBUTTAL TESTIMONY OF

PHILIP LINSE

FOR

QWEST CORPORATION

September 6, 2005

TABLE OF CONTENTS

I. IDENTIFICATION OF WITNESS

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

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

Q. ARE YOU THE SAME PHILIP LINSE THAT PROVIDED DIRECT TESTIMONY (EXHIBIT QWEST/6) IN THIS ARBITRATION?

A. Yes, I am.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to respond to the testimonies of Mr. Vidal (Exhibit Level 3/100), Mr. Ducloo (Level 3/300) and Mr. Gates (Level 3/200) 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 6: AMA and Switch Technology
- Issue 8: Definition of Call Record
- Issue 20: Signaling Parameters

In portions of my testimony that follow, where Level 3 proposes modifications to Qwest's language, I have underlined the language that Level 3 wishes to delete or add.

III. DISPUTED ISSUE NO. 1: COSTS OF INTERCONNECTION

Issue No. 1A

Q. PLEASE EXPLAIN DISPUTED ISSUE NO. 1A.

A. Issue 1A involves disputed language regarding points of interconnection. Level 3 mischaracterizes the issue as having to do with its right to interconnect at a single point in the LATA and Qwest's obligation on its side of the point of interconnection ("POI"). However, Qwest does not dispute that Level 3 can establish a single POI in a Qwest LATA. The POI is not the real issue here. The real issue is whether Qwest should be required to provide interconnection where it is not technically feasible, or to provision/build such transport facilities to Level 3 without compensation. My testimony will explain where Level 3 concurs with Qwest, why this language is important from a technical perspective, and why there is still dispute regarding this issue.

Q. WHAT LANGUAGE DOES QWEST PROPOSE?

A. Qwest proposes the following language, which is also found on page 64 of the proposed ICA filed by Qwest on June 28, 2005 as a supplement to its initial response to the petition for arbitration:

> 7.1.1 This Section describes the Interconnection of Qwest's network and CLEC's network for the purpose of exchanging Exchange Service (EAS/Local traffic), Exchange Access (IntraLATA Toll carried solely by local exchange carriers), ISP-Bound traffic, and Jointly Provided Switched Access (InterLATA and IntraLATA) traffic. Qwest will provide Interconnection at any Technically Feasible point within its network. Interconnection, which Qwest currently names "Local Interconnection Service" (LIS), is provided for the purpose of connecting End Office

Switches to End Office Switches or End Office Switches to local or Access Tandem Switches for the exchange of Exchange Service (EAS/Local traffic); or End Office Switches to Access Tandem Switches for the exchange of Exchange Access (IntraLATA Toll carried solely by local exchange carriers) or Jointly Provided Switched Access traffic. Qwest Tandem Switch to CLEC Tandem Switch connections will be provided where Technically Feasible. New or continued Qwest local Tandem Switch to Qwest Access Tandem Switch and Qwest Access Tandem Switch to Qwest Access Tandem Switch connections are not required where Qwest can demonstrate that such connections present a risk of Switch exhaust and that Qwest does not make similar use of its network to transport the local calls of its own or any Affiliate's End User Customers.

Q. WHAT LANGUAGE DOES LEVEL 3 PROPOSE?

A. Level 3 proposes the following:

7.1.1 This Section describes the Interconnection of Qwest's network and CLEC's network for the purpose of exchanging Telecommunications Including Telephone Exchange Service And Exchange Access traffic. Qwest will provide Interconnection at any Technically Feasible point within its network.

7.1.1.1 **Establishment of SPOI**: Qwest agrees to provide CLEC a Single Point of Interconnection (SPOI) in each Local Access Transport Area (LATA) for the exchange of all telecommunications traffic. The SPOI may be established at any mutually agreeable location within the LATA, or, at Level 3's sole option, at any technically feasible point on Qwest's network. Technically feasible points include but are not limited to Qwest's end offices, access tandem, and local tandem offices.

7.1.1.2 **Cost Responsibility.** Each Party is responsible for constructing, maintaining, and operating all facilities on its side of the SPOI, subject only to the payment of intercarrier compensation in accordance with Applicable Law. In accordance with FCC Rule 51.703(b), neither Party may assess any charges on the other Party for the origination of any telecommunications delivered to the other Party at the SPOI, except for Telephone Toll Service traffic outbound from one Party to the other when the other Party is acting in the capacity of a provider of Telephone Toll Service, to which originating access charges properly apply.

7.1.1.3 Facilities included/transmission rates. Each SPOI to be established under the terms of this Attachment shall be deemed to include any and all facilities necessary for the exchange of traffic between Qwest's and Level 3's respective networks within a LATA. Each Party may use an Entrance Facility (EF), Expanded Interconnect Channel Termination (EICT), or Mid Span Meet Point of Interconnection (POI) and/or Direct Trunked Transport (DTT) at DS1, DS3 , OC3 or higher transmission rates as, in that Party's reasonable judgment, is appropriate in light of the actual and anticipated volume of traffic to be exchanged. If one Party seeks to establish a higher transmission rate facility than the other Party would establish, the other Party shall nonetheless reasonably accommodate the Party's decision to use higher transmission rate facilities.

7.1.1.4 Each Party Shall Charge Reciprocal Compensation for the Termination of Traffic to be carried. All telecommunications of all types shall be exchanged between the Parties by means of from the physical facilities established at Single Point of Interconnection Per LATA onto its Network Consistent With Section 51.703 of the FCC's Rules:

7.1.1.4.1 Level 3 may interconnect with Qwest at any technically feasible point on Qwest's network for the exchange of telecommunications traffic. Such technically feasible points include but are not limited to Qwest access tandems or Qwest local tandems. When CLEC is interconnected at the SPOI. separate trunk groups for separate types of traffic may be established in accordance with the terms hereof. No separate physical interconnection facilities, as opposed to separate trunk groups within SPOI facilities, shall be established except upon express mutual agreement of the Parties.

Q. THROUGHOUT HIS TESTIMONY (LEVEL 3/300), MR. GATES SUGGESTS THAT QWEST REQUIRES LEVEL 3 TO ESTABLISH MULTIPLE POIs PER LATA. DOES QWEST REQUIRE MULTIPLE POIS PER LATA?

A. No. Qwest's proposed language does not force Level 3 to establish more than a single POI per LATA.

Q. MR. GATES ALSO SUGGESTS THAT QWEST WISHES TO MAKE LEVEL 3 DUPLICATE QWEST'S NETWORK. DOES QWEST'S PROPOSED LANGUAGE FORCE LEVEL 3 TO DUPLICATE QWEST'S NETWORK?

A. No. Qwest's proposed language allows Level 3 to establish a single POI in each LATA, and provides Level 3 with multiple options to interconnect the Level 3 network with the Qwest network. Level 3's POI may be located at a Point of Presence ("POP") location where its equipment is located, collocated within a Qwest central office, or at a mid-way point between Level 3's POP and a Qwest central office. Level 3 can provision its own interconnection facilities through collocation in a Qwest central office, or have Qwest provision entrance facilities to Level 3's POI located at its POP. A mid-span meet-point option is also available where Qwest and Level 3 both build facilities to a meet-point near the halfway point between Level 3's Point of Presence and Qwest's network. None of these interconnection options force Level 3 to duplicate Qwest's network.

Q. IN HIS TESTIMONY (LEVEL 3/300), MR. GATES SUGGESTS THAT QWEST IS REQUIRING LEVEL 3 TO INTERCONNECT AT EACH AND EVERY SWITCH IN THE QWEST NETWORK. IS THAT AN ACCURATE DESCRIPTION OF QWEST'S POSITION?

A. No. As I explained in my direct testimony, Level 3 has several options for interconnection. Single Point of Presence ("SPOP") is a Qwest wholesale product that provides Level 3 with Local Interconnection Service (LIS) trunking that allows as few as one trunk connection with Qwest's access tandem for the delivery of local

traffic. SPOP is provided over any of the interconnection facility options my testimony describes above. This type of interconnection trunking has been offered to and used by CLECs for several years.

Q. IN HIS DIRECT TESTIMONY, MR. GATES MISCHARACTERIZES A POI AS BOTH THE PHYSICAL AND FINANCIAL DEMARCATION POINT. PLEASE EXPLAIN THE DIFFERENCE BETWEEN A FINANCIAL DEMARCATION POINT AND A PHYSICAL DEMARCATION POINT.

A. A financial demarcation point is where financial responsibilities for network facilities are divided. As I explained in my direct testimony, a POI is a physical demarcation point between the Level 3 and Qwest networks. Although the POI is the physical location where networks interconnect, the financial responsibility of the interconnection facilities is shared based upon the interconnection option chosen.

Q. IS LEVEL 3 OBJECTING TO ESTABLISHING INTERCONNECTION WITH MULTIPLE SWITCHES IN QWEST'S NETWORK?

A. No. Mr. Ducloo states that Level 3 is willing to establish interconnection with Qwest's local tandem switch for delivery of local traffic, as well as with end office switches, when traffic volumes justify such direct trunking.

Q. WHY SHOULD QWEST'S PROPOSED LANGUAGE BE ADOPTED?

A. Qwest's language more clearly and appropriately distributes the cost of interconnection. As Mr. Ducloo states (at Level 3/300, Ducloo/7-8):

> As a contractual matter, the parties agree that the cost of facilities used to connect their networks will be split based on relative use, so that cost responsibility follows in proportion to which party originates which portion of traffic on the affected facilities.

Level 3's proposed language does not reflect the testimony that has been given by Mr. Ducloo. Level 3's proposed language does not even discuss the relative use of interconnection facilities. Accordingly, Qwest's language should be adopted since it is the only language setting forth the terms of relative use.

Issue No. 1B

Q. PLEASE EXPLAIN DISPUTED ISSUE NO. 1B.

A. Issue 1B involves disputed language for which Level 3 incorrectly proposes methods of establishing a POI that are actually methods of interconnection.

