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1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION
3 In the Matter of the Petition)
4 for Arbitration of an)
5 Interconnection Agreement) DOCKET NO. UT-023043
6 Between)
7) Volume II
8 LEVEL 3 COMMUNICATIONS, LLC.,) Pages 28 to 248
9)
10 and)
11)
12 CENTURYTEL OF WASHINGTON,)
13 INC.,)
14)
15 Pursuant to 47 U.S.C.)
16 Section 252)
17 _____)

11

12 A hearing in the above matter was held on
13 November 7, 2002, from 9:35 a.m to 4:50 p.m., at 1300
14 South Evergreen Park Drive Southwest, Room 206, Olympia,
15 Washington, before Administrative Law Judge DENNIS MOSS.

16

17 The parties were present as follows:
18 CENTURYTEL OF WASHINGTON, INC., by CALVIN K.
19 SIMSHAW, Associate General Counsel, 805 Broadway,
20 Vancouver, Washington 98660, Telephone (360) 905-5958,
21 Fax (360) 905-5953, E-mail
22 calvin.simshaw@centurytel.com.

23 LEVEL 3 COMMUNICATIONS, LLC., by ROGELIO E.
24 PENA, Attorney at Law, 1919 - 14th Street, Suite 330,
25 Boulder, Colorado 80302, Telephone (303) 415-0409, Fax
26 (303) 415-0333, E-mail repena@boulderattys.com; and by
27 MICHAEL R. ROMANO, Attorney at Law, Director, State
28 Regulatory Affairs, 8270 Greensboro Drive, Suite 900,
29 McLean, Virginia 22102, Telephone (571) 382-7447.

24

25 Joan E. Kinn, CCR, RPR
26 Court Reporter

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1 P R O C E E D I N G S

2 JUDGE MOSS: Good morning, everyone. For
3 those of you who haven't met me before, my name is
4 Dennis Moss, regardless of what it may say on that card
5 sitting in front of me. We are convened this morning
6 for our arbitration hearing in the matter styled
7 Petition for Arbitration of an Interconnection Agreement
8 Between Level 3 Communications, LLC., and CenturyTel of
9 Washington, Inc., under 47 U.S.C. Section 252, Docket
10 Number UT-023043.

11 Let's take appearances, and we will start
12 with Level 3.

13 MR. PENA: Good morning, Your Honor, my name
14 is Rogelio Pena with Pena & Associates, and I'm here on
15 behalf of Level 3 Communications.

16 MR. ROMANO: Good morning, Your Honor, my
17 name is Michael Romano. I'm the Director of State
18 Regulatory Affairs for Level 3 Communications, appearing
19 today on behalf of Level 3.

20 JUDGE MOSS: And then for CenturyTel.

21 MR. SIMSHAW: Thank you, Your Honor, my name
22 is Calvin Simshaw, and I am Associate General Counsel
23 with CenturyTel and appearing for CenturyTel.

24 JUDGE MOSS: Do we have any other appearances
25 in the hearing room?

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1 Any other appearances on the conference
2 bridge line?

3 All right, fine, then with that, we have our
4 appearances complete.

5 I have distributed a preliminary exhibit list
6 that includes the pre-filed direct and response
7 testimonies and exhibits. I began marking a few of
8 those, but of course we don't have our order of
9 witnesses and so forth yet this morning, so I will mark
10 those momentarily. The list also includes the potential
11 cross-examination exhibits that CenturyTel may use in
12 the course of the proceeding, and I understand from
13 discussion off the record that Level 3 may have a few
14 cross-examination exhibits as well, and we will simply,
15 since the number is small, I think we will just mark
16 those as we go rather than taking up time preliminarily
17 to get those. That may slow us down a little bit, but
18 not unduly I think.

19 Is there anything preliminary that we need to
20 take up prior to having our first witness?

21 MR. PENA: Level 3 has nothing, Your Honor.

22 MR. SIMSHAW: Ready to go.

23 JUDGE MOSS: All right, then let's talk just
24 briefly about witness order. I would expect to hear
25 Level 3's witnesses first since they are the petitioner.

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1 MR. PENA: That's correct, Your Honor.

2 JUDGE MOSS: And I just took a guess and put
3 Mr. Hunt first. Would he be the first witness or --

4 MR. PENA: Actually, it will be Mr. Gates.

5 JUDGE MOSS: Mr. Gates, all right. Well,
6 then ignore the numbers 1 through 4, and we will start
7 numbering our exhibits with the pre-filed direct
8 testimony by Mr. Gates will be Exhibit Number 1. And
9 then he had a couple of I guess actually four exhibits
10 with that, and so we have TJG-2, I'm sorry, that's the
11 only one with the direct, so that will be Number 2. And
12 then we have rebuttal testimony pre-marked as TJG-3T,
13 and that will be Exhibit 3. With that there were two
14 exhibits, TJG-4 and TJG-5, and those will be Numbers 4
15 and 5 for identification. We had one exhibit tendered
16 for potential cross, and we will mark that if it is, in
17 fact, used.

18 So with that, let's have Mr. Gates take the
19 stand, and we'll swear him in.

20

21 (The following exhibits were identified in
22 conjunction with the testimony of TIMOTHY J. GATES.)

23 Exhibit 1 is TJG-1T: Pre-filed Direct
24 Testimony. Exhibit 2 is TJG-2: Witness Qualifications.
25 Exhibit 3 is TJG-3T: Rebuttal Testimony. Exhibit 4 is

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1 TJG-4: Summary of the Number of NXXs Used by Washington
2 ICOS. Exhibit 5 is TJG-5: CenturyTel Service
3 Information.

4

5 Whereupon,

6 TIMOTHY J. GATES,
7 having been first duly sworn, was called as a witness
8 herein and was examined and testified as follows:

9

10 JUDGE MOSS: Mr. Pena, would it be the
11 intention to have the witness summarize the testimony,
12 or how did you wish to proceed?

13 MR. PENA: Your Honor, that is what I was
14 going to ask the Bench, we're ready to proceed with or
15 without a summary.

16 JUDGE MOSS: Well, that's fine, I think we
17 have all had an opportunity to read the testimony, so we
18 don't really need a recapitulation this morning unless
19 that's your preference. And, of course, it is briefly
20 summarized at the outset in the written pre-filed. So
21 if you want to identify your exhibits with the witness
22 and so forth, then we'll proceed with the
23 cross-examination.

24 MR. PENA: Thank you, Your Honor.

25

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1 D I R E C T E X A M I N A T I O N

2 BY MR. PENA:

3 Q. Good morning, Mr. Gates.

4 A. Good morning.

5 Q. Could you state your name for the record,
6 please.

7 A. Yes, my name is Timothy J. Gates.

8 Q. And how are you employed?

9 A. I am employed by QSI Consulting.

10 Q. And are you the same Timothy J. Gates that
11 had cause to be pre-filed in this docket direct and
12 rebuttal testimony?

13 A. Yes, I am.

14 Q. Do you have before you what's been marked as
15 Exhibit 1, that would be your direct testimony, and
16 attached to that would be Exhibit 2, your witness
17 qualifications; do you have those?

18 A. I do.

19 Q. Now was that testimony prepared by you or
20 under your control?

21 A. Yes, it was.

22 Q. Do you have any corrections to either of
23 those Exhibits 1 or 2?

24 A. Yes, I do have some corrections to Exhibit 1.

25 Q. What are those corrections?

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1 A. Beginning on page 17 of that exhibit, my
2 direct, line 21, strike the word three, the third word
3 there in the last sentence on the page, replace that
4 with the word two, T-W-O.

5 And then strike the next sentence which
6 begins with the word first and continues on to page 18,
7 line 2, and ends there towards the end of line 2.

8 Also on line 2, strike the word second, and
9 replace that with the word first, F-I-R-S-T.

10 And then on line 8, strike the word third,
11 and replace that with the word second.

12 Q. Do you have anything further?

13 A. Yes, on page 27, line 13, strike SEC, and
14 insert the word Qwest, Q-W-E-S-T.

15 Those are my only corrections.

16 Q. Thank you, Mr. Gates. Now if I asked you the
17 questions appearing on Exhibit 1 here today, would your
18 answers be the same?

19 A. Yes, they would.

20 MR. PENA: Your Honor, at this time I would
21 move to admit Exhibits 1 and 2.

22 JUDGE MOSS: Hearing no objection, they will
23 be admitted as marked.

24 BY MR. PENA:

25 Q. Now, Mr. Gates, do you have before you what's

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1 been marked for identification as Exhibit 3; do you have
2 that?

3 A. Yes, I do.

4 Q. And is that your rebuttal testimony?

5 A. Yes, it is.

6 Q. Now does that have two attachments as well?

7 A. It does.

8 Q. And one of them has been marked for
9 identification as Exhibit 4, the other one is Exhibit 5;
10 do you have both of those?

11 A. Yes, I do.

12 Q. And was that testimony, were those exhibits
13 prepared by you or under your control?

14 A. Yes, they were.

15 Q. Now do you have any corrections?

16 A. No.

17 Q. If I asked you the questions appearing on
18 Exhibit 3 for identification here today, would your
19 answers be the same?

20 A. Yes.

21 MR. PENA: Your Honor, I move to have
22 admitted Exhibits 3 through 5.

23 JUDGE MOSS: All right, and again hearing no
24 objection, they will be admitted as marked.

25 MR. PENA: Mr. Gates is available for

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1 cross-examination, Your Honor.

2 JUDGE MOSS: Mr. Simshaw.

3 MR. SIMSHAW: Thank you.

4

5 C R O S S - E X A M I N A T I O N

6 BY MR. SIMSHAW:

7 Q. Good morning again, Mr. Gates.

8 A. Good morning.

9 Q. Perhaps just to quickly if I could ask
10 regarding the first change you made to your direct
11 testimony at I think it was page 17, beginning at page
12 17.

13 A. Yes.

14 Q. Why did you strike that first reason?

15 A. Because I did not find time to look up the
16 Commission's definitions or to review the substantive
17 rules.

18 Q. Mr. Gates, would it be a correct
19 characterization of the service and traffic that Level 3
20 is requesting to provide pursuant to an interconnection
21 agreement with CenturyTel, would it be correct to
22 characterize that as allowing CenturyTel customers to
23 make calls to a customer served by Level 3?

24 A. No, not at all. Century -- excuse me, Level
25 3 is offering services to its own customers by virtue of

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1 providing numbers in other exchanges. It is true, as in
2 most situations, that other customers can call Level 3
3 customers, but Level 3 is not per se providing service
4 to CenturyTel customers.

5 Q. But the reason, for instance, that Level 3,
6 for example, would give a Forks number, Forks is an
7 exchange, a CenturyTel service in Washington, but the
8 reason that Level 3 would give a Forks number to a Level
9 3 customer was so that CenturyTel Forks customers could
10 call that Level 3 customer; isn't that right?

11 A. Yes, that's correct.

12 Q. Okay.

13 JUDGE MOSS: Let me interrupt half a second,
14 the sun is beating in awfully brightly, should I lower
15 the shade for you?

16 THE WITNESS: Yes, if you don't mind, thanks.

17 (Discussion off the record.)

18 BY MR. SIMSHAW:

19 Q. Is this particular service that Level 3
20 wishes to provide to these customers, the Level 3
21 customers, generically referred to or referred to for
22 marketing purposes as three connect modem service?

23 A. Yes, generally. Mr. Hunt can address Level 3
24 services perhaps better than I, but I do know that it's
25 referred to as managed modem service.

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1 Q. We have established, I think, that a result
2 of the service would be that CenturyTel customers could
3 call the Level 3 customers, and I think we know where
4 the CenturyTel customers are. Where are these Level 3
5 customers to whom these calls would be placed?

6 A. I don't know exactly where those customers
7 might be. They could be in multiple locations, as any
8 customers might be.

9 Q. Would they be outside of the CenturyTel
10 customers' local calling area?

11 A. They could be, but I'm not sure.

12 Q. Well, that's to say then that they could be
13 inside the CenturyTel local calling area?

14 A. The answer is I don't know where the
15 customers are.

16 Q. You state throughout your testimony, do you
17 not, that these would be local calls?

18 A. Yes, they are.

19 Q. But you don't know where they're even going?

20 A. Well, that's not a requirement for the
21 service to be local. They're going -- the one thing we
22 do know pursuant to the interconnection arrangements is
23 that CenturyTel will be taking the calls to the POI, and
24 Level 3 will be terminating the calls from the POI to
25 its own facilities and to its own customers. But

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1 CenturyTel's responsibilities, of course, end at the
2 POI.

3 Q. Okay. But you will be delivering then that
4 traffic to your customer, I'm sorry, Level 3's customer?

5 A. Yes.

6 Q. Somewhere?

7 A. Yes, just like any other local call, that's
8 correct.

9 Q. And you don't know where that is?

10 A. I do not know. You could ask Mr. Hunt
11 perhaps, but I do not know.

12 JUDGE MOSS: Let me interrupt again, I
13 apologize. This industry is one that is acronym laden.
14 Our court reporter has done many telecommunications
15 proceedings but may encounter acronyms that she is
16 unfamiliar with. To ensure an accurate transcript, I'm
17 going to ask you all when you use an acronym for the
18 first time, please say something along the lines of
19 point of interconnection, P-O-I, or some other
20 descriptive narrative that will give the court reporter
21 the appropriate clue for future reference, and then we
22 can revert to the language of telecommunications.

23 Thank you.

24 BY MR. SIMSHAW:

25 Q. Mr. Gates, is this same Level 3 service

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1 offered in other states?

2 A. Yes, it is.

3 Q. And you testified with regard to this service
4 in a proceeding in Wisconsin, did you not?

5 A. Yes.

6 Q. And that was seeking an interconnection
7 agreement with CenturyTel, correct?

8 A. Yes.

9 Q. Okay. And in that case, was there an
10 identification of the most likely location of the Level
11 3 customer?

12 MR. PENA: Your Honor, I think I'm going to
13 object to this line of questioning. What happened in
14 Wisconsin is immaterial to the interconnection
15 arrangements here in Washington.

16 JUDGE MOSS: Although I think it's a good
17 foundation question, I will allow it.

18 THE WITNESS: I'm sorry, would you repeat the
19 question?

20 MR. SIMSHAW: Sure.

21 BY MR. SIMSHAW:

22 Q. In that Wisconsin proceeding, was there a
23 most likely location identified for the Level 3 customer
24 for purposes of Wisconsin traffic?

25 A. Yes.

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1 Q. And was that Chicago, Illinois?

2 A. Yes, it was.

3 Q. Is it correct that for this particular
4 service, Level 3 seeks to deliver this traffic to ISPs?

5 A. Yes, that's the application of this traffic,
6 it's ISP bound traffic.

7 Q. So does Level 3 deliver the traffic to modem
8 banks?

9 A. Well, the actual architecture might change
10 from application and state to state, exchange to
11 exchange, but generally the traffic will end up going to
12 modem banks associated with an ISP.

13 Q. And aren't those modem banks typically
14 located in metropolitan areas under this service?

15 A. No, I don't think that's correct.

16 Q. Well, Chicago was a metropolitan area, wasn't
17 it?

18 A. It was. I think it would depend on the ISP
19 involved as to where their facilities might be. Just
20 like any other carrier or business organization, they
21 tend to have facilities in various locations for various
22 reasons.

23 Q. Did you also testify in a similar proceeding
24 in Texas?

25 A. I did.

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1 Q. And in that case, was the most likely
2 location of the Level 3 customer identified as being
3 Dallas or Houston?

4 A. Yes.

5 Q. Now you have said you're not familiar with
6 where the customers are, so how can you make the
7 statement that you don't -- that they might not be in a
8 metropolitan area? You don't know whether they will be
9 or not?

10 A. I don't know. You asked me to assume that
11 they would be in a metropolitan area, and I couldn't do
12 that without more information.

13 Q. For purposes of discussion in this
14 proceeding, can we assume that the location, one likely
15 location of a Level 3 customer for purposes of traffic
16 that originates from CenturyTel customers in Washington
17 could be Seattle, Washington?

18 A. For an assumption, certainly.

19 Q. Is there any possibility at all that Level 3
20 would deliver this traffic that originates from
21 CenturyTel customers in Washington to a Level 3 customer
22 located in Denver, Colorado?

23 A. I don't know. That would conflict with your
24 previous assumption, but I don't know.

25 Q. Would Mr. Hunt know the answer to that?

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1 A. He might. But I would note based on my 15
2 years with MCI, when we first started MCI we had a
3 switch in Salt Lake City that served Montana and Idaho
4 and Colorado and New Mexico just by virtue of the way
5 the network was developed. And in a CLEC environment,
6 you can serve multiple states, multiple exchanges from
7 one switch. So the fact that traffic might be routed to
8 another state or another city isn't problematic given
9 the technology available.

10 Q. Well, in the Wisconsin proceeding, and I
11 apologize, I don't know if it was directed toward you or
12 Mr. Hunt, but I believe the question was asked whether
13 traffic from CenturyTel customers in Wisconsin could be
14 terminated to a Level 3 customer or delivered to a Level
15 3 customer in Denver, Colorado, and I believe the answer
16 was yes; do you recall that?

17 A. I don't recall that question and answer.

18 Q. Okay. Is there anything technically that
19 would prevent Level 3 from assigning Forks, Washington
20 numbers to a Level 3 customer in Denver?

21 A. I don't believe the numbering guidelines
22 would prevent that, no.

23 Q. To understand this service a little better, I
24 would like to make reference to Mr. Weinman's exhibit,
25 well, what's been preliminarily marked at least WHW-2.

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1 MR. SIMSHAW: And, Your Honor, I have blown
2 that up into poster size, so if I may approach the
3 easel.

4 JUDGE MOSS: That would be great.

5 BY MR. SIMSHAW:

6 Q. Mr. Gates, I have placed on the easel what I
7 would purport is a replication of Exhibit WHW-2 entitled
8 use of CenturyTel's network, reviewing again the nature
9 of the traffic that's involved or at issue here.
10 Mr. Weinman's exhibit purports to show a diagram
11 depicting the facilities involved in a call that was
12 placed by a CenturyTel customer in Forks, Washington and
13 destined for in part a Level 3 customer in the Seattle,
14 Washington exchange.

15 Now let me ask you again, this call would
16 originate, would it not, under, and I'm specifically
17 referencing Level 3's service, this call would originate
18 by the CenturyTel customer in Forks, and just for
19 purposes of the record that is the little telephone
20 marked in the far left-hand side of the exhibit, would
21 originate by that customer picking up their phone and
22 dialing a particular telephone number, correct?

23 A. Yes, that CenturyTel customer would dial a
24 Level 3 number located in the Level 3 switch.

25 Q. Where is the Level 3 switch?

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1 A. In this example it would be in Seattle.

2 Q. Once that customer picks up the phone and
3 dials that number, that call I assume would traverse
4 over what we in the industry refer to as the local loop.
5 On that diagram, it's a line from the little telephone
6 depicting the customer to the CenturyTel switch. Is
7 that how you expect this would occur?

8 A. Yes, the customer goes to his or her
9 computer, instructs the computer to dial up the ISP, and
10 that call would go over the local loop.

11 Q. Okay. In the CenturyTel switch, there's a
12 switching function that will occur, is there not?

13 A. Yes.

14 Q. Okay. And that traffic will then, as the
15 diagram depicts, be placed onto an interexchange
16 facility headed towards in some manner Seattle; is that
17 right?

18 A. Yes, but I think perhaps we could identify --
19 if we identify the point of interconnection first, that
20 might help in terms of talking about those interexchange
21 facilities.

22 Q. We're going to get there.

23 A. Okay.

24 Q. I promise to come back to it.

25 A. Thank you.

0049

1 Q. Anyway, it goes over this interexchange
2 facility, and it eventually arrives in Seattle I take it
3 at the Level 3 switch.

4 A. That's correct.

5 Q. And then Level 3 would deliver it to the
6 Level 3 customer, which for purposes of the transcript
7 again would be the telephone symbol on the far right of
8 the diagram, so Level 3 would deliver it to that Level 3
9 customer?

10 A. Yes.

11 Q. Now as you point out, at some point this call
12 left the CenturyTel network and went onto the Level 3
13 network; is that the I think meet point you were
14 referring to?

15 A. No, I didn't use the phrase meet point. I
16 said point of interconnection.

17 Q. Are the two fairly synonymous in your view?

18 A. No, not really. I consider a meet point to
19 be a point where responsibility between, for instance,
20 two ILECs, incumbent local exchange carriers, they might
21 split their responsibility for a particular facility or
22 circuit. I think point of interconnection might be a
23 better term for this interconnection issue.

24 Q. Don't they both refer to two different
25 carriers with two different networks meeting?

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1 A. I could assume for purposes of this
2 discussion. If you would like to call it a meet point,
3 that's fine.

4 Q. One question before we move more to specifics
5 on meet point. I think we have identified that the
6 Level 3 customer is an ISP customer, and as you
7 indicated, the CenturyTel customer who originated the
8 call did that via a computer modem, so this is an
9 Internet call, correct?

10 A. Yes, it is.

11 Q. Okay.

12 A. This example is.

13 Q. Okay. For the duration of this call, that
14 call would be tying up the loop extending from the
15 CenturyTel switch to the CenturyTel customer, wouldn't
16 it?

17 A. Yes, it would, just like any local call
18 would.

19 Q. And it will also be tying up a portion of the
20 switch facilities that have to stay up for the duration
21 of that call, would it not?

22 A. What do you mean by switch facilities, and
23 what do you mean by stay up?

24 Q. CenturyTel's switch is what's known as a
25 circuit switch approach, is it not?

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1 A. I will accept that.

2 Q. Okay. It establishes a circuit, for the
3 duration of the call it establishes a circuit between
4 the CenturyTel customer and this interconnection or this
5 interexchange facility, does it not?

6 A. Yes, it does.

7 Q. Okay.

8 A. But it just switches once. It doesn't
9 continue to switch over and over and over again during
10 the duration of the call. And by switch, it simply
11 directs the call to Level 3's facilities.

12 Q. Okay. And then a portion of these
13 interexchange facilities will be occupied by that call
14 for the duration of the call, will it not?

15 A. Yes.

16 Q. I mean that path has to stay there for the
17 duration of the call?

18 A. Well, it does and it doesn't. It depends on
19 the technology used. For instance, if you use packet
20 switching and Internet protocol technology, those
21 packets could be going over various different routes and
22 all arriving at the terminating point and then
23 reassembled. So it wouldn't have to stay up per se
24 assuming that technology. Generally speaking with a
25 dedicated circuit and a switch network, you're correct.

0052

1 Q. Okay. This Level 3 switch in Seattle that
2 you referred to earlier, is that a circuit switch or a
3 packet switch?

4 A. It's technically a soft switch. The Level 3
5 network, specifically the Internet backbone, uses packet
6 switching and Internet protocol.

7 Q. But the switch at the CenturyTel end we have
8 established is a circuit switch?

9 A. I will accept that.

10 Q. Would you agree that this being an Internet
11 call that these I think the industry term is holding
12 times for that particular call are generally going to be
13 longer than traditional voice calls?

14 A. I think the average holding time is longer
15 for an ISP sort of call than a typical voice call. Of
16 course, it depends on whether you have teen-age
17 daughters or sons, things do --

18 Q. I do.

19 A. Yes.

20 Q. Let me, and as promised, I want to get back
21 to the meet point or the point of interconnection, that
22 would occur at some point, in reference to this diagram,
23 some point between the CenturyTel switch and the Level 3
24 switch, correct?

25 A. Yes, Level 3 has agreed to have its point of

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1 interconnection in each local calling area where Level 3
2 intends to provide service, so.

3 Q. So what would that mean on this diagram;
4 where would that be?

5 THE WITNESS: May I approach, Your Honor?

6 JUDGE MOSS: Sure.

7 A. If we assume this exchange is a local calling
8 area, and we do know that some local calling areas have
9 multiple exchange, but for purposes of this example, if
10 this is a local calling area, Level 3 has agreed to meet
11 CenturyTel somewhere within that local calling area, and
12 the actual point will depend on the engineers as they
13 get together to design the interconnection itself.

14 BY MR. SIMSHAW:

15 Q. Okay, Mr. Gates, then that could be, to meet
16 your parameters, that could be right here on this line
17 identified on the diagram as the exchange boundary or
18 meet point?

19 A. It could be. It could be a mid span meet, it
20 could be a fiberoptic meet, it could be microwave meet,
21 it could be a circuit going right to a specific central
22 office or tandem. I would think the engineers will
23 figure that out as they identify and develop the
24 network.

25 Q. Or, still within your parameters of being

0054

1 within the local calling area, could it also be at the
2 CenturyTel switch?

3 A. It could be.

4 Q. Isn't there quite a bit of difference as
5 between whether it being one or the other with respect
6 to how much of the facility that CenturyTel provides?

7 A. Well, I guess it depends on your assumptions
8 here, but I think the point is that Level 3 has agreed
9 to go all the way to the local calling area. They're
10 not asking for a single point of interconnection per
11 LATA, they're not even asking to go to a tandem, they're
12 agreeing to go all the way to the local calling area.
13 Now where that might be is I would imagine up to the
14 engineers, and it could be at the switch, it could be a
15 meet point at the boundaries you suggest, but that will
16 be agreed to among the engineers.

