

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

ARB 747

In the Matter of BEAVER CREEK)
COOPERATIVE TELEPHONE COMPANY'S)
Petition for Arbitration of the Terms, Conditions)
And Prices for Interconnection and Related)
Arrangements with QWEST CORPORATION.)

REBUTTAL TESTIMONY OF

THOMAS R. FREEBERG

FOR

QWEST CORPORATION

AUGUST 4, 2006

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1

I. IDENTIFICATION OF WITNESS

2 **Q. PLEASE STATE YOUR NAME, POSITION, AND EMPLOYER.**

3 A. My name is Thomas R. Freeberg. I am a Director at Qwest. I filed Direct
4 Testimony in this case.

5

II. PURPOSE OF REBUTTAL TESTIMONY

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

7 A. The purpose of this testimony is to respond to Mr. Linstrom's criticism in his
8 Direct Testimony of Qwest's proposed interconnection agreement
9 provisions primarily associated with the intercarrier compensation for calls
10 moving between the Qwest and Beaver Creek networks. Beaver Creek
11 proposed in its arbitration petition that disputed contract provisions could be
12 grouped into five issues. Those five issues are (1) change of law, (2)
13 routing and trunking, (3) reciprocal compensation, (4) third-party traffic, and
14 (5) "phantom" traffic. I will focus on the first, third, fourth and fifth issues that
15 Mr. Linstrom addresses at pages 11 to 18 of his Direct Testimony.¹ My
16 colleague Ann Marie Cederberg will respond on the second issue that Mr.
17 Linstrom addresses on pages 7 to 11 of his Direct Testimony. I also
18 comment on the overview that Mr. Linstrom included at pages 4 to 6 of his
19 Direct Testimony.

¹ For some reason, Mr. Linstrom did not use the same numbering convention for issues in his Direct Testimony as Beaver Creek used in its Petition for Arbitration in this case. In this Rebuttal, I use the same numbering for Issues as was used in Beaver Creek's petition and in my Direct Testimony.

1 Regarding Issue 3, Form of Compensation, I address Beaver Creek's
2 position that intercarrier compensation should be according to bill-and-
3 keep provisions. Qwest's proposed language is consistent with the
4 parties' rights under the law. Based on Mr. Linstrom's Direct Testimony,
5 which indicates Beaver Creek has no intention to operate separately as a
6 CLEC and as an ILEC², I am convinced that Qwest and Beaver Creek
7 should be ordered to transact *all* future business³ according to the contract
8 under review here because ongoing disagreement between the parties is
9 otherwise likely. If the parties can transact *all* future business according to
10 the contract under review here, then Qwest would agree that the parties
11 could apply bill-and-keep as proposed by Beaver Creek for Call
12 Termination of Exchange Service and ISP-bound, non-transit traffic
13 exchanged between the companies. If the parties do not do so, then the
14 Commission should accept Qwest's language and Beaver Creek should
15 be instructed to conform its operations to the contractual requirements.

16 Regarding Issue 4, Transport of Third Party Traffic, I clarify that Qwest
17 does not seek to control the financial or contractual arrangements that
18 either BCI or BCC may have with third parties. I show that Qwest does
19 not seek to be the sole provider of transit service and that Qwest does not
20 seek to control competition. I explain how Qwest exercises its right to

² See, e.g., BCT/1, Linstrom/5, line 9 - Linstrom/6, line 3: "...it would make service more difficult...", "That did not seem to make sense to us" and "BCT's goal is to eliminate the artificial distinctions between its operations ...".

1 compete fairly with other providers of transit service, including BCC. I
2 make clear that BCC is free to move its point of interface with Qwest and
3 show that Mr. Linstrom raises irrelevant issues where he comments on
4 past discussions regarding a move of BCI's point of interface with Qwest.
5 I show that Qwest's proposed language does not in any way preclude
6 BCC from seeking new customers or locating equipment anywhere
7 throughout the Portland metropolitan area or beyond. I explain once more
8 the basis for Qwest's proposal that Qwest and BCC should negotiate the
9 terms and conditions of an indirect interconnection between Qwest and
10 BCC, if necessary in the future, and Qwest's more expansive willingness
11 to recognize BCC's switch as a tandem.

12 Finally, I discuss Issue 5, Phantom Traffic. Here I explain why changes in
13 call routing are not the best solution to BCC's alleged problem and why
14 Qwest's provision of transit call detail records to BCC at a just and
15 reasonable price is a better solution. I show that these records can
16 economically address the "phantom traffic" concerns of a terminating
17 carrier. I explain why Mr. Linstrom's Exhibit BCT/5 should be given no
18 weight and what Qwest can do to support BCC's billing the originating
19 carrier for termination of this traffic.

³ Both the ILEC and CLEC operations of Beaver Creek are implicated.

1 **Q. AT PAGE 6, LINES 1-2, OF IN HIS DIRECT TESTIMONY, MR. LINSTROM**
2 **STATES THAT IT IS BCT'S GOAL TO ELIMINATE THE "ARTIFICIAL**
3 **DISTINCTIONS" BETWEEN BEAVER CREEK'S OPERATIONS AS AN**
4 **ILEC AND A CLEC. IS THIS A REASONABLE GOAL?**

5 A. Section 251 of the Telecommunications Act of 1996 (the "Act"), as
6 interpreted by the FCC and the courts, provides certain benefits and
7 corresponding obligations for CLECs, such as BCC, in their dealings with
8 ILECs, such as Qwest. These rights and obligations differ from how
9 ILECs interact with one another. These differences between how ILECs
10 and CLECs interact with ILECs were specifically contrasted in the Act and
11 subsequent rulemaking of the FCC. It is not reasonable for Beaver Creek
12 to ignore the distinctions between its ILEC and CLEC operations if its
13 purpose is to avoid its obligations to Qwest as a CLEC under section 251.
14 Qwest would support treating Beaver Creek's ILEC and CLEC traffic the
15 same if Beaver Creek agrees to exchange traffic with Qwest entirely as a
16 CLEC according to an interconnection agreement that conforms with
17 Section 251 of the Act and Oregon state law. Qwest does not support
18 elimination of such distinctions if Beaver Creek's goal is to pick and
19 choose its rights and obligations from disparate sections of the law.⁴ In
20 addition, the efficiency of Beaver Creek's operations⁵ is not determinative
21 of which parts of the law should apply and which should not. If Beaver

⁴ Section 259 of the Telecommunications Act addresses ILEC-ILEC interconnection. Sections 251, 252 and 271 address ILEC-CLEC interconnection.

⁵ See, e.g., BCT/1, Linstrom 5, lines 9-10.

1 Creek sought efficiency and simplicity, it could have chosen to operate
2 only within its ILEC territory. Since Beaver Creek has chosen to operate
3 as a CLEC, competing with Qwest, and to take advantage of section 251,
4 it must also live up to its corresponding obligations.

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

6 **Q. WHAT IS BCC'S POSITION ON SECTION 2.2 AND QWEST'S**
7 **RESPONSE?**

8 A. Mr. Linstrom addresses this issue at page 18 of his Direct Testimony.
9 BCC proposes that changes of law be self-effectuating to avoid any delay
10 in the Parties' operating differently to reflect any change in law. Qwest
11 considers this proposal flawed for several reasons as discussed in my
12 Direct Testimony on pages 8 to 11.

13 Qwest's proposed language does not introduce any unreasonable delay.
14 Qwest's proposed language sets forth an expedited process in which
15 changes of law may be reduced to written contract amendments. Qwest's
16 proposed language also ensures that if the parties proceed to dispute
17 resolution, an interim operating agreement will be quickly put into place.

18 Qwest's position protects the interests of Qwest and BCC and ensures
19 that disagreements regarding the meaning of changes of law are
20 addressed in an orderly process that can have a retroactive financial effect
21 that mitigates any delay. Thus, Qwest submits that the Commission
22 should adopt Qwest's proposed language on this issue.

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

2 **Q. ON PAGES 11 TO 13 OF HIS DIRECT TESTIMONY, WHERE HE**
3 **ADDRESSES THE “FORM OF COMPENSATION” ISSUE, DOES MR.**
4 **LINSTROM EXPLAIN THE BASIS FOR BCC'S PROPOSED REVISIONS**
5 **TO SECTIONS 7.3.1.1.3.1 AND 7.3.2.2.1 OF THE AGREEMENT?**

6 A. No, Mr. Linstrom does not explain the basis for BCC's proposed revisions
7 to sections 7.3.1.1.3.1 and 7.3.2.2.1 of the agreement. He makes clear
8 that BCC seeks a bill-and-keep agreement, but the basis for its position
9 (i.e., that intercarrier traffic is balanced) is not supported by any evidence.
10 There is no evidence that BCC's traffic is balanced with Qwest's traffic
11 where the two compete because Beaver Creek refuses to separate its
12 ILEC and CLEC traffic. BCC responded to Qwest's data requests that it
13 cannot identify the number of minutes of calls that were originated by BCC
14 or by BCI customers for various categories of calls. See Exhibit Qwest/4.
15 Nor is there any evidence to explain why the relative use factor should be
16 fifty percent (50%).