Q. WHAT LANGUAGE DOES QWEST PROPOSE?

A. Qwest proposes the following, as found on page 66 of its proposed ICA:

> **7.1.2 Methods of Interconnection**
>
> The Parties will negotiate the facilities arrangement used to interconnect their respective networks. CLEC shall establish at least one (1) physical Point of Interconnection in Qwest territory in each LATA CLEC has local Customers. The Parties shall establish, through negotiations, at least one (1) of the following Interconnection arrangements, at any Technically Feasible point: (1) a DS1 or DS3 Qwest provided facility; (2) Collocation; (3) negotiated Mid-Span Meet POI facilities; or (4) other Technically Feasible methods of Interconnection, such as an OCn Qwest provided facility, via the Bona Fide Request (BFR) process unless a particular arrangement has been previously provided to a third party, or is offered by Qwest as a product. OCn Qwest provided facilities may be ordered through FCC Tariff No. 1.

Q. WHAT LANGUAGE DOES LEVEL 3 PROPOSE?

A. Level 3 proposes the following:

> **7.1.2 Methods of Interconnection**
>
> CLEC may establish a POI through: (1) a collocation site established by CLEC at a Qwest wire center, (2) a collocation site established by a third party at Qwest wire center, or (3) transport (and entrance facilities where applicable).
>
> CLEC shall establish one POI at any technically feasible point on Qwest's network within each LATA in which CLEC desires to exchange traffic directly with Qwest by any of the following methods:
>
> 1. a collocation site established by CLEC at a Qwest Wire Center,

2. a collocation site established by a third party at Qwest Wire Center, or;

3. transport (and entrance facilities where applicable) ordered and purchased by CLEC from Qwest; or,

4. Fiber meet point.

CLEC shall establish one POI on Qwest's network in each LATA. POIs may be established by CLEC through:

1. a collocation site established by CLEC at a Qwest Wire Center,

2. a collocation site established by a third party at Qwest Wire Center,

3. transport (and entrance facilities where applicable) ordered and purchased by CLEC from Qwest at the applicable Qwest intrastate access rates and charges; or,

4. Fiber meet point.

Q. HAVE LEVEL 3'S WITNESSES ADDRESSED THE LANGUAGE SPECIFIC TO THIS ISSUE?

A. No. Level 3's witnesses do not specifically discuss either Level 3's proposed language or Qwest's proposed language. Level 3's proposed language confuses the methods of obtaining interconnection with establishment of its POI "within" Qwest's network. In contrast, Qwest's proposed language appropriately explains how interconnection takes place and describes the methods that may be used for interconnection.

Q. WHAT ARE THE THREE TYPICAL ARRANGEMENTS FOR INTERCONNECTION?

A. I have attached exhibits Qwest/14, 15 and 16 which illustrate the options that Qwest currently provides to enable Level 3 to interconnect its network with

Qwest's network. As I have explained in my direct testimony (Qwest/6), these methods include Collocation, Entrance Facilities, and Mid-span Meet-point, as well as any technically-feasible method of interconnection.

Q. ARE THESE METHODS OF INTERCONNECTION AVAILABLE TO LEVEL 3'S SINGLE POI IN THE LATA?

A. Yes. Each interconnection method may be used to interconnect Qwest's network with Level 3's SPOI.

Q. DOES QWEST REQUIRE LEVEL 3 TO PROVISION SEPARATE FACILITIES TO ESTABLISH TRUNKING BETWEEN LEVEL 3'S POI AND QWEST'S END OFFICES, AS MR. DUCLOO CONTENDS IN HIS DIRECT TESTIMONY?

A. Not at all. As I explained in my direct testimony, Qwest provides Direct Trunked Transport ("DTT") so that Level 3 does not have to build separate facilities to Qwest's end offices. Qwest's DTT product will provide Level 3 with the appropriate trunking capacity so that Level 3 may establish interconnection trunking with Qwest's end offices as needed by Level 3. DTT is provided to Level 3 using Qwest's existing facilities and can be provisioned to Level 3's single POI in the LATA.

Q. IS MR. GATES CORRECT WHEN HE STATES THAT EACH CARRIER IS REALLY ONLY ABLE TO CONTROL THE COSTS AND ACTIVITIES ON ITS OWN NETWORK, AND NOT ON THE OTHER PARTY'S NETWORK?

A. Absolutely not. Level 3's interconnection imposes costs on Qwest's network, and it requires Qwest to undertake additional activities to manage the interconnection. Qwest is required to build/provision interconnection facilities to Level 3's POI. Although these costs are shared, there is no doubt that Qwest's costs are directly impacted by the CLEC that requests interconnection. In addition, the ongoing management of that interconnection imposes costs on Qwest's network. Forecasting and trunk monitoring are merely two additional activities that Qwest must take on when CLECs interconnect with Qwest. To say that each carrier only controls the costs of its own network is simply wrong.

Q. WHY SHOULD QWEST'S LANGUAGE BE ADOPTED?

A. Qwest language more appropriately reflects the interconnection between Qwest's network and Level 3's network. Unlike Level 3's language, Qwest's language does not confuse what is required to create a POI with what is realistically required to interconnect two networks.

Issue No. 1F

Q. PLEASE EXPLAIN DISPUTED ISSUE NO. 1F.

A. Level 3 removes the language describing how Level 3 may interconnect at Qwest local and access tandem switches. Level 3 also removes the requirement for Level 3 to establish trunking as requested by Qwest where traffic volumes justify alternate trunking.

Q. WHAT LANGUAGE IS QWEST PROPOSING?

A. Qwest proposes the following, as found on page 79 of its proposed ICA:

> 7.2.2.9.6 The Parties shall terminate Exchange Service (EAS/Local) traffic on Tandem Switches or End Office Switches. CLEC may interconnect at either the Qwest local tandem or the Qwest access tandem for the delivery of local exchange traffic. When CLEC is interconnected at the access tandem and when there is a DS1 level of traffic (512 BHCCS) over three (3) consecutive months between CLEC's Switch and a Qwest End Office Switch, Qwest may request CLEC to order a direct trunk group to the Qwest End Office Switch. CLEC shall comply with that request unless it can demonstrate that such compliance will impose upon it a material adverse economic or operations impact. Furthermore, Qwest may propose to provide Interconnection facilities to the local Tandem Switches or End Office Switches served by the Access Tandem Switch at the same cost to CLEC as Interconnection at the Access Tandem Switch. If CLEC provides a written statement of its objections to a Qwest cost-equivalency proposal, Qwest may require it only: (a) upon demonstrating that a failure to do so will have a material adverse affect on the operation of its network and (b) upon a finding that doing so will have no material adverse impact on the operation of CLEC, as compared with Interconnection at such Access Tandem Switch.

Q. WHAT LANGUAGE IS LEVEL 3 PROPOSING?

A. Level 3 proposes the following:

7.2.2.9.6 When CLEC is interconnected at the access tandem and when there is a DS1 level of traffic (512 BHCCS) over three (3) consecutive months between CLEC's Switch and a Qwest End Office Switch, Qwest may request CLEC to order a direct trunk group to the Qwest End Office Switch. Notwithstanding references to Qwest's ability to requests that CLECs order direct trunk groups to the Qwest end office, nothing in this agreement shall be construed to require CLEC to pay Qwest for any services or facilities on Qwest's side of the POI in connection with the origination of traffic from Qwest to CLEC; and nothing herein shall be construed to require CLEC to pay for any services or facilities on Qwest's side of the POI in connection with the termination of traffic from CLEC by Qwest, other than reciprocal compensation payments as provided in this Agreement.

Q. WHY IS QWEST OPPOSED TO THE LEVEL 3 LANGUAGE?

A. As I explained in my direct testimony, Level 3 has removed the language that specifies tandem switches and end office switches as points where traffic is delivered. Level 3's proposed language ignores the existing architecture of the public switched network and creates ambiguity that may lead to later disputes because there are no other locations on Qwest's network where traffic may be delivered.

Q. DOES QWEST HAVE OTHER CONCERNS ABOUT LEVEL 3'S PROPOSED LANGUAGE FOR SECTION 7.2.2.9.6?

A. Yes. Although Level 3 also believes there is benefit in direct trunking, Level 3 holds to its originally-proposed language that removes the requirement to establish trunking to subtending network switches when increases in traffic volumes justify the alternate trunking. As discussed below, Level 3 admits to the benefits of direct trunking, yet still proposes to remove the language that requires this fundamental

network management and maintenance process that benefits all interconnecting carriers (including Level 3).

Q. WHY DO YOU SAY LEVEL 3'S TESTIMONY ACKNOWLEDGES THE REASONABLENESS OF QWEST'S LANGUAGE THAT REQUIRES DIRECT TRUNKING TO ALTERNATE SWITCHES WHEN TRAFFIC VOLUMES JUSTIFY?

A. The direct testimony of Mr. Vidal (Level 3/100) and Mr. Ducloo (Level 3/300) explain that Level 3 sees the value in direct trunking to alternate switches when traffic volumes justify. Mr. Ducloo states (at Level/300, Ducloo/4): "that when total traffic between Level 3 and a particular Qwest end office switch reaches a certain reasonable volume, we (Level 3) will establish a direct trunk group between that end office and Level 3." (Page 4 Lines 22-23) Mr. Ducloo also agrees (at Level 3/300, Ducloo/26):

> It is standard practice in the circuit-switched telephone industry to establish direct trunks between switches when the level of traffic between them exceeds a certain level. Given this, Level 3 is perfectly willing to work with Qwest to avoid the problem of tandem overload by jointly engineering separate trunk groups that go directly between Level 3 and those Qwest end offices with enough traffic to justify the direct trunking. These are known in the industry as "Direct End Office Trunks," or DEOTs.

Also on page 26 of his testimony (Level 3/300, Ducloo/26), Mr. Ducloo states:

> With DEOTs, even though the total number of trunks will be higher than would be the case in a single massive trunk group, Qwest is able to avoid the use of tandem switching and to cut down on the total number of trunk ports it has to use. Level 3 is certainly willing to work with Qwest to permit Qwest to obtain those network efficiencies.