17 Q. But depending upon what that agreement is
18 will determine whether or not -- well, let me rephrase
19 that.

20 Depending upon what that agreement might be
21 will determine whether or not CenturyTel provides a
22 portion of this interexchange facility, will it not?

23 A. Yes, and how much of that facility Level 3
24 would then provide. So it's, you know, it's one or the
25 other. It's a zero sum game, as they say.

0055

1 Q. Well, in some instances CenturyTel would
2 provide zero -- be asked to provide zero of that
3 interexchange facility, and in other instances they
4 would be asked to carry it out to the border, right?

5 A. Yes.

6 Q. Just to make sure I understand then, Level 3
7 is not here making any commitment to come to the
8 CenturyTel switch?

9 A. I don't think it could do that. I don't
10 think there's enough information that has been exchanged
11 between the companies that would allow anybody to decide
12 where the point of interconnection will be at this
13 point. It's clear though that I believe the two
14 companies when the engineers get together will be able
15 to find a technically feasible point that meets the
16 needs of both companies.

17 Q. So it's entirely possible that CenturyTel
18 will be expected to provide a portion of the
19 interexchange facilities associated with that call from
20 a CenturyTel Forks customer, for instance, to a Level 3
21 Seattle customer?

22 A. Well, I think CenturyTel will be expected to
23 deliver the traffic to where it agrees to deliver the
24 traffic.

25 Q. Are you saying it would be within

0056

1 CenturyTel's discretion to hold out and demand that that
2 meet point or point of interconnection be at the end
3 office such that it would not have to contribute or bear
4 the cost of any interexchange facilities?

5 A. Well, I think that requires a legal
6 distinction that I'm not qualified to make, but how
7 CenturyTel decides to negotiate the issue I guess is up
8 to it, but I would hope that both companies would work
9 together to find a mutually acceptable point.

10 Q. So at this point and from this proceeding, we
11 really won't know how much interexchange facility
12 CenturyTel will be providing?

13 A. No, and I think that's the case in every
14 situation like this. We just don't have the information
15 yet. The engineers have not met.

16 Q. If I could direct you to page 30 of your
17 direct testimony, at line 19 there's a sentence that
18 begins:

19 CenturyTel routes the call to the point
20 of interconnection or the Qwest tandem.

21 Is the Qwest tandem necessarily within the
22 CenturyTel local calling area?

23 A. I don't know, but there are situations
24 especially with more rural companies where Qwest
25 provides a transitting function, and I included that

0057

1 reference because that is quite common in the industry.
2 Whether or not it will be required or whether it will
3 occur in this situation, I don't know.

4 Q. Are you saying in this sentence that Level 3
5 would expect to meet at the Qwest tandem even if it's
6 not within the CenturyTel local calling area?

7 A. No, that's not what this sentence says at
8 all.

9 Q. So are you saying that you would only meet at
10 a Qwest tandem if it was within the CenturyTel local
11 calling area?

12 A. That's not the point of this sentence. I
13 think I was pretty clear before that Level 3 is willing
14 to go all the way to the local calling areas where it
15 intends to provide service, and it will leave it to the
16 engineers to decide where in each local calling area
17 that point of interconnection is.

18 Q. Okay, well, Mr. Gates, I guess I'm a little
19 bit confused. Are you saying that the meet point -- is
20 there any chance the meet point will be at a Qwest
21 tandem? I mean you seem to have anticipated that in
22 this sentence.

23 A. No, I was trying to be all inclusive in my
24 discussion of interconnection principles. I guess under
25 this arrangement where Level 3 is going to each local

0058

1 calling area, I don't think you would find a Qwest
2 tandem within a CenturyTel local calling area, so I
3 think that would rule out that probability.

4 Q. Do you have a copy of Mr. Cook's testimony
5 with you at the stand?

6 A. I do not.

7 MR. SIMSHAW: I apologize, Your Honor, we're
8 trying to gather a copy to present to the witness.

9 THE WITNESS: Thank you.

10 MR. PENA: Excuse me, counsel, could you
11 please let me know what you just handed the witness?

12 MR. SIMSHAW: That's the first thing I'm
13 going to do.

14 MR. PENA: Okay.

15 BY MR. SIMSHAW:

16 Q. Mr. Gates, I have handed you what is
17 identified at this point at least as Exhibit RCC-2 to
18 Mr. Cook's testimony, and it's entitled Level 3 market
19 expansion project, and at the bottom there's an
20 identification of QSI Consulting.

21 A. Yes, are we talking about just the first page
22 of this document?

23 Q. I'm only going to refer to the first page.

24 A. Okay. Yes, I see that.

25 Q. Was that document prepared by your firm?

0059

1 A. It was prepared in coordination with Level 3
2 by our firm.

3 Q. The last two paragraphs on that first page I
4 believe do speak to point of interconnection or meet
5 point, and let me just read the first one.

6 Traffic will be routed over common
7 shared transport trunks through the
8 tandem switch of an interconnected third
9 party.

10 Let me stop there. Is any of that relevant
11 to what Level 3 is seeking with CenturyTel?

12 A. Well, it may or may not be. We don't have
13 the engineering information we need for CenturyTel, but
14 let me put this one page in perspective.

15 Q. Sure.

16 A. This was a document prepared and delivered to
17 about 200 local exchange companies, and it was an
18 introductory piece. As you can see, the rest of the
19 document provides information about Level 3's intentions
20 and then a drafting or connection agreement. And it was
21 meant to be necessarily broad to provide principles for
22 interconnection but not specific. So this information
23 in this first page is meant to provide general
24 principles associated with interconnection. It was not
25 specific to CenturyTel.

0060

1 Q. Okay, fair enough.

2 Isn't it the case that the proposed agreement
3 that Level 3 has submitted in this arbitration provides
4 for one meet point in the LATA?

5 A. I don't know.

6 Q. If it did, would that be inconsistent with
7 the commitment to have a meet point or point of presence
8 in each CenturyTel local calling area?

9 A. Perhaps if we could look at the document, we
10 could see -- put it in context. It may just be a
11 contextual problem, or it may be just the version of the
12 agreement that you're referring to, but I think the
13 company's position today is clear.

14 Q. That's all I'm trying to clarify is you're
15 not seeking or Level 3 is not today seeking to require
16 one point of interconnection in each LATA that
17 CenturyTel serves in?

18 A. No. As I understand it, CenturyTel is a
19 rural company, for purpose of the Telecom Act has the
20 rural exemption, and as such Level 3 is not proposing to
21 impose certain aspects of the FCC's orders or the Act on
22 CenturyTel, and that's why Level 3 has agreed to go all
23 the way to the local calling area as opposed to having
24 just one point of interconnection per LATA. But again,
25 I'm not familiar with what the current version of the

0061

1 agreement between the companies might look like.

2 Q. Just for the record, I was referring to the
3 agreement presented with Level 3's petition for
4 arbitration.

5 Mr. Weinman in his rebuttal testimony, as I
6 recall, indicated that there were more than 30 local
7 calling areas that CenturyTel served. Is Level 3
8 committing to establish 30 plus points of
9 interconnection with CenturyTel?

10 A. I don't believe so. I believe Level 3's
11 approach -- and let me qualify this, because I don't
12 know what specifically they're requesting here, but I do
13 know that they do not automatically go into every local
14 calling area. They go where their customers need them
15 to be. So if there are 30 local calling areas, it might
16 be 2, it might be 10, it might be all 30, I don't know,
17 but it is a focused approach.

18 Q. But in this proceeding, they're asking for an
19 interconnection agreement that's all encompassing of the
20 entire CenturyTel operation, are they not?

21 A. I don't know. It would make sense though for
22 an agreement to allow that over time. I don't think an
23 agreement necessarily has to be limited to certain
24 exchanges. It seems to make sense to have an agreement
25 that would allow the company to expand over time, but

0062

1 again, I'm not sure.

2 MR. SIMSHAW: May I approach the easel again,
3 Your Honor?

4 JUDGE MOSS: Sure.

5 BY MR. SIMSHAW:

6 Q. Mr. Hunt, what I have placed on the easel is
7 another diagram.

8 MR. PENA: It's Mr. Gates.

9 MR. SIMSHAW: I'm sorry, wishful thinking, I
10 wish we were that far along.

11 THE WITNESS: I don't know if I should be
12 offended or Mr. Hunt should be offended.

13 MR. HUNT: I feel the same way.

14 MR. SIMSHAW: That's all right, yesterday I
15 think I referred to Mr. Gates as Bill Gates, more
16 wishful thinking I guess.

17 THE WITNESS: For both of us.

18 BY MR. SIMSHAW:

19 Q. Mr. Gates, what I placed on the easel is
20 another diagram. This one is entitled Forks
21 interexchange transport. And let me explain to you what
22 this purports to show. Staying consistent with the
23 earlier example of traffic from CenturyTel customers in
24 Forks to a Level 3 customer in Seattle, this diagram
25 attempts to show in more specific the interconnection

0063

1 facilities and then potentially, of course, the meet
2 point and the point of interconnection. And what the
3 diagram shows, of course, it still has the CenturyTel
4 customers depicted by the little telephones, and there's
5 two of them down at the bottom of the diagram, and
6 there's the Forks central office switch indicated by the
7 box.

8 Now as we were discussing earlier, that call
9 would originate from a CenturyTel customer, still
10 destined for the Level 3 customer in Seattle, we go over
11 the local loop to the switch. And from there what would
12 actually happen is there's a radio facility, a
13 microwave, from the central office that goes 13 miles to
14 another radio location on Mt. Ellis. It then -- that's
15 another radio location. It is then another radio shot
16 extending 35.5 miles to Port Angeles, which is a Qwest
17 exchange. And I would represent to you that this is the
18 way that traffic gets out of Forks towards Seattle or
19 the rest of the world for that matter.

20 A. Is that the only way it gets out? That's it,
21 just one microwave route?

22 Q. That's my understanding.

23 A. Is it digital or analog microwave? Just
24 curious.

25 Q. It's digital.

0064

1 A. Okay.

2 Q. With this further information, let me go back
3 again to meet point or point of interconnection for
4 getting this traffic from Forks to Seattle, where might
5 that occur?

6 A. Well, it would depend upon the local calling
7 area, and that's not on this particular exhibit. But
8 again, the point of interconnection would be somewhere
9 within that point of, or excuse me, local calling area.
10 And CenturyTel would get the call to that point, and
11 then Level 3 would be responsible for getting that call
12 to its customers in Seattle and elsewhere. So can you
13 tell me where the local calling area is, and that will
14 help us.

15 Q. Yes, I can. The local calling area is
16 actually between the Qwest Port Angeles exchange and
17 CenturyTel, and it would be somewhere on that second --
18 it would cross that second microwave shot east of Mt.
19 Ellis. It would not cross -- the first microwave shot
20 would be entirely within the local calling area.

21 So let me see if I can state this consistent
22 with our earlier discussion. You're saying that that
23 meet point could be mid air between Mt. Ellis and Port
24 Angeles at the calling area boundary?

25 A. Well, first of all, I don't know, well, I

0065

1 guess this is just for an example, I don't know if Level
2 3 has asked to go to Forks. But if in your example the
3 companies agree to a meet point or a point of
4 interconnection at the boundary, yes, the responsibility
5 for the call then would transfer at mid span on that
6 microwave route. Level 3 would then be responsible
7 financially to get that call to Seattle from that point
8 between Mt. Ellis and Port Angeles.

9 Q. Okay. So to the extent that there's costs
10 associated with the radio site at the Port Angeles end
11 on the route from Mt. Ellis to Port Angeles, you're
12 saying Level 3 would have to accept responsibility for
13 those calls?

14 A. If it's on the Level 3 side of the POI,
15 that's correct.

16 Q. Okay. And the radio at Mt. Ellis, that site
17 is on the CenturyTel side of the local calling area, and
18 therefore the costs of that site would be CenturyTel's
19 responsibility?

20 A. That's correct, anything on the CenturyTel
21 side would be CenturyTel's responsibility, just like any
22 other local call.

23 Q. Just for the record, I'm going to state and
24 ask you to agree that CenturyTel does not agree this is
25 a local call, does it?

0066

1 A. I don't believe it does.

2 Q. Okay.

3 A. We're hoping though that you will come
4 around.

5 Q. Well, two straight days of this and maybe one
6 of us will wear down I imagine.

7 JUDGE MOSS: I will be happy to give you a
8 break to further your negotiations.

9 Q. I think somewhere in your testimony you point
10 out that Internet customers don't like to have to dial
11 toll to their ISP; is that right?

12 A. I think I mentioned that in a few places in
13 my testimony, and that's a fact, yes.

14 Q. This microwave shot at Mt. Ellis that heads
15 towards Port Angeles, I'm going to represent to you that
16 there is no local traffic on that shot. It strictly
17 goes to Port Angeles, Seattle, and the rest of the world
18 outside the local calling area. Would you have any
19 reason to dispute that?

20 A. What was your statement again about those
21 facilities, you don't carry any local traffic on those
22 facilities?

23 Q. There is no local traffic on those
24 facilities.

25 THE WITNESS: May I approach, Your Honor?

0067

1 JUDGE MOSS: Sure.

2 A. Under the general interconnection
3 requirements today under the Act, for instance if this
4 was a Level 3 customer and this was a CenturyTel
5 customer, the CenturyTel customer, if he was calling the
6 Level 3 customer, that call would be routed to the
7 central office. CenturyTel would be required to get
8 that call to Level 3. It doesn't matter how they do it,
9 but that is the requirement. So to suggest that that
10 traffic couldn't go over this route, I don't know why it
11 could not. I mean it's a microwave route capable of
12 MUXing and multiplexing and grooming, so I would think
13 you could get that traffic there. In any case under any
14 interconnection agreement, that traffic would have to
15 get to Level 3, and that is CenturyTel's responsibility,
16 at least to the point of interconnection.

17 Q. You pointed to the two telephones in the
18 diagram and identified one of them as being a CenturyTel
19 customer and the other one as being a CLEC customer.
20 They're both within the local calling area, but --

21 A. They are, but that's not a requirement. They
22 would not have to be. Any call originated to a Level 3
23 number would have to go to Level 3. And even if Level 3
24 had to terminate it then back here, that's Level 3's
25 responsibility. But any call regardless of the physical

0068

1 location, CenturyTel is responsible to get it to the
2 POI.

3 Q. But that's not happening today, right? As
4 far as you know, there are no CLEC customers in the
5 Forks local calling area?

6 A. I don't know.

7 Q. Let's talk for a moment about what will
8 happen once the Level 3 service is -- well, let me back
9 up.

10 I'm going to state that there's no Internet
11 traffic, dial-up Internet traffic, on this microwave
12 shot from Mt. Ellis to Port Angeles.

13 A. How would you know that? I don't think you
14 would.

15 Q. Because that microwave route only transmits
16 traffic to NXXs that are outside the local calling area.

17 A. Then how does the traffic, the rest of the
18 traffic from the Forks exchange get out to the rest of
19 the world?

20 Q. Over the IP probably.

21 I'm sorry, I didn't mean to answer.

22 A. Well, you were somewhat responsive, which I
23 appreciate.

24 Q. We were in a forum yesterday, and there was a
25 workshop where the questions were flying back and forth.

0069

1 A. I apologize, Mr. Simshaw, I was just seeking
2 clarification.

3 Q. And I apologize, let me try to clarify.

4 What would have to happen for there to be
5 dial-up Internet traffic on that microwave facility from
6 Mt. Ellis to Port Angeles today?

7 A. I don't think it would require anything.
8 It's a digital microwave route capable of handling all
9 kinds of traffic, whether it be voice or data.

10 Q. But you would have to have an ISP at the
11 other end that had a local number, right?

12 A. I'm sorry, I guess I didn't understand the
13 premise of your question.

14 Q. Let's start from there. You would have to
15 have an ISP at the other end with a local number,
16 because I think we agreed earlier that Internet dial-up
17 customers don't like to dial a toll number?

18 A. Yes, I'm trying to understand kind of where
19 you're going with the question. I guess for there to be
20 Internet traffic, customers need to dial up an Internet
21 provider.

22 Q. Right.

23 A. Is that your point?

24 Q. And I believe you have testified that that's
25 got to be a local number or they won't do it?

0070

1 A. Well, there are certain occasions where they
2 will do it, when they're on the road, if you can't get
3 your local number to work, sometimes they provide a
4 1-800 number for access. But yes, that's true, we heard
5 that yesterday from an ISP provider in the workshop,
6 that his business requires local dial-up access, which
7 is why all the companies, including CenturyTel, provide
8 local dial-up access for their customers.

9 Q. And isn't it possible that Level 3 will be
10 the first provider to give a local number -- to give a
11 Forks number to an ISP that's outside the Forks local
12 calling area?

13 A. I guess that may be possible, although I
14 don't know that you would know that, but it's possible.

15 Q. If we assume it hasn't happened up to now,
16 and you guys point out that you're innovative, so I'm
17 giving you credit for possibly being the first, assuming
18 it hasn't happened up to now, there wouldn't be any
19 dial-up Internet traffic on that radio now?

20 A. Given your assumption, that's correct.

21 Q. Now let's say Level 3 is the first to do
22 that, and now all of a sudden these Forks customers have
23 dial-up access to -- and I'm going to need to pick an
24 ISP, can I use AOL?

25 A. Certainly.

0071

1 Q. Okay, AOL in Seattle. Now we're going to
2 have dial-up Internet traffic over that radio facility,
3 right?

4 A. Yes.

5 Q. With long holding times?

6 A. Well, just like any other local call, it may
7 have a longer holding time, but, you know, it's just a
8 local call.

9 Q. Longer holding time than the traffic that was
10 previously on this facility?

11 A. Perhaps.

12 Q. And a lot of calls, a lot of people dialing
13 Internet a lot?

14 A. Well, I think that's true, and I think those
15 calls exist today whether or not Level 3 is in that
16 market or not. Level 3 is just providing a competitive
17 response, another alternative for the consumers.

18 Q. When this begins to happen, isn't it entirely
19 possible that this radio capacity at Mt. Ellis isn't
20 going to be adequate?

21 A. Oh, I doubt it, I sincerely doubt it. First
22 of all, you're asking me to assume things that just
23 aren't in evidence. We don't know what the capacity of
24 that radio shot is. It may be woefully underutilized
25 today so that even a 200% or 300% increase wouldn't

0072

1 impact the radio shot at all. If it's at capacity today
2 and a little bit more traffic would impact it, you would
3 have had to have added capacity anyway to the route, so.

4 But I think it would be incorrect and
5 misleading to suggest that because Level 3 is coming
6 into a market and providing dial-up access for an ISP
7 that all of a sudden you're going to have to augment
8 your network. Now if you want to provide that in the
9 testimony, I just haven't seen it. There's no evidence
10 in the record that I have seen on any estimate of
11 traffic or any depiction of facilities that would allow
12 you to reach that conclusion.

13 Q. Let's speak generally. Are you aware of any
14 instances in the industry where once a dial-up route to
15 an Internet company becomes available that it exhausts
16 the facilities because it wasn't built for that?

17 A. Well, I'm not personally aware of any, but I
18 would suggest that if a facility doesn't consider
19 Internet usage that's really poor planning today. I
20 mean everyone wants Internet access today, and those
21 facilities should be able to handle that.

22 Q. So you're saying every facility in the
23 country ought to be planned for these long holding times
24 for this Internet traffic?

25 A. No, that's not what I said. I think

0073

1 everybody wants Internet access, especially rural areas,
2 and companies should be planning for that to the extent
3 it's required. I don't think it is required. I don't
4 think it impacts the local network.

5 Q. So are you saying that at this particular
6 radio site at Mt. Ellis that CenturyTel should have had
7 excess capacity there in anticipation that Level 3 or
8 somebody else was going to suddenly bring "local"
9 dial-up Internet traffic to it?

10 A. Well, I just find it incredible to think that
11 those poor folks in Forks don't even have Internet
12 access today. I find that hard to believe.

13 Q. Who said that?

14 A. I thought that was your suggestion.

15 Q. They've got local Internet access.

16 A. Oh, there's an ISP in Forks?

17 Q. Oh, sure.

18 JUDGE MOSS: Let's have questions from
19 counsel and answers from the witness, please.

20 THE WITNESS: Thank you, Your Honor.

21 MR. SIMSHAW: Your point is well taken, Your
22 Honor.

23 MR. PENA: Your Honor, I think I'm going to
24 object I mean on that last point.

25 JUDGE MOSS: I don't know if we have a

0074

1 question pending, Mr. Pena, so let's have a question.

2 MR. SIMSHAW: Well, there was a question, but
3 it was from the witness.

4 JUDGE MOSS: Maybe this would be an opportune
5 moment to take a five minute recess and let us all
6 stretch our legs.

7 (Recess taken.)

8 JUDGE MOSS: Assuming everything was not
9 worked out during the break, Mr. Simshaw, proceed.

10 BY MR. SIMSHAW:

11 Q. Mr. Gates, CenturyTel's facility, radio
12 facilities at Mt. Ellis, can we agree that there are
13 costs associated with that, not looking at any
14 particular traffic right now, just there's a cost
15 associated with operating that facility?

16 A. Sure, any facility has a cost.

17 Q. And would you agree that interexchange
18 carriers are contributing to recovery of that cost as
19 the toll traffic goes from Forks to Seattle?

20 A. Yes, through access charges, that's correct.

21 Q. Is there any other source for recovery of
22 those costs?

23 A. Which costs in particular?

24 Q. The radio facility at Mt. Ellis that shoots
25 towards Port Angeles.

0075

1 A. Yes, local rates and all of the local
2 revenues associated with the local telephone service,
3 which would include vertical services and contribution
4 from access charges, toll services, star code features,
5 et cetera, all contribute to those costs.

6 Q. Is your statement still the same if many of
7 the revenue sources you just mentioned don't involve
8 utilization of that facility?

9 A. Well, you said that that facility was within
10 the local calling area, I'm assuming it's used to carry
11 local traffic.

12 Q. I'm sorry, the facility I'm referring to is
13 the Mt. Ellis radio with the radio shot to Port Angeles.
14 Yes, it's within the local exchange area, but it merely
15 shoots traffic to Port Angeles.

16 A. Was there a question, I'm sorry?

17 Q. Is your statement still that these various
18 enhanced services that you might have mentioned that
19 don't utilize that facility are contributing to the
20 recovery of its cost?

21 A. Well, they certainly do provide significant
22 contribution. Now we have this problem in rate cases
23 generally where we don't know exactly where all the
24 revenues go, but they do provide contribution to cover
25 the costs of the company.

0076

1 Q. I think we just mentioned a moment ago that
2 interexchange carriers through the payment of access
3 charges would contribute to the recovery of that
4 microwave shot on calls to Seattle. Level 3 has no
5 intention of paying anything to CenturyTel, does it, for
6 the operation of that facility?

7 A. Under your example where the point of
8 interconnection is past that facility, no, Level 3's
9 responsibility begins at the point of interconnection.
10 Now if the companies were to negotiate a meet point or
11 point of interconnection at the Forks central office,
12 then Level 3 would be responsible for leasing facilities
13 to get to Port Angeles and on to Seattle. So it all
14 depends, of course, on your assumption as to where the
15 point of interconnection might be.

16 Q. Well, as we discussed earlier this morning,
17 Level 3's not making any commitment, are they, to in
18 every instance come to the end office?

19 A. No, it's whatever the engineers agree to
20 that's technically feasible, that's where the point of
21 interconnection will be. And that should be acceptable
22 to both companies, that's the goal.

23 Q. I believe you mentioned earlier that the -- I
24 think you included within your answer that the local
25 rates paid by these CenturyTel customers represented by

0077

1 these little telephones on the diagram, that those
2 revenues from those rates do contribute to recovery of
3 the cost of that Mt. Ellis microwave shot?

4 A. Yes, they provide contribution to the entire
5 CenturyTel operation.

6 Q. And there's two customers identified on the
7 diagram. Assume for the moment that one of them takes
8 up Level 3's customer, and let's use AOL, takes up their
9 offer for dial-up Internet to a number in Seattle, and
10 the other one doesn't. In fact, the other one doesn't
11 even own a computer. Are you saying that both of these
12 customers in their local rates should support that
13 microwave shot?

14 A. Well, that's what the FCC has determined in
15 its TSR order, for instance, that the local exchange
16 carrier, the incumbent local exchange carrier is
17 responsible for getting the call to the POI and that
18 local rates cover those costs.

19 Q. If all of this came to happen and it was
20 possible for those two customers or at least one of them
21 to make a dial-up Internet call or many dial-up Internet
22 calls to an ISP in Seattle, and CenturyTel determines
23 that the operation of that Mt. Ellis radio shot is
24 becoming expensive, more expensive, would it be within
25 the public interest for CenturyTel to approach the one

0078

1 customer who is using that service and say, you know,
2 your local rate is going to have to be higher than the
3 other customer because you're using that microwave shot
4 and the other customer is not?