17 Further, Mr. Linstrom seems to suggest that use of the same switch
18 hinders Beaver Creek's ability to manage distinctly separate operations.
19 BCT/1, Linstrom/12, line 6. This is not accurate and, regardless, it is
20 BCC's sole option to use one switch instead of two. Any individual switch
21 can be “partitioned” such that it functions as if it were two separate
22 switches. Parallel trunk groups can be created to either side of the
23 partition. Industry codes and identifiers can be unique to each side of the

1 partitioned switch. Use of a single switch is not relevant to whether the
2 parties compensate each other via bill-and-keep or do not use bill-and-
3 keep.

4 **Q. WHY DOES QWEST OPPOSE BILL-AND-KEEP?**

5 A. BCC seeks an agreement where the interconnected carriers would not bill
6 one another for per-minute call termination. This would be reasonable if
7 the parties' traffic were balanced. As far as Qwest can tell, however, the
8 local/Extended Area Service ("EAS") traffic exchanged between Qwest
9 and BCC is not close to balanced. See my Direct Testimony, Qwest/1,
10 Freeberg/15, lines 6-16. Qwest resisted the BCC bill-and-keep proposal
11 in contract negotiations because the imbalance would appear to favor
12 BCC as compared to the payments that might otherwise occur if the
13 parties applied reciprocal rates to the traffic. This is why the FCC has
14 been clear that bill-and-keep requires mutual agreement between the
15 parties. State and federal rules give either interconnecting carrier the right
16 to veto bill-and-keep:

17 47 C.F.R. § 51.713(c) Nothing in this section precludes a state
18 commission from presuming that the amount of telecommunications
19 traffic from one network to the other is roughly balanced with the
20 amount of telecommunications traffic flowing in the opposite
21 direction and is expected to remain so, *unless a party rebuts such a*
22 *presumption.* (emphasis added)

1 Q. AT BCT/1, LINSTROM/12, LINES 8-9, MR. LINSTROM STATES THAT
2 QWEST SHOULD OFFER BILL-AND-KEEP TO BCC BECAUSE QWEST
3 HAS OFFERED IT TO OTHER CARRIERS. PLEASE RESPOND.

4 A. Qwest has offered a bill-and-keep per minute-of-use call termination
5 agreement to other carriers where the traffic exchanged is in balance, but
6 other carriers do not route calls as BCC persistently does.

7 As I stated in my Direct Testimony, Qwest sends about 150,000 minutes
8 of local/EAS calls to BCC subscribers each month on the two-way local
9 interconnection trunk groups that carry calls destined for BCC retail
10 customers. About 35,000 minutes are non-transit local calls. If it can be
11 verified that BCC is originating approximately the same volume of non-
12 transit local/EAS calls as Qwest each month, then a bill-and-keep
13 agreement would be reasonable. Mr. Linstrom offers no such verification
14 and he is unable to provide that information according to Beaver Creek's
15 data request responses. Exhibit Qwest/4.

16 If BCC intends to continue to route its calls on the same trunk groups as
17 the BCI traffic (and Mr. Linstrom is repeatedly clear that is Beaver Creek's
18 intention⁶), then Beaver Creek should be ordered to transact *all* future
19 business with Qwest for both BCI and BCC according to the contract
20 under review here. Ongoing disagreement between the parties is
21 otherwise likely. In spite of a long-standing business relationship, there is

1 no signed contract between Qwest and BCI addressing all aspects of that
2 relationship. Debates linger as to whether certain state rules that predate
3 the federal Telecommunications Act should still govern the ILEC-ILEC
4 interconnection at a time when interLEC competition thrives. Despite the
5 fact that disparate sections of the Telecommunications Act govern ILEC-
6 CLEC interconnection as opposed to ILEC-ILEC interconnection, Beaver
7 Creek operates as if there should be no distinction between its ILEC and
8 CLEC operations. Mr. Linstrom repeatedly seeks for Beaver Creek's
9 CLEC operation to transact all intercarrier business as if it were an ILEC,
10 but it is not an ILEC as defined by the Act. For these reasons, the
11 contract should be modified at section 1.2 as follows:

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

19 Here I proposed new text in italics and I proposed deletion of text in
20 double strikethrough font. This modification would mean that calls of BCC
21 and BCI would not need to be parsed one from the other for billing
22 purposes. This would alleviate several disagreements, perhaps the most
23 significant of which is Qwest's withdrawal of its objection to bill-and-keep
24 for Call Termination in this agreement.

⁶ See BCT/1, Linstrom/16, line 16-Linstrom/17, line 22 and BCT/5. Here Mr. Linstrom presents statistics associated with his combined operations.

1 With this change to section 1.2, Qwest could accept the BCC proposal to
2 modify section 7.3.4.1.1, with minor additional modifications:

3 The per-minute-of-use call termination rates as described in Exhibit
4 A of this Agreement will apply reciprocally for Exchange Service
5 traffic terminated at a Qwest or CLEC End Office Switch. For
6 purposes of this Agreement, the Parties agree to use a bill-and-keep
7 form of Call Termination associated with Exchange Service.

8 Here I used double strikethrough font and italics to propose minor
9 clarifying changes consistent with the spirit of BCC's proposal. If this
10 agreement is limited to Beaver Creek's CLEC operation, then Qwest does
11 not agree to use bill-and-keep for per-minute Call Termination (as Qwest
12 has no information whether the traffic exchanged is in balance) and BCC
13 should be instructed to promptly segregate and route its intercarrier traffic
14 on the trunks that have been configured pursuant to the parties' current
15 interconnection agreement.

16 **Q. WHAT IS QWEST'S POSITION ON SECTIONS 7.3.6.1 AND 7.3.6.2?**

17 A. According to Exhibit BCT/3, the parties disagree on the content of sections
18 7.3.6.1 and 7.3.6.2, relating to ISP-bound traffic, where BCC seeks to
19 mention bill-and-keep. The language BCC proposes in Exhibit BCT/3 for
20 sections 7.3.6.1 and 7.3.6.2, however, is not the same language as that
21 included in Appendix A of BCC's Petition in this case which Qwest
22 understands sets forth BCC's desired language. Indeed, I understand that
23 BCC never proposed any revisions to sections 7.3.6.1 and 7.3.6.2 during
24 negotiations. Appendix A contains the following text:

1 7.3.6.1 Subject to the terms of this Section, intercarrier
2 compensation for ISP-bound traffic exchanged between Qwest and
3 CLEC will be billed pursuant to rates in Exhibit A, without limitation
4 as to the number of minutes of use (MOU) or whether the MOU are
5 generated in "new markets" as that term has been defined by the
6 FCC.

7 7.3.6.2 Identification of ISP-Bound Traffic -- Qwest will
8 presume traffic delivered to CLEC that exceeds a 3:1 ratio of
9 terminating (Qwest to CLEC) to originating (CLEC to Qwest) traffic
10 is ISP-bound traffic. Either Party may rebut this presumption by
11 demonstrating the factual ratio to the Commission. Traffic
12 exchanged that is not ISP-bound traffic will be considered to be
13 Section 251(b)(5) traffic. The provisions in this Section apply
14 regardless how the ISP-bound traffic is determined.

15 Qwest could accept the above text, as noted in my Direct Testimony at
16 page 26, lines 16-21; however, according to Exhibit BCT/3, BCC now
17 appears to seek the following text:

18 ~~7.3.6.1 Subject to the terms of this Section, intercarrier~~
19 ~~compensation for ISP-bound traffic exchanged between Qwest and~~
20 ~~CLEC will be bill-and-keep billed pursuant to rates in Exhibit A,~~
21 ~~without limitation as to the number of minutes of use (MOU) or~~
22 ~~whether the MOU are generated in "new markets" as that term has~~
23 ~~been defined by the FCC.~~

24 ~~7.3.6.2 Identification of ISP-Bound Traffic -- Qwest will~~
25 ~~presume traffic delivered to CLEC that exceeds a 3:1 ratio of~~
26 ~~terminating (Qwest to CLEC) to originating (CLEC to Qwest) traffic~~
27 ~~is ISP-bound traffic. Either Party may rebut this presumption by~~
28 ~~demonstrating the factual ratio to the Commission. Traffic~~
29 ~~exchanged that is not ISP-bound traffic will be considered to be~~
30 ~~Section 251(b)(5) traffic. The provisions in this Section apply~~
31 ~~regardless how the ISP-bound traffic is determined.~~

32 If the Qwest revision to section 1.2 is adopted, then Qwest can accept
33 BCC's proposed version of section 7.3.6.1 and can accept BCC's
34 proposed deletion of section 7.3.6.2 if the phrase, "Subject to the terms of
35 this section" in section 7.3.6.1 is retained. If the revision to section 1.2 is

1 not adopted, then Qwest opposes BCC's proposed revisions to sections
2 7.3.6 (including its subsections) and 7.3.4.1.1 for the reasons mentioned
3 here and in my Direct Testimony.