In addition, Mr. Ducloo states on page 28 and 29 (Level 3/300, Ducloo/28-29):

> What avoids exhausting Qwest's tandem is establishing DEOTs to carry ***all*** the traffic from Level 3 to a Qwest end office on an efficient basis. Level 3 is willing to do this.

Finally, Mr. Vidal states (at Level 3/100, Vidal/11):

> Level 3 is not averse to establishing multiple physical points of interconnection in a LATA when *traffic levels* (emphasis added) and other factors so warrant…

Thus, Level 3 and Qwest agree on this issue. However, Level 3's proposed language does not capture its agreement.

Q. HAS LEVEL 3 PROVIDED ANY EXPLANATION WHY IT HAS REMOVED THE QWEST PROPOSED LANGUAGE THAT PROVIDES FOR THE TERMINATION OF TRAFFIC AND INTERCONNECTION AT QWEST'S TANDEMS AND END OFFICES?

A. No. Level 3 has not provided any testimony explaining why Level 3 proposes to delete Qwest's proposed language in section 7.2.2.9.6.

Q. WHY SHOULD QWEST'S LANGUAGE BE ADOPTED?

A. Qwest's language for issue 1F (section 7.2.2.9.6) should be adopted because it more appropriately represents the positions of the parties as reflected in their respective direct testimony.

IV. DISPUTED ISSUES NO. 2A AND 2 B: ALL TRAFFIC ON INTERCONNECTION TRUNKS

Q. PLEASE EXPLAIN DISPUTED ISSUE NO. 2.

A. Issue 2 concerns the types of traffic that may be combined over LIS trunks, and whether Qwest is entitled to compensation for the interconnection trunks that it provides to Level 3.

Q. WHAT LANGUAGE IS QWEST PROPOSING?

A. Qwest is proposing the following language, as found on page 77 of its proposed ICA:

> 7.2.2.9.3.1 Exchange Service (EAS/Local), ISP-Bound Traffic, IntraLATA LEC Toll, VoIP traffic and Jointly Provided Switched Access (InterLATA and IntraLATA Toll involving a third party IXC) may be combined in a single LIS trunk group or transmitted on separate LIS trunk groups.
>
> 7.2.2.9.3.1.1 If CLEC utilizes trunking arrangements as described in Section 7.2.2.9.3.1, Exchange Service (EAS/Local) traffic shall not be combined with Switched Access, not including Jointly Provided Switched Access, on the same trunk group, i.e. Exchange Service (EAS/Local) traffic may not be combined with Switched Access Feature Group D traffic to a Qwest Access Tandem Switch and/or End Office Switch.
>
> 7.2.2.9.3.2 CLEC may combine originating Exchange Service (EAS/Local) traffic, ISP-Bound Traffic, IntraLATA LEC Toll, VoIP Traffic and Switched Access Feature Group D traffic including Jointly Provided Switched Access traffic, on the same Feature Group D trunk group.
>
> 7.2.2.9.3.2.1 CLEC shall provide to Qwest, each quarter, Percent Local Use (PLU) factor(s) that can be verified with individual call detail records or the Parties may use call records or mechanized jurisdictionalization using Calling Party Number (CPN) information in lieu of PLU, if CPN is available. Where CLEC utilizes an affiliate's Interexchange Carrier (IXC)

Feature Group D trunks to deliver Exchange Service (EAS/Local) traffic with interexchange Switched Access traffic to Qwest, Qwest shall establish trunk group(s) to deliver Exchange Service (EAS/Local), Transit, and IntraLATA LEC Toll to CLEC. Qwest will use or establish a POI for such trunk group in accordance with Section 7.1.

Q. WHAT LANGUAGE IS LEVEL 3 PROPOSING?

A. Level 3 proposes the following language:

7.2.2.9.3.1 Where CLEC exchanges Telephone Exchange Service, Exchange Access Service, Telephone Toll Service, and Information Services traffic with Qwest over a single interconnection network, CLEC agrees to pay Qwest, on Qwest's side of the POI, state or federally tariffed rates applicable to the facilities charges for InterLATA and/or InterLATA traffic in proportion to the total amount of traffic exchanged over such interconnection facility. Otherwise each party remains 100% responsible for the costs of its interconnection facilities on its side of the POI. Thus, by way of illustration only, where 20% of such traffic is interLATA (intrastate and interstate) and the remaining 80% is Section 251(b)(5) Traffic, CLEC would pay Qwest an amount equal to 20% of the applicable tariffed transport rate that would apply to a tariffed facility used solely for the exchange of such access traffic for such traffic exchanged on Qwest's side of the POI over a single interconnection trunk.

Except as expressly provided in Section 7.3.1.1.3, each party shall bear all costs of interconnection on its side of the network in accordance with 47 C.F.R. § 51.703. Accordingly, unless otherwise expressly authorized according to Section 7.3.1.1.3, neither Party may charge the other (and neither Party shall have an obligation to pay) any recurring and/or nonrecurring fees, charges or the like (including, without limitation, any transport charges), associated with the exchange of any telecommunications traffic including but not limited to Section 251(b)(5) Traffic on its side of the POI.

Each party is solely responsible for any and all costs arising from or related to establishing and maintaining the interconnection trunks and facilities it uses to connect to the POI. Thus, neither party shall require the other to bear any additional costs for the establishment and operation of interconnection facilities that connect its network to its side of the POI. If traffic is combined, Section 7.3.9 of this Agreement applies.

7.2.2.9.3.2 CLEC may combine Exchange Service (EAS/Local) traffic, ISP-Bound Traffic, Exchange Access (IntraLATA Toll carried solely by

Local Exchange Carriers), VoIP Traffic and Switched Access Feature Group D traffic including Jointly Provided Switched Access traffic, on the same Feature Group D trunk group or over the same interconnection trunk groups as provided in Section 7.3.9.

Q. HAS LEVEL 3 SPECIFICALLY ADDRESSED THE PROPOSED LANGUAGE THAT IS IN DISPUTE WITH ISSUE NO. 2?

A. No. Level 3's direct testimony never criticizes any specific Qwest language, or even explains its own specific language in any detail.

Q. IS IT TRUE THAT QWEST WANTS LEVEL 3 TO PROVISION SEPARATE TRUNK GROUPS AS STATED IN THE TESTIMONY OF MR. DUCLOO?

A. No. In fact, Qwest has specifically proposed language (section 7.2.2.9.3.2) that allows Level 3 to provision a single Feature Group D trunk group for the routing of access and local traffic. Accordingly, Qwest is not an outlier on this issue as Mr. Ducloo portrays Qwest to be.

Q. IS MR. DUCLOO'S DIRECT TESTIMONY CORRECT WHERE HE CONCLUDES THAT QWEST WOULD REQUIRE LEVEL 3 TO ESTABLISH SEPARATE TRUNKS FOR IP-ENABLED TRAFFIC?

A. No. Qwest's proposed language does not require Level 3 to establish separate trunks for IP-enabled traffic.

Q. MR. DUCLOO ANALOGIZES THE TELECOMMUNICATIONS NETWORK TO A HIGHWAY, AND EXPLAINS THAT IT WOULD BE INEFFICIENT TO BUILD TWO HIGHWAYS NEXT TO EACH OTHER, BOTH GOING TO THE SAME PLACE. PLEASE COMMENT ON MR. DUCLOO'S ANALOGY.

A. Although it may seem inefficient to build two highways going to the same place, this is often done to provide people with transportation options. For example, there are often separate toll and non-toll highways. The characteristics of these types of highways also resemble the way the telecommunications network works.

A toll highway operator has a method of collecting usage charges that is not used by a non-toll highway operator. This is similar to the relationship between the method for collecting usage charges for switched access trunking and local trunking. Charges for switched access trunking are accomplished through switched access billing. Qwest's local trunking does not have this same capability. Level 3's proposal to route switched access over local trunk groups creates a difficulty analogous to the collection of usage charges on a non-toll highway. On a non-toll highway, there are no toll booths, and thus no people to take and record the toll charges.

Q. WOULD LEVEL 3 OBTAIN THE SAME TRUNK GROUP EFFICIENCIES BY ROUTING LOCAL TRAFFIC TO FEATURE GROUP D (FGD) TRUNK GROUPS?

A. Yes. Level 3 would experience the same trunk group efficiencies by routing its local traffic to Qwest over FGD trunking.

Q. ARE THERE CIRCUMSTANCES WHERE LEVEL 3 IS WILLING TO ESTABLISH FGD TRUNKING WITH QWEST?

A. Yes. Mr. Ducloo agrees that if Level 3 were to route its IXC traffic over LIS facilities third-party LECs would receive inadequate information to render access bills. Mr. Ducloo's testimony agrees that Level 3 will send this traffic to Qwest's tandems where adequate recording for the third parties can be made. The recordings that Level 3 is referring to are the same recordings that are only provided via FGD trunking. Thus, because Level 3 has agreed to use FGD trunking for the purposes of delivering this third-party traffic, there would be no reason that Level 3 would have not to also route its local traffic to this same FGD trunking. Therefore, the Commission should adopt Qwest's proposed language that allows Level 3 to route local and access traffic over FGD trunking.

Q. DO THE DIRECT TESTIMONIES OF MR. DUCLOO (LEVEL3/300) AND MR. GATES (LEVEL 3/200) INCORRECTLY SPECULATE AS TO QWEST'S ABILITY TO EFFICIENTLY MANAGE ITS NETWORK'S TRUNK CAPACITY?

A. Yes. The testimony of Mr. Ducloo and Mr. Gates inappropriately and incorrectly speculate that Qwest either over estimates network capacity demands or under estimates network capacity demands, thus suggesting that Qwest does not efficiently manage its network. Mr. Ducloo's and Mr. Gates' speculation could not be further from the truth. Qwest has processes and procedures to efficiently maintain network capacities for both wholesale and retail network demand. In addition, Qwest has quarterly forecasting meetings with CLECs so that network capacity can be made available or decommissioned in a timely manner. Furthermore, Qwest collaborated with CLECs and state commissions to create Performance Indicator Definitions ("PIDs") regarding the provisioning of LIS. For example, the Ordering and Provisioning ("OP") PIDs provide measurement of Qwest's ability to provision service in an efficient manner. Where PID Measurements are not met, Qwest's Performance Assurance Plan ("PAP") triggers a self-executing payment to CLECs and/or state commissions.