5 A. Well, as you know, that depends entirely on
6 the rate structure within the local exchange. If there
7 is mandatory measured service, the cost causer is paying
8 rates associated with his or her usage. If it's
9 averaged rates and they're flat rate services, it's
10 always been the case that perhaps a retiree with no
11 family would make one or two calls a month while a
12 family with multiple kids might make hundreds or
13 thousands of calls a month. Those costs and those rates
14 are averaged to come up with a revenue requirement for
15 the company. But CenturyTel is always able to come in
16 to the Commission and make a showing of need with
17 respect to the revenue requirement to cover costs.

18 Q. Do you have any speculation as to what the
19 Washington Commission might do if CenturyTel suggested
20 that the local rates ought to increase for those
21 customers that use the Internet?

22 A. No, I don't.

23 Q. I think we mentioned earlier this morning
24 that Level 3 was looking to this service strictly for
25 ISP traffic; is that right?

0079

1 A. Yes, this agreement is limited specifically
2 to ISP bound traffic.

3 Q. Then would Level 3 have any problem if any
4 resulting interconnection agreement also that language
5 restricted it to ISP bound traffic?

6 A. I'm sorry, I didn't understand the question.

7 MR. PENA: Your Honor, I think I'm going to
8 object, it calls for a legal conclusion, and obviously
9 that's something that the attorneys can get together on.

10 JUDGE MOSS: Well, at this point, we don't
11 have a question that's been comprehended by the witness,
12 so let's see if we ask it again, and if there's still an
13 objection, you can interpose it then.

14 BY MR. SIMSHAW:

15 Q. My question, Mr. Gates, is that if Level 3
16 has committed to utilize this service strictly for IP
17 traffic, would Level 3 have a problem if the language of
18 the resulting interconnection agreement, if there was
19 one, confirmed that, that the resulting interconnection
20 agreement only applied and its terms were only
21 applicable to ISP traffic?

22 MR. PENA: Your Honor, I would again object,
23 it calls for a legal conclusion, and Mr. Gates is not a
24 lawyer, and that's something obviously that the parties
25 can address.

0080

1 JUDGE MOSS: Mr. Simshaw.

2 MR. SIMSHAW: Well, Your Honor, as I
3 understand the purpose of this proceeding, it's to
4 arrive at, and I know there's disagreement among the
5 parties whether a local interconnection agreement is
6 even appropriate, but that under Level 3's position that
7 the end result would be a local interconnection
8 agreement, and it would have various terms, and the
9 witnesses have spoke to many, many terms in that
10 agreement, you know, whether it's bill and keep, where's
11 the meet point, what's the obligation of one carrier
12 versus the other, and for counsel to say that this one
13 particular term which the witness has already said they
14 made a commitment to, that he's not qualified to talk
15 about that agreement, then.

16 JUDGE MOSS: Well, I'm not sure that the
17 witness is qualified to make a commitment on the part of
18 the company as to what it would or would not agree to in
19 a specific contract, so you might -- if you want to
20 reframe your question in terms of its feasibility or in
21 some other fashion that's within the scope of this
22 witness's expertise and purpose for being here, then
23 that might be appropriate. Otherwise, the question is
24 probably more properly directed to a company
25 representative who might be able to say whether the

0081

1 company is prepared to make such a commitment or not.

2 MR. SIMSHAW: Very well, Your Honor, I think
3 your last suggestion will probably suit my needs.

4 BY MR. SIMSHAW:

5 Q. Mr. Gates, if I could direct your attention
6 to page 32 in I think it's your direct testimony.
7 There's a statement at line 21 where you say:

8 Further, the ESP exemption specifically
9 exempts ESPs and their services from
10 Interstate access charges and then ESPs
11 including ISPs.

12 And let me direct you to one other spot in
13 your testimony before I pose a question to you on this,
14 page 38, line 20, there's a quotation there from the ISP
15 order, and it says:

16 ESPs including ISPs continue to be
17 entitled to purchase their PSTN.

18 Which I believe stands for public switch
19 telephone network.

20 Links through intrastate local tariffs
21 rather than through interstate access
22 tariffs.

23 And my question based on these references to
24 the ESP exemption, is Level 3 an ISP, or is Level 3 a
25 telecommunications carrier?

0082

1 A. Level 3 is not an ISP. To the extent the
2 phrase telecommunications carrier has some legal
3 connotation here in Washington, I wouldn't know what
4 that is. But clearly as a CLEC, Level 3 is providing
5 these services on a local basis to the ISPs, and the
6 exemption applies.

7 Q. Well, in looking at the language I read, I
8 think I can agree that the exemption applies to ISPs,
9 but are you maintaining that it also applies to the
10 carriers for ISPs?

11 A. Well, it says that ISPs continue to be
12 entitled to purchase air links through intrastate local
13 tariffs, and Level 3 is a competitive local exchange
14 carrier providing service to ISPs, so yes, those ISPs
15 can not -- do not pay access charges.

16 Q. Okay, I think you have referred to the
17 relationship between Level 3 and let's say AOL in
18 Seattle and that connection in Seattle. What I'm asking
19 you about is the other end of the connection where Level
20 3 is connecting with CenturyTel at Forks or wherever.
21 Does that connection fall under the ESP exemption?

22 A. That connection is an interconnection, or
23 excuse me, that's a co-carrier interconnection under the
24 Act, and that's what governs that relationship. But
25 frankly, we're getting into legal issues that I

0083

1 shouldn't be opining on, but.

2 Q. Let me direct you to page 33 of your direct
3 testimony at line 13. You're making a statement that I
4 believe refers to the Level 3 service where you say:

5 The costs of originating this traffic do
6 not differ from any other local call.

7 And I believe you're referring to the
8 CenturyTel costs; is that correct?

9 A. That's correct.

10 Q. Do the costs for CenturyTel originating a
11 toll call from Forks to Seattle, do those costs differ
12 from any local call?

13 A. If you're just talking about the originating
14 part from the consumer to the first point of switching,
15 those costs would be the same. After that, costs do
16 change based on the required routing and data base dips
17 associated with various types of toll calls.

18 MR. SIMSHAW: Your Honor, if I may?

19 JUDGE MOSS: Sure.

20 BY MR. SIMSHAW:

21 Q. Mr. Gates, I'm back to Exhibit WHW-2, which I
22 have placed back up on the easel. And we were
23 discussing comparison of CenturyTel costs in the Level 3
24 service provision and in the provision of interexchange
25 toll. Could be Forks to Seattle in both instances.

0084

1 Assuming that CenturyTel meets Level 3 and the
2 interexchange carrier, and again I'm referring to a call
3 from Forks to Seattle, assuming that CenturyTel meets
4 both of those carriers, we're going to take the call to
5 Seattle, at the same point, let's say it's on the
6 exchange modem, how would CenturyTel's costs differ as
7 between the two?

8 THE WITNESS: May I approach, Your Honor?

9 JUDGE MOSS: Yes.

10 THE WITNESS: Thank you.

11 A. When we're talking about a local call, dial
12 on a seven digit basis, that call goes into the
13 CenturyTel switch, and by looking at the LERG
14 guidelines, CenturyTel knows that this is a Level 3
15 call, so it routes it to facilities, these interexchange
16 facilities that go to Level 3. All of the service
17 characteristics, the intelligence of the service, all of
18 the features of the service, and indeed the telephone
19 number for the service reside in the Level 3 switch,
20 okay.

21 Let's compare that to a toll call, a typical
22 interexchange toll call. This customer goes off hook,
23 dials a toll number, 1 plus area code and the number,
24 goes into the switch. The switch then sees that as a
25 toll call, routes it, generally now, we're talking

0085

1 generally, to an access tandem to get the information
2 about the interexchange carrier who is going to carry
3 that call. That does impose additional costs on
4 CenturyTel for having to go to the access tandem, for
5 having to use the SS7 network for information about the
6 interexchange carrier and the routing of that call.
7 Different interexchange carriers have different routing
8 requirements, and that's all found in the access tandem.
9 There may be times when an access tandem and a local
10 switch coincide, they may be partitioned, but generally
11 that's not the case. So there are differences.

12 And then if we talk about an 800 call, the
13 costs are even greater, and that's reflected in the
14 access charges, because then you have to do a data base
15 dip to find out what this 800 number really is, first of
16 all, which IXC is providing the 800 service, that's one
17 dip. The second one would be what is the actual
18 terminating number associated with that 1-800 number.
19 It has to be converted to an actual terminating number.
20 That's another cost. So there are additional costs.
21 This piece right here though remains basically the same.

22 Q. Mr. Gates, you identified SS7 costs.
23 Wouldn't you agree that in a typical toll call Forks to
24 Seattle, the SS7 costs as a proportion of the total cost
25 are very, very minor?

0086

1 A. The marginal cost of the SS7 dip are minor.
2 Putting in an SS7 network I would suggest is an
3 expensive proposal. Most companies have done that. I
4 do not know, I assume CenturyTel has an SS7 network, but
5 that is an expensive proposition up front to begin the
6 SCPs.

7 Q. But the marginal costs, and we're talking
8 only one call, you agree are minor?

9 A. For what?

10 Q. For the SS7 costs as compared to the overall
11 costs --

12 A. Yes.

13 Q. -- of delivering that traffic?

14 A. Yes.

15 Q. Okay. You also mentioned 800 traffic and the
16 activity of a LIDB, line information data base, L-I-D-B,
17 a LIDB dip, dip is data --

18 A. No, it's just a dip.

19 Q. Dip, okay.

20 A. And I didn't mention LIDB, but you're
21 correct.

22 Q. Oh, I apologize.

23 A. That's all right.

24 Q. Well, anyway --

25 A. There's also the SMS 800 data base, but there

0087

1 is a dip.

2 Q. Okay. Would you agree with me again that the
3 cost of that dip as compared to the overall cost of
4 delivering that traffic on an 800 call is pretty minor?

5 A. Yes.

6 Q. So basically for the most part the costs are
7 the same for CenturyTel to deliver an interexchange call
8 to Seattle to an IXC as compared to delivering this
9 virtual NXX traffic to Level 3, assuming the meet points
10 are the same point?

11 A. No, I wouldn't agree with that generally. We
12 might argue about the difference in the cost, but it's
13 clearly cheaper for CenturyTel to originate a local call
14 than it is to originate and transport an interexchange
15 toll call, because we have intermediate carriers
16 involved. We have to go from CenturyTel to an
17 interexchange carrier and then terminate to another
18 local exchange carrier. There's generally at least
19 three, maybe four if Qwest is involved in a transitting
20 function.

21 What we're talking about here for Level 3 is
22 simply handing off a local call to Level 3. Level 3 is
23 providing the transport, the switch intelligence, the
24 termination, all the features associated with the
25 service.

0088

1 Q. In a call, interexchange toll call from Forks
2 to Seattle, isn't it possible that there are only two
3 carriers involved, CenturyTel and Qwest?

4 A. That's possible, I don't know.

5 Q. And there's two carriers involved with the
6 Level 3 service, right, CenturyTel and Level 3?

7 A. Well, limited. I would say CenturyTel's
8 involved in that CenturyTel customers originate the
9 call, but I guess technically there are two carriers
10 involved, yes.

11 Q. So the only additional costs you have
12 identified were on a regular toll call the SS7 costs and
13 on an 800 call the dip?

14 A. The dip and the conversion. But I think the
15 point is Level, excuse me, CenturyTel has not shown in
16 the case that there's any additional costs associated
17 with Level 3's service. I haven't seen it in any of the
18 testimonies, certainly haven't been any studies provided
19 that would show any additional costs that would impact
20 the company in any way.

21 Q. But again, focusing on the company's costs as
22 between an interexchange call via an IXC and a call
23 using Level 3's service, substantially the costs are the
24 same other than the dip and the LIDB, I mean the LIDB
25 and the SS7?

0089

1 A. No, I would disagree. I think you're trying
2 to simplify -- you're trying to equate local call
3 routing with interexchange toll routing, and I think
4 they're distinctly different technically and on a cost
5 basis. Now how much that is, I couldn't quantify that
6 as we sit here. There are too many pieces of the
7 network we would have to look at on a call by call
8 basis. But I think you're wrong to suggest that the
9 costs are the same for local and toll calls.

10 Q. But in both cases the call goes from Forks to
11 Seattle, right?

12 A. It does. It depends on who is responsible
13 for those costs and how it's done and the technology
14 involved. The end points are the same.

15 Q. In both cases it uses the loop between the
16 CenturyTel customer and the CenturyTel switch, right?

17 A. Yes.

18 Q. In both cases it goes through the CenturyTel
19 switch?

20 A. Yes.

21 Q. Okay. And in both cases, assuming the meet
22 point is the same, it might use this CenturyTel
23 interexchange facility?

24 A. It might.

25 Q. Okay.

0090

1 A. But there also might be an access tandem
2 involved, there might be transitting with another
3 carrier, there's also the data base dips that we
4 discussed.

5 Q. But I mean you and I were in a discussion
6 yesterday in Oregon, weren't we, where even with virtual
7 NXX there could be tandems involved?

8 MR. PENA: Your Honor, I'm going to object.
9 Other than Mr. Gates and Mr. Simshaw, I don't think
10 anybody in this room was in the Oregon proceeding.
11 There's already been a couple of references to it, and I
12 just think it's improper hearsay.

13 JUDGE MOSS: I think the witness can respond.
14 He was there at least.

15 A. I think the point is there are dozens of ways
16 to get traffic between one point and another. I think
17 the key issue for Your Honor to consider in this case
18 though is whether there are any additional costs that
19 would justify treating Level 3 traffic different from
20 any other traffic, and that's just not the case in this
21 proceeding.

22 BY MR. SIMSHAW:

23 Q. Well, let me just sum up this line of
24 questioning then. The interexchange call using Qwest
25 from Forks to Seattle, using CenturyTel's loop switch

0091

1 and interexchange facilities, that would involve Qwest
2 as the IXC paying access charges to CenturyTel, would it
3 not?

4 A. I'm sorry, I got lost in the minutia there
5 thinking about some of the assumptions, could you repeat
6 it, I'm sorry?

7 Q. Well, I haven't varied, Mr. Gates, I'm still
8 talking about a call from a CenturyTel customer in
9 Forks, two calls, one to a Qwest customer in Seattle,
10 one to a Level 3 customer in Seattle. The Qwest
11 customer is via toll, the Level 3 customer via Level 3's
12 virtual NXX. With those two calls in mind, let me speak
13 first towards the call from Forks to the Qwest Seattle
14 customer via toll. I think we agreed that would use
15 CenturyTel's loop, switch, and interexchange facilities,
16 and what I'm asking you to confirm is that Qwest as the
17 IXC would pay CenturyTel access charges on that call?

18 MR. PENA: Your Honor, I'm going to object.
19 There's been no identification as to who the co-provider
20 is going to be in Mr. Simshaw's, pardon me, the toll
21 provider in Mr. Simshaw's questioning.

22 JUDGE MOSS: I thought he identified --

23 MR. SIMSHAW: I can address that, Your Honor.

24 JUDGE MOSS: Go ahead.

25 BY MR. SIMSHAW:

0092

1 Q. Assume that it's a two carrier situation,
2 that Qwest meets CenturyTel facilities at the same place
3 Level 3 does, and it is strictly Qwest who carries it to
4 a Qwest customer in Seattle. In that situation, would
5 Qwest pay access charges to CenturyTel on that call?

6 MR. PENA: I'm going to object again, Your
7 Honor. I would at least like for Mr. Simshaw to
8 identify who is providing the toll service from the
9 CenturyTel local calling area to the Qwest switch.

10 JUDGE MOSS: All right, I'm going to overrule
11 the objection. The witness is qualified to answer, I
12 think, based on the assumptions given, and if he needs
13 additional information, he can indicate.

14 A. I think the important distinction here is
15 that you're talking about an interexchange carrier and
16 that carrier's relationship with CenturyTel. In that
17 situation, it is appropriate to pay access charges.
18 With a co-carrier situation where we have Level 3 as a
19 co-carrier with CenturyTel in the Forks exchange, access
20 charges would not be appropriate.

21 BY MR. SIMSHAW:

22 Q. And you state that even though that call, now
23 I'm talking about the Level 3 call, just like the Qwest
24 call went over the loop, the switch, and the CenturyTel,
25 the same interexchange facility?

0093

1 A. Absolutely.

2 Q. Okay.

3 A. And that is because CenturyTel is already
4 receiving compensation for originating those calls to
5 the point of interconnection. The FCC has found that
6 that's common practice around the country for these
7 interconnection agreements.

8 Q. Well, if CenturyTel was already compensated
9 for those facilities, why are they charging access
10 charges to Qwest?

11 A. Because it's a different service,
12 Mr. Simshaw. You can't say that a local call is the
13 same as a toll call, which is dialed on a toll basis,
14 which goes through the access tandem, which uses all of
15 the originating facilities of an ILEC on both ends.
16 They're completely different. And in this case, in this
17 particular case, we're talking about ISP bound traffic,
18 which is specifically exempt from access charges in the
19 first place.

20 Q. You would agree with me again that CenturyTel
21 doesn't agree that that Level 3 call is a local call?

22 A. I would agree.

23 Q. Okay. At page 34 of your testimony, there is
24 a quotation from the TSR order. I would like to
25 specifically refer you to beginning at line 6. It says:

0094

1 The local competition order requires a
2 provider to pay the costs of facilities
3 used to deliver traffic originated by
4 that carrier to the network of its
5 co-carrier and then terminates that
6 traffic and bills the originating
7 carrier for termination compensation.

8 Mr. Gates, are you saying that that rule
9 would apply to all traffic that originates on
10 CenturyTel's network?

11 A. No, I believe the rural exemption applies to
12 CenturyTel. This is a general statement though, and if
13 you continue on with the quote, of course, we get to the
14 point about cost recovery there beginning on line 17
15 where the originating carrier recovers the costs of the
16 facilities through the rates it charges its own
17 customers for making calls.

18 Q. But wouldn't you --

19 A. The principle is the same.

20 Q. Wouldn't you agree that there are some calls
21 that originate on CenturyTel's network like this Seattle
22 call to the Qwest customer, a toll call where although
23 it originates on CenturyTel's network, CenturyTel is not
24 expected to pay the terminating carrier?

25 A. Well, this order is a quote from the local

0095

1 competition order. This is about local calls.

2 Q. Oh.

3 A. And that's the purpose of this
4 interconnection dispute.

5 Q. Okay.

6 A. And I realize CenturyTel doesn't feel the
7 same way Level 3 feels about these calls, but.

8 Q. We are in agreement then that this order and
9 this concept only applies to local calls?

10 A. That's what this is about, yes.

11 Q. Okay. Page 34, I guess we're there,
12 beginning at line 30, you state that:

13 The FCC has stated that ILEC rates cover

14 these costs. This does not just refer

15 to CenturyTel's basic local rates.

16 And then there's a sentence that says:

17 Local rates and revenues include not

18 only the basic local rate, but other

19 revenue from subscriber line charges,

20 vertical services, as a parenthetical,

21 universal service, surcharges, extended

22 area service charges, and contribution

23 from access charges for intraLATA and

24 interLATA toll.

25 Backing up and just looking at the beginning

0096

1 and the end of that sentence, am I correct that you're
2 saying that local rates and revenues include
3 contribution from access charges?

4 A. Certainly, and that was considered when the
5 FCC tried to come up with an average revenues per line,
6 you may recall those orders, they included contribution
7 from toll associated with access charges.

8 Q. So in your view, access charges are local
9 rates?

10 A. No, but those are revenues associated with
11 the local loop that provide contribution to those local
12 facilities. That's been the justification that ILECs
13 have made for years to justify the excessive level of
14 access charges.

15 Q. Okay. You mentioned contribution to the
16 local loop, and I think we agreed that both the Qwest
17 traffic to the Seattle customer and the Level 3 traffic
18 to the Seattle customer would go over that local loop.

19 A. Yes, as would an FX service provided by
20 CenturyTel.

21 Q. And I think we earlier established that Qwest
22 would pay access charges on that call, and as you have
23 just now described, that is to help contribute to the
24 recovery of the cost of the local loop. But isn't it
25 true that Level 3 would not under Level 3's proposal pay

0097

1 access charges to help recover the cost of the local
2 loop that was used on that call?

3 A. No, it would not, because these are local
4 calls, and the local rates cover those costs, just like
5 on a CenturyTel FX call, the customers here in the Forks
6 exchange don't pay anything extra to CenturyTel to
7 originate those calls to an FX number. Those costs are
8 all compensated through the rates that they pay today.

9 Q. Are you aware that there is no FX service
10 associated with the Forks exchange?

11 A. Well, by example.

12 Q. Okay.

13 A. If there were.

14 Q. But you mentioned the existing local revenue
15 from that customer making the call. Well, there's not
16 existing local revenue associated with the Qwest call as
17 well, is there not?

18 THE WITNESS: May I approach, Your Honor?

19 JUDGE MOSS: Yes.

20 THE WITNESS: Thank you.

21 A. This customer by virtue of being a CenturyTel
22 customer and having his local loop is able to make all
23 kinds of calls. He or she can make local calls, can
24 make ISP calls assuming that service is available, can
25 make toll calls, can make calls to 1-900 numbers,

0098

1 information numbers, et cetera. The costs associated
2 with originating all of those calls are built into the
3 local loop and the local rate structure. So regardless
4 of what calls are made by this customer, regardless of
5 the destination, regardless of who the terminating
6 carrier might be or who the interexchange carrier might
7 be in a situation like this, these costs are all covered
8 in those local rates, and that's what the TSR order was
9 meant to indicate.

10 Q. But didn't you just earlier say that the
11 access charges were also contributing to the recovery of
12 that loop cost?

13 A. Oh, sure. And when Level 3 provides an
14 interexchange toll service, Level 3 pays access charges.
15 This is not a toll service. This is Level 3's dedicated
16 dial DID service for its ISP customers. It's a local
17 service, and access charges are not appropriate in that
18 situation.

19 Q. To sum up then, when that CenturyTel customer
20 makes calls to Seattle, sometimes there will be
21 additional compensation for the loop, and sometimes
22 there won't?

23 A. Depending upon the technology required and
24 depending upon public policy positions dictated by this
25 Commission, that's correct. The compensation can be

0099

1 completely different for a call between two points.

2 Q. Let me move to your reply testimony. Now
3 page 2, line 31, there's a heading, and I just have to
4 admit I'm puzzled by it. It says, Level 3 is not
5 offering free inbound calling for ISP customers. First
6 of all, when you say ISP customers, do you mean ISPs as
7 customers of Level 3, or are you talking about the
8 customers of ISPs?

9 A. Level 3's customers in this case are ISPs, so
10 I'm referring to ISPs as customers of Level 3.

11 Q. Are you saying that you're not offering that
12 Level 3 customer a service that provides inbound calling
13 that is toll free?

14 A. Yes. What I'm saying is, and I'm responding
15 specifically to the testimony of the CenturyTel
16 witnesses here, so I think if you read the next couple
17 of pages, that will put it in context, but basically
18 what CenturyTel is proposing in this case is this is
19 really just 800 service, and it's clearly not. And the
20 fact that the CenturyTel witnesses suggested it was free
21 inbound calling, that's not the case either. And
22 although I don't know how Level 3 charges its customers,
23 it's clearly not giving away service to the ISPs. There
24 is some sort of rate structure involved, and it is not
25 800 service.

0100

1 Now Level 3 I suppose could offer an 800
2 service, but that's not what these ISPs want. They want
3 a local dial-up service, and this is a competitive
4 response to that demand, very similar to foreign
5 exchange service or IPRS, which is Internet protocol
6 routing service, a Verizon service, or Omnipresence, or
7 Qwest's wholesale dial service. All of these services
8 provide the same functionality for these ISPs, a local
9 dial-up presence in an exchange where they do not have a
10 physical presence.

11 Q. So the traffic that we're referring to is
12 toll free from the perspective of the CenturyTel
13 customer, but you're saying it's not toll free from the
14 perspective of the Level 3 customer?

15 A. Generally that's correct, but more
16 specifically, it's not toll at all.

17 Q. Well, but the only company, the carrier
18 that's getting compensated for that call then is Level
19 3?

20 A. Yes, because Level 3 is carrying the call.

21 Q. All the way?

22 A. All the way from the meet point.

23 Q. Page 19 of your reply testimony, at line 7
24 there's a sentence that says, Level 3 service, I'm
25 sorry:

0101

1 The Level 3 service is associated with a
2 specific exchange and not hundreds or
3 thousands of exchanges normally
4 associated with 800 service.

5 A. Mr. Simshaw, we may have a pagination issue
6 here. That sentence appears on line 2 of page 19 for
7 me. It is the same sentence, but --

8 JUDGE MOSS: I think we all have the
9 sentence, although the pagination may differ slightly.

10 MR. SIMSHAW: I apologize, I --

11 THE WITNESS: Well, it's not necessarily your
12 fault, it's just --

13 JUDGE MOSS: Mr. Simshaw, you have it at the
14 same point that I have it.

15 MR. SIMSHAW: Oh, okay.

16 JUDGE MOSS: But I think we all have the same
17 testimony, and that's what's important.

18 MR. SIMSHAW: Okay.

19 BY MR. SIMSHAW:

20 Q. But what I want to focus on, Mr. Gates, is
21 your characterization that this service is associated
22 with a specific exchange. Let's take for example if
23 Level 3 was serving AOL as a customer in Seattle,
24 wouldn't Level 3 be in a position to give AOL Forks
25 numbers and also numbers to any of the other 30 some

0102

1 calling areas that CenturyTel serves?