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

5 **Q. ON PAGE 14, LINE 4, OF HIS DIRECT TESTIMONY, MR. LINSTROM**
6 **RAISES AN ISSUE THAT HE SAYS IS, "FOR MORE THAN JUST THE**
7 **ISSUES IN THIS ARBITRATION". WHAT DOES HE MEAN?**

8 A. Here Mr. Linstrom is addressing a matter strictly associated with the
9 exchange of calls between BCI (the ILEC) and Qwest (the ILEC). As
10 defined in the Act, ILECs do not compete with each other for local
11 exchange customers. Where two ILECs serve adjacent geographies, they
12 are not competing with each other. Unless the text of paragraph 1.2 of the
13 agreement that is the subject of this arbitration is modified, the issue Mr.
14 Linstrom raises is a matter unrelated to this arbitration and unrelated to
15 the terms of an agreement which specifies the terms and conditions
16 relevant to the completion of calls between competing LECs.

17 **Q. ON PAGE 14, LINES 10-11, OF HIS DIRECT TESTIMONY, MR.**
18 **LINSTROM STATES "QWEST HAS ADAMANTLY REFUSED TO HONOR**
19 **BCT'S DESIRE TO MOVE BCT'S POINT OF PRESENCE". DOES THE**
20 **ARBITRATED CONTRACT LIMIT BCC TO INTERCONNECTION ONLY**
21 **WHERE QWEST ALLOWS?**

22 A. No, Qwest has not adamantly refused to honor BCC's desire to move
23 BCC's point of presence. The undisputed text of section 7.1.1 of the

1 contract provides “Qwest will provide Interconnection at any Technically
2 Feasible point within its network...” Sections 7.1.2.1 and 7.1.2.2 provide
3 BCC the right to choose between a Qwest-provided Entrance Facility to
4 any street address in Qwest’s ILEC geography or a mid-span meet.
5 Qwest would also agree that BCC could elect to be interconnected via
6 collocation in a Qwest central office building, but BCC declined that option
7 in contract negotiation. Qwest has *not* adamantly or otherwise refused
8 interconnection to BCC at a point of its choosing. BCC can designate the
9 location of the point of interface⁷ on the Access Service Request that it
10 submits to Qwest to create the transport for the interconnection trunk
11 group it seeks for the carriers to use. BCC chose to create a network
12 interface with Qwest at the same location as it used for BCI’s interface
13 with Qwest. Separate trunk groups traverse the same point of interface.

14 **Q. SO HAS QWEST RESISTED A MOVE OF BCI’S INTERFACE WITH**
15 **QWEST?**

16 A. Yes, but that is not relevant to this arbitration as Mr. Linstrom concedes on
17 page 14, line 4, of his Direct Testimony. In short, Qwest opposed BCI’s
18 request because it would have triggered Qwest’s facing additional capital
19 outlay in order to collect lower revenue associated with inter-ILEC calling.
20 Qwest further opposed BCI’s request because capacity on a recently

⁷ Termed an Access Customer Terminal Location (ACTL).

1 created, jointly constructed⁸ fiber optic ring would face stranding while
2 Qwest's expense associated with BCI's termination of calls would rise.
3 But these matters are unrelated to the Qwest/BCC interconnection.

4 While this rationale is accurate and reaches back to at least 2004, if
5 paragraph 1.2 of this agreement were modified as Qwest proposes, Qwest
6 would, in the future, recognize all of Beaver Creek's operations as
7 competitive with Qwest, and Qwest would then cease to resist the move
8 that Mr. Linstrom describes.

9 **Q. ON PAGE 13, LINES 19-20, OF HIS TESTIMONY, MR. LINSTROM**
10 **STATES IT SHOULD NOT BE UP TO QWEST TO CONTROL THE**
11 **FINANCIAL ARRANGEMENTS THAT BCT HAS WITH THIRD PARTIES.**
12 **DO YOU DISAGREE WITH THAT STATEMENT?**

13 A. No, I do not disagree. As reflected on pages 9-10 of Qwest's May 30,
14 2006 response to BCC's petition, my Direct Testimony at pages 30-32,
15 and as memorialized in the undisputed portion of paragraph 7.2.1.2.4
16 ("CLEC may also provide transit service to Qwest"), Qwest does not seek
17 to control the financial arrangements that either BCI or BCC may have
18 with third parties.

⁸ Cascade Utilities, BCI and Qwest collaborated in the construction of the ring. Separate contracts are associated with that configuration.

1 **Q. MR. LINSTROM STATES, “QWEST WANTS TO BE ABLE TO CONTROL**
2 **COMPETITION FOR TRANSITING SERVICE AND TO BE THE ONLY**
3 **ENTITY PROVIDING TRANSITING SERVICE.” BCT/1, LINSTROM/13,**
4 **LINE 22. DO YOU DISAGREE WITH HIS STATEMENT?**

5 A. Mr. Linstrom’s statement is false. Qwest does not seek to be the sole
6 provider of transit service and does not seek to control competition. As I
7 have indicated in the previous Q & A, BCI and BCC may offer transit
8 services to those carriers who wish to use BCI and/or BCC transit
9 services. If BCI and/or BCC does offer transit services, Qwest’s
10 expectation is that BCI and/or BCC would offer Category 11-01-01 call
11 detail transit traffic records to Qwest so that Qwest can bill the originating
12 carriers for the transit and/or termination services Qwest provides. Qwest
13 exercises its right to fairly compete with other providers of transit service.
14 Qwest sees transit service as very competitive. Qwest expects that
15 Verizon, Western Independent Networks, and several other entities
16 including classic interexchange carriers can provide transit service in
17 Oregon today.

1 **Q. ON PAGE 14, LINE 13, OF HIS TESTIMONY, MR. LINSTROM STATES**
2 **THAT UNDER THE LANGUAGE IN THE QWEST-PROPOSED ICA, “BCT**
3 **CAN PROVIDE THIRD-PARTY TRANSIT SERVICES ONLY IF IT CAN**
4 **SHOW QWEST THAT BCT’S SWITCH SERVES AN AREA**
5 **COMPARABLE TO THE TANDEM SWITCH USED BY QWEST.” IS THIS**
6 **QWEST’S POSITION?**

7 A. No. As stated in my Direct Testimony at pages 30-35, BCC can provide
8 third-party transit services (1) if its switch physically functions as a
9 tandem, regardless of the geographic reach of the tandem, or (2) if it can
10 show Qwest that BCC’s end office switch serves an area comparable to
11 the tandem switch used by Qwest using long loops. According to the
12 Qwest-proposed language of the sections cited in Exhibit BCT/4, Qwest
13 would pay BCC in either case and only one of the criteria needs to be
14 satisfied. If, as Mr. Linstrom suggests on page 15, lines 5-7, of his Direct
15 Testimony, only the first of the two options is described in the agreement
16 as proposed by BCC, that would be more limiting to BCC than what Qwest
17 allows other CLECs.

18 **Q. DOES QWEST’S RESISTANCE TO A MOVE OF THE QWEST-BCI**
19 **INTERFACE PRECLUDE BCC FROM MAKING A SHOWING THAT IT**
20 **NEEDS TO MAKE?**

21 A. No, according to the agreement that is subject to arbitration here, BCC
22 can interconnect with Qwest at a technically feasible point of its choosing
23 and can collect transit service revenue with or without a showing that its
24 switch provides dial tone to local customers over a footprint comparable to

1 Qwest's tandem. Without the showing, BCC's switch need only connect
2 trunks to trunks as a tandem switch functions.

3 The location of the BCI-Qwest interface is unrelated to this arbitration, not
4 addressed in the undisputed language of the agreement that was
5 negotiated, and is unrelated to whether the BCC switch is a tandem or is
6 not.

7 **Q. ON PAGE 14, LINE 23 - PAGE 15, LINE 1 OF HIS DIRECT TESTIMONY,**
8 **MR. LINSTROM STATES THAT QWEST IS REFUSING TO ALLOW BCC**
9 **TO OPERATE THROUGHOUT THE PORTLAND METROPOLITAN**
10 **AREA. IS THIS TRUE?**

11 A. No. Under the terms of the ICA, Qwest does not in any way preclude
12 BCC from seeking new customers or locating BCC equipment anywhere
13 throughout the Portland metropolitan area or beyond.