V. DISPUTED ISSUE NO. 3: VNXX TRAFFIC

Q. PLEASE EXPLAIN DISPUTED ISSUE NO. 3B.

A. Issue No. 3B concerns the agreement's definition of VNXX traffic. My testimony will reply to Level 3's testimony on this issue.

Q. WHAT LANGUAGE IS QWEST PROPOSING?

A. Qwest proposes the following, as found on page 32 of its proposed ICA:

> "VNXX Traffic" is all traffic originated by the Qwest End User Customer that is not terminated to CLEC's End User Customer physically located within the same Qwest Local Calling Area (as approved by the state Commission) as the originating caller, regardless of the NPA-NXX dialed and, specifically, regardless of whether CLEC's End User Customer is assigned an NPA-NXX associated with a rate center in which the Qwest End User Customer is physically located.

Q. WHAT LANGUAGE IS LEVEL 3 PROPOSING?

A. Level 3 proposes the following:

> VNXX Traffic shall include the following:
>
> **ISP-bound VNXX traffic** is telecommunications over which the FCC has exercised exclusive jurisdiction under Section 201 of the Act and to which traffic a compensation rate of $0.0007 / MOU applies. ISP-bound VNXX traffic uses geographically independent telephone numbers ("GITN"), and thus the telephone numbers associated with the calling and called parties may or may not bear NPA-NXX codes associated with the physical location of either party. This traffic typically originates on the PSTN and terminates to the Internet via an Internet Service Provider ("ISP").
>
> **VoIP VNXX traffic** is telecommunications over which the FCC has exercised exclusive jurisdiction under Section 201 of the Act and to which traffic a compensation rate of $0.0007 / MOU applies. VoIP VNXX traffic uses geographically independent telephone numbers ("GITN"), and thus the telephone numbers associated with the calling and called parties may or

may not bear NPA-NXX codes associated with the physical location of either party. Because VoIP VNXX traffic originates on the Internet, the physical location of the calling and called parties can change at any time. For example, VoIP VNXX traffic presents billing situations where the (i) caller and called parties are physically located in the same ILEC retail (for purposes of offering circuit switched "local telephone service") local calling area and the NPA-NXX codes associated with each party are associated with different ILEC LCAs; (ii) caller and called parties are physically located in the same ILEC retail (for purposes of offering circuit switched "local telephone service") local calling area and the NPA-NXX codes associated with each party are associated with the same ILEC LCAs; (iii) caller and called parties are physically located in the different ILEC retail (for purposes of offering circuit switched "local telephone service") local calling area and the NPA-NXX codes associated with each party are associated with same LEC LCAs; and (iv) caller and called parties are physically located in the different ILEC retail (for purposes of offering circuit switched "local telephone service") local calling area and the NPA-NXX codes associated with each party are associated with different ILEC LCAs. Examples of VoIP VNXX traffic include the Qwest "One Flex" service and Level 3's (3)VoIP Enhanced Local service.

Circuit Switched VNXX traffic is traditional "telecommunications services" associated with legacy circuit switched telecommunications providers, most of which built their networks under monopoly regulatory structures that evolved around the turn of the last century. Under this scenario, costs are apportioned according to the belief that bandwidth is scarce and transport expensive. The ILEC offers to a customer the ability to obtain a "local" service (as defined in the ILEC's retail tariff) by paying for dedicated transport between the physical location of the customer and the physical location of the NPA-NXX. Thus, this term entirely describes a service offered by ILECs, but which cannot be offered by IP-based competitors as such networks do not dedicate facilities on an end-to-end basis.

Q. DID YOU ADDRESS VNXX IN YOUR DIRECT TESTIMONY?

A. No. Mr. Brotherson addressed VNXX issues in his direct testimony (Qwest/2). However, I am addressing VNXX here because of inconsistencies and inaccuracies in the testimony filed by Level 3's witnesses.

Q. MR. GATES EXPLAINS THAT ISPs PURCHASE SERVICES FROM CARRIERS IN THE LOCAL CALLING AREAS WHERE THEY HAVE OR DESIRE CUSTOMERS. DOES LEVEL 3 PROVIDE SERVICE TO ISPs IN THESE SAME LOCAL CALLING AREAS?

A. No. Level 3 does not, in most cases, provide services to its ISP customers within the local calling areas that ISPs have or desire customers. By that I mean that Level 3 has no physical presence (nor do its ISP customers) in many (probably the vast majority) of the local calling areas where they purport to serve. Instead, Level 3 inappropriately assigns telephone numbers to its ISP customers that do not reflect the local calling area in which the ISP is located, thereby allowing Level 3 to avoid (and pass on to Qwest) the additional costs associated with provisioning local service to its ISP customers. By doing this, Level 3 avoids actually provisioning facilities-based services to the local calling areas in which Level 3 claims to provide local service.

Q. DOES LEVEL 3 VIOLATE INDUSTRY GUIDELINES BY ASSIGNING TELEPHONE NUMBERS IN THE WAY YOU HAVE DESCRIBED?

A. Yes. There are industry rules that dictate the different types of telephone numbers and how such numbers are to be assigned.

Q. HOW WERE THE RULES FOR ASSIGNING TELEPHONE NUMBERS ESTABLISHED?

A. In 1995, prior to the passage of the 1996 Act, the FCC created the North American Numbering Council ("NANC"), which makes recommendations to the FCC on

numbering issues and oversees the North American Numbering Plan ("NANP"). At the same time, the FCC also created the North American Numbering Plan Administrator ("NANPA"), an impartial entity that is responsible for assigning and administering telecommunications numbering resources in an efficient and non-discriminatory manner. Thus NANPA is responsible for allocating NPA and NXX codes. Under FCC rules, NANPA is directed to administer telephone numbering resources in an efficient and non-discriminatory manner, *and* in accordance with the guidelines developed by INC (the North American Industry Numbering Committee).[1]

Q. ARE THE "GUIDELINES" DEVELOPED BY INC INTENDED TO BE MERE GUIDELINES THAT CAN BE DISREGARDED?

A. No. INC guidelines are really more than mere guidelines because the adherence to them is an FCC mandate.[2] The Alliance for Telecommunications Industry Solutions (ATIS) has published a set of INC guidelines entitled "Central Office Code (NXX) Assignment Guidelines" (COCAG). Level 3's method of assigning telephone numbers (i.e., its use of VNXX) is in violation of these industry guidelines, which designate NPA/NXX codes as geographically-specific.

Q. WHAT PROVISIONS OF THE COCAG DEFINE NPA NXX CODES AS GEOGRAPHICALLY SPECIFIC?

A. Section 2.14 of the COCAG states that "CO [central office] codes/blocks allocated to a wireline service provider are to be utilized to provide service to a customer's

[1] See 47 C.F.R. § 52.13(b) and (d).

premise *physically located* in the same rate center that the CO codes/blocks are assigned. Exceptions exist, such as for tariffed services like foreign exchange services." (Emphasis added.) Mr. Gates' direct testimony at page 35 (Level 3/200, Gates/35) references this section. However, VNXX is not identified as an exception, and is certainly not an "exception" as it is provisioned by Level 3 without local service in the rate center to which the codes/blocks are assigned.

Q. ARE THERE OTHER PROVISIONS IN THE COCAG THAT SPECIFY A GEOGRAPHIC CORRELATION WITH TELEPHONE NUMBERS?

A. Yes. Section 4.2.6 of the COCAG provides that "[t]he numbers assigned to the facilities identified must serve subscribers in the *geographic area corresponding with the rate center requested*." (Emphasis added.)

Q. DOES THE COCAG DISTINGUISH BETWEEN GEOGRAPHIC NUMBERS AND NON-GEOGRAPHIC NUMBERS?

A. Yes. The COCAG also states that "Geographic NPAs" are the "NPAs which correspond to discrete geographic areas within the NANP," while "Non-geographic NPAs" are "NPAs that do not correspond to discrete geographic areas, but which are instead assigned for services with attributes, functionalities, or requirements that transcend specific geographic boundaries, the common examples [of which] are NPAs in the N00 format, e.g., 800."

[2] 47 C.F.R. § 52.13(d)

Q. DOES LEVEL 3 APPROPRIATELY ASSIGN NUMBERS TO ITS CUSTOMERS OF VNXX SERVICE ACCORDING TO INC GUIDELINES?

A. No. The telephone numbers that Level 3 use are geographic NPA numbers – in other words, they are numbers that should, according to guidelines, correspond to discrete geographic areas. But under Level 3's inappropriate assignment of these numbers, they no longer reflect a specific geographic location. Callers who dial a Level 3 "local" number would not reach anyone in the local calling area – rather, they would be transported over Qwest's LIS network to Level 3's switch, and then on to an ISP's equipment (e.g., modems, routers, and servers) that may be in a different local calling area in the state, or in another state entirely. This use of numbers violates industry guidelines.

Q. DOES LEVEL 3'S PERSPECTIVE OF ITS VNXX SERVICE COMPORT WITH THE INDUSTRY NUMBERING GUIDELINES?

A. Not at all. As explained above, the industry numbering guidelines recognize that there are numbers that are geographic in nature, and others that are non-geographic in nature. The determination whether a NPA/NXX is geographic or non-geographic is based on the NPA digits that precede the NXX digits. Geographic numbers are the telephone numbers that most people associate with their wireline service. Non-geographic numbers are telephone numbers that have NPA digits such as 800 or 900. However, Level 3 has chosen to use geographic numbers to facilitate a non-geographically provisioned service.