2 A. I believe that's the nature of the service.

3 It's a specific geographic type of service just like FX
4 where the customer will tell Level 3 where it wants to
5 have a presence so that it can attract customers. Then
6 Level 3 goes out and talks to the incumbent local
7 exchange carriers and seeks interconnection agreements
8 to provide local service in those areas. Much like FX,
9 you could have FX to one exchange, or you can purchase
10 FX services to multiple exchanges, but it's not the
11 broad geographic reach normally associated with an 800
12 service, which might be the western United States, a
13 LATA or a state, or even the entire country.

14 Q. But Level 3 could give -- I mean we have
15 already established that Level 3 is giving that Seattle
16 AOL customer virtual NXXs basically nondiscriminatory, I
17 mean in a non-discriminatory fashion anywhere in the
18 state of Washington, can't they?

19 A. I guess I don't understand the question. You
20 said in a non-discriminatory fashion, I don't know, what
21 did you mean?

22 Q. That's a poor choice of words, let me
23 rephrase it.

24 Is there anything that would stop Level 3
25 from giving that AOL customer a Forks number?

0103

1 A. Other than arbitration proceedings such as
2 this?

3 Q. Granted, hopefully.

4 A. No, I think the point is that this service
5 can be provided assuming Level 3 is able to get
6 interconnection agreements, Level 3 will go where its
7 customers want it to go.

8 Q. Okay.

9 A. And it could be 1 or 2 exchanges, it could be
10 20, but it's much more specific however than an 800
11 service.

12 Q. And if they wanted 50 exchanges, would Level
13 3 accommodate that I mean to the extent that it's
14 technically feasible?

15 A. That question may be better asked of
16 Mr. Hunt. There may be some limitations with the Level
17 3 network that would prevent that. But generally I
18 agree with the concept.

19 Q. Page 19, and on my copy it's line 19, but let
20 me read the sentence to make sure everybody gets to the
21 same spot, it says:

22 Level 3's service is what it is, a
23 creative way to offer an FX like
24 functionality using new technology.
25 Have you found that sentence?

0104

1 A. Yes.

2 Q. Okay. My question I guess is with reference
3 to the new technology, couldn't anybody have provided
4 this virtual NXX service ten years ago?

5 A. Sure. I mean CenturyTel has been providing
6 FX service for I believe the discovery response was
7 since 1982, so certainly they could provide it. It's
8 whether or not you have any competitive advantage in the
9 way you provide it. It's whether or not you craft your
10 service with special features to make it attractive to
11 consumers. Level 3 is using an IP protocol network with
12 packet switching, which makes it very cost efficient,
13 much more cost efficient than a typical circuit switch.
14 It also uses a soft switch technology, kind of a
15 distributed switching technology, which makes it much
16 more efficient and cost effective than most services.
17 So Level 3 not only can provide more features and
18 services than a typical FX type service, but it also
19 does it on a very cost effective basis.

20 Q. Mr. Gates, back to the example, Forks to
21 Seattle, now the Level 3 service, would you agree that
22 starting with the CenturyTel customer all the way to the
23 Level 3 switch in Seattle, it's the same old circuit
24 technology?

25 A. Well, unless and until Level 3 builds out its

0105

1 network, it's limited by the existing technology of the
2 incumbent local exchange carrier, that's correct.

3 Q. Well, but you I think earlier today
4 acknowledged that everything on the Level 3 side of the
5 point of interconnection is Level 3's responsibility,
6 right?

7 A. It is its responsibility technically and
8 financially, but that doesn't mean that Mr. Hunt has
9 directed the company to build facilities to that point
10 of interconnection. It may be that Level 3 will have to
11 lease facilities either from CenturyTel or from Qwest to
12 get that traffic to its own network where it can achieve
13 those economies of scale and scope that I was discussing
14 earlier.

15 Q. Page 23, still in the reply. There's a
16 sentence at what's line 19 in my version of the
17 testimony that begins:

18 Level 3 does not need CenturyTel's help
19 to handle any FX type component of the
20 service.

21 MR. PENA: Mr. Simshaw, I apologize, what
22 page number was that?

23 MR. SIMSHAW: I'm sorry, and maybe we even
24 get a page number discrepancy here, on my version it's
25 page 23.

0106

1 THE WITNESS: That's where it is on mine as
2 well, line 15 through 19 for me.

3 MR. PENA: Oh, okay.

4 JUDGE MOSS: I think we all have that now.

5 MR. SIMSHAW: Okay.

6 BY MR. SIMSHAW:

7 Q. You don't mean to say in that statement, do
8 you, Mr. Hunt, that on a typical call under this
9 interconnection arrangement that Level 3 doesn't need
10 CenturyTel's participation or "help" to complete the
11 call?

12 A. No, that's not the point of my statement.
13 Obviously in a co-carrier situation absent Level 3
14 putting a local switch in every local calling area that
15 CenturyTel has, they have to have an interconnection
16 agreement. But CenturyTel's participation is simply
17 originating the traffic. In fact, it's CenturyTel's
18 customer originating that call, but that's all that's
19 required. All the intelligence for the switch, all the
20 things that make the service, excuse me, all the
21 intelligence relies on the switch, all of the things
22 that make the service unique and attractive to the ISPs,
23 that's all in the Level 3 network.

24 Q. On my page 24, and this time I am going to
25 guess that your page is different, because I'm toward

0107

1 the top of the page, my page 24 at line 4, there is a
2 sentence that says:

3 As with traditional FX service, Level 3
4 is providing both the open end and the
5 closed end of the service.

6 Do you see that sentence?

7 A. Yes, I do, that's on my page 23, lines 22 and
8 23.

9 Q. And in order to ask my question, we're going
10 to have to have a little bit of discussion about open
11 end, closed end. First, you refer to traditional FX
12 service. I believe that's included in again I'm
13 referencing Exhibit WHW-2, and there's an FX reference
14 separate and apart from the Level 3 virtual NXX
15 reference, so let me go first to the traditional FX.
16 Now in trying to identify the open end, let me
17 characterize it and see if you agree. In our view, the
18 open end on a FX circuit where a Seattle customer gets
19 local service out of Forks because they've got a Forks
20 number, the open end would be all of these local loops
21 in the CenturyTel network going out to all the various
22 customers in the Forks exchange as well as the
23 CenturyTel switch, and that would be called the open end
24 because a call on that service is open to any of those
25 CenturyTel customers. Any one of them in the Forks

0108

1 exchange could make a call over that service. Would you
2 agree that that's the open end?

3 A. In a traditional FX service in a situation in
4 the context of a multiple switch ILEC network, that's
5 correct. But if you were to take that conclusion to its
6 ultimate finale, that would require CLECs to put a
7 switch in every exchange as well. Level 3 has a single
8 switch providing the same service. Simply because
9 you're originating the call, when I say you I mean
10 CenturyTel, doesn't mean you're providing the open end.
11 Even on your own FX service, you're not getting any
12 additional compensation, for instance, for all of those
13 local calls to that what you call an open end. You call
14 it an open end because you have two switches involved,
15 you have the open end originating switch and the closed
16 end terminating switch. Level 3 has one switch.

17 Q. First of all, you said CenturyTel in the
18 traditional FX doesn't get compensation for that open
19 end. Let me start there. Under the traditional FX,
20 isn't it typical that the Seattle customer would pay
21 CenturyTel a local rate in recognition of the fact that
22 it was drawing local service from the open end?

23 A. Oh, sure, that's correct, Your Honor, that FX
24 customer would purchase local service in that foreign
25 exchange just like any other customer in that exchange

0109

1 purchasing local service, but there are no additional
2 revenues associated with all of those calls to that open
3 end.

4 Q. Well, Mr. Gates, on that call you mentioned
5 all other customers, so on that call, CenturyTel would
6 be getting local revenue from the customer that placed
7 the call in Forks, and they would be getting local
8 revenue from the customer that received the call in
9 Seattle, right?

10 A. Who would be getting that revenue?

11 Q. CenturyTel.

12 A. No. How would you get revenue for the call
13 that terminated? You would get revenue from your
14 customer who originated the call for an FX service,
15 that's the local rates. Same thing with Level 3
16 service. For a toll call, the revenues on the other end
17 are received by the local exchange carrier at that end
18 or through access charges for terminating that call or
19 through reciprocal compensation arrangements.

20 Q. But CenturyTel would be getting local revenue
21 from both customers, the one making the call and the one
22 receiving the call.

23 A. In an FX relationship, is that what you mean?

24 Q. Yeah.

25 A. Assuming CenturyTel is providing --

0110

1 Q. Traditional FX where CenturyTel is providing.

2 A. So you have a CenturyTel customer in the
3 Qwest Seattle exchange?

4 Q. Right, it's jointly provided with Qwest.

5 A. Oh, okay, well, then Qwest gets those local
6 revenues.

7 Q. No, no.

8 A. You're splitting the revenues at best.

9 Q. I'm suggesting to you that under the typical
10 traditional FX tariff that CenturyTel gets those
11 revenues.

12 MR. PENA: Your Honor, I'm going to object --

13 JUDGE MOSS: I think the point is simply that
14 the FX customer in traditional service purchases a local
15 phone number in Forks and pays the local rate. Isn't
16 that the entire point of this line, Mr. Simshaw?

17 MR. SIMSHAW: Yes.

18 JUDGE MOSS: And I think the witness has
19 agreed with that, so let's move on.

20 MR. SIMSHAW: Okay.

21 BY MR. SIMSHAW:

22 Q. Back to the open end. Well, let's go to the
23 closed end. The other end of the call, whether Level 3
24 is providing it or CenturyTel in conjunction with Qwest,
25 is the Seattle end, and is it called the closed end

0111

1 because calls utilizing this service can only terminate
2 in one place in Seattle, and that's the customer buying
3 the service?

4 A. For traditional service, that's correct, and
5 that's a similar functionality that Level 3 is providing
6 and the other carriers that provide these sort of local
7 dial-up services.

8 Q. But back to the open end, it's open because
9 all of those CenturyTel customers can place a call over
10 that service, right?

11 A. It's open because that's where that customer
12 has a virtual presence. It's open because that number
13 now is there for customers in that exchange to call.

14 Q. And they can all call it as long as somebody
15 provides the loops, right?

16 A. Sure, and that's all compensated in that
17 local rate that you have charged that FX customer
18 sitting in Seattle.

19 Q. Well, let me go back to your statement then,
20 under the Level 3 service, Level 3 provides both the
21 closed end and the open end; where is the open end?

22 A. Well, there isn't an open end per se, because
23 there are not two Level 3 switches. There is one
24 switch. All CenturyTel has to do is what it does with
25 any other local call, just route that call to Level 3.

0112

1 Level 3 then transports it to Seattle, Level 3 switches
2 it in Seattle, Level 3 provides all the intelligence and
3 features for the service in Seattle and then terminates
4 the call to the customer.

5 Q. But there are two switches involved in the
6 call, right?

7 A. There are, and CenturyTel's costs are all
8 recovered in its local rates just as it does with its
9 own FX service. The local rates it charges its own FX
10 customer cover the cost of originating all of those
11 local calls in what you call the open end. See, the
12 traditional nomenclature for FX doesn't really work,
13 because what we're talking about is a multiple switch
14 ILEC network, the traditional network. Absent CLECs
15 putting in switches everywhere, that can't happen.

16 Q. But there --

17 A. It's a distinction without a difference.

18 Q. But there are two switches, you said multiple
19 switch is different, but there are two switches involved
20 in the Level 3 service, right; isn't that multiple
21 switch?

22 A. Well, yes, but Level 3 has one switch with
23 which to provide its service. In a CenturyTel scenario
24 where you have multiple exchanges, you will provide the
25 service between exchanges for an exchange service where

0113

1 CenturyTel has both switches.

2 Q. There's a switch out here on the open end
3 too, isn't there?

4 A. There's a switch there, and it can be jointly
5 provided with another carrier on the other end, or
6 CenturyTel can provide that.

7 Q. But in both cases there's a switch out here
8 on the open end?

9 A. Yes, in every case for every local call.

10 Q. And it's a CenturyTel switch?

11 A. In this case it is, yes.

12 Q. So who on the Level 3 service is providing
13 the open end?

14 A. Level 3 is providing the open end
15 functionality for its own customers. Level 3 provides
16 the dial tone for its ISP customers, Level 3 provides
17 all of the functionality. The only thing that
18 CenturyTel is doing is allowing its own customers to
19 originate a call like it does with any other local call,
20 and that's all associated with interconnection
21 agreements.

22 Q. You mentioned Level 3 providing dial tone to
23 its customer; in this particular service, are they
24 providing dial tone?

25 A. Well, it probably doesn't sound like dial

0114

1 tone to you and me. It probably sounds more like two
2 modems connecting, handshake. I resist the temptation
3 to make that noise on the record.

4 JUDGE MOSS: I have heard it.

5 THE WITNESS: Okay.

6 MR. SIMSHAW: If I may have one moment, Your
7 Honor, that may be the end.

8 JUDGE MOSS: Please take your moment.

9 MR. SIMSHAW: That's all I have, Your Honor.
10 Thank you, Mr. Gates.

11 JUDGE MOSS: Mr. Pena, are you going to have
12 any redirect for this witness?

13 MR. PENA: I'm sorry?

14 JUDGE MOSS: Are you going to have any
15 redirect?

16 MR. PENA: Yes, I am, Your Honor.

17 JUDGE MOSS: Can you complete it in the next
18 ten minutes?

19 MR. PENA: I will try.

20 JUDGE MOSS: I'm just asking if that's
21 reasonable. If it is, I would like to finish the
22 witness and let him get off the stand. If it's going to
23 take 45 minutes, then we will break for lunch.

24 MR. PENA: Oh, it won't take 45 minutes, Your
25 Honor. I just don't know if I can do it in 10.

0115

1 JUDGE MOSS: All right, as long as you can do
2 it in a reasonable --

3 MR. PENA: It shouldn't take very long.

4 JUDGE MOSS: -- proximation of 10, say 15.

5 MR. PENA: It will be closer to 10 than 45.

6 JUDGE MOSS: I may have given you too much
7 range.

8 All right, go ahead then.

9

10 R E D I R E C T E X A M I N A T I O N

11 BY MR. PENA:

12 Q. Mr. Gates, you had several questions
13 regarding whether you knew Level 3 customer locations;
14 do you recall those questions?

15 A. Yes.

16 Q. Now would a carrier necessarily know where
17 all of its customers are located prior to beginning to
18 offer service in a given area?

19 A. No, generally speaking you don't know who is
20 going to come in and want to buy your service or where
21 they might be.

22 Q. Now, Mr. Gates, you also had several
23 questions regarding the Forks exchange facilities; do
24 you recall those questions, that line of questions?

25 A. Forks exchange facilities?

0116

1 Q. Yes.

2 A. Yes.

3 Q. Now if CenturyTel presented technical
4 problems with routing local traffic over Forks
5 facilities, do you think Level 3 planners would work
6 with CenturyTel to address technical feasibility
7 concerns?

8 A. Well, yes, certainly, because it's in Level
9 3's best interests to prevent blocking on the network.
10 There's nothing more irritating than getting a busy
11 signal when you're trying to get to your ISP, so it
12 would be in Level 3's best interest to work with
13 CenturyTel to make sure that there is no congestion that
14 would harm the quality of service.

15 Q. Now what parties would be in the best
16 position to manage concerns about facilities and traffic
17 capacity in establishing where a point of
18 interconnection should be located?

19 A. Well, both parties need to be involved. Both
20 parties have specific needs. But CenturyTel is the best
21 company, the best -- in the best position that is to
22 know its network requirements, the location of its
23 facilities, and the best place to interconnect
24 generally.

25 Q. Mr. Gates, you were asked several questions

0117

1 regarding the traditional FX service that ILECs provide
2 today; do you recall those questions?

3 A. Yes.

4 Q. Now is there anything that would stop
5 CenturyTel from providing FX service to a single
6 customer in one location for 1 or 2 or 50 exchanges?

7 A. No, I don't see any limitations in its tariff
8 to that effect.

9 Q. Now I think you may have addressed it,
10 Mr. Hunt, but I -- pardon me, Mr. Gates, I'm falling
11 into the same pattern here.

12 A. Everybody is thinking that I'm Mr. Hunt
13 today, I can't get anyone's attention.

14 Q. There was several questions regarding costs.
15 Now has CenturyTel produced any data that you have seen
16 that indicates whether rates might increase or any
17 quantification of any additional costs as a result of
18 Level 3's service offering?

19 A. No, none whatsoever.

20 MR. PENA: May I have a moment, Your Honor.

21 JUDGE MOSS: Yes.

22 MR. PENA: It seems I'm done, Your Honor.

23 JUDGE MOSS: Excellent. I will note for the
24 record five minutes.

25 All right, then this would be a convenient

0118

1 time.

2 Mr. Gates, I would like to thank you for
3 being here today and giving your testimony.

4 THE WITNESS: Thank you, Your Honor.

5 JUDGE MOSS: And we can release you from the
6 witness stand there, and you may have a more leisurely
7 lunch perhaps than the rest of us.

8 THE WITNESS: Definitely, thank you.

9 JUDGE MOSS: I think this would be a good
10 time to take our luncheon recess, and let's be off the
11 record.

12 (Discussion off the record.)

13 (Luncheon recess taken at 11:55 a.m.)

14

15

16 A F T E R N O O N S E S S I O N

17 (1:15 p.m.)

18

19 (The following exhibits were identified in
20 conjunction with the testimony of WILLIAM P. HUNT.)

21 Exhibit 7 is WPH-1T: Pre-filed direct
22 Testimony. Exhibit 8 is WPH-2: Powell: Time to 'Retool'
23 the FCC. Exhibit 9 is WPH-3: Remarks of Commissioner
24 Susan Ness. Exhibit 10 is WPH-4: Rebuttal.

25

0119

1 Whereupon,

2 WILLIAM PATRICK HUNT, III,

3 having been first duly sworn, was called as a witness

4 herein and was examined and testified as follows:

5

6 JUDGE MOSS: Thank you, please be seated.

7

8 D I R E C T E X A M I N A T I O N

9 BY MR. ROMANO:

10 Q. Good afternoon, Mr. Hunt.

11 A. Good afternoon.

12 Q. Would you please state your name and business
13 address for the record, please.

14 A. It's William Patrick Hunt, III, and the
15 business address is 1025 Eldorado Boulevard, Broomfield,
16 Colorado 80021.

17 Q. And by whom are you employed and in what
18 capacity?

19 A. I'm employed by Level 3 Communications. I'm
20 Vice President of Public Policy.

21 JUDGE MOSS: I'm going to need to interject
22 myself before we start identifying exhibits.

23 We had an exhibit that was used, Mr. Simshaw,
24 during your cross-examination. It was your other marked
25 chart interexchange transport diagram. Did you wish to

0120

1 have that made an exhibit? We did refer to it.

2 MR. SIMSHAW: I think, Your Honor, for people
3 reading the transcript that might be of assistance, and
4 I do have copies, so I can --

5 JUDGE MOSS: I think that would be useful.
6 So we will go ahead and mark that as Number 6, and I
7 think there will be no objection, and that will be
8 admitted.

9 So for purposes of identification,
10 Mr. Romano, I'm going to mark Mr. Hunt's pre-filed
11 direct testimony WPH-1T as Exhibit Number 7, and then he
12 has three more exhibits, one of which I see I have
13 mislabeled here, and those will be Numbers 8, 9, and 10
14 will be the rebuttal testimony WPH-4. And then to the
15 extent any of these pre-identified cross-examination
16 exhibits are actually used in the cross, we will
17 consider numbering them at the appropriate time.

18 Thank you.

19 MR. ROMANO: Thank you, Your Honor, I
20 appreciate that, I was just going to ask myself.

21 BY MR. ROMANO:

22 Q. Mr. Hunt, do you have before you pre-filed
23 direct testimony which has been marked as Level 3
24 Exhibit 7 along with two attachments to that testimony,
25 which have been marked as Exhibits 8 and 9?

0121

1 A. Well, I have the testimony in my binders, but
2 nothing that has been the actual marking of the exhibit.

3 Q. That has been identified as --

4 A. Identified, yes.

5 Q. Okay, thank you. And did you cause to be
6 pre-filed in this docket the direct testimony along with
7 those two attachments?

8 A. Yes, I did.

9 Q. And were those prepared by you or under your
10 direction?

11 A. Yes, they were.

12 Q. Do you have any corrections to your testimony
13 at this time?

14 A. Yeah, unfortunately, I do have a few
15 corrections. The first would be on page 9.

16 Q. Of?

17 A. Of the direct. And starting, my lines are a
18 little off, it looks like it's line 4, it begins
19 Southwestern Bell Telephone, and that should say Qwest
20 Corporation.

21 JUDGE MOSS: Give me a moment here. I have
22 just realized mine don't have line numbers for some
23 reason. What's the question?

24 THE WITNESS: Are there any other basis for
25 rejecting CT's position.

0122

1 MR. ROMANO: Your Honor, we have additional
2 copies if it would help the Court.

3 JUDGE MOSS: Yes, maybe that would be
4 helpful, because that doesn't appear to be anywhere
5 close in mine. I probably printed a copy off the
6 Internet.

7 Thank you, give me half a moment, please.

8 All right, and what was the page again?

9 THE WITNESS: Page 9.

10 JUDGE MOSS: All right, so we're on page 9,
11 line?

12 THE WITNESS: Line 4.

13 JUDGE MOSS: Thank you, and that should be
14 Qwest.

15 A. And then in the parentheses where it's SWBT,
16 that should be changed to Qwest, SWBT should be stricken
17 and Qwest put in its place.

18 JUDGE MOSS: I think we're ready, Mr. Hunt.

19 A. Then on line 5 about the middle of the line
20 there's a SWBT served ISPs, and that should be Qwest
21 served, inconsistent.

22 JUDGE MOSS: I was chuckling at SWBT. The
23 industry never ceased to tickle me with its acronyms.

24 A. Then on page 24 of the direct testimony, line
25 12, the line begins, exchange ISP bound traffic as bill

0123

1 and keep. There's a sentence that then begins, bill and
2 keep is also consistent with the decisions of this
3 Commission with respect to FX type traffic. That
4 sentence should be stricken so that it's not there.

5 On page 37, line 22, the sentence that
6 begins, I understand that these are some of the criteria
7 the Commission will consider when assessing the public
8 interest under Section 2431 of its substantive rules.
9 That sentence should also be stricken.

10 Those are all the corrections.

11 BY MR. ROMANO:

12 Q. Thank you. And with those corrections, if I
13 were to ask you the questions set forth in your
14 pre-filed direct testimony today, would your answers
15 remain the same?

16 A. Yes.

17 MR. ROMANO: Your Honor, at this time I would
18 move for the admission of Exhibits 7, 8, and 9, those
19 being the pre-filed direct testimony of Mr. Hunt and the
20 two attachments thereto.

21 JUDGE MOSS: Hearing no objection, those will
22 be admitted as marked.

23 MR. ROMANO: Thank you, Your Honor.

24 BY MR. ROMANO:

25 Q. Mr. Hunt, do you also have before you your

0124

1 rebuttal testimony which has been identified for the
2 record as Exhibit 10?

3 A. Yes, I do.

4 Q. And did you cause to be pre-filed in this
5 matter that rebuttal testimony that's been marked as
6 Exhibit 10?

7 A. Yes, I did.

8 Q. And was that prepared by you or under your
9 direction?

10 A. Yes, it was.

11 Q. Do you have any corrections to that document?

12 A. I have one correction on page 8. It's my
13 line 21. The sentence begins, that Level 3 identified.
14 At the end of the sentence is the word joint issues
15 list, and it kind of rolls over to line 22, the phrase
16 joint issues list should be struck and replaced with
17 petition.

18 Q. And do you have any other corrections?

19 A. No.

20 Q. Thank you. With those corrections, if I were
21 to ask you the same questions that have been posed in
22 your rebuttal testimony today, would your answers remain
23 the same?

24 A. Yes.

25 MR. ROMANO: Your Honor, I would move for the

0125

1 admission of Exhibit 10.

2 JUDGE MOSS: And hearing no objection, it
3 will be admitted as marked.

4 MR. ROMANO: With that, I believe Mr. Hunt is
5 available for cross-examination.

6 JUDGE MOSS: Mr. Simshaw.

7 MR. SIMSHAW: Thank you.

8

9 C R O S S - E X A M I N A T I O N

10 BY MR. SIMSHAW:

11 Q. Good afternoon, Mr. Hunt.

12 A. Good afternoon.

13 Q. Let me begin first with some of the changes
14 that you just made. On page 24 of your direct.

15 A. Yes.

16 Q. You struck a sentence there.

17 A. Yes.

18 Q. Why did you do that?

19 A. Well, unfortunately this testimony was also
20 used in a proceeding in one other state. This
21 Commission has not addressed that issue in the manner
22 that we addressed it here, and actually it's kind of
23 discussed at page 27 of my testimony.