14 **Q. ON PAGE 15, LINES 9-23, AND PAGE 16, LINES 1-6, OF HIS**
15 **TESTIMONY, MR. LINSTROM STATES THAT, IN SECTION 7.3.1,**
16 **QWEST WOULD PLACE ALL CONTROL OF WHETHER BCT CAN USE**
17 **THIRD-PARTY TRANSIT PROVIDERS IN THE HANDS OF QWEST. IS**
18 **THIS TRUE?**

19 A. No, this is false. Qwest does not seek to "approve the terms that are
20 reached between BCT and a third party transit provider", as Mr. Linstrom
21 claims. The sentence of section 7.3.1 which BCC seeks to delete
22 provides only that if Qwest and BCC are indirectly interconnected, then a
23 separate agreement between Qwest and BCC is necessary. Qwest's

1 proposed section 7.3.1 does not give Qwest the right to review or approve
2 the terms agreed to between BCC and a third-party transit provider.

3 If either party chooses to use a third-party transit provider, “phantom
4 traffic” is the possible result unless the parties have a separate
5 agreement. Without an agreement between parties who are indirectly
6 interconnected, the indirectly interconnected parties lack a concurred-
7 upon approach to the supply of call detail records, and the parties may
8 lack the ability to bill each other for Call Termination.

9 Qwest's proposed language is appropriate because if the parties
10 exchange traffic through a third-party intermediary, a separate agreement
11 would be appropriate to clarify what intercarrier compensation system
12 applies to different possible arrangements. If, for example, a call were
13 switched at two tandems as it moved from originating switch to terminating
14 switch, a separate agreement could ensure that carriers were not billed
15 twice for the same switching or transport function. The separate
16 agreement might also clarify that either carrier could bypass the
17 intermediary with its originating traffic. The requirement of a separate
18 agreement does not somehow involve Qwest's seeing “commercially
19 valuable and confidential information, such as the pricing that a third party
20 provider might offer....” BCT/1, Linstrom/16, lines 1-2. Nowhere in the
21 proposed interconnection agreement does Qwest seek to give itself the

1 right to inspect any agreement between BCC and a third party carrier.⁹
2 Qwest does not seek to “have any say over any agreement that BCT and
3 a third party provider might reach.” BCT/1, Linstrom/16, lines 3-4. This is
4 very different from the entirely reasonable expectation that Qwest and
5 BCC should accept an obligation to negotiate the terms and conditions of
6 an indirect interconnection between Qwest and BCC.

7 Because the Qwest-proposed text at Sections 7.2.1.2.4, 7.3.1, 7.3.2.1.2
8 and at section 4 are consistent with federal law and with the approved
9 contracts between Qwest and thirty (30) carriers who are now
10 interconnected with Qwest in Oregon, BCC's proposed revisions should
11 be rejected.

12 VII. ISSUE 5: PHANTOM TRAFFIC

13 **Q. ON PAGE 16, LINES 11-14, MR. LINSTROM STATES QWEST IS**
14 **SENDING CALLS TO BCC VIA QWEST'S LOCAL TANDEM SWITCH**
15 **THAT APPEAR TO ORIGINATE OUTSIDE THE PORTLAND LOCAL**
16 **CALLING AREA. IS QWEST DOING WHAT MR. LINSTROM CLAIMS?**

17 **A.** Yes, it is possible that a small quantity of transiting calls that Qwest is
18 delivering via its local tandem switch to BCC appear to originate outside
19 the Portland local calling area, but Qwest is not originating those calls.
20 Rather, those calls are originated by other carriers who wrongly deliver the
21 calls to Qwest at Qwest's local tandem. As described in the testimony of

⁹ On the other hand, Qwest's agreements with other CLECs are public information.

1 Ms. Cederberg, it is *not technically feasible* for Qwest to identify, during
2 call set-up, that this type of call needs special routing or other treatment.
3 Qwest would prefer that no toll calls traverse its local tandem switches and
4 Qwest makes this clear to all interconnected carriers, but it is the
5 responsibility of the interconnected originating carriers, not Qwest, to route
6 their traffic appropriately.

7 **Q. IS IT LIKELY THAT MOST OF THE “NON-EAS TRAFFIC” IDENTIFIED**
8 **ON EXHIBIT BCT/5 IS SUBJECT TO ACCESS CHARGES?**

9 A. No, is it not likely that most of the “non-EAS Traffic” identified on Exhibit
10 BCT/5 (a total of 920,869 minutes) is subject to access charges. This is
11 true for several reasons.

12 First, according to Exhibit BCT/5, the “Non-EAS traffic” appears to be
13 associated with only two of the trunk groups. One of these trunk groups,
14 number 0304, is for BCI, and the other, number 0334 (“Qwest LIS”) is for
15 BCC. Mr. Linstrom here again blurs the distinction between Beaver
16 Creek’s ILEC and CLEC operations by including traffic associated with
17 Beaver Creek’s ILEC operation as if it were relevant to this arbitration. It is
18 not. This arbitration regards only traffic exchanged between competing
19 LECs. Thus, according to Exhibit BCT/5, only the traffic on trunk group
20 number 0334 is relevant to this discussion. Only 96,443 minutes of traffic
21 traveled over that trunk group during the entire year for which data is
22 presented.

1 Second, as I explained in my Direct Testimony, a carrier cannot know the
2 jurisdiction of a call by knowing what trunk group it followed. Because an
3 incumbent LEC must allow other interconnecting carriers to interconnect
4 at any technically feasible point for the exchange of local and ISP-bound
5 calls, inevitably we find that some toll calls follow local trunk groups and
6 some local calls follow toll trunk groups. Some of these calls could be
7 Voice over Internet Protocol. Because of these possibilities, the "Non-
8 EAS Traffic" should be compared to the minutes associated with "BCT All
9 Records" and not just to the minutes associated with calls following toll
10 trunk groups. The 920,869 minutes appear to be less than 3% of all traffic
11 (31,214,254 minutes per Exhibit BCT/5) and the 96,443 minutes is a
12 fraction of one percent of all traffic. All calls on a given trunk group cannot
13 be expected to be toll.

14 Third, based on previous good faith investigation of the nature of the "Non-
15 EAS Traffic", it is likely that a generous portion of the calls are intraMTA
16 (wireless carriers' Major Trading Area). Those calls that are intraMTA are
17 not subject to access charges per 47 C.F.R. § 20.11.¹⁰ I expect that

¹⁰ Sec. 20.11:

"(e) Local exchange carriers may not impose compensation obligations for traffic not subject to access charges upon commercial mobile radio service providers pursuant to tariffs.

"(f) An incumbent local exchange carrier may request interconnection from a commercial mobile radio service provider and invoke the negotiation and arbitration procedures contained in section 252 of the Act. A commercial mobile radio service provider receiving a request for interconnection must negotiate in good faith and must, if requested, submit to arbitration by the state commission.

1 Beaver Creek may have categorized these calls as having originated
2 beyond the Portland metropolitan wireline local calling area. If these calls
3 are not beyond the Portland MTA, a larger area on a map, they are not
4 eligible for rating subject to toll access service.

5 So, while some portion of the total non-local minutes may be subject to
6 access charges, it is likely that the vast majority of them are not; and if
7 they are subject to compensation, it is not compensation payable by
8 Qwest. In any event, the volume of traffic that Mr. Linstrom is concerned
9 about is a tiny fraction of all calling.

10 **Q. HOW WAS THE "BCT UN-MATCHED" TRAFFIC IDENTIFIED ON**
11 **EXHIBIT BCT/5 CALCULATED?**

12 A. This calculation was the subject of Docket UCB 18. In UCB 18, Mr.
13 Linstrom compared the call detail records that BCT collected from its
14 equipment to the records received from Qwest through the Data
15 Distribution Center and interexchange carrier billing records.

16 **Q. IS IT LIKELY THAT ALL OF THE "BCT UN-MATCHED" TRAFFIC**
17 **IDENTIFIED ON EXHIBIT BCT/5 IS SUBJECT TO UNPAID ACCESS**
18 **CHARGES?**

19 A. No, is it not likely that all of the "BCT Un-Matched" traffic identified on
20 Exhibit BCT/5 of Mr. Linstrom's testimony is subject to access charges, for
21 several reasons.