Q. MR. DUCLOO CONTENDS THAT SWITCHES HAVE NO WAY OF "KNOWING" THE GEOGRAPHIC LOCATIONS ASSOCIATED WITH THE TELEPHONE NUMBERS ASSIGNED TO A SWITCH. DOES MR. DUCLOO MISREPRESENT HOW NUMBERS ARE ASSIGNED?

A. Yes. If Mr. Ducloo's method of assigning telephone codes/blocks to switches were taken to its logical conclusion, all switches should recognize all telephone numbers as local calls. Mr. Ducloo misses the concept that a switch only "knows" what is programmed into it. Switch programming determines what is local and what is toll. This programming is based on decades of regulatory precedent that distinguished local and toll calls based on geographic boundaries, such as local calling areas, EAS boundaries and LATA boundaries. These geographic boundaries are either established by federal courts or approved by the state commissions, and they remain a significant feature of the telecommunications environment in which all industry participants operate today. To imply that geographic location makes no difference is absurd. The history of the telecommunications industry and its method of regulation are fundamentally based on the geographic location of end users.

VI. DISPUTED ISSUE NO. 6: AMA SWITCH TECHNOLOGY

Q. PLEASE EXPLAIN DISPUTED ISSUE NO. 6.

A. This issue was never a point of contention during the negotiations of the interconnection agreement and only became an issue when Level 3 filed its petition. Level 3 also did not address this language in its direct testimony. The issue in dispute is Level 3's objection to use the term "inherent in Switch technology" within the definition of Automated Message Accounting ("AMA"). Level 3 disputes the use of the language "inherent in Switch technology."

Q. DOES QWEST STILL AGREE WITH LEVEL 3'S PROPOSED LANGUAGE CHANGE?

A. Yes. This is no longer an issue.

VII. DISPUTED ISSUE NO. 8: DEFINITION OF CALL RECORD

Q. PLEASE EXPLAIN DISPUTED ISSUE NO. 8.

A. Disputed Issue No. 8 concerns what call information must be provided in a call record so that the record may be used for intercarrier billing purposes. Level 3 agrees that there are some instances when some signaling information may not always be available. Nevertheless, a call record must include certain fundamental information to create a record for billing purposes.

Q. WHAT LANGUAGE IS QWEST PROPOSING?

A. Qwest proposes the following, as found on page 13 of its proposed ICA:

> "Call Record" means a record that provides key data about individual telephone calls. It includes originating telephone number, terminating telephone number, billing telephone number (if different from originating or terminating number) time and date of call, duration of call, long distance carrier (if applicable), and other data necessary to properly rate and bill the call.

Q. WHAT LANGUAGE IS LEVEL 3 PROPOSING?

A. Level 3 proposes the following:

> "Call Record" shall include identification of the following: charge number, Calling Party Number ("CPN"), Other Carrier Number ("OCN"), or Automatic Number Identifier ("ANI"), Originating Line Indicator ("OLI"). In the alternative, a "Call Record" may include any other information agreed upon by both Parties to be used for identifying the jurisdictional nature of the calling party or for assessing applicable intercarrier compensation charges.

Q. WHY IS QWEST OPPOSED TO LEVEL 3'S PROPOSED DEFINITION OF A CALL RECORD?

A. Level 3's definition of a call record obligates both parties to provide certain types of information about a call that has never been required by industry standards, and that may not be available on every call. Level 3's proposed language would require call information that is not necessary for the creation of a call record, and yet it omits information that should be required for the creation of a call record.

Q. DO LEVEL 3'S WITNESSES ADDRESS LEVEL 3'S DEFINITION OF CALL RECORD IN THEIR TESTIMONY?

A. No, not specifically. Mr. Ducloo only addresses it to the extent that Level 3 proposes to populate the OLI parameter in the signaling stream and in a brief discussion of the process for billing intercarrier compensation. Level 3 is otherwise is silent on what information should be required in a call record.

Q. DOES MR. DUCLOO DESCRIBE THE INFORMATION THAT SHOULD BE CONTAINED IN A CALL DETAIL RECORD?

A. Yes. In his direct testimony (Level 3/300), Mr. Ducloo describes information that is consistent with Qwest's definition of a call record. For example, Mr. Ducloo lists calling number (i.e., originating telephone number), the dialed number (i.e., terminating telephone number), carrier delivering the call (i.e., long distance carrier), and the time that the call starts and stops (i.e., time and date of call, duration of call) as appropriate for inclusion in a call detail record. These are also elements in Qwest's proposed call record definition. However, Level 3's proposed

definition does not include all of the elements that Mr. Ducloo listed in his testimony. Based on Level 3's testimony, it is clear that Qwest's proposed definition of call record more appropriately represents the fundamental information that belongs in a call record.

Q. IN HIS DIRECT TESTIMONY, MR. DUCLOO CONCLUDES THAT THERE ARE PRECEDENTS FOR POPULATING UNUSED SS7 FIELDS AND CODES. HAS QWEST POPULATED UNUSED SIGNALING PARAMETERS OR REQUIRED INTERCONNECTING CARRIERS TO POPULATE UNUSED SIGNALING PARAMETERS THAT ARE UNDEFINED BY THE INDUSTRY?

A. No. Qwest has not established these types of processes because of the future impact they could have to Qwest's network if and when particular unused parameters were to become defined differently by the industry. If a signaling parameter were to become defined differently by the industry than the way network operators have decided to use the parameter, then the operators would need to change their network to be compliant with the industry change. They would then need to find a new way to accomplish the original purpose for populating the unused signaling parameter. Using signaling parameters in the way that Level 3 proposes would only cause unnecessary up-front costs and would magnify future costs when any changes would need to be made to the network in the future.

Q. DOES MR. DUCLOO THEN PROVIDE A PRECEDENT FOR THE POPULATION OF UNUSED SS7 FIELDS?

A. No. Mr. Ducloo provides an example of population of a call record, but not population of a signaling parameter.

Q. HAVE INDUSTRY STANDARDS GROUPS RECOMMENDED THE OLI PARAMETER BE USED TO IDENTIFY VoIP TRAFFIC?

A. No. In fact, industry standards groups such as the AMA Technical Support Group ("AMASTG") have recommended against the use of the OLI signaling parameter for the purposes of identifying VoIP traffic.[3] Identification of VoIP traffic through the signaling stream is only one of several proposals that the industry has identified.[4] Furthermore, the signaling standards committee does not recommend modification to the SS7 protocol to address the identification of VoIP traffic.[5] Based on the activity at the industry level, it is clear that the issue of developing a method for identifying VoIP traffic is being addressed. Level 3, however, wishes to include the OLI as a method of identifying VoIP in its agreement with Qwest. Thus, Level 3 is attempting to create a de facto standard that appears to have been all but dismissed by industry standards groups. It would be more appropriate for Level 3 to represent its positions in the industry standards forums that have been

[3] Exhibit Qwest/17 (Letter dated February 4, 2005 from the AMASTG to the Alliance for Telecommunications Industry Solutions Ordering and Billing Forum Billing Committee, Subject OBF Issue 2776: Identification of VoIP-Originated Calls).

[4] Exhibit Qwest/18(Letter dated May 9, 2005 from the Alliance for Telecommunications Industry Solutions Ordering and Billing Forum Billing Committee to the Alliance for Telecommunications Industry Solutions Packet Technologies and Systems Committee ("PTSC"), Subject OBF Issue 2776: Identification of VoIP-Originated Calls)

[5] Exhibit Qwest/19 (Letter dated June 23, 2005 from the PTSC to the OBF, Subject OBF Issue 2776: Identification of VoIP-Originated Calls.

established to address these types of issues than to attempt to unilaterally force its industry-rejected opinion through an interconnection agreement.

Q. DOES LEVEL 3'S LANGUAGE FORCE QWEST TO POPULATE THE OLI PARAMETER?

A. Yes. Although the testimony of Mr. Ducloo suggests that it is only Level 3 that wishes to populate the OLI parameter, Level 3's proposed call record definition language does not make this distinction. Accordingly, Level 3's definition of call record should be rejected.

Q. WHY SHOULD QWEST'S DEFINITION OF A CALL RECORD BE USED IN THE INTERCONNECTION AGREEMENT BETWEEN LEVEL 3 AND QWEST?

A. Qwest's definition of a call record should be used because it includes the fundamental information that is required to create a valid call record, and it provides flexibility to include other data that may be used to rate and bill calls for intercarrier compensation purposes. In addition, Qwest uses terms that are specific enough to identify what is required, while at the same time remaining flexible enough to encompass all of the optional parameters that Level 3 wishes to require (should they eventually become industry requirements). Unlike Level 3's language, Qwest's language does not include call information that would create disputes regarding the interpretation of the terms used in the definition. Likewise, Qwest's language eliminates any potential dispute as to whether the existence of the call duration and the time and date that a call occurred are required in a valid call

record. Simply put, Qwest language addresses all of Level 3's concerns, more clearly establishes the expectations of both companies for the creation of a valid call record, and has the flexibility to include additional call information that may later be required to generate a valid call record in the future.

VIII. DISPUTED ISSUE NO. 20: SIGNALING PARAMETERS

Q. PLEASE EXPLAIN DISPUTED ISSUE NO. 20.

A. The issue in dispute here is whether SS7 signaling is an appropriate method for signaling call information for the exchange of traffic between Qwest and Level 3.