24 Q. And you made another change at page 37.

25 A. Yes.

0126

1 Q. Where you again struck a sentence, and why
2 did you do that?

3 A. The cite of the section is to actually
4 Wisconsin administrative rules.

5 Q. I'm going to direct you to page 11 of your
6 direct testimony.

7 A. Okay.

8 Q. There's a sentence that begins at line 8 that
9 says:

10 Moreover, Appendix A of the IATA
11 requires Level 3 to establish
12 interconnection at special access rates
13 as compared to the cost based
14 interconnection facility rates that
15 non-rural ILECs are obligated to provide
16 under FCC rules and orders.

17 A. Yes.

18 Q. Why are you there making a reference to
19 non-rural ILECs?

20 A. Well, most non-rural ILECs would not be --
21 well, rural ILECs are protected by the rural exemption.
22 They're protected from unbundling and providing those
23 services at cost base under the TELRIC formula that most
24 places have adopted. And since we're not seeking to
25 lift the rule of exemption, we haven't sought to impose

0127

1 TELRIC pricing in this instance.

2 Q. Well, are you stating in that sentence that
3 the proposed IATA would deny you of rights that you
4 would otherwise have with regard to interconnection with
5 non-rural companies?

6 A. No, the point I mean the IATA, the right for
7 cost based interconnection comes under the Telecom Act.

8 Q. But isn't that right to cost based
9 interconnection only applicable to non-rural companies?

10 A. Yes, or rural companies when the rural
11 exemption has been lifted.

12 Q. And has the rural exemption been lifted with
13 regard to CenturyTel?

14 A. No, it hasn't.

15 Q. In the next sentence on that same page,
16 that's page 11, line 10, you state that, as discussed in
17 my direct testimony and below. I'm a little bit
18 confused by that. Is there another piece of testimony
19 that --

20 A. No, that's probably just an editing error,
21 I'm sorry. It should just say discussed below.

22 Q. Oh.

23 A. Because this is my direct testimony.

24 Q. Right.

25 A. Thank you.

0128

1 Q. Let me direct you to page 36 of your direct
2 testimony.

3 A. Okay.

4 Q. And at line 17.

5 A. Yes.

6 Q. There's a sentence that reads:
7 First, it is absurd for CT to contend
8 that the location of the ISP modem banks
9 do not matter for reciprocal
10 compensation purposes.

11 When has CenturyTel ever argued that the
12 location of the ISP modem banks doesn't matter?

13 A. It's a very general statement as to what the
14 negotiations have been. But as I understand your
15 client's position, ISP bound traffic to them would be
16 interstate and not subject to access charges if the
17 modem bank is in the local calling area. If the modem
18 bank is somewhere else, you're trying to assert access
19 -- assess access charges on that traffic, and that exact
20 scenario is very much laid out on pages I think it's --
21 it's page 18 of Mr. Cook's testimony.

22 Q. Well, from what I heard you saying, it is
23 CenturyTel's position that the location of the modem
24 makes a huge difference.

25 A. Well, for reciprocal compensation purposes.

0129

1 I mean you have consistently said that you're not going
2 to pay reciprocal compensation if it's in the same local
3 calling area, which would be generally how it might be
4 treated.

5 Q. And it would be treated different if it
6 wasn't, right?

7 A. Well, I mean again that argument, if the
8 modem bank in your view is in the local calling area,
9 you're saying then it's not a local call, it's an
10 interstate call. And if the modem bank is truly
11 somewhere else, different part of the LATA or different
12 part of the state, then its access charges would apply
13 to that.

14 Q. But everything I have just heard you say
15 talks about the location of the modem banks making a big
16 difference. What I'm asking you is, in reference to
17 your statement, when did CenturyTel ever argue that the
18 location doesn't make any difference?

19 A. I have answered the question as best I can,
20 Mr. Simshaw.

21 Q. So you can't point to anywhere where
22 CenturyTel said that the location of the modem bank
23 doesn't make any difference?

24 MR. ROMANO: I'm going to object, I think the
25 witness has already said that he answered to the best of

0130

1 his ability.

2 JUDGE MOSS: It's been asked and answered.

3 MR. SIMSHAW: Okay.

4 BY MR. SIMSHAW:

5 Q. Let me jump just for a moment to your reply
6 testimony, page 17. At line 20, there is a sentence
7 that states:

8 But the proposed interconnection
9 arrangement is not part of the circuit
10 switched environment.

11 Now I had a discussion with Mr. Gates this
12 morning about the CenturyTel switch, and I think he
13 agreed that the CenturyTel switch is a circuit switch.
14 Do you recall that question and answer?

15 A. Yes.

16 Q. Okay. Then isn't it true that at least part
17 of this interconnection arrangement is in the circuit
18 switched environment?

19 A. I'm not quite sure, are you referring to the
20 case cited above or this arrangement between Level 3 and
21 CenturyTel?

22 Q. I assume in that sentence when it says the
23 proposed interconnection arrangement, it's the proposed
24 interconnection arrangement that Level 3 is seeking with
25 CenturyTel.

0131

1 A. Okay.

2 Q. And what I'm asking you is that is to
3 exchange traffic that will go through a CenturyTel
4 circuit switch, will it not?

5 A. Well, the traffic will originate from
6 CenturyTel's network, go through CenturyTel's switch and
7 be handed off to Level 3 at the point of
8 interconnection.

9 Q. And that CenturyTel switch is a circuit
10 switch, right?

11 A. Yeah, that's one part of the interconnection
12 relationship.

13 Q. So at least part of the relationship is in a
14 circuit switched environment?

15 A. The proposed interconnection agreement has a
16 soft switch on -- is between a soft switched network and
17 a circuit switched network, unlike other examples which
18 might be between two circuit switched networks.

19 Q. Let me jump back to your direct testimony,
20 page 12. I'm sorry, excuse me while I fumble around
21 here.

22 A. Sure.

23 Q. Again, there's a reference to CenturyTel's
24 IATA agreement, and the sentence beginning at line I
25 guess it's 13 says:

0132

1 Finally CT's IATA is discriminatory. It
2 requires a CLEC that serves ISPs to set
3 up a separate network.

4 MR. SIMSHAW: Your Honor, may I approach the
5 easel once more?

6 JUDGE MOSS: Yes, sure.

7 BY MR. SIMSHAW:

8 Q. Mr. Hunt, with regard to this separate
9 network, perhaps as a point of reference we can first
10 establish what the Level 3 network would look like if
11 you were allowed to interconnect in the manner that
12 you're seeking here. And I want to play upon I guess
13 maybe some of the discussion that Mr. Gates and I had,
14 but I'm referring once more to the diagram Exhibit
15 WHW-2, which depicts a call from a CenturyTel Forks
16 customer to a Level 3 Seattle customer. Now as I
17 understand it from my discussion with Mr. Gates, Level 3
18 has a soft switch in Seattle; is that correct?

19 A. That's correct.

20 Q. Okay. And that Level 3 would extend
21 facilities or lease them or whatever from that soft
22 switch in Seattle back to a meet point with CenturyTel's
23 Forks network; is that correct?

24 A. It would be -- meet point is one option. It
25 could be leased all the way into the CenturyTel switch.

0133

1 Q. But that would -- those facilities would
2 occur and be arranged for if Level 3 was allowed to
3 interconnect in the manner they request, right?

4 A. I'm sorry? Yeah, I think generally, yes.

5 Q. Okay. Now let's contrast that with the
6 separate network you're talking about. How would it be
7 any different?

8 A. Well, under the IATA, Level 3 would have to
9 have a -- would have a circuit for its ISP bound
10 traffic. And if we wanted to have voice traffic, we
11 would have to have another intersection trunk or another
12 facility for that traffic to ride on. And that's not
13 necessarily required, because you can combine the
14 traffic on the same facility. In other words, you would
15 require in effect two lanes on the highway for what we
16 think we can do with one lane.

17 Q. I thought Mr. Gates this morning indicated
18 that this agreement was being sought for ISP bound
19 traffic.

20 A. It is. We will originally offer ISP bound
21 traffic. If we decide that we ever want to offer voice
22 traffic, take the next step, we would be required to
23 have to have a separate trunk group or a separate
24 facility for that voice traffic. We don't think that's
25 necessary and really it's inefficient and not in the

0134

1 best interests of economic, you know, management of our
2 assets.

3 Q. But just strictly focusing on the near term
4 ISP bound traffic, there is no separate network?

5 A. If we're providing ISP bound traffic, then
6 it's just -- then it's going to ride on whatever that
7 single facility is called. Your contract would require
8 us to establish -- would require us to agree now to
9 establish a second trunk group for in the future, which
10 we don't think we would need to do. We should be able
11 to put the traffic on the same trunk group.

12 Q. But that's the future?

13 A. It's the future, yes.

14 Q. Maybe this is a good point to ask you I think
15 a question that sort of got deferred to you, and it
16 relates to what we just talked about. Given Level 3's
17 initial intent to provide the service only for ISP bound
18 traffic, would Level 3 be willing to have the language
19 of the interconnection agreement note that that
20 particular agreement at that particular point in time
21 would only apply to ISP bound traffic?

22 A. Certainly.

23 Q. Okay. Is Level 3 -- well, let me ask you
24 first, I think I mentioned the service name 3-Connect
25 Modem service this morning. Is that the name of the

0135

1 service that Level 3 would be intending to provide to
2 its customers under this arrangement?

3 A. A 3-Connect Modem is the product name of one
4 of the products we provide to Internet service
5 providers, yes.

6 Q. Is Level 3 currently providing that service
7 anywhere in Washington today?

8 A. Yes, we are.

9 Q. Is it tariffed or price listed?

10 A. I believe we have it in our -- I don't know
11 if it's our tariff or a price list, but we have
12 something.

13 Q. So if I was to -- well, let me first
14 represent to you that the Washington Utilities
15 Transportation Commission does require on its Web site
16 that there be a link to the company's tariff or price
17 list. And are you saying that if we went and clicked on
18 that site and went to the Level 3 price lists that are
19 there for Washington we would find a reference to
20 3-Connect Modem service?

21 A. No, 3-Connect Modem is a name of a service
22 that's really a hybrid. It's a combination of local
23 dial-up Internet services and then all the deregulated
24 information services and transport that we provide to
25 Internet service providers that are not

0136

1 telecommunications services. So it's a service that is
2 -- it's the marketing name used for ISPs. It's made up
3 of a telecommunications service and information
4 services. You will find the DID portion in the tariff
5 or the price list.

6 Q. Mr. Gates, I have handed you a three page
7 document.

8 JUDGE MOSS: This is Mr. Hunt.

9 MR. SIMSHAW: I apologize, I'm not sure which
10 one of you ought to feel insulted, but to the extent
11 either one of you do, I apologize.

12 BY MR. SIMSHAW:

13 Q. Mr. Hunt, I have handed you a document, three
14 pages, the first page of which is identified as Level 3
15 Communications, LLC, WNU-2. And is that the
16 identification for the price list or tariff that Level 3
17 has on file with the Washington Commission?

18 A. Yes, it is, Mr. Cook.

19 Q. And is the DID service that you refer to
20 listed on the second page of that document as 6.2,
21 direct inward dial DID service?

22 A. Did you say on the second page? Oh, yes,
23 because you have a cover page, yes, that's correct.

24 Q. I'm sorry.

25 A. I'm sorry, no, I was on the wrong page.

0137

1 Q. Is that the Level 3 DID service?

2 A. Yes.

3 Q. Let me read you the first sentence from

4 6.2.1.

5 DID service can be purchased in

6 conjunction with company provided

7 private lines. DID service transmits

8 the dial digits for all incoming calls,

9 allowing the customer's PBX to route the

10 incoming calls directly to individual

11 stations corresponding to each

12 individual DID number.

13 That seems to imply that there's a PBX

14 involved. Is there a PBX involved in the 3-Connect

15 Modem service?

16 A. No, probably not your traditional PBX.

17 There's customer equipment obviously involved but

18 probably not the PBX that you're probably thinking of.

19 Q. So when you said DID was an element of

20 3-Connect Modem service, is it the same DID that you're

21 referencing here, or is it a different DID?

22 A. No, it's the DID.

23 Q. Even though there's no PBX involved?

24 A. Yeah, I mean our intention is to offer this

25 service to our customers in many different ways. If we

0138

1 need to revise the tariff to do that, we will. And
2 obviously this tariff doesn't reflect how we provide the
3 service to CenturyTel, because we wouldn't prepare that
4 tariff until we have prepared the service offerings.

5 Q. But you indicated you're already providing
6 that service somewhere in Washington.

7 A. We provide the service in Qwest and the GTE
8 territories.

9 Q. So why would you change the tariff for
10 CenturyTel?

11 A. Well, if you -- maybe we may offer it in a
12 different manner. There may not be a PBX involved.
13 There may be a different way of how we decide to
14 provision the service.

15 MR. SIMSHAW: Your Honor, before it slips my
16 mind, I can either mark this as an exhibit or since it's
17 a filed tariff or price list, I'm not sure whether the
18 Court --

19 JUDGE MOSS: I think for convenience let's
20 just go ahead and mark it. We will give it Number 11
21 for identification.

22 MR. SIMSHAW: Your Honor, I would then offer
23 what's been marked as Number 11 into evidence.

24 JUDGE MOSS: Hearing no objection, it will be
25 admitted as marked.

0139

1 BY MR. SIMSHAW:

2 Q. Mr. Hunt, are you familiar at all with the
3 NXX assignment guidelines that were attached to
4 Mr. Cook's testimony as an exhibit?

5 A. I don't have any detailed knowledge of them,
6 just very cursory.

7 Q. You have commented, haven't you, that Level
8 3's assignment of numbers are consistent with those
9 guidelines?

10 A. Correct.

11 Q. I have handed to Mr. Hunt Mr. Cook's Exhibit
12 RCC-3, which is the central office NXX assignment
13 guidelines, and I would ask Mr. Hunt to reference
14 Section 2.13. I believe it's on page 8 of -- well, I
15 think I had it open to that page when I handed it to
16 you.

17 A. Yes.

18 Q. Okay. Let me read that, then I would like to
19 ask you a couple of questions about it. It states:

20 It is assumed from a wireline
21 perspective that CO codes blocks
22 allocated to a wireline service provider
23 are to be utilized to provide service to
24 a customer's premise physically located
25 in the same rate center that the CO

0140

1 codes blocks are assigned. Exceptions
2 exist, for example, tariffed services
3 such as with the exception of foreign
4 exchange service.

5 I think you have referred in your testimony,
6 have you not, Mr. Hunt, to the exceptions?

7 A. Where in my testimony are you specifically
8 addressing?

9 Q. Okay, let's look at rebuttal page 20. There
10 you're asking a question to respond to:

11 How do you respond to Mr. Cook's claim
12 at page 8 that the assignment of
13 telephone numbers to customers not
14 physically located within the rate
15 center boundaries violates industry
16 numbering guidelines?

17 And I believe in your response you're
18 basically taking exception with Mr. Cook in maintaining
19 that Level 3's assignments are consistent with the
20 guidelines.

21 A. That's correct.

22 Q. Okay. Well, I think we established this
23 morning that the numbers are being assigned to
24 customers, for example, let's take the customer in
25 Seattle, who do not reside within the rate center that

0141

1 the number is being associated with, right?

2 A. Right.

3 Q. So you're relying then, in that statement
4 that you're consistent with the guidelines, you're
5 relying on the exception, are you not?

6 A. I don't understand your question, I'm sorry.

7 Q. Well, I read to you the --

8 A. You said the exception being?

9 Q. The second sentence in 2.13.

10 A. Well, first off, we have agreed numerous
11 times and I say here in my testimony that we will go to
12 the calling areas to pick up the traffic, so the
13 customer will have a physical presence through our
14 interconnection and through the use of the virtual NXX
15 type service that they're receiving from us.

16 Q. Yeah, but the first sentence of 2.13 refers
17 to the customer's premise being physically located in
18 the same rate center, so wouldn't you agree that the
19 guidelines focus in on the customer's premise?

20 A. Well, the guidelines use the word customer's
21 premise, correct.

22 Q. And the first sentence, and let me know if
23 you disagree with me, the first sentence of 2.13 states
24 the general rule that you would only assign numbers to a
25 customer whose premises are in the same rate center as

0142

1 that which the number is being assigned to.

2 A. It begins, it is assumed from the wireline
3 perspective.

4 Q. Okay.

5 A. It is not a mandatory and does not create a
6 shall.

7 Q. Okay. And then the second sentence lists an
8 exception, right, or an example of an exception?

9 A. And it says exceptions exist, yes.

10 Q. Well, it says specifically exceptions exist,
11 for example, tariffed services. Is the exception that
12 Level 3 is relying on, is it a tariffed service?

13 A. Well, I don't think this is a complete
14 listing of what those exceptions could be, but we do
15 provide a tariffed service, we provide private lines, we
16 provide the DID.

17 Q. Isn't it the case that in every instance
18 where Level 3 assigns a telephone number associated with
19 a CenturyTel rate center that in every instance the
20 customer that gets that number will not have customer
21 premises located in that rate center?

22 A. What do you mean by customer premise?

23 Q. Okay, you hand the traffic to the customer,
24 right?

25 A. Where Level 3 gives -- hands the traffic off

0143

1 to the customer?

2 Q. Yes.

3 A. Okay.

4 Q. If that's the customer's premise, in every
5 instance that will not be within the CenturyTel rate
6 center, will it?

7 A. As we initially probably provide services
8 here in Washington, that's correct.

9 Q. So with regard to the way that Level 3
10 assigns numbers with respect to the traffic under an
11 interconnection agreement with CenturyTel, the exception
12 wouldn't be the exception, it would be the rule,
13 wouldn't it?

14 A. I'm sorry?

15 Q. Let me rephrase it.

16 A. Yeah.

17 Q. With respect to Level 3's assignment of
18 numbers to its customers for purposes of receiving
19 traffic from CenturyTel's customers, in every instance
20 the number that Level 3 assigns will be to a customer
21 who has no premises in the CenturyTel rate center?

22 A. I still object to the use of the word every,
23 because I would say most, but I wouldn't say every,
24 because there are circumstances where that may not be
25 true.

0144

1 Q. Well, let me back up then. Can you tell me
2 where Level 3's customers are located?

3 A. Level 3 -- well, Level 3 -- you have to
4 understand that Level 3's goal here is to provide
5 service to our customers in the manner that they want.
6 As a general rule, most of the traffic would be brought
7 back to the gateway in Seattle. The ISP customer may be
8 physically located in that gateway. They may ask us to
9 take the traffic and put it on the network of another
10 carrier in our gateway. They may have us not take it to
11 the gateway, we may take it to some other location and
12 hand it off to them in some other manner. The traffic
13 is going to go where the customer wants us to take the
14 traffic.

15 Q. Would you ever deliver -- well, let me
16 rephrase that.

17 Would you ever assign a number from a
18 CenturyTel rate center to a Level 3 customer in Denver?

19 A. That's kind of a hard question, because many
20 of the ISPs that we provide services to have national
21 presences, so I don't know if you're asking me to --
22 just any customer, anybody sitting in Denver can get a
23 phone number in that area. I guess possibly, yes. But
24 where the traffic goes is going to depend upon how the
25 customer wants it routed.

0145

1 Q. And if it did get delivered to the customer
2 in Denver, it's still Level 3's position that that call
3 from Forks to Denver is a local call?

4 A. In your analysis of Forks, your example of
5 Forks, it would be treated as a local call for
6 compensation purposes, yes.

7 Q. Staying on the subject of the proper
8 assignment of NXX numbers, let me direct you to your
9 rebuttal, page 22.

10 A. Yes.

11 Q. You have a footnote there referencing an FCC
12 decision, or I guess more accurately it's an FCC
13 Wireline Bureau decision.

14 A. Correct.

15 Q. In Virginia; is that correct?

16 A. Correct.

17 Q. I would like to ask you some questions about
18 that or a question at least about that decision.

19 A. Okay.

20 Q. But I would like to have it in front of you
21 before I do that.

22 Mr. Gates, what I have handed you I would
23 purport to be the cover sheet from that decision as well
24 as an excerpt, just one page, page 141. I think it's
25 about a 600 page decision.

0146

1 A. Yes, you have, Mr. Cook.

2 JUDGE MOSS: I think for having a clear
3 record, we probably should dispense with the --

4 THE WITNESS: My apologies, Mr. Simshaw.

5 BY MR. SIMSHAW:

6 Q. Just direct your attention to Paragraph 288,
7 which appears on page 141 there, and that's what my
8 question will refer to. And I think I have even
9 underlined on the copy the second sentence in that
10 paragraph, which says:

11 Verizon has failed to propose a workable
12 method for rating calls based on the
13 geographical end points, and it has
14 alleged no abuse in Virginia of the
15 process for assigning NPA-NXX codes.

16 Now when you put this decision in your
17 footnote, was it for the proposition that this decision
18 supports your position with regard to the proper
19 assignment of NPA-NXX codes?

20 A. How calls would be rated around it, yes, an
21 assignment of NPA-NXX codes.

22 Q. But, in fact, Mr. Hunt, it strikes me that in
23 this language the decision is saying that in that case
24 nobody alleged that there was any improper assignment,
25 doesn't it?

0148

1 numbers assigned to them, right?

2 A. Yes, we do. I believe they're mostly in
3 Qwest and GTE territories.

4 Q. So if you've got number blocks, and let's say
5 you are under 75% utilization, and you obtain
6 interconnection with CenturyTel and provide your service
7 that allows CenturyTel customers to dial your customers,
8 you're still going to have to open a new number code and
9 block, right?

10 A. Yes. And this answer doesn't -- I mean this
11 refers to how we manage the numbers that we currently
12 have and how we would manage numbers going forward.

13 Q. I think Mr. Cook suggested that Level 3 has
14 21 existing NPA-NXXs; is that right, or do you know of a
15 different number?

16 A. I understand that he attached a copy of a
17 LERG sheet or a LERG printout that had 21 NPA-NXXs. We
18 might have as many as 18 additional ones that have been
19 requested or recently given to Level 3.

20 Q. Let me use your number, that would make 39.
21 Doesn't that mean that then Level 3 in Washington
22 possesses 390,000 numbers?

23 A. To the -- I mean the most basic math would
24 indicate that, but if there's a number pool in place and
25 if Level 3 has been requested or will or has returned

0149

1 numbers to the pool, that number would be much less. I
2 noticed in Mr. Cook's response there were at least 7 of
3 those rate centers that were marked for thousand number
4 pools, which would mean the number he actually put in
5 his testimony could be as low as -- it would be 63,000
6 numbers less than what he represented.

7 Q. All right, let's assume best case, and you do
8 have it down 1,000 number blocks, that would bring it
9 down to 39,000, correct?

10 A. That's correct.

11 Q. How many customers are you serving with those
12 39,000 numbers?

13 A. It's hard to tell. I mean we just don't know
14 how many ISP customers there will be.

15 Q. No, I'm asking how -- these are existing
16 blocks, how many are you serving now?

17 A. I don't know how many different customers we
18 serve out of those blocks.

19 Q. Is it less than 1,000?

20 A. I think that's pretty good.

21 Q. Okay. Mr. Weinman in his testimony mentions
22 that CenturyTel has more than 30 calling areas. We have
23 heard that Level 3 has agreed to have a point of
24 presence in each calling area, I'm sorry, point of
25 interconnection in each calling area. Doesn't that mean

0150

1 that at a minimum Level 3 would have to acquire at least
2 30 additional NPA-NXXs?

3 A. No, that would be more of a maximum number.
4 We may not go to all 30 of those rate centers. It
5 depends on where the customer wants us to go. It may be
6 a very small exchange that the customer has no desire to
7 provide service in.

8 Q. All right, if you've got 1 customer, Level 3
9 has 1 customer, and let's say that's AOL in Seattle, and
10 they have decided they only want to go to 1 CenturyTel
11 exchange, let's say that's Forks, that's still going to
12 require at least 1,000 numbers to be assigned to Level
13 3, correct?

14 A. Yeah, that is what the numbering guidelines
15 and the numbering plan would require.

16 Q. Slightly different variation on an earlier
17 question, it's possible that Level 3 would go ahead and
18 give a Washington NPA-NXX to a customer in Denver?

19 A. There could be those circumstances, yes.

20 Q. Let me jump way back to page 6 of your
21 direct. At line 2, you've got a statement that says:

22 The FCC has preempted the states only on
23 the discreet issue of setting
24 intercarrier compensation rates for ISP
25 bound traffic.

0151

1 In this docket or in this matter, Level 3 has
2 a position on the compensation associated with its
3 traffic, do they not?