1 First, I expect that Beaver Creek did not take into account that some
2 portion of these calls involved number portability or a "charge number".¹¹
3 The destination of a ported call is dependent upon a signaled Local
4 Routing Number ("LRN"). This seemingly plain looking telephone number
5 is in fact very special since it can drive large volumes of calls to be ported
6 between carriers. Correctly ported local calls¹² can involve what might
7 seem to Beaver Creek to be a "toll LRN". If number portability is not
8 carefully considered in the research of these calls, then the origination of
9 the call can appear to be from beyond the Portland metropolitan local
10 calling area when that is not, in fact, the case. BCC's responses to
11 Qwest's data requests discovery confirm that Beaver Creek "does not
12 track traffic by ported numbers." Exhibit Qwest/4.

13 Second, it is likely that a generous portion of the calls are intraMTA
14 (wireless carriers' Major Trading Area). Those calls that are intraMTA are
15 not subject to access charges per 47 C.F.R. § 20.11.

16 Third, it appears that Mr. Linstrom's comparison fails to recognize that
17 BCT already receives accurately calculated compensation from Qwest for
18 interstate/IntraLATA toll that terminates to BCT each month. Although
19 BCT does not now receive individual call detail records from Qwest for this

pricing described in § 51.715 shall apply."

¹¹ A "charge number" is the intercarrier-signaled identity of the billable retail party when a specialty call is to be billed to a party other than the calling or called number.

1 traffic (thereby contributing to the volume of "BCT Un-matched" records),
2 BCT bills Qwest, and Qwest pays BCT at premium rates, for this
3 terminating traffic based on ratios rather than based on individual call
4 detail.

5 Mr. Linstrom here again implies that traffic associated with his incumbent
6 ILEC operation is relevant to this arbitration by including trunks that serve
7 Beaver Creek's ILEC operations. This traffic is not relevant. This
8 arbitration regards traffic exchanges between competing ILECs. The BCC
9 traffic volumes are much smaller than the BCI traffic volumes on Exhibit
10 BCT/5. In fact, Exhibit BCT/5 shows that the so-called "Un-Matched"
11 records for BCC are less than 9% of all "Un-Matched" records.¹³

12 For these reasons and others elaborated upon in UCB 18, Exhibit BCT/5
13 should not be given any weight.

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

16 A. Qwest can supply call-by-call detail records, in industry-approved format,
17 for calls that terminating carriers seek to rate and bill to originating carriers
18 and IXCs. Carriers who supply transit service should make these records

¹² Correctly ported calls originate and terminate within a local calling area (or MTA) as prescribed by the OPUC.

¹³ See Ex. BCT/5 at the "BCT Un-Matched" column labeled "minutes". The minutes in the rows associated with trunk groups 0304 and 0333, the "Qwest LIS" trunk groups, are 2,079,774 minutes. This is less than 9% of the minutes associated with all "Un-Matched" calls.

1 available. Qwest-supplied transit records contain the identity of the carrier
2 from whom Qwest received each incoming call that was transited to BCC.
3 Qwest-supplied records contain the calling number¹⁴ when that number
4 was sent to Qwest by the originating carrier. Terminating carriers who can
5 identify the required detail necessary for billing from a recording of a call's
6 real-time inter-switch signaling information may not want or need these
7 records. Terminating carriers who have bill-and-keep agreements with
8 originating carriers may not want or need these records. The current
9 Qwest-BCC agreement reflects that these transit records cost \$.0025 per
10 call detail record supplied. Beaver Creek does not currently purchase
11 these records from Qwest. As mentioned in my Direct Testimony, BCI
12 would spend about \$1,000 per month for the transit records if BCI
13 purchased those transit records from Qwest; BCC's costs would be much
14 lower.

15 In Qwest's role as a provider of indirect interconnection, federal rules do
16 not permit Qwest to be placed in a position of needing to (1) block certain
17 transit calls, or (2) supply call records at no charge or, alternatively, (3)
18 pay premium rates to downstream carriers for calls Qwest did not
19 originate. BCC's proposed revisions would allow BCC to unilaterally and
20 subjectively decide whether it was satisfied that any call record supplied
21 by Qwest "provided sufficient call detail for billing purposes". BCC's

¹⁴ The calling number is sometimes a "Charge Number" which reflects the billable party who

1 proposed revisions to sections 7.2.2.3.3, 7.3.7.4, 7.5.4, and 7.6.3 would
2 create a dilemma for Qwest that is not consistent with law and it would
3 allow BCC an open-ended opportunity to be supplied a free service. For
4 these reasons, the BCC-proposed revisions should be rejected.

5 **Q. ON PAGE 17, LINES 4-11, OF HIS DIRECT TESTIMONY, MR.**
6 **LINSTROM SUGGESTS SEVERAL CALL ROUTING SOLUTIONS TO**
7 **PROBLEMS THAT EXIST AT A NATIONAL LEVEL AND PROBLEMS**
8 **INVOLVING SOME TECHNICAL LIMITATIONS. CAN QWEST AGREE**
9 **TO IMPLEMENT HIS SUGGESTIONS?**

10 A. Qwest agrees that there are technical limitations in the switching systems
11 and that the entire telecommunications industry struggles with so-called
12 “phantom traffic”. Oregon is not unique. Breakdowns in positive
13 identification of all calls persist nationwide. Qwest does not now and will
14 not in the future send its retail customers’ local calls via Qwest’s toll
15 tandem. Qwest does not now and will not in the future send its retail
16 customers’ toll calls via the Qwest local tandem. Qwest accommodates
17 indirect interconnection¹⁵ among other originating carriers and, as Ms.
18 Cederberg discusses, Qwest has limited control over an originating
19 carrier’s routing of traffic onto the Qwest network.

20 Relaying these calls to BCC on separate and less efficient trunks groups
21 will not resolve BCC's billing quandaries. Qwest would instead expect that

is financially responsible for origination of the call.

¹⁵ Telecommunications Act, § 251(a)(1)

1 BCC would continue to find that its current billing problems remain even if
2 call routing were modified as Mr. Linstrom suggests.

3 **Q. ON PAGE 17, LINES 13-18, OF HIS DIRECT TESTIMONY, MR.**
4 **LINSTROM SUGGESTS AN ALTERNATIVE PROPOSAL, "THAT QWEST**
5 **SHOULD DELIVER THE RECORDS FOR THIRD-PARTY TOLL TRAFFIC**
6 **THAT IS ROUTED TO BCT OVER EAS/LOCAL TRUNKS". CAN QWEST**
7 **AGREE TO IMPLEMENT HIS ALTERNATIVE?**

8 A. Yes, Qwest can agree, and has repeatedly offered in the past, to supply
9 the transit records for third-party traffic that is routed to BCT over
10 EAS/local trunks, for a charge. Here again, I suspect that Mr. Linstrom
11 wants this (1) for both Beaver Creek's ILEC and CLEC operations and (2)
12 for free. If Beaver Creek wants to buy these records for both BCI and BCC
13 at the BCC rate, then Beaver Creek must agree to the Qwest-proposed
14 change at section 1.2 of the agreement. Orders which are not subject to
15 non-recurring charges could be processed to trigger Qwest's installation of
16 the necessary monitoring equipment on all of the existing trunk groups
17 between Beaver Creek and Qwest. The monitored and collated records of
18 these calls would be supplied according to charges at 7.9.4 of Exhibit A to
19 the proposed agreement (\$.0025/call detail record).

1 **Q. IS MR. LINSTROM'S CHARACTERIZATION OF QWEST AS A**
2 **"ROBBER" AND BEING GUILTY OF "EXTORTION" (BCT/1,**
3 **LINSTROM/17, LINES 19-22) ACCURATE?**

4 A. No. Mr. Linstrom's characterization of Qwest as a robber and an
5 extortionist lacks any basis whatsoever, literally or figuratively. With its
6 metaphor, BCC implies that Qwest's requesting payment for call routing
7 records is unreasonable because Qwest is creating the phantom traffic
8 problem by how it routes traffic. (BCT/1, Linstrom/17, lines 16-19.) As
9 discussed in my Direct Testimony at p. 39, that is not true. Even the
10 records associated with what Mr. Linstrom perceives as interLATA toll
11 calls on local trunk groups are available to him.

12 **Q. ARE MR. LINSTROM'S REVISIONS ON EXHIBIT BCT/6 WARRANTED?**

13 A. No, Mr. Linstrom's revisions on Exhibit BCT/6 of his Direct Testimony
14 should be rejected. Mr. Linstrom does not discuss in any detail why the
15 Commission should approve these revisions. BCT/1, Linstrom/18, lines 1-
16 4. For the reasons outlined in my Direct Testimony on pages 39-47 and
17 on pages 23-29 of this rebuttal, BCC's proposed revisions should be
18 rejected.