Q. WHAT LANGUAGE IS QWEST PROPOSING?

A. Qwest proposes the following, on page 86 of its proposed ICA:

> 7.3.8 Signaling Parameters: Qwest and CLEC are required to provide each other the proper signaling information (e.g., originating Calling Party Number and destination called party number, etc.) per 47 CFR 64.1601 to enable each Party to issue bills in a complete and timely fashion. All CCS signaling parameters will be provided including Calling Party Number (CPN), Originating Line Information Parameter (OLIP), calling party category, Charge Number, etc. on calls to 8XX telephone numbers. All privacy indicators will be honored. If either Party fails to provide CPN (valid originating information), and cannot substantiate technical restrictions (i.e., MF signaling) such traffic will be billed as Switched Access. Traffic sent to the other Party without CPN (valid originating information) will be handled in the following manner. The transit provider will be responsible for only its portion of this traffic, which will not exceed more than five percent (5%) of the total Exchange Service (EAS/Local) and Exchange Access (IntraLATA Toll) traffic delivered to the other Party. The Switch owner will provide to the other Party, upon request, information to demonstrate that Party's portion of no-CPN traffic does not exceed five percent (5%) of the total traffic delivered. The Parties will coordinate and exchange data as necessary to determine the cause of the CPN failure and to assist its correction. All Exchange Service (EAS/Local) and IntraLATA LEC Toll calls exchanged without CPN information will be billed as either Exchange Service (EAS/Local) Traffic or IntraLATA LEC Toll Traffic in direct proportion to the minutes of use (MOU) of calls exchanged with CPN information for the preceding quarter, utilizing a PLU factor determined in accordance with Section 7.2.2.9.3.2 of this Agreement.

Q. WHAT LANGUAGE IS LEVEL 3 PROPOSING?

A. Level 3 proposes the following:

> 7.3.8 Signaling Parameters: Qwest and CLEC are required to provide each other proper signaling information (e.g., originating Calling Record Information and destination called party number, etc.) to enable each Party to issue bills in a complete and timely fashion. All CCS signaling parameters will be provided including Call Record Information (CRI), Originating Line Information Parameter (OLIP) on calls to 8XX telephone numbers, calling party category, Charge Number, etc. All privacy indicators will be honored. If either Party fails to provide CRI (valid originating information), and cannot substantiate technical restrictions (e.g., MF signaling, IP origination, etc.) such traffic will be billed as interstate Switched Access. Transit Traffic sent to the other Party without CRI (valid originating information) will be handled in the following manner. The transit provider will be responsible for only its portion of this traffic, which will not exceed more than five percent (5%) of the total Exchange Service (EAS/Local) and Exchange Access (IntraLATA Toll) traffic delivered to the other Party. The Switch owner will provide to the other Party, upon request, information to demonstrate that Party's portion of no-CRI traffic does not exceed five percent (5%) of the total traffic delivered. The Parties will coordinate and exchange data as necessary to determine the cause of the CRI failure and to assist its correction. All Exchange Service (EAS/Local) and Exchange Access calls exchanged without CRI information will be billed as either Exchange Service (EAS/Local) Traffic or Exchange Access Traffic in direct proportion to the minutes of use (MOU) of calls exchanged with CRI information for the preceding quarter, utilizing a PLU factor determined in accordance with Section 7.2.2.9.3.2 of this Agreement.

Q. DID LEVEL 3 ADDRESS THIS SECTION IN ITS TESTIMONY?

A. No. None of Level 3's witnesses have provided testimony in support for its proposed language for section 7.3.8.

Q. PLEASE DESCRIBE AGAIN WHY QWEST OBJECTS TO LEVEL 3'S PROPOSED LANGUAGE?

A. Qwest objects to Level 3's language because it mischaracterizes ***IP origination*** (emphasis added) as a technical limitation for populating signaling information in the SS7 signaling stream. Level 3's proposed language also creates an obligation to

populate a signaling parameter, specifically, Call Record Information ("CRI"), which does not exist within the SS7 protocol. In addition, Level 3 does not define CRI. To the extent that Level 3's definition of CRI would use similar terms to those used in Level 3's definition of a Call Record, it is not at all clear that the requirement to provide the CRI can be met. Level 3's proposed language also fails to acknowledge the fact that the FCC has recognized certain limitations exist that prohibit or limit the delivery of specific types of signaling information. Qwest further objects to Level 3's language because it inappropriately applies interstate switched access rates to traffic that is intrastate as is described in Issue No. 2.

Q. WHY IS QWEST'S LANGUAGE MORE APPROPRIATE?

A. Qwest's language uses terms that are clearly defined by the contract and the industry. Qwest's language provides clear expectations for the signaling of traffic between the parties' networks.

IX. SUMMARY/CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. My testimony has responded to the testimony of Level 3's witnesses relating to technical matters concerning: 1) the manner of interconnection; 2) the types of traffic that may be combined on interconnection trunks; 3) the appropriate assignment of telephone numbering resources and the associated routing of local calls; and 4) the call information that should be required in a call record.

The FCC has recognized that each carrier must be able to retain responsibility for the management, control, and performance of its own network. Qwest provides technically feasible points for the purpose of interconnection with Qwest's network. However, Level 3's proposed language attempts to shun these well-established arrangements, not for technical reasons, but in an apparent attempt to avoid paying the costs that interconnection inevitably imposes on the existing network.

Qwest has attempted to be responsive to Level 3's desire to combine traffic on trunk groups. Qwest has attempted to accommodate Level 3's desire for network efficiencies by agreeing to allow Level 3 to combine all of its traffic to Qwest over Feature Group D trunks. This solution achieves the efficiencies sought by Level 3, while at the same time allowing Qwest to continue to use its existing billing systems and processes. For these reasons, Level 3's proposed combining of traffic on LIS trunks should be rejected.

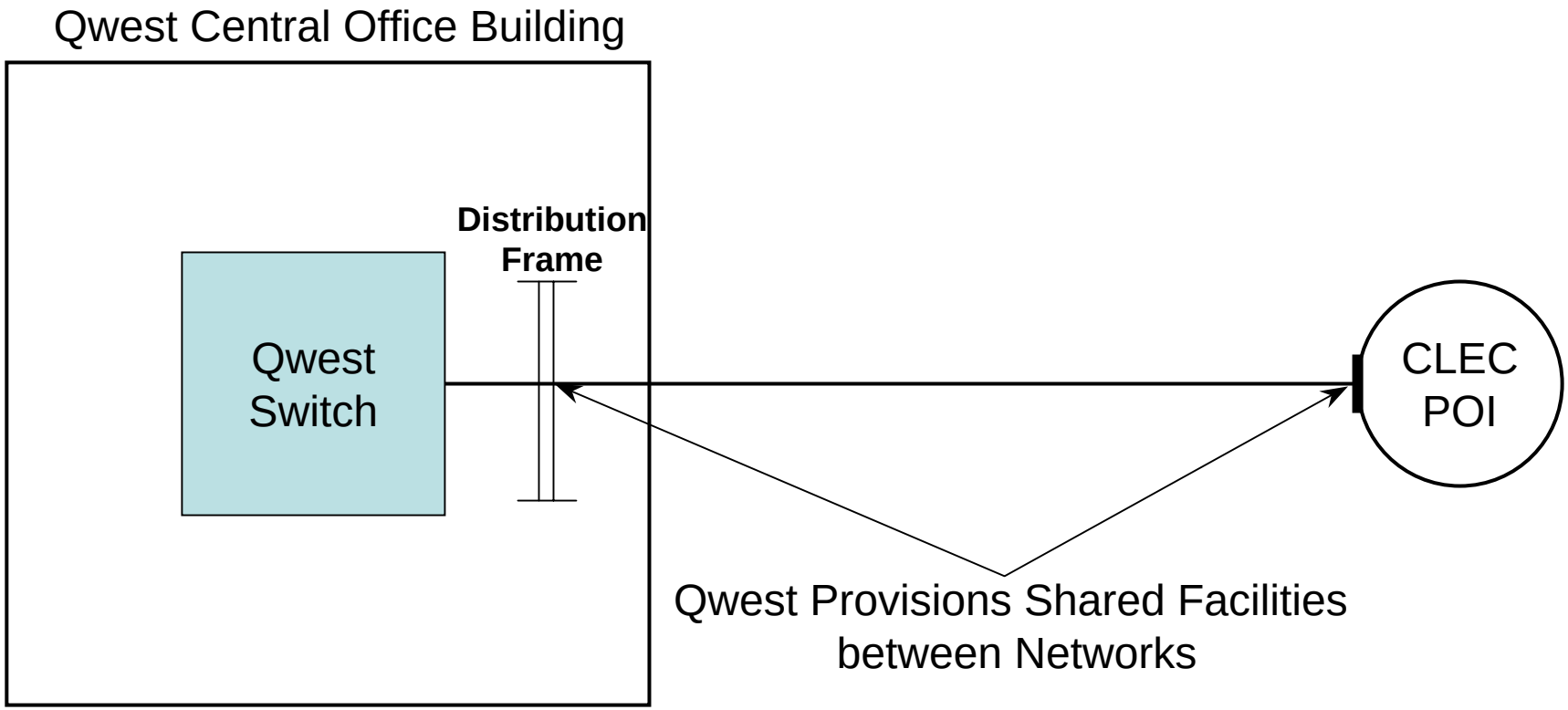
The FCC and state commissions have recognized certain jurisdictional boundaries for telecommunications traffic. These jurisdictional boundaries have been incorporated into virtually every aspect of the telecommunications network, from the routing of traffic and provisioning of facilities to end users to the interconnection of carriers with other carriers. Accordingly, until industry-wide changes are made, the Level 3/Qwest interconnection agreement should continue to require that the assignment of telephone numbers be based on the local calling areas associated with those numbers.

Finally, a call record must include certain fundamental information to create a record for billing purposes. Qwest's definition provides for all the fundamental information needed in a call record, and at the same time, it provides the flexibility to accept additional information to create a call record which may be used for billing. Level 3 goes far beyond what is recognized by the industry, and then inappropriately places financial penalties for non-compliance.