4 A. Yes.

5 Q. And that's bill and keep?

6 A. Yes.

7 Q. Okay. Is Level 3 asking this Commission to
8 impose that as the compensation terms to be applied to
9 this traffic?

10 A. We're asking this Commission to determine the
11 interconnection responsibilities under the agreement,
12 and we're asking them to find that the ISPs -- the FCC's
13 order with respect to bill and keep for this traffic is
14 what applies, and I think they're already -- that's
15 what's already been decided.

16 Q. But you're not suggesting that the Commission
17 can apply bill and keep, are you?

18 A. I think the FCC has determined that the
19 traffic is bill and keep. Whether you want to say that
20 the Commission applies it, applies the FCC's rules or
21 applies what's required, that's, you know, we're asking
22 them to apply the law.

23 Q. You're asking them to apply a compensation
24 number or term that they have no jurisdiction over?

25 A. Yeah, the FCC has determined that the traffic

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1 will be exchanged to bill and keep. You have come into
2 this proceeding asking for originating access to be
3 assessed on this traffic as well. Our position would be
4 that the Commission needs to establish the
5 interconnection terms between the parties and that the
6 question of the compensation has been determined by the
7 FCC.

8 Q. First of all, of course, it's not going to
9 come as a surprise, CenturyTel doesn't agree that that's
10 what the FCC order does. But whether it does or
11 doesn't, do you feel that this Commission is in a
12 position to impose bill and keep on this traffic?

13 MR. ROMANO: I'm going to object, I think the
14 witness has answered this question twice now already.

15 JUDGE MOSS: Well, I'm not sure about twice,
16 but he has answered it once, Mr. Simshaw, as I
17 understand.

18 BY MR. SIMSHAW:

19 Q. Let's move to that question of what the FCC
20 ISP Remand Order does apply to. That decision was
21 appealed to the courts, was it not?

22 A. Yes, it was.

23 Q. And I would like to ask you a question about
24 what the court did with it by first putting the decision
25 in front of you.

0153

1 First of all, Mr. Hunt, let me refer you to
2 page 31 of your rebuttal testimony, line 7, where you
3 talk about I think this decision. That's rebuttal 31.

4 A. Okay, thank you.

5 JUDGE MOSS: And the decision that you're
6 referring to, Mr. Simshaw, is the WorldCom against FCC,
7 Number 01-1218, decided May 3rd, 2002?

8 MR. SIMSHAW: Yes, it is, Your Honor.

9 JUDGE MOSS: Thank you.

10 BY MR. SIMSHAW:

11 Q. You have language there in your testimony at
12 line 8, Mr. Hunt, that begins:

13 But we find nothing in that order that
14 indicates that the FCC intended to limit
15 the intercarrier compensation ruling to
16 traffic terminating to ISPs physically
17 located in the same local calling area
18 as the originating caller.

19 MR. ROMANO: Your Honor, I'm going to object
20 at this point just really for a point of clarification.
21 Mr. Hunt's testimony in this section doesn't refer to
22 the decision that Mr. Simshaw has placed before him, so
23 Mr. Simshaw when talking about that decision and that
24 order, I believe we may need further clarification.

25 JUDGE MOSS: Well, let's see where he goes

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1 with his question.

2 MR. SIMSHAW: Well, just -- I'm not sure how
3 much clearer it can be. The witness is saying --

4 JUDGE MOSS: Just go forward with your
5 question, Mr. Simshaw.

6 MR. SIMSHAW: Okay.

7 BY MR. SIMSHAW:

8 Q. I would like to direct you to what the court
9 said with regard to the scope of that order, Mr. Hunt,
10 and I placed before you the order that the -- that His
11 Honor referenced by number. And on the second page
12 there's a highlighted sentence. I think it's like about
13 the second sentence down into the decision. And it
14 says, and this is Judge Williams giving the decision, he
15 says:

16 In this order before us, the Federal
17 Communications Commission has held under
18 Section 251(g) of the Act --
19 I'm sorry, let me start over, I missed a
20 word.

21 In this order before us, the Federal
22 Communications Commission held that
23 under Section 251(g) of the Act it was
24 authorized to carve out from Section
25 251(b)(5) calls made to Internet service

0155

1 providers, ISPs, located within the
2 caller's local calling area.

3 So didn't at least the judge when he
4 interpreted the order determine that it applied to
5 traffic delivered to ISPs when those ISPs were located
6 in the same local calling area as the calling party?

7 A. The judge's language says what it says.

8 Q. So when you say in your testimony that you
9 could find nothing that would interpret it that way,
10 you're totally ignoring the judge's statement?

11 A. No, I think the judge's discussion there is a
12 little overly broad. When the FCC was considering its
13 ISP Order on Remand, there were a number of times where
14 members of the industry went in and consulted with the
15 staff, gave presentations, and spoke to them. Level 3
16 did that a number of times. We spoke to them
17 extensively about virtual NXX and number assignment
18 guidelines. I think it's very telling that the ISP
19 Order on Remand when it came out did not expressly
20 prohibit the use of virtual NXX, and actually all it did
21 was reinforce that existing local interconnection
22 obligations stayed in place.

23 Q. What did the judge do; did he just ignore all
24 that?

25 A. How the judge came to his conclusion I do not

0156

1 know.

2 Q. That's fine.

3 A. He doesn't cite a particular part of the ISP
4 Order on Remand for that statement.

5 Q. That's fair enough.

6 Did you present testimony in a docket in
7 Colorado wherein Level 3 sought a declaration or
8 indicated its declaration to provide local service
9 within a rural -- within an area served by a rural
10 telephone company?

11 A. Yes.

12 Q. And just for point of reference for the
13 record, I will state that that was Docket 02U-266T.

14 And, Mr. Hunt, was that with reference to
15 this same 3-Connect Modem service and virtual NXX
16 traffic that we have been discussing in this matter?

17 A. Yes, very similar, yes.

18 Q. Has there been any rulings in that docket?

19 A. There is a recommended decision from the ALJ.

20 Q. And was the issue in that docket whether or
21 not that was local traffic or not?

22 A. The question in that docket was whether under
23 Colorado law the service that Level 3 wanted to offer
24 was a basic local exchange service that would require
25 the filing of a declaration of intent before you would

0157

1 enter the service territory of a rural carrier.

2 Q. And that recommended decision, what did it
3 determine with regard to that issue?

4 A. The ALJ ruled that Level 3 service was not a
5 basic local exchange service that would require a filing
6 of a declaration of intent.

7 Q. At about the same time that Level 3 filed
8 this arbitration, did they also file an arbitration
9 petition with regard to interconnection with CenturyTel
10 in Colorado for the same services?

11 A. Yes, as well as Wisconsin and Texas.

12 Q. And what's the status of the Colorado docket?

13 A. There is I believe it's a proposed decision
14 from the ALJ on a motion granting CenturyTel's request
15 to dismiss Level 3's arbitration petition. Exceptions
16 are due the 21st of November, and then there will be a
17 commission decision in December I would imagine.

18 Q. Let me jump all the way back to page 5 of
19 your direct. I'm sorry, it's the reply.

20 A. Okay.

21 Q. Reply page 5. At line 6, again there's a
22 reference to the IA, here it's IATEA agreement:

23 Under CT's proposed IATEA, Level 3 would
24 have none of the Section 251 rights
25 available such as the ability to choose

0158

1 the interconnection points or to obtain
2 cost based transport.

3 Those Section 251 rights you're referring to
4 there, what part of 251 are they under?

5 A. Well, choice of interconnection is 251(a),
6 all parties have an obligation to interconnect directly
7 or indirectly. And as we discussed earlier, the cost
8 based transport is 251(c), I believe.

9 Q. Okay, so let's take the last one first. So
10 because it's under 251(c), it doesn't apply to
11 CenturyTel, does it?

12 A. As long as CenturyTel has a rural exemption,
13 it would not apply, that's correct.

14 Q. And when you were referring to the
15 interconnection point, you weren't referring to a
16 requirement in 251 that it occur at any technically
17 feasible point?

18 A. Oh, yes, thank you.

19 Q. Oh, that is the one you're referring to?

20 A. (Nodding head.)

21 Q. And isn't that in 251(c) also?

22 A. Do you have the statute?

23 Q. I have a copy of it, yes. I think I have
24 been carrying this around in my briefcase since 1996 and
25 it shows. Even at that, it's a Xerox copy. I

0159

1 apologize, it's not real easy to read.

2 A. No, it's in better shape than mine.

3 Q. I think it's at 251(c)(2)(b).

4 A. Correct.

5 Q. Okay. So that is also a 251(c) requirement?

6 A. That's correct.

7 Q. And again, CenturyTel is -- that doesn't

8 apply to CenturyTel at this time?

9 A. That's correct, the 251(c) obligations would
10 not apply.

11 MR. SIMSHAW: If I could have one moment,
12 Your Honor, I think that might be it.

13 I have no more questions, Your Honor.

14 Thank you, Mr. Hunt.

15 THE WITNESS: Thank you.

16 JUDGE MOSS: And Mr. Romano, any redirect?

17 MR. ROMANO: Yes, Your Honor, thank you.

18

19 R E D I R E C T E X A M I N A T I O N

20 BY MR. ROMANO:

21 Q. Mr. Hunt, you were asked a question by
22 Mr. Simshaw about limiting the contract to the exchange
23 of Internet service provider or ISP traffic; do you
24 recall that question?

25 A. Yes.

0160

1 Q. And I believe you indicated that yes, Level 3
2 is willing to put some kind of limitation to that effect
3 into the contract?

4 A. Yes, I don't think it's required, but yes, we
5 would.

6 Q. To be clear, is Level 3 willing to take
7 CenturyTel's information access traffic agreement or
8 somehow otherwise treat ISP bound traffic differently
9 than local traffic?

10 A. No.

11 Q. For interconnection purposes?

12 A. No.

13 Q. Why not?

14 A. Well, for example, one, by taking the
15 CenturyTel's agreement, they would assess access charges
16 on the traffic that we would provide. There's also the
17 issue of having to deploy additional facilities that
18 would not be necessary that are not as efficient as we
19 would like, and it would waste a lot of assets of
20 CenturyTel and Level 3.

21 Q. Mr. Hunt, you were asked some questions about
22 numbering and number assignment to customers who may be
23 located in different places; do you recall that line of
24 questioning?

25 A. Yes.

0161

1 Q. Is it possible that Level 3 might provide
2 service to customers who are physically located as ISPs
3 in the CenturyTel serving areas at some point as well?

4 A. Yes.

5 Q. Does Level 3 know where its customers are
6 going to be located in any serving area before it begins
7 to provide service in a service area?

8 A. Not generally, no.

9 Q. Mr. Hunt, you were asked some questions about
10 an FCC decision in the I guess it's been commonly
11 referred to as the Virginia Verizon arbitration; do you
12 have that exhibit still before you?

13 A. Let's see.

14 Q. Actually, to be clear, I don't believe it was
15 marked as an exhibit, I apologize.

16 A. Yes.

17 Q. It was a two page excerpt from an FCC
18 decision.

19 A. Yes, I found it.

20 Q. Is it clear to you from this document where
21 the excerpt that Mr. Simshaw provided you comes from,
22 what portion, is it in a conclusion portion or a summary
23 portion?

24 A. Oh, no, it doesn't have any kind of
25 indication as to whether it's in the ordering clauses,

0162

1 the history, or anything.

2 Q. Am I correct that the proposal here actually
3 appears before the positions of the parties as
4 discussed?

5 A. That's correct.

6 Q. So does this indicate the full extent of
7 Verizon's position or what the decision was?

8 A. No, I don't believe so.

9 Q. Just one quick question, Mr. Simshaw had
10 asked you some questions about how many customers Level
11 3 has in each rate center, and I believe you answered
12 probably less than 1,000.

13 A. Yes.

14 Q. Do you recall that?

15 A. Yes.

16 Q. If Level 3 had a choice, would it like to get
17 1,000 in each rate center?

18 A. Absolutely.

19 Q. So when you say that utilization is driven
20 perhaps in part at least by customer demand?

21 A. Yes.

22 Q. If this Commission is concerned about
23 inefficient number utilization in individual rate
24 centers, how might it address concerns?

25 A. Well, given that the numbering issues come up

0163

1 as a result of the nature of the numbering plan, there
2 are certain things that can be done. Rate center
3 consolidation is one way that you can reduce the number
4 of numbering codes that are assigned.

5 Q. And why would that reduce the number of codes
6 that are needed or assigned?

7 A. Generally you might have 15 rate centers,
8 each with a block of numbers. And if you compress them
9 into 5 rate centers, you only need 5 numbering codes,
10 especially for the CLECs who then come into that. They
11 can provide service over a greater area.

12 Q. Mr. Hunt, you were asked some questions about
13 the location of modem banks under the FCC's ISP Order on
14 Remand.

15 A. Yes.

16 Q. Can I ask you to turn to page 30 of your
17 direct testimony.

18 A. Okay.

19 Q. And at the top of the page beginning on line
20 1, there's a sentence that I have that says
21 specifically.

22 A. Yes, sir.

23 Q. Does that quote come from the FCC ISP Order
24 on Remand that you provide there?

25 A. Yes, it does.

0164

1 Q. And what does that quote say with respect to
2 ISP modem banks?

3 A. Well, I can just read it into the record.
4 Most Internet bound traffic traveling
5 between an ILEC subscriber and an ISP is
6 indisputably interstate in nature when
7 viewed on an end to end basis and the
8 communication taking place is between
9 the dial-up customer and the global
10 computer network of web content, e-mail
11 authors, game room participants, data
12 bases, or bulletin board contributors.
13 Consumers would be perplexed to learn
14 regulators believe that they are
15 communicating with ISP modems rather
16 than the buddies on their E-mail list.

17 Q. Mr. Hunt, you were asked some questions about
18 a Colorado recommended decision by Mr. Simshaw, correct?

19 A. Yes.

20 Q. Do you know if this Commission has already
21 addressed some of the issues that were addressed in the
22 Colorado recommended decision?

23 A. Yes, the Commission has already found that
24 they have jurisdiction over the terms of interconnection
25 between Level 3 and CenturyTel. In Colorado, the

0165

1 recommended decision found that the whole subject should
2 be before the FCC, that they did not have jurisdiction.

3 Q. And then one final question, Mr. Hunt. There
4 was some discussion about points of interconnection and
5 the IATA.

6 A. Yes.

7 Q. Do you recall that questioning?

8 A. Yes.

9 Q. And is it your understanding that points of
10 interconnection are in dispute in this arbitration
11 anymore?

12 A. No, I thought when we have agreed to go to
13 the local calling areas, it's really just a matter of
14 saying where CenturyTel and where Level 3 want to
15 interconnect in those calling areas.

16 Q. And under what section of the Act are the
17 parties interconnecting for purposes of this
18 arbitration?

19 A. 251(a).

20 MR. ROMANO: Thank you, I have no further
21 questions, Your Honor.

22 JUDGE MOSS: If there's nothing further for
23 Mr. Hunt, we will allow him to get down off the stand.
24 We appreciate your testimony.

25 THE WITNESS: Thank you.

0166

1 JUDGE MOSS: And we'll take a break, but
2 before we do, let's ask if we will have next Mr. Weinman
3 or Mr. Cook.

4 MR. SIMSHAW: Mr. Cook, Your Honor.

5 JUDGE MOSS: Cook will be first, all right.

6 Let's take a 10 minute recess until about 20
7 before the hour by the wall clock.

8 (Recess taken.)

9

10 (The following exhibits were identified in
11 conjunction with the testimony of R. CRAIG COOK.)

12 Exhibit 12 is RCC-1T: Direct Testimony.

13 Exhibit 13 is RCC-2: Level 3 Market Expansion Project
14 Key Facts and Information. Exhibit 14 is RCC-3: Central
15 Office Code Assignment Guidelines. Exhibit 15 is RCC-4:
16 Level 3 Products and Services Overview. Exhibit 16 is
17 RCC-5: Level 3 NPA-NXXs in Washington. Exhibit 17 is
18 RCC-6: Level 3's 3-Connect Modem Product Brochure.
19 Exhibit 18 is RCC-7: Rebuttal Testimony.

20

21 Whereupon,

22 R. CRAIG COOK,
23 having been first duly sworn, was called as a witness
24 herein and was examined and testified as follows:

25

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1 JUDGE MOSS: Thank you, please be seated.

2 Oh, I have marked the exhibits, I should do
3 that first. For identification, I have marked
4 Mr. Cook's direct testimony as Number 12. There are a
5 number of exhibits, five exhibits attached, which I will
6 provide an exhibit list describing them. They're marked
7 sequentially 13 through 17. And then the rebuttal
8 testimony is marked as 18 for identification.

9

10 D I R E C T E X A M I N A T I O N

11 BY MR. SIMSHAW:

12 Q. Mr. Cook, could you state your name and
13 address for the record, please.

14 A. Yes, my name is R. Craig Cook. My address is
15 9430 Research Boulevard, Austin, Texas 78759.

16 Q. And, Mr. Cook, did you have cause to be
17 prepared pre-filed testimony in this matter on behalf of
18 CenturyTel, and is that testimony now identified as
19 Exhibit Number 12?

20 A. Yes, it is.

21 Q. And did that direct testimony also contain
22 five exhibits that are now identified as Exhibits 13
23 through 17?

24 A. Yes.

25 Q. Mr. Cook, with regard to that pre-filed

0168

1 direct testimony, do you have any changes or corrections
2 to make to that?

3 A. No, I don't.

4 Q. If I were to ask you the questions that are
5 contained within that testimony, would your answers be
6 the same as is now set forth in that testimony?

7 A. Yes, they would.

8 MR. SIMSHAW: Your Honor, we would offer
9 Exhibit 12 and accompanying exhibits into the record.

10 JUDGE MOSS: All right, no objection, 12
11 through 17 will be admitted as marked.

12 BY MR. SIMSHAW:

13 Q. Mr. Cook, did you also cause to be prepared
14 and submitted in this matter reply testimony that is now
15 identified as Exhibit 18?

16 A. Yes, I did.

17 Q. Do you have any changes or correction to that
18 testimony?

19 A. No, I don't.

20 Q. And if I were to ask you all of the questions
21 contained in that testimony today, would your answers be
22 the same as set forth therein?

23 A. Yes, they would.

24 MR. SIMSHAW: Your Honor, CenturyTel would
25 offer Exhibit 18, the reply testimony of Mr. Cook, into

0169

1 the record.

2 JUDGE MOSS: All right, thank you, no
3 objection, they will be admitted as marked.

4 MR. SIMSHAW: And Mr. Cook is available for
5 cross-examination.

6 JUDGE MOSS: All right Mr. Romano.

7 MR. ROMANO: Thank you, Your Honor.

8

9 C R O S S - E X A M I N A T I O N

10 BY MR. ROMANO:

11 Q. Good afternoon, Mr. Cook.

12 A. Good afternoon.

13 Q. Page 6 of your direct testimony, line 15, the
14 first two words in that line are physical location; do
15 you see that?

16 A. I'm sorry, what line was that?

17 Q. Line 15 of my copy.

18 A. Okay. And you said the first words were?

19 Q. Physical location.

20 A. Physical location.

21 JUDGE MOSS: I think mine is different as
22 well, so I'm not sure that we know where we are here.
23 Is this in the direct or the rebuttal?

24 MR. ROMANO: It's in the direct here. I've
25 got --

0170

1 JUDGE MOSS: What's the question?

2 MR. ROMANO: It's the question -- it's the
3 summary of testimony.

4 JUDGE MOSS: All right, it's on my page 5.

5 MR. ROMANO: Yes, I apologize, yes.

6 BY MR. ROMANO:

7 Q. It's on page 5, line 14 I guess is what
8 appears in the draft I've got now. Do you see that
9 reference?

10 A. Yes.

11 Q. How do you define a customer's physical
12 location?

13 A. In the context of this case, a case where we
14 are addressing the nature of traffic that terminates to
15 a Level 3 customer and again in this case an ISP
16 customer, that would be the location of that ISP
17 customer's modem bank.

18 Q. What about in a case if the customer is not
19 an ISP, just a POTS, plain old telephone service
20 customer, how would you define that customer's physical
21 location?

22 A. Typically that location would be where the
23 call terminates, where the customer can accept and/or
24 place calls from their equipment.

25 Q. So the customer's premise where their

0171

1 customer premise equipment is?

2 A. Typically.

3 Q. On page 8 of your testimony, you begin to
4 discuss central office code assignment guidelines, and I
5 believe at around lines 18 through 20 you begin to talk
6 about having these calls treated as local calls for
7 retail rating purposes, correct?

8 A. I'm sorry, what line was that?

9 Q. Line 20.

10 A. Okay.

11 Q. Do you see that?

12 A. Yes.

13 Q. Do you know if CenturyTel ever collected
14 reciprocal compensation on any calls to Internet service
15 providers that it served prior to the time of the ISP
16 Remand Order?

17 A. I don't know.

18 Q. Do you know if CenturyTel continues to
19 collect reciprocal compensation on any calls to ISPs
20 that it serves today?

21 A. I am not aware.

22 Q. Do you know whether CenturyTel identifies to
23 other carriers the telephone numbers that it has
24 assigned to its own ISP or to ISP customers that it
25 serves?

0172

1 A. Not being an employee of CenturyTel and not
2 being familiar with all the operational aspects of their
3 business, I don't know the answer to that question.

4 Q. Mr. Cook, I'm going to ask you this question,
5 and you can defer it to a CenturyTel witness. The only
6 reason I ask you is we received responses of CenturyTel
7 to discovery, but no respondents were identified, so I'm
8 not sure which witness to ask, so I will start with you.

9 MR. SIMSHAW: Could I see that?

10 MR. ROMANO: Certainly, let me give you
11 another copy.

12 MR. SIMSHAW: (Indicates.)

13 MR. ROMANO: Oh, okay, all responses, I
14 apologize, I did not see that, all right, I will ask
15 Mr. Weinman the question then.

16 BY MR. ROMANO:

17 Q. Do you know if CenturyTel sets up separate
18 trunk groups for calls coming to Internet service
19 providers from customers of other carriers?

20 A. I don't know.

21 Q. In your -- I'm going to ask you to flip
22 quickly to your reply testimony.

23 A. Sure.

24 Q. Page 33, at least of the draft I have, and it
25 on my page is a question that says that Level 3 claims

0173

1 that; is that also on your page 33?

2 A. No, it's not.

3 Q. 32?

4 A. 32.

5 Q. 32?

6 A. Yes.

7 Q. Okay. And actually I want to look at lines 1
8 through 3. Do you have a sentence there that begins, in
9 contrast, it is believed; do you see that sentence?

10 MR. SIMSHAW: I'm sorry, where are we?

11 Q. Page 32, lines 1 through 3. Do you not have
12 that at lines 1 through 3 of page 32?

13 A. Lines 1 through 3 on mine is the question
14 itself.

15 JUDGE MOSS: Why don't you just read the
16 portion of the testimony.

17 Q. The portion says:

18 In contrast, it is believed that a
19 preponderance of CenturyTel's FX
20 customers.

21 Can you find that sentence in your testimony?
22 FX customers, it comes right above the question, Level 3
23 claims that CenturyTel is withholding a local.

24 A. Oh, right above that question?

25 Q. Yes.

0174

1 A. Oh, okay.

2 Q. So what --

3 A. Yes, I found it.

4 Q. -- page is that on yours?

5 A. Page 31, line 18.

6 Q. Several different copies.

7 And you state there that:

8 It is believed that a preponderance of

9 CenturyTel's FX customers are business

10 customers who use the FX service to

11 facilitate two-way communication.

12 Believed by whom?

13 A. I believe that would be believed by

14 CenturyTel, and just that's based on my discussions with

15 CenturyTel operational folks who have reason to believe

16 based upon their experience with the FX service that

17 they provide that this is the case.

18 Q. Did you review any data specific to --

19 A. No.

20 Q. -- the traffic? They didn't show you any

21 traffic studies?

22 A. No.

23 Q. How do you define preponderance; is that 51%

24 or 80%?

25 A. I would say that's at least in this case in

0175

1 the context of what I was trying to relay here just the
2 majority of their traffic. I couldn't provide a
3 percentage to that.

4 Q. So the use of preponderance would indicate
5 that there are some customers, perhaps a minority, who
6 don't use CenturyTel's FX service in a one-way manner,
7 in a two-way manner?

8 A. I don't know that for a fact, but yes,
9 assuming that a majority of the customers did use that
10 for the purposes as stated here, then yes, that would
11 allude to the fact that a small minority, if any, use it
12 for anything other than that.

13 Q. Do you know if CenturyTel considers those
14 customers differently from a regulatory perspective or
15 treats those customers differently in any way based upon
16 their one-way use of the service?

17 A. I do not know. In fact, again, it could be
18 the fact that it's more than a preponderance. It may be
19 100%, but I just -- I don't know the answer to that.
20 That is 100% of their customers may be as I have defined
21 them here, business customers using this for two-way.

22 Q. In your rebuttal testimony, staying there, my
23 page 9, you provide a quote from Newton's Telecom
24 Dictionary. It's a blocked quote. Do you have that?