19 **VIII. CONCLUSION**

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

21 A. For the reasons described in my testimony, the Commission should find
22 that Qwest's proposed language for sections 7.3.1, 7.3.1.1.3.1, 7.3.2.2.1,

1 7.3.4.1.1, 7.3.4.1.4, 7.3.2.1.2, 7.2.1.2.4, 7.2.2.3.3, 7.3.6, 7.3.7.4, 7.5.4,
2 7.6.1, 7.6.3, and section 4 is the most proper language for use in the
3 parties' interconnection agreement. If the Commission accepts Qwest's
4 proposed version of section 1.2, then Qwest can accept BCC's proposed
5 versions of sections 7.3.4.1.1 and 7.3.6 with the minor clarifying changes
6 that I mention at pages 13 and 14 above.

1 4. For the time period from April 1, 2005 through July 31, 2005, how many minutes of
2 the following types of calls were originated by BCC customers:

- 3 (a) local/EAS destined for Qwest retail customers;
4 (b) local/EAS destined for the retail customers of other ILECS, CLECs, and Wireless
5 Service Providers in the Portland local calling area;
6 (c) intraLATA toll destined for Qwest retail customers;
7 (d) intraLATA toll destined for the retail customers of LECs other than Qwest, but
8 tandem switched by Qwest; and,
9 (e) all toll calls associated with jointly provided switched access?
10

11 If you are unable to provide information for these precise dates, please provide information for the
12 nearest four-month period.

13 RESPONSE:

14 As to sub-items (a) and (b), BCT is not able to respond to those requests. The reason BCT is
15 not able to respond to those requests is that BCT does not track traffic by ported numbers. There
16 are a great number of instances of porting in the Portland Metro area. This means that BCT cannot
17 determine from the called number whether the call is destined for a Qwest retail customer or not.
18 This also means that BCT cannot tell from the called number if a call is destined for retail
19 customers of other ILECs, CLECs or wireless service providers.
20

21 As to sub-items (c) and (d), BCT is not able to respond. The reason that BCT cannot
22 respond to these sub-requests is twofold. First, BCT does not track ported numbers, as discussed
23 above. Therefore, BCT cannot tell from the called number whether the call is destined to a Qwest
24
25

1 retail customer or not or whether the call is destined to retail customers of LECs other than Qwest,
2 but tandem switched by Qwest. Second, for intraLATA toll, the way the traffic is switched in the
3 originating switch is that, based upon the customer's presubscribed interexchange carrier (PIC) for
4 intraLATA toll calling, the call is assigned to the carrier identification code (CIC) of the customer's
5 PIC and then routed for call completion. BCT would have to access its switch records and do a
6 special study to obtain the information. Even then, the information would not be accurate because
7 of the porting issue. BCT's billing agent does transmit records for use by the Data Distribution
8 Center (DDC), which the DDC uses for developing intraLATA terminating access records based on
9 the Access Routing Guide (ARG) created for the DDC. It is BCT's understanding, however, that
10 the ARG does not develop terminating records for traffic destined to a CLEC. In addition, the DDC
11 does not handle interstate, intraLATA traffic.
12

13 As to sub-request (e), the request calls for "all toll calls associated with jointly provided
14 switched access." BCT assumes that the term "jointly provided switched access" is defined as the
15 term is defined in the draft Interconnection Agreement. This definition would exclude traffic where
16 Qwest is the interexchange carrier. During the period of April 1, 2005 through July 31, 2005, there
17 were a total of 75,477 messages for 271,588 minutes carried on FGD trunks involving BCT's
18 customers in the Oregon City exchange.
19

20
21 Date of Response: August 2, 2006

22 Person Responding: Tom A. Linstrom
23
24
25

1 5. For the time period from April 2005 through July 2005, how many minutes of the
2 following types of calls were originated by BCI customers:

- 3 (a) local/EAS destined for Qwest retail customers;
4 (b) local/EAS destined for the retail customers of other ILECS, CLECs, and Wireless
5 Service Providers in the Portland local calling area;
6 (c) intraLATA toll destined for Qwest retail customers;
7 (d) intraLATA toll destined for the retail customers of LECs other than Qwest, but
8 tandem switched by Qwest; and,
9 (e) all toll calls associated with jointly provided switched access?
10

11 If you are unable to provide information for these precise dates, please provide information for the
12 nearest four-month period.

13 RESPONSE:

14 As to sub-items (a) and (b), BCT is not able to respond to those requests. The reason BCT is
15 not able to respond to those requests is that BCT does not track traffic by ported numbers. There
16 are a great number of instances of porting in the Portland Metro area. This means that BCT cannot
17 determine from the called number whether the call is destined for a Qwest retail customer or not.
18 This also means that BCT cannot tell from the called number if a call is destined for retail
19 customers of other ILECs, CLECs or wireless service providers.
20

21 As to sub-items (c) and (d), BCT is not able to respond. The reason that BCT cannot
22 respond to these sub-requests is twofold. First, BCT does not track ported numbers, as discussed
23 above. Therefore, BCT cannot tell from the called number whether the call is destined to a Qwest
24
25

1 retail customer or not or whether the call is destined to retail customers of LECs other than Qwest,
2 but tandem switched by Qwest. Second, for intraLATA toll, the way the traffic is switched in the
3 originating switch is that, based upon the customer's presubscribed interexchange carrier (PIC) for
4 intraLATA toll calling, the call is assigned to the carrier identification code (CIC) of the customer's
5 PIC and then routed for call completion. BCT would have to access its switch records and do a
6 special study to obtain the information. Even then, the information would not be accurate because
7 of the porting issue. BCT's billing agent does transmit records for use by the Data Distribution
8 Center (DDC), which the DDC uses for developing intraLATA terminating access records based on
9 the Access Routing Guide (ARG) created for the DDC. It is BCT's understanding, however, that
10 the ARG does not develop terminating records for traffic destined to a CLEC. In addition, the DDC
11 does not handle interstate, intraLATA traffic.
12

13 As to sub-request (e), the request calls for "all toll calls associated with jointly provided
14 switched access." BCT assumes that the term "jointly provided switched access" is defined as the
15 term is defined in the draft Interconnection Agreement. This definition would exclude traffic where
16 Qwest is the interexchange carrier, which is the majority of intraLATA toll. During the period of
17 April 1, 2005 through July 31, 2005, there were a total of 360,269 messages for 1,948,895 minutes
18 carried on FGD trunks involving BCT's customers in the Beaver Creek exchange.
19

20 Date of Response: August 2, 2006

21 Person Responding: Tom A. Linstrom
22
23
24
25

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1

I. IDENTIFICATION OF WITNESS

2 **Q. PLEASE STATE YOUR NAME, POSITION, AND EMPLOYER.**

3 **A.** My name is Ann Marie Cederberg. I am a Director at Qwest. I filed Direct
4 Testimony in this case.

5

II. PURPOSE OF REBUTTAL TESTIMONY

6

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

8 **A.** The purpose of this testimony is to respond to Mr. Linstrom's criticism of
9 Qwest's proposed Interconnection Agreement (ICA) provisions primarily
10 associated with routing and trunking of traffic moving between the Qwest
11 and Beaver Creek networks. Beaver Creek proposed in its arbitration
12 petition that disputed contract provisions could be grouped into five issues.
13 Those five issues are (1) change of law, (2) routing and trunking, (3)
14 reciprocal compensation, (4) third-party traffic, and (5) "phantom" traffic. I
15 will focus on the second issue that Mr. Linstrom addresses at pages 7 to 11
16 of his Direct Testimony.¹ My colleague Tom Freeberg will respond on the
17 first, third, fourth and fifth issues that Mr. Linstrom addresses on pages 11
18 to 18 of his Direct Testimony. Mr. Freeberg will also comment on the
19 overview that Mr. Linstrom included at pages 4 to 6 of his Direct Testimony.

¹ For some reason, Mr. Linstrom did not use the same numbering convention for issues in his Direct Testimony as Beaver Creek used in its Petition for Arbitration in this case. In this Rebuttal Testimony, I will use the same numbering for issues as was used in Beaver Creek's Petition and in my Direct Testimony.

1 **Q. HOW WILL YOU REFER THE PARTIES?**

2 **A.** I will refer to Beaver Creek's combined ILEC and CLEC operation as
3 "BCT", Beaver Creek's CLEC operation as "BCC" and Beaver Creek's
4 ILEC operation as "BCI."