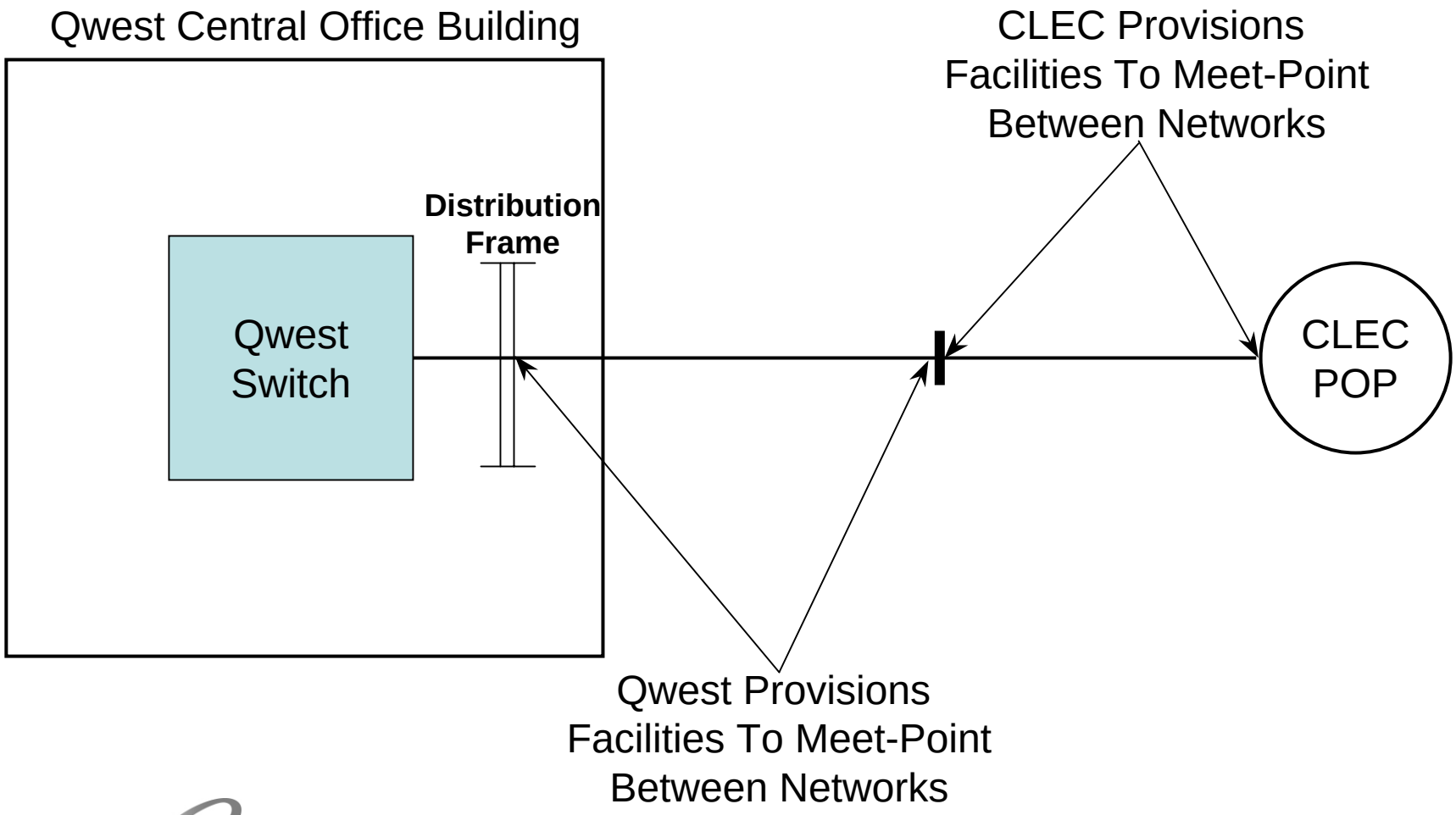
Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

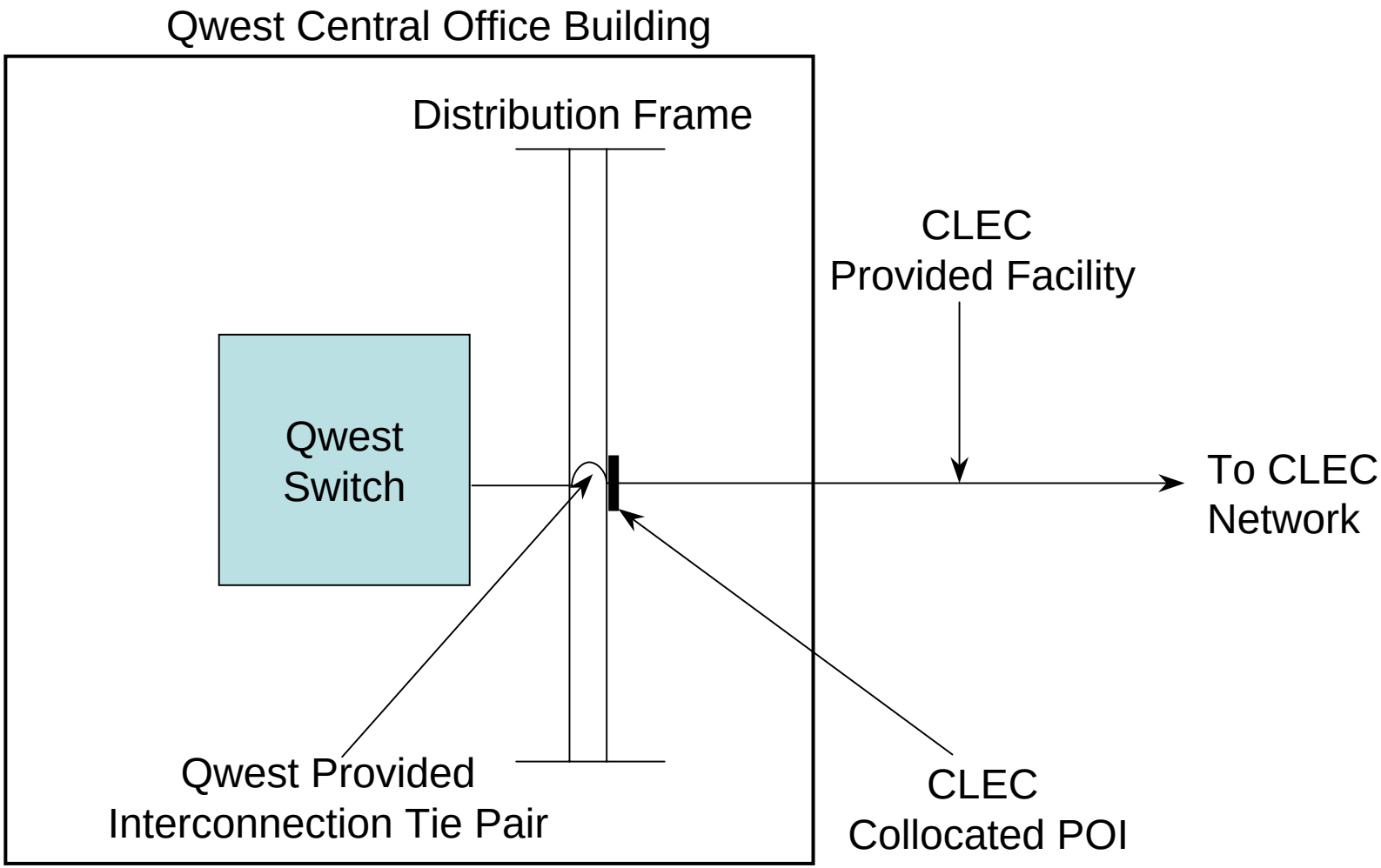
Entrance Facilities



Mid-Span Meet Point



Collocation



Qwest

AMATSG
AMA Technical Support Group

Date: February 4, 2005

To: Alliance for Telecommunications Industry Solutions
Ordering and Billing Forum
Billing Committee

Subject: OBF Issue 2776: Identification of VoIP-Originated Calls

Billing Committee Members:

This is an open letter to the participants in the Billing Committee of the Ordering and Billing Forum (OBF), written at the direction of the AMA Technical Support Group (AMATSG), regarding OBF Issue 2776: Identification of VoIP-Originated calls. At its last three quarterly meetings, the AMATSG has been tracking the discussions at the OBF on this issue, and the members of the AMATSG feel that now is an appropriate time to contribute the AMATSG's current thinking on this issue.

The AMATSG meets quarterly to discuss matters related to the generation of AMA in stored program control switches. Its members are the recognized AMA subject matter experts in their respective companies. Some of the companies represented at the OBF are also members of the AMATSG, and the AMATSG SMEs are regularly consulted to provide their expertise on matters related to new network capabilities and services.

1. Background

The AMATSG believes that the Billing Committee made the correct decision to accept and work the issue of identifying calls that originate in a VoIP network and ingress to the PSTN via an interface between a VoIP gateway and a traditional TDM (Time Division Multiplexing) switching system. There is no need to reiterate the potential regulatory and technical reasons for acting on this issue; these are already well documented in the OBF record.

The AMATSG members would like to address the potential technical solutions that might be available to accomplish identification of VoIP-Originated calls. We understand that there have been some proposals floated at this point, and we would like to address those proposals that we have heard about and propose some of our own. The AMATSG, like the Billing Committee, realizes that the most efficient network-based solution will involve some type of alteration to call setup signaling in the Signaling System 7 protocol. We also realize that neither of our groups can effect a change to this protocol without the assistance of the standards bodies responsible for standardizing the SS7 protocol. Therefore, the goal of this letter is to provide substantive technical input from an AMA and billing perspective to the appropriate standards bodies so that this issue is resolved in an efficient, expeditious manner.

Before going into each of the proposals, the AMATSG would like to note that each of the variations on the call setup signaling solution will likely require modifications to existing TDM switch generic software. Whatever signaling variation is chosen will require some

modification of call processing and AMA generic software in most TDM switching systems. For companies using a Link Monitoring System (LMS) to generate CDRs, the impact of a signaling solution may be considerably less involved. Finally, whether a modified CDR is generated at the switch or the LMS, the newly-generated VoIP indicator will have to be detected and processed by service provider billing systems. That said, the goal of the AMATSG is to minimize the impact of all these software changes.