25 A. Yes, I do.

0176

1 Q. And you have some underlines I believe in the
2 sentence that begins, in its simplest form, correct?

3 A. Yes.

4 Q. Now doesn't the use of that phrase, in its
5 simplest form, indicate that this is just one example
6 and that there might be more "complicated" forms of FX?

7 A. That's true.

8 Q. And you emphasize the last sentence of this
9 blocked quote that says:

10 That this means that people located in a
11 foreign city can place a local call to
12 get the user.

13 Correct?

14 A. Yes.

15 Q. And that sentence refers to people who are in
16 a distant exchange placing a call to an FX subscriber,
17 correct?

18 A. I believe that to be true, yes.

19 Q. And wouldn't that be about the same
20 application as what Level 3 is seeking to provide here,
21 an ability for customers to place a call to a subscriber
22 on an inbound basis?

23 A. Yes.

24 Q. Page 37 of your direct testimony. One
25 moment, I'm trying to find something. Well, we will

0177

1 come back to that.

2 Let's look at page 41, at least my page 41
3 has some discussion of Level 3's proposed service impact
4 on regulated revenues. It's a question that says, if
5 Level 3 is allowed to deploy its V-NXX service.

6 A. And this was on your page 41?

7 Q. 40 to 41.

8 A. Okay.

9 Q. Do you have that question?

10 A. No, I don't. Can you restate that question?

11 MR. SIMSHAW: Are you in the direct?

12 Q. Yes, direct pages.

13 A. Oh, I'm sorry, I apologize.

14 Q. That's okay.

15 A. Okay.

16 Q. And you talk here about loss of revenues in
17 the second paragraph under this question and answer,
18 correct?

19 A. Yes.

20 Q. Have you prepared any studies that look at
21 revenue impact associated with FX or FX type services?

22 A. No.

23 Q. So do you have any data that would support
24 the claim that loss of these revenues will "likely
25 impact" CenturyTel's revenues?

0178

1 A. No, I do not.

2 Q. You discuss in several places in your
3 testimony number utilization as well, right, number
4 administration and assignment?

5 A. Yes.

6 Q. In looking at number administration and
7 efficiencies, did you consider at all whether rate
8 center consolidation might allow carriers to make more
9 efficient use of numbers?

10 A. No, I have not.

11 Q. Would you agree that if say every three rate
12 centers were consolidated into one, a carrier could use
13 a single 10,000 or 1,000 block to serve a greater
14 geographic area?

15 A. They could, yes.

16 Q. And are you aware that CenturyTel was
17 involved recently in a rate center consolidation matter
18 before this Commission?

19 A. I have heard that today for the first time.

20 Q. And would it surprise you to know that
21 CenturyTel expressed concern about implementing rate
22 center consolidation along the schedules suggested by
23 Staff?

24 A. I couldn't say one way or the other not
25 having any background on the case.

0179

1 MR. ROMANO: Your Honor, could I ask further
2 questions about this, or I could just ask the Commission
3 to take notice of the decision in Docket Number
4 UT-021323 and move on from there?

5 JUDGE MOSS: If there is a Commission final
6 order in the matter, then you may simply refer to it on
7 brief.

8 MR. ROMANO: Thank you.

9 BY MR. ROMANO:

10 Q. If a plan for rate center consolidation went
11 through despite CenturyTel's objections and concerns,
12 would that change your analysis at all about efficient
13 number utilization and how many codes are needed, for
14 example, to serve an area?

15 A. No, it wouldn't, and I would say that even
16 though in the case of rate center consolidation Level 3
17 perhaps would be using fewer codes, I still believe that
18 even in the example you provided where three rate
19 centers were consolidated into one, to the extent that
20 Level 3 perhaps only has a handful of customers
21 utilizing 10,000 numbers, that's still, especially
22 considering the state of the number resources in
23 Washington, still a very inefficient use of those
24 numbers.

25 Q. Mr. Cook, have you ever worked for a

0180

1 competitive local exchange carrier?

2 A. Yes, I have.

3 Q. Do you have a general sense of how long it
4 takes a competitive local exchange carrier to attract
5 customers to its service?

6 A. It really depends on the carrier and what
7 their business plan is, so it varies.

8 Q. You wouldn't expect a carrier to have say
9 1,000 or 10,000 customers immediately after entry or --

10 A. Typically not. Again, just depends upon the
11 carrier and what their business plan is.

12 Q. You believe that Level 3's use of numbers to
13 support this FX type service is contrary to number
14 assignment guidelines; you make that point several times
15 in your testimony, right?

16 A. Right.

17 Q. But isn't it true that one of your proposed
18 solutions in this docket is for CenturyTel to provide an
19 FX or FX like service to Level 3 and its customers?

20 A. That's certainly an option that CenturyTel
21 could provide, yes.

22 Q. So Level 3's use of numbers to provide
23 service to its own customers is contrary to the number
24 assignment guidelines, but if CenturyTel provides the
25 same functionality to Level 3, that's okay?

0181

1 A. My understanding is that the service, one of
2 the services that CenturyTel could provide to Level 3,
3 is a tariffed FX service, a service that is an extension
4 of their local service, a service that's been approved
5 by this Commission. With respect to number utilization,
6 I think the biggest thing to keep in mind with respect
7 to there being a different impact and a much less impact
8 on number resources as compared to Level 3's proposed
9 service is that the NXXs that CenturyTel currently has
10 in place are just that, they're in existence today,
11 they're currently being utilized, they're not new
12 numbers that are going to have to be obtained in 10,000
13 blocks, in some cases here in Washington 1,000 blocks.
14 So those numbers are currently in existence, currently
15 reserved, and in use by CenturyTel, so there is quite a
16 distinction between the two.

17 Q. So the distinction is that CenturyTel as an
18 incumbent already has telephone numbers to provide
19 service, whereas Level 3 as a competitor is necessarily
20 required to go out and get telephone numbers to provide
21 service?

22 A. That's one distinction. But again, in
23 comparison with other CLECs who may be obtaining
24 numbers, the great difference between what Level 3 is
25 proposing to do and what maybe a typical CLEC may be

0182

1 trying to do is vastly different in that a CLEC may be
2 trying to provide a true local service providing service
3 within a local exchange area to a number of customers
4 instead of just a handful of ISP customers, who in most
5 cases are not even located within the same local calling
6 schedule.

7 Q. You mentioned a handful of ISP customers, how
8 do you know how many customers Level 3 may have now or
9 may have in the future?

10 A. Well, I don't, and that's something that I
11 believe that CenturyTel would like to know, but we
12 haven't been provided that information.

13 Q. How do you know where each and every Level 3
14 customer now or in the future might be physically
15 located?

16 A. Do not know that.

17 Q. Isn't it quite possible that if Level 3 were
18 to begin providing service tomorrow in CenturyTel's
19 serving area, several ISPs within that serving area may
20 flock to Level 3 service or may not?

21 A. That's always a potential, sure.

22 Q. You have discussed the implications of these
23 services mentioned here today, what you think the
24 implications of these services are in numbering
25 resources; do you have any data or studies that show the

0183

1 impact of this say in Washington today or in other
2 states, the impact on number resources?

3 A. No, I think it's pretty clear just on the
4 face that the company obtaining either 1,000 or 10,000
5 blocks again for, you know, let's just take a 10,000
6 block in this case, obtaining that number of NXXs and
7 only using those for let's just say less than 1,000
8 customers is not an efficient use of numbers.

9 Q. Let's talk about efficient use. Did you
10 review Mr. Gates' rebuttal testimony in this proceeding?

11 A. Yes, I did.

12 Q. And did you see attached to that some data
13 with respect to CenturyTel's utilization of numbers in
14 the state of Washington?

15 A. Actually, I did not. I didn't review or I
16 don't believe I received the attachment.

17 MR. ROMANO: We have a copy, Your Honor, if I
18 may provide the witness with a copy unless counsel has
19 one.

20 Your Honor, if I may approach the witness and
21 hand him --

22 JUDGE MOSS: (Nodding head.)

23 BY MR. ROMANO:

24 Q. Mr. Cook, the document I have handed you is
25 Mr. Gates' rebuttal testimony, which was marked earlier

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1 in this proceeding as Exhibit 5 isn't it, excuse me, 3.
2 And I believe the actual exhibit I have handed you which
3 was attached to that was itself marked as Exhibit 4. Do
4 you have before you as a copy -- it's a copy of the page
5 that says summary of the number of NXXs, et cetera; do
6 you have that?

7 A. Yes.

8 Q. And am I right that this page indicates that
9 per the 2002 FCC joint monitoring report CenturyTel had
10 about 184,294 lines, access lines, in Washington as of
11 that time frame, CenturyTel of Washington, Inc.?

12 A. Yes.

13 Q. Does that sound about a ball park figure for
14 what CenturyTel's access line count is in Washington for
15 service?

16 A. I don't know.

17 Q. Do you have any reason to doubt that?

18 A. No.

19 Q. And am I correct that this indicates that
20 CenturyTel holds a total of 91 NXX codes, CenturyTel of
21 Washington, Inc., holds a total of 91 NXX codes in the
22 state of Washington today?

23 A. That's right.

24 Q. Do you have any reason to doubt that figure?

25 A. No.

0185

1 Q. So moving over to the right-hand column,
2 would you agree subject to check on the math that the
3 average number of lines per NXX code assigned to
4 CenturyTel of Washington, Inc., is 2,025?

5 A. Yes.

6 Q. So CenturyTel rounding up is using its
7 telephone numbers in Washington at about a 21% clip
8 right now; is that right?

9 A. It appears so from the numbers, yes.

10 Q. Is 21% efficient utilization in your opinion?

11 A. To the extent that, and again, I, you know,
12 we have asked for information from Level 3 regarding how
13 many customers Level 3 has, but assuming, you know, that
14 I think based upon the comparison between the two that
15 it's much more efficient than what Level 3 is currently
16 proposing.

17 Q. When did CenturyTel ask Level 3 for any
18 information about how many customers it held?

19 A. I don't know.

20 Q. Is CenturyTel's customer base growing so much
21 that this 21% could be expected to get significantly
22 better?

23 A. That's not a question I can answer. That
24 might be something that Mr. Weinman could address.

25 Q. Do you know if CenturyTel of Washington,

0186

1 Inc., is currently LNP capable?

2 A. I don't know the answer to that.

3 Q. Generally in your experience in the
4 telecommunications industry, would you understand that
5 LNP capability, local number portability capability, is
6 a prerequisite to participating in number pooling
7 activities?

8 A. Yes.

9 Q. So if CenturyTel of Washington, Inc., were
10 not LNP capable or had not marked its codes as portable,
11 it couldn't participate in pooling, correct?

12 A. That's correct.

13 Q. So CenturyTel would continue to hold full
14 10,000 blocks of numbers even though its customer base
15 might not be growing much beyond 185,000?

16 A. That's right.

17 Q. Mr. Cook, I want to go back to page 37 of
18 your direct testimony, and it's my page 37, lines 9
19 through 18. It's a paragraph that begins, V-NXX calling
20 is also anticompetitive.

21 A. Yes.

22 Q. And you note about the second line of that
23 paragraph that V-NXX calling "offloads intercarrier
24 costs", correct?

25 A. Yes, offloads intercarrier costs, I see that.

0187

1 Q. Can you explain for me in detail exactly what
2 costs are created by the location of the Level 3
3 customer?

4 A. To the extent that, and really the goal of
5 this sentence was to express that to the extent that
6 Level 3 uses a V-NXX code and originates interexchange
7 traffic not unlike the existing interexchange traffic
8 provided by IXCs, interexchange carriers, today, that
9 that cost that is incurred and that is -- that
10 CenturyTel is compensated for by those IXCs, to the
11 extent that Level 3 would not be compensating CenturyTel
12 for those same interexchange costs, those same access
13 costs that the IXCs compensate CenturyTel for today,
14 then those costs would be shifted. So that was the
15 intent of that sentence.

16 Q. I know that Mr. Weinman has apparently
17 responsibility for CenturyTel's discovery requests, but
18 did you have a chance to -- or responses rather, but did
19 you have a chance to review those at all before the
20 hearing?

21 A. No, I haven't.

22 Q. Is it your position that CenturyTel's costs
23 would differ depending on the location of the Level 3
24 customer assuming that the calls go through a point of
25 interconnection in the local calling area?

0188

1 A. No, the costs really will not differ based
2 upon the location of the customer. Now if we get into
3 issues where the point of interconnection changes, then
4 costs may differ. But again, I think CenturyTel's
5 position would be that cost is not at issue here. It's
6 the jurisdiction of the traffic.

7 Q. Mr. Cook, there were some questions this
8 morning about calls involving Seattle and Forks exchange
9 with reference to what was marked as Exhibit WHW-2. Are
10 Forks and Seattle in the same LATA; do you know?

11 A. I don't know.

12 Q. Would you accept subject to check that
13 they're both in LATA 674?

14 A. Certainly.

15 Q. For the purpose of this assumption, let's do
16 that maybe.

17 A. Okay.

18 Q. Which is the Seattle LATA.

19 A. Okay.

20 Q. On a call from -- let's look at the call the
21 other way, a call from a Qwest customer in Seattle to a
22 CenturyTel customer in Forks, no foreign exchange
23 service involved, Qwest is the intraLATA toll provider.
24 Where does -- where do Qwest and CenturyTel hand off the
25 call on that example?

0189

1 A. That would be at the meet point or point of
2 interconnection that we discussed earlier between the
3 two companies.

4 Q. In the case of that intraLATA toll call where
5 Qwest is the toll carrier, who pays whom access?

6 A. That depends really based upon the state, and
7 I am not familiar with Washington state rules with
8 respect to intercarrier compensation between ILECs for
9 intraLATA toll, so that really depends. I don't know
10 that I can answer that question for Washington state.

11 Q. So it isn't necessarily a case that Qwest
12 actually gets originating access from CenturyTel; it
13 might be the case that Qwest actually pays CenturyTel
14 terminating access?

15 A. That could be the case, yes.

16 Q. So generally on intraLATA or potentially on
17 intraLATA toll calls under the State of Washington's
18 rules or whatever agreements are in place, it's not
19 always the case that the originating carrier gets
20 compensation on an intraLATA toll call?

21 A. That's a fair assessment, yes.

22 Q. Mr. Cook, your rebuttal testimony, page -- or
23 your reply testimony, page 34 of my copy, line 19, it's
24 a question that begins, Level 3 suggests that
25 CenturyTel. It may be on page 33.

0190

1 A. Okay.

2 Q. And in that question or in the response, you
3 state, I believe it's about five or six lines down in
4 the response, you state that:

5 CenturyTel is in no way attempting to
6 dictate to Level 3 how it should
7 engineer its network.
8 Correct?

9 A. That's correct.

10 MR. ROMANO: Your Honor, may I approach the
11 easel and use some diagrams?

12 JUDGE MOSS: Yes, you may.

13 MR. ROMANO: Thank you.

14 Your Honor, we actually have, I believe we
15 have 8 1/2 by 11 depictions of this as well.

16 JUDGE MOSS: Why don't you distribute those
17 for those of us who are vision challenged. I can make
18 it out, but I'm not sure everybody can.

19 MR. ROMANO: Certainly.

20 JUDGE MOSS: Are you going to want to mark
21 these and offer them?

22 MR. ROMANO: Yes, I think it would probably
23 be helpful for demonstrative purposes.

24 JUDGE MOSS: All right, I will go ahead and
25 mark it as 19 for identification so we can have a good

0191

1 reference for our record.

2 MR. ROMANO: Thank you.

3 JUDGE MOSS: What should we call this?

4 MR. ROMANO: Ocosta diagram I suppose.

5 JUDGE MOSS: All right.

6 MR. ROMANO: Your Honor, if I may approach
7 the easel and use this microphone?

8 JUDGE MOSS: Yes, certainly.

9 MR. ROMANO: Thank you.

10 BY MR. ROMANO:

11 Q. Mr. Cook, what we have depicted up here on
12 what's been marked as Exhibit 19 is Ocosta, which is a
13 CenturyTel of Washington exchange. And I have, for the
14 purposes of this depiction, I have asked you to assume
15 that there's a CenturyTel end user marked as CT EU with
16 a telephone number of (360) 222-1111 who is physically
17 located in Ocosta, and that is the CenturyTel Ocosta
18 NPA-NXX for the CenturyTel switch in Ocosta. Then
19 proceeding from the switch I have a horizontal line
20 that's bisected by a vertical line that I have marked as
21 POI or point of interconnection. I would ask that you
22 assume that that's the point of interconnection with
23 Level 3, who is depicted on the right side of this
24 diagram. Okay, the Level 3 switch in Ocosta and a Level
25 3 end user marked as Level 3 EU with a little phone on

0192

1 the right with a telephone number of (360) 777-1111, and
2 that's Level 3's NPA-NXX for Ocosta, and that customer
3 is physically located in Ocosta in terms of having their
4 premise equipment there and answering the phone there.

5 Okay, do follow me so far?

6 A. Yes.

7 Q. Would you agree with me that this would be
8 considered a local call under CenturyTel's definitions
9 of local call?

10 A. Yes.

11 MR. ROMANO: Now I'm going to flip the page
12 here and go to another diagram that builds upon this,
13 and we will ask that this be marked as Exhibit 20, and
14 we will pass out a draft as well.

15 JUDGE MOSS: And we will just call this an
16 Ocosta/Seattle diagram.

17 BY MR. ROMANO:

18 Q. And, Mr. Cook, what's depicted on Exhibit 20
19 on the left in Ocosta should be the same basic network
20 we talked about in Exhibit 19 with a CenturyTel end user
21 and a Level 3 end user, CenturyTel switch and a Level 3
22 switch, point of interconnection. What we have added
23 now is moving left to right a horizontal line that's
24 been titled ded. facility or dedicated facility going to
25 another Level 3 switch within the circle that's been

0193

1 designated as Seattle. Do you see that?

2 A. Uh-huh.

3 Q. And off of that switch we have another
4 customer that's been labeled as Level 3 EU2 with the
5 number (206) 888-1111, that being a Level 3 Seattle
6 NPA-NXX. Do you see that?

7 A. Yes.

8 Q. And assume with me that that customer in
9 Seattle of Level 3 has purchased a foreign exchange or
10 foreign exchange like service from Level 3 and that has
11 thereby obtained a (360) 777-2222 telephone number
12 associated with the Ocosta exchange. Are you with me so
13 far?

14 A. Yes.

15 Q. Does this depict a basic network diagram that
16 you would see in a foreign exchange arrangement?

17 A. I don't know that this is typical in that in
18 most FX type services the open end that's depicted in
19 the Ocosta local exchange would be provided by the ILEC,
20 CenturyTel in this case. It's rare that you're going to
21 have a CLEC or in this case Level 3 on the switch
22 providing an open end in that other exchange. But yes,
23 that could be the case.

24 Q. Okay. So in this case Level 3 is providing
25 it, you referred to open end, so Level 3 out of the

0194

1 Level 3 switch in Ocosta would be providing the open end
2 to the customer who is physically located in Seattle and
3 would have a dedicated facility going back to that
4 customer in Seattle, which I believe is one of the other
5 factors that you have cited as being part of a foreign
6 exchange service?

7 A. It depends. The one thing that I would note
8 is that the compensation associated with an open end of
9 a circuit does address the local loop provided by the
10 telephone company, whether, you know, I think we would
11 need to define whether or not Level 3 is actually
12 providing the physical facilities for the local loop or
13 CenturyTel is.

14 Q. I apologize, I don't mean to interrupt.

15 A. Sure. So with respect to that open end, who
16 is providing that? It really I think comes down to who
17 owns the -- who owns that local or who is actually
18 providing the physical facility in that case.

19 Q. And which local loop are you speaking of?
20 Are you speaking about the local loop used to serve the
21 CenturyTel end user over here?

22 A. It could be, it could be any local loop. It
23 just depends upon which --

24 Q. But CenturyTel is not providing the local
25 loop to the Level 3 end user who is purchasing foreign

0195

1 exchange service. Level 3 is providing the service out
2 of its switch, an open end out of its switch in Ocosta
3 back to the Level 3 end user in Seattle. How is
4 CenturyTel entitled to the compensation for the cost of
5 the local loop in that case?

6 A. Sure, and that kind of goes back to the
7 question or the issue that I posed regarding who
8 actually owns the local loop. If indeed Level 3 has
9 built out an actual facility to the end user customer,
10 whether it be copper or fiber in the ground, but
11 actually has a true physical facility in the ground that
12 provides that local loop to the end user, then yes, in
13 that case, Level 3 would be providing the local loop.

14 Q. To which end user, let's be clear, to CT EU1
15 or to Level 3 EU2?

16 A. It really depends upon who is placing the
17 call. If we're talking about an open end, it's really
18 just who is going to be placing the call.

19 Q. Let's assume CenturyTel end user wants to
20 call Level 3 end user 2 and dials the FX number (360)
21 777-2222. The call would go over the local loop to the
22 CenturyTel switch. Do you agree with me so far?

23 A. Mm-hm.

24 Q. CenturyTel switch at that point recognized by
25 reference to say the local exchange routing guide or

0196

1 LERG, which is an abbreviation we may use, that that
2 call is destined for a Level 3 NPA-NXX, and send that
3 call over whatever interconnection facilities it has to
4 the point of interconnection with Level 3. Do you agree
5 with me on that as well?

6 A. Uh-huh.

7 Q. At that point, Level 3 would take the call
8 back and then switch it to make sure it gets delivered
9 to its customer who is purchasing a foreign exchange
10 service.

11 A. (Nodding head.)

12 JUDGE MOSS: You will need to answer
13 verbally.

14 A. I'm sorry, yes.

15 Q. Thank you.

16 Is it your contention that in that call flow
17 CenturyTel is providing the open end?

18 A. Yes, they are.

19 Q. So let's go back to Exhibit 19. In this
20 case, we've just got a call between two CenturyTel
21 customers, or excuse me, a CenturyTel customer and a
22 Level 3 customer, both located within Ocosta.
23 CenturyTel is just originating a local call in that
24 case. You wouldn't say that there's an open end even to
25 be provided here, right, it's just a local call?

0197

1 A. That's right.

2 Q. Okay. But in this case, CenturyTel is doing
3 the exact same thing. The Level 3 customer is buying
4 foreign exchange service from Level 3. Level 3 actually
5 has a switch in Ocosta. And you're saying to me that
6 CenturyTel is still entitled to compensation for the
7 open end associated with originating its customer's call
8 to the point of interconnection with Level 3?

9 A. Yes.

10 Q. Would you agree with me though that the Level
11 3 customer is purchasing foreign exchange service from
12 Level 3 in this example?

13 A. In this example it looks like, again
14 depending upon who is placing the call and who is
15 actually providing that physical local loop, it may be a
16 shared arrangement. Again, it really just depends upon
17 where the call is originated and who is providing the
18 physical local loop, so.

19 Q. But isn't Level 3 providing the open end out
20 of its switch physically located in Ocosta? Isn't it
21 just -- isn't CenturyTel just originating a call?

22 A. No, I would say that CenturyTel is actually
23 providing the local loop functionality. Again, the
24 typical foreign exchange open end in this case I would
25 believe that CenturyTel is providing that functionality.

0198

1 Q. Let's say Level 3 were operating in
2 CenturyTel's territory as a CLEC in Ocosta and that
3 CenturyTel had a customer who had purchased a foreign
4 exchange number in Ocosta. Okay, the customer is
5 further away outside of Ocosta, but they purchased a
6 foreign exchange number from CenturyTel for Ocosta, had
7 the open end in Ocosta. Do you follow that?

8 A. Yes.

9 Q. Would Level 3 be providing the open end for
10 CenturyTel's foreign exchange customer on calls placed
11 by Level 3's end user?

12 A. Tell me again who is originating the order
13 for the FX service. The open end you're saying is in
14 Ocosta.

15 Q. Customer in CenturyTel exchange A far, far
16 away decides they want a local telephone number in
17 Ocosta. They come to CenturyTel and purchase foreign
18 exchange service from CenturyTel. They get an open end
19 in Ocosta, telephone number from the CenturyTel (360)
20 222 NPA NXX for Ocosta. Then CenturyTel provides the
21 dedicated facility back to the customer out in exchange
22 A far, far away. Would you say in that case of the call
23 from a Level 3 customer in Ocosta that Level 3 is
24 providing the open end to the CenturyTel customer?
25 Because Level 3 is providing the local loop to its

0199

1 switch for its customer to place the call.

2 A. In that case, if the distant CenturyTel
3 customer you're referring to orders an FX service, it
4 sounds as though in that case they would actually have
5 to, again assuming that Level 3 actually had a switch
6 and facilities there and that's the number they wanted
7 was the Level 3 number, then Level 3 would be providing
8 the --

9 Q. No, I asked, I'm sorry, I asked you to assume
10 that they were getting the number from CenturyTel --

11 A. Right.

12 Q. -- (360) 222 block --

13 A. Right.

14 Q. -- out of the CenturyTel switch in Ocosta.

15 A. Right.

16 Q. In that case, customer Level 3 EU1 with a
17 (360) 777-1111 telephone number calls the FX customer of
18 CenturyTel with a number in Ocosta but actually located
19 physically far, far away.