5 **III. ISSUE 2 ROUTING AND TRUNKING**

6 **Q. ON PAGE 7, LINES 3-4, MR. LINSTROM STATES THAT BEAVER**
7 **CREEK IS SEEKING "EQUALITY OF TREATMENT" BETWEEN**
8 **QWEST AND BEAVER CREEK FOR TRAFFIC ROUTING. WHAT IS**
9 **MR. LINSTROM'S POINT?**

10 **A.** Beaver Creek proposes that all local/EAS traffic that is exchanged
11 between BCT (including BCI and BCC) and Qwest be exchanged over
12 one set of trunk groups. BCT/1, Linstrom/8, lines 8-13. Mr. Linstrom
13 explains this on page 8, where he states: "Today Qwest terminates traffic
14 to BCT that originates from Qwest customers over the same trunk group
15 that Qwest sends CLEC customer originated traffic to BCT. BCT believes
16 both parties should be allowed to commingle all traffic that is intended to
17 be terminated within the Portland EAS region on the same trunk group."
18 (BCT/1, Linstrom/8, lines 9-13).

19 Mr. Linstrom's point regarding "equality of treatment" is that Beaver Creek
20 should be able to commingle traffic that is originated by both BCC and BCI
21 end-user customers on the same trunks for delivery to Qwest because

1 Qwest commingles CLEC, ILEC and Wireless Service Provider (WSP)
2 third-party originated traffic with Qwest-originated traffic for delivery to
3 Beaver Creek.

4

5 **Q. DOES MR. LINSTROM'S POSITION PROVIDE FOR "EQUALITY OF**
6 **TREATMENT?**

7 **A.** No, it does not. BCC is a CLEC in Oregon. BCT seeks to commingle its
8 own CLEC-originated traffic (originated by BCC) with its own ILEC-
9 originated traffic (originated by BCI). Qwest believes that BCT wants to do
10 this to avoid paying Qwest reciprocal compensation for terminating BCC-
11 originated traffic because Qwest is unable to separately identify BCC-
12 originated traffic when it is commingled with BCI-originated traffic. The
13 CLEC, ILEC and WSP-originated traffic that Qwest commingles on its
14 trunks with Qwest-originated traffic, on the other hand, is third-party
15 originated traffic. Qwest is not operating as a CLEC in the Beaver Creek
16 exchange so this is not a mixture of traffic that includes Qwest's CLEC
17 competitive traffic, but a mixture of Qwest's ILEC non-competitive traffic
18 and transit traffic, which Qwest offers to other CLECs, ILECs, and WSPs
19 as a product. By commingling this third-party CLEC traffic, Qwest does
20 not seek to avoid an obligation to compensate BCC for terminating any
21 Qwest-originated traffic. What BCC proposes is not equality of treatment,
22 or the "mirror image" that Mr. Linstrom seeks (BCT/1, Linstrom/8, line 3).

1 The more appropriate analogy would compare (1) Qwest's commingling of
2 Qwest-originated traffic with third-party CLEC-originated traffic that Qwest
3 transits to Beaver Creek to (2) BCC's commingling of its own originating
4 traffic with third-party CLEC, ILEC and WSP originated traffic that BCC
5 could transit to Qwest. Qwest agrees that such traffic may be commingled
6 on the same trunks (see section 7.2.2.9.3.1 of the proposed ICA).

7
8 **Q. DOES QWEST'S PROPOSED AGREEMENT PROVIDE FOR EQUALITY**
9 **OF TREATMENT?**

10 **A.** Yes. The ICA that Qwest proposes for BCC applies to traffic that is
11 exchanged between the competing companies. Qwest's proposed ICA
12 would have the parties compensate each other for terminating traffic
13 exchanged between the parties to the ICA, Qwest and BCC. Beaver
14 Creek would, effectively, like to route all its ILEC and CLEC traffic on the
15 same trunk groups and presume all traffic that is exchanged between
16 Qwest and Beaver Creek is always balanced and should be treated as bill
17 and keep. This is not appropriate because (1) Beaver Creek's traffic is
18 from two different operations that have two different sets of guidelines
19 under the Telecommunications Act of 1996² and (2) some of the traffic is

² Section 259 of the Telecommunications Act addresses ILEC-ILEC Interconnection. Sections 251, 252 and 271 address ILEC-CLEC Interconnection.

1 Exchange Access and/or transit and has billing elements different from
2 reciprocal compensation or bill and keep.

3

4 **Q. MR. LINSTROM STATES THAT QWEST HAS HAD "SOME**
5 **DIFFICULTY IN 'PROPERLY' SEGREGATING THE TRAFFIC**
6 **[DESTINED FOR BCI AND BCC] AND HAS ROUTED TRAFFIC FOR**
7 **THE OREGON CITY OPERATION OVER THE BEAVERCREEK**
8 **EXCHANGE TRUNKS AND VICE VERSA." BCT/1, LINSTROM/8,**
9 **LINES 19-21. IS THIS TRUE AND, IF SO, WHY?**

10 **A.** There was a problem identified in February 2006 where Qwest was
11 routing traffic destined for Beaver Creek's ILEC NPA/NXX 503/632 over
12 the LIS trunks. That issue has been rectified and logic is now in place
13 such that Beaver Creek's ILEC traffic (NPA/NXX 503/632) is routed over
14 the ILEC trunks and traffic destined for Beaver Creek's CLEC operation is
15 routed over the LIS trunks. The fact that this problem existed in the past
16 provides no reason to excuse BCT from the obligation to separate BCC-
17 and BCI-originated traffic.

18 Generally, ILECs that also have CLEC operations operate their CLECs
19 separately from their ILECs, with distinct Operating Company Numbers
20 (OCNs) filed in the Local Exchange Routing guide (LERG), which is a
21 comprehensive routing guide operated by Telcordia. Prefixes or
22 NPA/NXXs (or thousand block subsets) are uniquely assigned to these

1 companies' OCNs and traffic can readily be distinguished between a
2 company's CLEC operations and its ILEC operations. Qwest generally
3 routes on the basis of OCN, not at the NPA/NXX level. However, because
4 Beaver Creek uses a common OCN (2359) for both its ILEC and CLEC
5 operations and does not have separate OCNs for its two operations,
6 Qwest had to put in unique translations to route traffic to BCT by
7 NPA/NXX instead of OCN.

8
9 **Q. ON PAGE 9, LINE 1, MR. LINSTROM STATES THAT HAVING**
10 **SEPARATE TRUNKS FOR BCI AND BCC TRAFFIC WOULD BE AN**
11 **“INEFFICIENT ARRANGEMENT”. DOES QWEST AGREE WITH THIS**
12 **STATEMENT?**

13 **A.** Yes, to some extent. There are some trunking inefficiencies in separating
14 BCC and BCI traffic; however, such separation of traffic is required for
15 Beaver Creek to fulfill its separate responsibilities as both a non-
16 competitive ILEC and a competitive CLEC.

17
18 **Q. BCT TAKES THE POSITION THAT “ACCESS/TOLL TRAFFIC SHOULD**
19 **NOT BE TERMINATED OVER LOCAL/EAS TRUNKS, BUT MUST BE**
20 **ROUTED TO THE ACCESS/TOLL TANDEM.” BCT/1, LINSTROM/7,**
21 **LINES 18-20. IS IT TECHNICALLY FEASIBLE OR REASONABLE FOR**
22 **QWEST TO SEPARATELY ROUTE LOCAL AND TOLL TRAFFIC**
23 **ORIGINATED BY THIRD-PARTY CARRIERS TO BCC?**

1 **A.** I address the technical infeasibility and reasonableness of requiring such
2 routing in my Direct Testimony at pp. 10-12 and 14-17. Since Mr.
3 Linstrom does not address this issue in any greater detail in his Direct
4 Testimony, I have nothing to add.

5

6 **Q. ON PAGE 8, LINE 6, OF HIS TESTIMONY, MR. LINSTROM STATES**
7 **THAT BEAVER CREEK HAS “TWO SETS OF TRUNK GROUPS IN**
8 **PLACE” TODAY. DO THESE TRUNK GROUPS SEPARATELY**
9 **TRANSPORT TRAFFIC FROM BEAVER CREEK’S ILEC AND CLEC**
10 **OPERATIONS?**

11 **A.** No. Beaver Creek sends both originating BCC and BCI traffic on the trunk
12 groups that Beaver Creek uses for its ILEC operation. Although two trunk
13 groups were set up, pursuant to the existing ICA, to separate traffic to and
14 from Beaver Creek's ILEC and CLEC operations, BCT mixes its
15 originating traffic for both ILEC and CLEC operations on its ILEC trunk
16 groups and does not send any traffic over the trunk groups set up for
17 BCC. Qwest sends all traffic destined for BCC on the trunk groups that
18 are for Beaver Creek's CLEC operation, provisioned with appropriate
19 modifiers to identify this trunk group as "CLEC". Qwest sends all traffic
20 destined for BCI on the trunk groups that Beaver Creek uses for its ILEC
21 operation.