2. Potential Signaling Solutions

The AMATSG client companies asked the BAF experts at Telcordia Technologies to provide a preliminary analysis of potential SS7 parameters that are already present in call setup signaling that could be used for identification of VoIP-Originated calls. The criteria specified by the AMATSG for parameter selection included the following characteristics/restrictions:

- The parameter:
    1. must be a parameter within the Initial Address Message (IAM)
    2. must be in general use
    3. must be signaled forward as part of normal call transiting
    4. must be sent end-to-end
- The value set in the parameter:
    1. must have an available value within the existing parameter
    2. must minimize interaction with or be independent of existing parameter values (stand-alone)
    3. must be transparent to networks not using the value and yet be signaled forward as part of normal call transiting.

Using these criteria as a guide, two of the parameters that had been mentioned in discussions of Issue 2776, namely the Originating Line Information (OLI) parameter and the Calling Party Number (CPN) parameter, were examined. In addition, two other parameters that the AMATSG believes may meet the above criteria were also investigated. The two additional parameters for consideration are the Forward call Indicator (FCI) and the Nature-of-Connection Indicators (NCI).

Table 1 is a summary representation of how these four parameters meet the criteria.

Table 1: Comparison of Proposed IAM Parameters

	General Use	Transiting	End-to-End	Value Available	Independent (Stand-alone)	Transparent
OLI	No	No	No	Yes	No	No
CPN	Yes	No	No	Yes	Yes	Yes
FCI	Yes	Yes	Yes	Yes	Yes	Yes
NCI	Yes	Yes	Yes	Yes	Yes	Yes

3. Points of Comparison

The following is a brief explanation of the entries in Table 1 for each parameter.

3.1 Originating Line Information (OLI) parameter

Using the Originating Line Information parameter, the AMATSG believes, will be problematic. The first difficulty with using this parameter is that it is in general use only for the Exchange Access version of the SS7 protocol (reference Telcordia GR-394-CORE). Traditional signaling used between local exchange carriers for local and short-haul toll calls does not call for the inclusion of the OLI parameter in the IAM (reference GR-317-CORE). The AMATSG believes that, if the VoIP-Originated indicator comes to be required, it will be required for both Exchange Access calls and local calls. If OLI were to be selected as the parameter, then call processing logic would be required to generate this parameter for local calls where it is not generated today.

The transiting and end-to-end characteristics for OLI are also deficient in the protocol at this time. Transiting nodes would be required to pass this parameter through to the terminating node and while it is true that the standards language states that an unused or unrecognized parameter should be signaled forward, experience has shown that this is not always the case in existing implementations.

The last characteristic that argues against using OLI to identify VoIP-Originated calls is the value assignment question. OLI is currently used to identify originating line characteristics such as cellular calls, toll-free calls, and calls made from coin/coinless stations. Adding a VoIP-Originated component to this mix does not require just one or two additional values, but requires values and/or procedures to convey on the originating end and interpret on the terminating end that VoIP technology was used, which could occur in conjunction with a line characteristic already assigned an OLI value. Therefore, a "multiplier effect" will cause values to need to be assigned representing each of many existing values in conjunction with the new need. This type of analysis and assignment is complicated. The AMATSG believes that resources can be better and more profitably spent using another parameter rather than trying to develop something that will be inherently complicated and confusing.

3.2 Calling Party Number (CPN) parameter

The AMATSG believes that the Calling Party Number (CPN) parameter could be used to convey an indication that a call has originated in a VoIP network. However, there are at least two caveats that must be considered. The first is the indicator itself. The AMATSG believes an independent and stand-alone indicator should be used to avoid interworking and compatibility issues with established values. To accomplish this in the current implementation of the SS7 protocol definition for CPN would require the spare bit in the second octet of the parameter be used to indicate VoIP-Originated. This bit is currently spare and is the only spare bit available. The fact that the only spare bit would be used to identify a VoIP call may cause some concern within the signaling standards community.

The second consideration is the industry's experience overall with signaling forward CPN from an originating network through transiting networks and on to the terminating

network. The instances where transiting and terminating networks do not receive the CPN parameter are still numerous enough to warrant caution in using this parameter for a needed piece of information. The AMATSG members believe that the industry should be wary of relying on the presence of the CPN parameter for yet another potentially significant financial and fiduciary function. The AMATSG believes that using the CPN parameter for VoIP identification is not a viable solution.

3.3 Forward Call Indicator (FCI)

The most recent industry-wide requirement for sending an indicator from the originating switch to the terminating switch was accomplished using a bit in the FCI parameter. The application was Number Portability (NP), and FCI was used to indicate that a NP query was or was not performed. This indicator was essential for network efficiency and was a critical piece of information that each network node needed to know as call setup signaling was passed through to the terminating network. The terminating network used the 'M' bit in the FCI to trigger whether or not to swap out the telephone number in the generic address parameter (GAP) with the called party number in order to terminate the call properly.

It can be argued that the VoIP-Originated indicator is the next industry-wide critical indicator that must be passed end-to-end in the network. The AMATSG members believe that the indicator for VoIP-Originated may have applications beyond the initial regulatory/accounting purpose that is now its focus. The implication to the AMATSG is that the indicator will be required beyond the point of initial interface between the VoIP network and the ingress TDM network. This means that the indicator must be available end-to-end for call setup and, like the 'M' used in NP, must also be stand-alone and not be burdened with complicated interworking scenarios. As its use for NP demonstrates, the FCI indicators are stand-alone bits, and as part of the essential information for call setup, are passed from node to node essentially unaltered.

This parameter meets all of the criteria listed in Table 1; however, the AMATSG members acknowledge that the available bits in the FCI parameter are limited. Currently, there are three bits that remain unassigned ('L', 'O', and 'P'). The 'L' bit is spare and the latter two are reserved for 'National Use'. The AMATSG recommends that the FCI parameter be considered a reasonable candidate for use as an indicator for VoIP-Originated calls.

3.4 Nature-of-Connection Indicators (NCI)

The last parameter examined by the AMATSG is the Nature-of-Connection Indicators (NCI). Like FCI, the NCI indicator meets all of the criteria listed in Table 1 in that it is in general use, is signaled forward as part of normal call transiting, and is sent end-to-end. The value could be set in the parameter by a '0' or '1' in an available bit, which would be stand-alone and would eliminate interactions with existing parameter values. NCI would be signaled forward as part of call setup, yet it would be transparent to networks not using the value. The NCI also has three unassigned bits available ('F', 'G', and 'H'). As far as the title of the parameter to be used, "Nature of Connection" is appropriate for an indication of the technology used to originate the call. The AMATSG recommends that the NCI parameter also be considered a reasonable candidate for use as an indicator for VoIP-Originated calls.

4. Conclusion

The AMATSG members, after considerable research and thought on this issue, would like to recommend that the OBF consider our arguments for using either the NCI parameter or the FCI parameter to identify VoIP-Originated calls. Conversely, we would ask that the OBF avoid any recommendation for using either the OLI parameter or the CPN parameter for this purpose.

The AMATSG hopes that the Billing Committee of the OBF will find this letter useful in focusing your discussions in the committee and invites the Billing Committee to avail itself of any and all of the information contained in this letter when interacting with the signaling standards and network interoperability groups.

Thank you for your time and attention. If you have any questions on the technical content of this letter, please contact either Sara Knapp (732) 699-6080 or Bill Krall (732) 699-6052 at Telcordia Technologies.

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May 9, 2005

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"Developing Standards that Drive the Business of Communications and Information Technology"

RE: OBF Billing Committee Issue 2776 - Identification of IP-Originated, PSTN-Terminated Traffic for Intercarrier Compensation Purposes

The OBF Billing Committee is currently reviewing Issue 2776 (See Attachment 1), related to Intercarrier Compensation between IP and PSTN networks. Due to the nature of Voice Over Internet Protocol (VoIP) origination, there is an apparent need to separate VoIP traffic from other PSTN traffic for intercarrier compensation issues.

The committee is investigating the following three options for identifying VoIP traffic:

1. Utilizing existing signaling parameters as provided by the AMATSG (See Attachment 2) – where the possible solution includes one of the following:
   a. Originating Line Identifier (OLI)
   b. Calling Party Number (CPN)
   c. Nature of Connection Indicator (NCI)
   d. Forward Call Indicator (FCI)
2. ENUM Database type solution – which may contain a list of all VoIP 10-digit numbers.
3. New Feature Group trunk type for packet type interconnection – which could be similar to existing Feature Group trunk types (Example: FGB & FGD). In this case, we would need to investigate the best signaling protocol available.

We are requesting any recommendations specific to the AMATSG solution (1) but would also like to get your input regarding the other alternatives (2 & 3) that we are considering. We would welcome any other options that we have not yet identified.

Would you kindly provide a response with a status or update in time for review prior to the next OBF General Session (June 22, 2005).

Your questions and feedback may be directed to the Billing Committee Co- Chairs: Syl-Vonna Mabie at (919) 844-9043 (email: sylvonna.mabie@nisc.coop) and Larry Martin at (936) 637-4262 (email: larry.martin@consolidated.com)

Regards,

Syl-Vonna Mabie
Billing Committee Co-Chair
NISC

Larry Martin
Billing Committee Co-Chair
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Subject: Response to your liaison: OBF Billing Committee Issue 2776 - Identification of IP Originated, PSTN-Terminated Traffic for Intercarrier Compensation Purposes, dated May 9th, 2005

Dear Syl-Vonna and Larry,

We offer you the following comments with respect to your three options, respectively:

1. The SS7 ISUP protocol is a mature protocol and in principle should not be extended unless there is significant reason to do so. This includes new encodings in existing parameters and fields. At this time, we do not recommend modification of the SS7 ISUP protocol to address the identification of VoIP traffic.
2. We feel that a "down-stream" lookup process is an appropriate solution to the problem stated.
3. From an architecture perspective, we feel that defining a new trunk type, including the associated signaling, OAM&P (provisioning) and overhead (reduced trunking efficiencies), would make it an inefficient approach to solving the problem, and thus do not recommend it.

We are looking at this topic in a broader perspective and we will share more information in the near future. We look forwarded to continued collaboration on these matters.

Sincerely,

(Signed original on file)

Bob Hall
Chairman, PTSC

"Developing Standards that Drive the Business of Communications and Information Technology"

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