22

1 **Q. WHAT TECHNICAL PROBLEMS WOULD QWEST HAVE IF BEAVER**
2 **CREEK WERE ALLOWED TO COMBINE BEAVER CREEK'S CLEC**
3 **TRAFFIC WITH ITS ILEC TRAFFIC ON THE SAME TRUNKS?**

4 **A.** If Beaver Creek were to continue to deliver both its ILEC and CLEC traffic
5 over the same ILEC trunking, Qwest would not be able to record BCC's
6 local/EAS Exchange Access and transit traffic that is routed to Qwest that
7 is eligible for compensation from BCC separately from the local/EAS,
8 Exchange Access and transit traffic routed to Qwest by BCI.

9

10 **Q. HOW DOES QWEST DISTINGUISH BETWEEN ILEC AND CLEC**
11 **TRUNKING?**

12 **A.** Qwest utilizes modifiers on trunk group inventory systems. These
13 modifiers are used on interconnection trunk groups to distinguish between
14 a CLEC and an ILEC trunk group, and determine which provisioning flow
15 will be used. This facilitates Qwest's ability to monitor traffic on a specific
16 trunk so that appropriate billing records can be created to bill the CLEC for
17 appropriate billing elements as identified in its ICA. Without this recording
18 capability, Qwest would not be able to bill for the different types of traffic
19 identified in the ICA.

20

21 **Q. PLEASE EXPLAIN THE PROBLEM THAT WOULD RESULT IF**
22 **BEAVER CREEK COMBINES BOTH ITS ILEC AND CLEC TRAFFIC**
23 **OVER A COMMON TRUNK GROUP?**

1 **A.** There is one major problem with recording traffic on a single trunk group
2 that contains a combination of BCI traffic and BCC traffic. Qwest's
3 recording capability only monitors all traffic, and does not have the ability
4 to separately monitor only the BCC traffic in a combined trunk group.
5 Qwest currently has a bill and keep compensation arrangement with BCI,
6 and a compensation arrangement with BCC for local/EAS, Exchange
7 Access and transit traffic. If BCT does not separate its ILEC and CLEC
8 traffic, Qwest cannot readily know what traffic is subject to bill and keep
9 under BCI's ILEC, non-competitive operation and what traffic is subject to
10 these other billing elements under BCC's CLEC, competitive operation as
11 identified in its ICA. Qwest would not have the ability to bill BCC if Beaver
12 Creek continues to combine its ILEC and CLEC traffic on the same ILEC
13 trunks.

14
15

16 **Q. MR. LINSTROM ASSERTS THAT IF BEAVER CREEK IS REQUIRED**
17 **TO SEGREGATE BCI AND BCC TRAFFIC, THEN QWEST SHOULD BE**
18 **REQUIRED TO SEGREGATE QWEST ILEC-ORIGINATED TRAFFIC**
19 **FROM CLEC-ORIGINATED TRAFFIC (BCT/1, LINSTROM/9, AND**
20 **LINES 12-14). IS IT REASONABLE FOR QWEST TO BE REQUIRED**
21 **TO ACCOMPLISH THIS SEGREGATION?**

22 **A.** No. Mr. Linstrom fails to explain that the traffic that Qwest transports over
23 these trunks is both traffic that is Qwest-originated plus other companies'

1 traffic, such as other CLECs, ILECs, and WSPs that use Qwest as their
2 transit carrier. For Qwest to segregate third-party traffic from Qwest-
3 originated traffic, significant specialized, labor-intensive effort would be
4 necessary. Qwest would need to create unique translations tables to
5 "index" the routing. Such tables do not exist today and unique translations
6 tables would need to be created, by hand, in every Qwest switch to which
7 BCC is interconnected. This would be very costly for Qwest to implement
8 and even more costly to maintain on a going forward basis. In more
9 conventional routing, Qwest's call routing focuses on the destination
10 telephone number, not specialized route index tables.

11
12 **Q. DOES THE FACT THAT QWEST COMBINES ITS OWN LOCAL/EAS**
13 **TRAFFIC WITH THIRD-PARTY CLECS' TRAFFIC MAKE IT MORE**
14 **DIFFICULT FOR BEAVER CREEK TO IDENTIFY AND BILL THE**
15 **OTHER CLECS FOR TERMINATING THEIR TRAFFIC (BCT/1,**
16 **LINSTROM/10, LINES 1-5)?**

17 **A.** Regardless of whether the traffic is routed on local/EAS trunks along with
18 Qwest-originated traffic or on trunks dedicated for only CLECs, ILECs or
19 WSPs (assuming that were technically feasible), in order for Beaver Creek
20 to be able to bill any given third-party CLEC, ILEC or WSP, it must be able
21 to identify the traffic for each CLEC, ILEC or WSP. That identification
22 process would not be any easier if transit traffic were aggregated and sent
23 on a trunk group designed solely for that purpose. Beaver Creek would

1 still need to look to its own traffic measurements to determine which
2 CLEC, ILEC or WSP to bill, obtain call detail records from the transit
3 carrier (Qwest), or obtain the records from the originating carrier itself.
4

5 **Q. MR. LINSTROM SUGGESTS THAT IF BEAVER CREEK BILLS OTHER**
6 **CLECS FOR TERMINATING LOCAL TRAFFIC THAT WILL**
7 **DISCOURAGE THEM FROM SENDING TOLL TRAFFIC ON**
8 **LOCAL/EAS TRUNKS (BCT/1, LINSTROM/10-11). IS SEGREGATION**
9 **OF QWEST AND CLEC-ORIGINATED TRAFFIC REQUIRED FOR**
10 **BEAVER CREEK TO BE ABLE TO CHARGE CLECS FOR**
11 **TERMINATING LOCAL TRAFFIC?**

12 **A.** No, segregating the traffic is not required. Beaver Creek would have to
13 look at records to determine the true originator of the traffic. Assuming
14 that Beaver Creek has call detail information from either its own traffic
15 measurements, from call detail records from the transit carrier (Qwest), or
16 records obtained from the originating carrier (and there is sufficient
17 information to determine the jurisdiction of the call, i.e. local/EAS vs. toll),
18 traffic separation for Qwest-originating versus CLEC, ILEC or WSP
19 originating traffic by trunk group would not be necessary.
20

21 **Q. ON PAGE 11, LINES 6-8, MR. LINSTROM STATES THAT**
22 **RECIPROCAL COMPENSATION FOR TERMINATING BCC'S LOCAL**

1 **TRAFFIC IS NOT REQUIRED BECAUSE BEAVER CREEK IS NOT**
2 **ENGAGING IN ACCESS BYPASS. DO YOU AGREE?**

3 **A.** Qwest does not view the billing and payment of reciprocal compensation
4 as a means to prevent CLECs from seeking to bypass access charges by
5 delivering toll traffic to the local tandem. Qwest views reciprocal
6 compensation as a compensation method between CLECs and Qwest to
7 bill each other for terminating local/EAS traffic. Qwest has a legal right to
8 determine if it wants to agree to bill and keep or reciprocal compensation
9 depending on the balance of traffic between the CLEC retail end users
10 and Qwest retail end users. Qwest bills CLECs access charges for
11 terminating toll calls, even those delivered to local tandems as identified in
12 the CLEC's ICA.

13 **Q.** **DOES MR. LINSTROM DISCUSS IN HIS TESTIMONY ALL OF THE**
14 **CONTRACT PROVISIONS THAT RELATE TO ISSUE 2?**

15 **A.** No, he does not. Mr. Linstrom offers Exhibit BCT/2 to address the
16 contract provisions that Beaver Creek associated with Issue 2. However,
17 Mr. Linstrom does not discuss any of those specific contract sections, nor
18 does his testimony address any of the issues raised by Beaver Creek's
19 proposed revisions to sections 7.2.2.1.2, 7.2.2.2.1, 7.2.2.9.3.1, 7.2.2.9.3.2,
20 7.2.2.9.6 or 7.2.2.9.6.1.

1 **IV. CONCLUSION**

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

3 **A.** For the reasons previously described in my testimony, I ask the Oregon
4 Commission to find that Qwest's proposed language at 7.2.2.1.2,
5 7.2.2.2.1, 7.2.2.3.1, 7.2.2.9.3.1, 7.2.2.9.3.2, 7.2.2.9.6, and 7.2.2.9.6.1 is
6 the most proper language for use in the parties' interconnection
7 agreement.

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

9 **A.** Yes it does.

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

4 **ARB 747**

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

CERTIFICATE OF SERVICE

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

13 Richard A. Finnigan
14 Law Office of Richard A.
15 Finnigan
16 2112 Black Lake Blvd. SW
17 Olympia, WA 98512

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18 DATED: August 4, 2006.

PERKINS COIE

19
20 By 

Lawrence H. Reichman, OSB No. 86083

21 Attorneys for Qwest Corporation
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