20 A. Right.

21 Q. Would you say in the case of that call that
22 Level 3 is providing the open end and is entitled to
23 compensation from CenturyTel for doing so?

24 A. If the number is a CenturyTel number, then
25 I'm not sure how Level 3 would be providing the local

0200

1 loop and therefore the open end in this situation, so I
2 may be --

3 Q. Then let's go back to Exhibit 20 now. I
4 asked you to assume that the (360) 777 NPA-NXX is a
5 Level 3 number assigned to the Ocosta Level 3 switch.
6 So the customer is purchasing foreign exchange service
7 out of Seattle, isn't getting any telephone number from
8 CenturyTel, they're just getting -- they're just -- they
9 have a number from Level 3. So CenturyTel isn't
10 providing the customer anything in the example on
11 Exhibit 20. Why is CenturyTel entitled to open end
12 compensation in that case?

13 A. Again, it goes back to the issue of who is
14 actually providing the local loop. If, in fact, Level 3
15 did have a switch and did have facilities in the ground
16 to their local customer, a true physical local loop,
17 then they would be entitled to the open end charges in
18 that case.

19 Q. So Level 3 would be entitled to the open end
20 charges in serving Level 3 EU2 if it had a switch in
21 Ocosta?

22 A. If it's actually providing the local loop
23 functionality that CenturyTel is providing today.

24 Q. But you keep referring to local loop, I want
25 to make sure I understand which local loop functionality

0201

1 you're talking about. Are you talking about the local
2 loop functionality associated with CT EU, the local loop
3 they get out of the CenturyTel switch, or are you
4 talking about the local loop that they get -- the
5 connectivity they get out of the Level 3 switch in
6 Ocosta?

7 A. Yeah, that really depends upon where the
8 customer in Seattle places the FX, in other words what
9 NXX do they want to have opened up. If it's a Level 3
10 NXX that they want and Level 3 --

11 Q. And I have asked you to assume that it is.

12 A. Right. And Level 3 is actually providing the
13 physical facilities for that local loop, then sure,
14 Level 3 would be obligated to collect the open end
15 there.

16 Q. And so CenturyTel wouldn't get the open end
17 in that case?

18 A. Right, if Level 3 is actually providing the
19 physical loop, sure.

20 Q. Thank you.

21 Does it make any difference whether Level 3
22 actually has any customers being served out of that
23 Level 3 switch or not actually physically located in
24 Ocosta as to whether this customer is being provided
25 foreign exchange service?

0202

1 A. I think it really -- well, yes, I think it
2 would. Again, getting back and look at who is providing
3 the local loop, if Level 3 doesn't have any customers
4 within that local calling scope, then it's unlikely that
5 Level 3 would be providing any local loop and therefore
6 would not be able to collect compensation for an open
7 end.

8 MR. ROMANO: I'm going to pass around what I
9 guess I would ask to be marked as 21.

10 JUDGE MOSS: I will mark it for
11 identification as Exhibit 21, and I will just call it
12 Ocosta/Seattle Diagram 2.

13 BY MR. ROMANO:

14 Q. Do you have that diagram that's been
15 identified as 21?

16 A. Yes.

17 Q. And comparing 20 to 21, the only change
18 should be that the customer who was previously served
19 out of the Level 3 Ocosta switch is no longer on Diagram
20 21, whereas they were on Diagram 20.

21 A. That's right.

22 Q. And I just asked you whether the presence of
23 that customer in Ocosta changed whether the customer in
24 Seattle was purchasing a foreign exchange service from
25 Level 3, and I believe you said yes it does?

0203

1 A. Yes.

2 Q. So Level 3 comes into Ocosta, puts a switch
3 down, gets one customer at Ocosta, also gets one
4 customer in Seattle. That was kind of what we were
5 talking about on Exhibit 20. Now on Exhibit 21, the
6 customer we're serving in Ocosta says, gee, I really
7 liked my service with CenturyTel better, I'm going back
8 to CenturyTel. And you're saying by virtue of that
9 customer's decision to leave Level 3's service, that
10 changes the nature of the service that Level 3 end user
11 2 buys in Seattle, the foreign exchange service?
12 Nothing has changed on the network. That customer just
13 decided they wanted to go back to CenturyTel, who we had
14 in Ocosta, Level 3 had in Ocosta. Does that change the
15 nature of the service purchased by Level 3 end user 2?

16 A. It really again depends upon the scope of
17 what Level 3 was providing in the Exhibit 20, if indeed
18 Level 3 was providing the local loop and the switching
19 functionality for that customer.

20 Q. I'm sorry, which customer?

21 A. I'm sorry, for the Seattle customer who is
22 ordering the FX service, and that changed in Example 21
23 where now CenturyTel is providing the local loop and
24 switching function, then yes, that has changed, and
25 CenturyTel in this case would be -- would be compensated

0204

1 for providing the open end of this FX service.

2 Q. But on 20, between 20 and 21 we didn't change
3 what Level 3 was providing on its network to Level 3
4 EU2. All we had happen between 20 and 21 was Level 3
5 end user 1, a different end user, left the Level 3
6 network.

7 A. And again we're --

8 Q. Level 3 is still providing the same network
9 functionality to Level 3 end user 2, exact same network
10 architecture as between 20 and 21. So are you saying
11 that as long as it's providing the same network
12 architecture --

13 A. I guess it depends upon the scope of the
14 compensation we're discussing. If we're just discussing
15 the open end, then CenturyTel clearly would be obliged
16 to charge the open end of the circuit in this case in
17 Example 21. Now --

18 Q. Just by virtue of the fact that the Level 3
19 end user 1, a different end user, left Level 3 service,
20 CenturyTel would suddenly be obliged to charge the open
21 end on calls its customers placed to a different end
22 user?

23 A. In this case it's really as simple as just
24 looking at the functionality that CenturyTel is
25 providing to the FX customer, that is local dial tone

0205

1 and local loop functionality.

2 Q. No, the dial tone is still out of the Level 3
3 switch, it's still Level 3's NXX code associated with
4 Ocosta. All that's changed is Level 3's customer, one
5 customer who is physically located in Ocosta, left Level
6 3's service. Level 3 is still providing the NPA-NXX out
7 of its switch in Ocosta to the Level 3 customer in
8 Seattle on a foreign exchange basis. Are you saying
9 that now Level 3 is not providing the open end to the
10 customer?

11 A. If indeed Level 3 is providing the dial tone
12 for that customer, then that changes the scenario a
13 little bit, and I have not operationally seen an FX
14 service work like this. It could be that in this type
15 of scenario that CenturyTel and Level 3 want to get
16 together and negotiate an agreement to handle this kind
17 of a scenario such that maybe both companies share some
18 cost of providing the local loop or the open end. But
19 again, I haven't seen this scenario operationally, so.

20 Q. What foreign exchange functionality -- what
21 dial tone is CenturyTel providing to the Level 3 EU2 in
22 this example?

23 A. Well, they're --

24 Q. They're not providing a telephone number.
25 Level 3 is providing that out of its switch in Ocosta.

0206

1 They're not providing the foreign exchange facility back
2 to Seattle. Level 3 is providing that on its own
3 network. What dial tone is CenturyTel's switch in
4 Ocosta providing to Level 3 end user 2 in Seattle?

5 A. To the extent that the Level 3 customer in
6 Seattle wishes to have customers in Ocosta have the
7 ability to call them on a local basis through this FX
8 service, when the CenturyTel customer in Ocosta picks up
9 their phone, they're being provided dial tone from
10 CenturyTel.

11 Q. So any CLEC customer who wants to be called
12 by a CenturyTel customer is being provided dial tone by
13 CenturyTel?

14 A. I don't know that that's the case 100% of the
15 time. In this example, that looks to be what would be
16 happening here, that CenturyTel would be providing the
17 dial tone.

18 Q. So whenever a CLEC customer picks up the
19 phone to call a CenturyTel customer, is the CLEC
20 providing dial tone to the CenturyTel customer?

21 A. It completely depends upon the CLEC and what
22 their network architecture is, if they have a switch.
23 It's completely dependent upon the individual CLEC and
24 what they're providing, so I couldn't answer that.

25 Q. Let me ask you this, does it matter to you

0207

1 whether the facility between the Level 3 switches on
2 Example 21 is dedicated or common for purposes of making
3 this a foreign exchange service?

4 A. I don't think that that matters. Again, in
5 this case if we're talking about what Level 3 provides,
6 that's, you know, clearly up to Level 3.

7 Q. So you wouldn't say that Level 3's foreign
8 exchange service has to use a dedicated facility in
9 order to support the foreign exchange service?

10 A. Again, if Level 3 wishes to provide a service
11 via a dedicated facility, that's, you know, certainly up
12 to Level 3.

13 JUDGE MOSS: Mr. Cook, do you need some
14 water?

15 THE WITNESS: Yes, please, thank you.

16 MR. ROMANO: Do you want to take a break?

17 JUDGE MOSS: Let's take five.

18 (Recess taken.)

19 JUDGE MOSS: I'm going to mark as 22 another
20 diagram in our series, and I will label it
21 Ocosta/Seattle Diagram 3, and it's number 22 if I didn't
22 say that.

23 BY MR. ROMANO:

24 Q. Mr. Cook, you have been handed document or
25 Exhibit 22, a document marked as Exhibit 22, and if you

0208

1 compare that to Exhibit 21, the only difference there
2 should be that there's a -- the facility previously
3 labeled as dedicated facility between the two Level 3
4 switches has now been sort of transformed into a common
5 group or a common facility. And I just wanted to
6 confirm that you said that there wasn't necessarily any
7 reason that you would object or that you would think
8 that Level 3 was not providing foreign exchange service
9 based upon the kind of facility that it had deployed; is
10 that right?

11 A. I believe where we left it was that if Level
12 3 was providing a dedicated facility as indicated on
13 Exhibit 21, would that matter with respect to the
14 foreign exchange service that Level 3 is providing, and
15 I believe I answered no, that does not matter.

16 Q. But if it's a common group, does that change
17 your analysis about whether Level 3 is providing foreign
18 exchange service to its customer?

19 A. Again, to the extent that the facility that's
20 displayed on Exhibit 21 is between two Level 3 switches,
21 and again the question may fall back to who owns that
22 common facility, if that's provided, owned by, built by
23 Level 3, then I don't know. I guess it depends on the
24 nature of that common facility.

25 Q. Now we're looking at Exhibit 22.

0209

1 A. Right.

2 Q. It does indicate common facility.

3 A. Right.

4 Q. And it does indicate it goes between two
5 Level 3 switches, and it does indicate that the point of
6 interconnection or POI is to the left on that facility,
7 so that would indicate that the common group is on the
8 Level 3 network in this example.

9 A. Right.

10 Q. So that wouldn't matter to you in defining
11 this as a foreign exchange service or not, what happens
12 on the Level 3 network?

13 A. I don't believe so, and the reason that I
14 said that, it really depends upon who owns that facility
15 is generally the use common with respect to facilities
16 that's dealing with ILEC facilities and ILEC to ILEC
17 facilities. So in a case where Level 3 actually owns
18 the facility between two of its switches, I don't know
19 that I can say what the nature of common is with, you
20 know, in comparison to direct or dedicated.

21 Q. Well, assume that rather than have the
22 customer having a dedicated line all the way out to the
23 Level 3 switch in Ocosta, the FX customer in Seattle
24 having a dedicated line all the way to the FX -- to the
25 Level 3 switch in Ocosta, the calls that the customer

0210

1 places or receives with respect to Ocosta where it has a
2 foreign exchange number ride over a common transport
3 facility. Does that change your analysis of whether
4 this customer is buying foreign exchange service from
5 Level 3?

6 A. I don't believe so.

7 MR. ROMANO: One last in the series of
8 diagrams, an exhibit that I would ask be Exhibit 23.

9 JUDGE MOSS: All right, then in keeping with
10 our previous identifications we will call this
11 Ocosta/Seattle Diagram 4 and mark it as 23 for
12 identification.

13 BY MR. ROMANO:

14 Q. On this diagram as compared to 22, the only
15 difference would be that the Level 3 switch that was
16 previously noted on 22 as being present in Ocosta has
17 now been removed. Let's say for the sake of example
18 that Level 3 has decided that since that one customer it
19 had in Ocosta liked CenturyTel so much it went back to
20 CenturyTel, Level 3 decided that the cost of keeping a
21 switch up in Ocosta was too great, and it rehoned
22 everything back to its single switch in Seattle. Okay,
23 do you see that?

24 A. Yes.

25 Q. Now this customer is still being provided

0211

1 with a (360) 777-2222 telephone number, this Level 3
2 EU2, that is associated with the Ocosta rate center as
3 it's marked in the LERG. But Level 3 serves its
4 customer out of its single switch in Seattle now. Does
5 that change for you whether Level 3 is providing foreign
6 exchange service to Level 3 EU2?

7 A. If Level 3 were to provide the service as
8 displayed on Exhibit 23, and this really -- we may have
9 to again determine the common facility that's displayed
10 between the Level 3 switch in Seattle and the CenturyTel
11 switch in Ocosta, who has ownership of that facility.
12 So maybe just if you wouldn't mind if I could ask that
13 question.

14 Q. Assume again that the POI in all cases
15 represents a demark point between the two networks.

16 A. Okay.

17 Q. So that is where CenturyTel's obligation's
18 end, and this is where the Level 3 network, whether it's
19 bought or leased from someone or whatever, where the
20 Level 3 network will begin, so Level 3 is responsible
21 for all transport from the POI back to the Level 3
22 switch and through to Level 3 EU2. Does that clarify
23 for you?

24 A. Yes, it does, thank you.

25 In this case, if Level 3 is ordering an FX

0212

1 service or choosing to provide that for their customer
2 located in Seattle, then CenturyTel would be providing
3 the open end of that FX service.

4 Q. So because Level 3 removed its switch here,
5 now in your opinion CenturyTel is providing the open
6 end?

7 A. That's true.

8 Q. So under your impression that -- going back
9 to your testimony now where we started all this, you had
10 said that, I believe it's around page 34 of your reply
11 testimony, that CenturyTel is in no way attempting to
12 dictate to Level 3 how it should engineer its network,
13 right?

14 A. That's true.

15 Q. But you're telling me that just by virtue of
16 how many switches we put out there, you're going to
17 treat Level 3's traffic differently?

18 A. No, all I'm saying is that in this case Level
19 3, excuse me, CenturyTel is providing an open end
20 functionality for an FX service, and therefore they
21 should be compensated for that functionality.

22 Q. Isn't Level 3 providing the open end because
23 this is a Level 3 telephone number that's being provided
24 to the customer that's associated with the Level 3
25 switch? CenturyTel is only providing dial tone to its

0213

1 customer.

2 A. No, I believe based on typical FX
3 arrangements that in this case CenturyTel is providing
4 the open end.

5 Q. Wouldn't a traditional FX arrangement involve
6 a carrier in Seattle who didn't have telephone numbers
7 in Ocosta who needed them, like Qwest, for example?
8 Qwest because it doesn't have telephone numbers or
9 service in Ocosta would come to CenturyTel and try to
10 jointly provide it because it doesn't have Ocosta
11 numbers to provide, right?

12 A. That is true.

13 Q. Now in this case, Level 3 does have Ocosta
14 numbers to provide and has a switch that would provide
15 service to Ocosta.

16 A. Well, I think you're touching on really the
17 fundamental difference in opinion in this case, and that
18 is that simply by the fact that Level 3 would have an
19 NXX rate center on a CenturyTel exchange that that
20 indeed makes that number local to Ocosta in this case.
21 And CenturyTel does not agree with that stance.

22 Q. So before we had a Level 3 end user who was
23 located in Ocosta and another one who was located in
24 Seattle. If I were to ask you to assume again that
25 Level 3 had another end user who was physically located

0214

1 back in Ocosta who was receiving service out of the
2 Seattle switch of Level 3 and was getting a Level 3
3 NPA-NXX 360-777, would that change your opinion at all
4 because Level 3 is now serving customers also physically
5 located in Ocosta out of its Seattle switch?

6 A. In that case, even though Level 3 switch is
7 located in Seattle, if they were originating and
8 terminating traffic in the Ocosta exchange, that would
9 be considered local service, yes.

10 Q. But I was asking you with respect to -- okay.

11 With respect to the Level 3 foreign exchange
12 customer, Level 3 EU2 who has a Level 3 Ocosta telephone
13 number but is physically located in Seattle, what I want
14 to ask you is, does that customer's status in terms, in
15 your eyes, in terms of Level 3 providing a foreign
16 exchange service change by virtue of Level 3 having
17 another customer who is physically located in Ocosta
18 being served out of the same switch?

19 A. That's a good question, and the answer to
20 that is no, CenturyTel is still providing the open end
21 functionality in that they are providing local loop and
22 switching for that FX service.

23 Q. But only for the FX service, not for the --
24 they're not providing local dial tone and local loop for
25 the customer of Level 3 who is physically located in

0215

1 Ocosta?

2 A. I'm sorry, could you repeat that?

3 Q. You said that CenturyTel is still providing,
4 in your mind under this example, is providing local loop
5 and dial tone to Level 3's end user 2, right?

6 A. That's correct.

7 Q. Is it your opinion that CenturyTel would also
8 be providing local loop and dial tone to the Level 3
9 customer physically located in Ocosta?

10 A. No, although CenturyTel may be providing some
11 routing functions to hand that customer off to Level 3
12 for Level 3 to provide the switching functionality, no,
13 that's -- in that example, Level 3 would be providing
14 the switching functionality for that end user customer.
15 So really it just depends upon where that call
16 originates.

17 Q. Could Level 3 ever provide in your opinion an
18 open end in Ocosta?

19 A. Certainly.

20 Q. And a closed end and all of that; how?

21 A. Probably if we looked back at your exhibit,
22 I'm sorry, I don't have them marked, I think it's
23 Exhibit 19.

24 Q. 19?

25 A. Yes. Oh, I'm sorry.

0216

1 Q. 20?

2 A. 20, yes, I'm sorry.

3 Q. And in your opinion, Level 3 would be
4 providing an open end in this case because it has a
5 switch in Ocosta?

6 A. Because it has a switch, but it's also
7 providing the local loop to that end user. Now again --

8 Q. To which end user?

9 A. To the open end user in Ocosta.

10 Q. But you're saying Level 3 is providing the
11 local loop to the CenturyTel end user in Ocosta?

12 A. Again, in an FX situation it depends upon
13 where the call is originating. In this case if a
14 CenturyTel customer is originating a call that will
15 terminate to the FX customer Seattle, then CenturyTel is
16 providing the open end functionality.

17 Q. So on any call that a CenturyTel customer
18 places to a Level 3 foreign exchange customer,
19 CenturyTel in your opinion is always providing the open
20 end?

21 A. Yes.

22 MR. ROMANO: I have no further questions.

23 JUDGE MOSS: Any redirect?

24 MR. SIMSHAW: Yes, please.

25

0217

1 R E D I R E C T E X A M I N A T I O N

2 BY MR. SIMSHAW:

3 Q. Mr. Cook, very early on there was a question
4 posed to you regarding FX, traditional FX, and whether
5 it's one-way or two-way. Let me ask you this. In
6 traditional FX, even if a customer chooses to use it
7 only one direction, would it be the case that it is
8 capable of being used in both directions?

9 A. Yes, that's true.

10 Q. You were asked whether you had prepared any
11 studies on lost revenue that might be associated with
12 the Level 3 proposed service. Can you comment upon how
13 that could be done if going in you did not know where
14 Level 3 intended to connect with CenturyTel, if
15 anywhere, and which exchanges, if any, if you did not
16 know how many customers Level 3 would have and you
17 didn't know how much traffic would be going over the
18 interconnection, could you do a study based on that lack
19 of knowledge?

20 A. No, you couldn't. You would have to know
21 where -- you would have to know where CenturyTel's
22 customers are located and the number of those customers.
23 Without that data, it would be very difficult to do that
24 study.

25 Q. You said where CenturyTel's customers are

0218

1 located.

2 A. I'm sorry, Level 3, excuse me.

3 Q. So let me just summarize. Are you saying you
4 have to know where, in which CenturyTel exchanges that
5 Level 3 would like to connect as well as how many
6 customers Level 3 has and how much traffic would flow
7 over those facilities?

8 A. That's correct.

9 Q. Okay. As a general proposition, if a CLEC
10 only goes after ISP customers, are they going to end up
11 with thousands of customers?

12 A. No, they're not.

13 Q. Were you in the hearing room this afternoon
14 when I was discussing with I think Mr. Hunt the existing
15 21, although it may be 39, NXX codes that Level 3 has in
16 the state of Washington?

17 A. Yes.

18 Q. And were you here when I asked him how many
19 customers they were serving with those codes currently?

20 A. Yes.

21 Q. And did he indicate how many?

22 A. No.

23 Q. There was a question in an intraLATA toll
24 call from a CenturyTel customer, or I'm sorry, it might
25 have been from a Qwest customer in Seattle to

0219

1 CenturyTel, as to who pays who access. Is another way
2 to determine -- well, let me ask you this. Is the
3 company who pays the access the IXC, the interexchange
4 carrier?

5 A. Yes, in the situation where an IXC is the
6 presubscribed toll carrier, they would pay access.

7 Q. And is the interexchange carrier the company
8 that gets the revenue from the end user on that call?

9 A. That's correct.

10 Q. So in effect aren't they just sharing part of
11 those proceeds with the other co-provider of that call?

12 A. Yes.

13 MR. SIMSHAW: All right, that's all I have,
14 thank you.

15 JUDGE MOSS: Thank you. If we have nothing
16 further for Mr. Cook, allow him to step down, thank you
17 very much, appreciate your testimony, and we can have
18 Mr. Weinman.

19 We took a break a short while ago, but if
20 anyone feels the need, they should express that.

21 Having been duly expressed, let's break until
22 a quarter after, and maybe we'll have sufficient time to
23 finish up this afternoon. I think that would be in
24 everyone's best interests if we could do that.

25 (Recess taken.)

0220

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2

3

(The following exhibits were identified in
conjunction with the testimony of WILLIAM H. WEINMAN.)

4

Exhibit 24 is WHW-1T: Direct Testimony.

5

Exhibit 25 is WHW-2: Use of CenturyTel's Network.

6

Exhibit 26 is WHW-3T: Rebuttal Testimony.

7

8

Whereupon,

9

WILLIAM H. WEINMAN,

10

having been first duly sworn, was called as a witness

11

herein and was examined and testified as follows:

12

13

JUDGE MOSS: Thank you, please be seated.

14

MR. SIMSHAW: Your Honor, would you care

15

to --

16

JUDGE MOSS: Oh, we need to mark the

17

exhibits; thank you very much.

18

MR. SIMSHAW: -- care to mark Mr. Weinman's

19

testimony.

20

JUDGE MOSS: This custom is having them

21

pre-marked so I'm slipping on that today.

22

We will mark Mr. Weinman's direct testimony

23

as Exhibit 24. There's one attachment to that, and that

24

will be marked as 25, and it will be described in the

25

exhibit list, and then the rebuttal will be 26.

0221

1

2

D I R E C T E X A M I N A T I O N

3

BY MR. SIMSHAW:

4

Q. Mr. Weinman, would you state your name and
5 address for the record, please.

6

A. My name is William H. Weinman. My address is
7 898 South Second Street, P.O. Box 237, Lebanon, Oregon
8 97355.

9

Q. Mr. Weinman, did you submit in this matter
10 pre-filed direct testimony that has been identified now
11 as Exhibit 24 in this proceeding?

12

A. Yes.

13

Q. And was there one exhibit with that testimony
14 which has now been identified as Exhibit 25?

15

A. Yes.

16

Q. Do you have any changes or correction to that
17 testimony or exhibit?

18

A. No, I do not.

19

Q. If I were to ask you the same questions that
20 are contained in that testimony today, would your
21 answers be the same as contained therein?

22

A. Yes.

23

MR. SIMSHAW: Your Honor, CenturyTel would
24 offer Exhibits 24 and 25 into the record.

25

JUDGE MOSS: Hearing no objection, they will

0222

1 be admitted as marked.

2 BY MR. SIMSHAW:

3 Q. Mr. Weinman, did you also submit in this
4 matter pre-filed rebuttal testimony?

5 A. Yes, I did.

6 Q. And is that now identified as Exhibit 26?

7 A. Yes, it is.

8 Q. Do you have any changes or correction to that
9 testimony?

10 A. No.

11 Q. And if I were to ask you the questions that
12 are contained therein today, would your answers be the
13 same as therein?

14 A. Yes, they would.

15 MR. SIMSHAW: Your Honor, CenturyTel would
16 offer Exhibit 26 into the record.

17 JUDGE MOSS: Hearing no objection, they will
18 be admitted as marked.

19 And before we proceed, I'm not sure we went
20 through the formality of offering 19 through 23, which
21 was the series of diagrams that we used. And just to
22 make sure I don't miss that, I'm assuming you do want to
23 offer them. I certainly would like to have them for the
24 record.

25 MR. ROMANO: Yes, Your Honor, we would, thank

0223

1 you.

2 JUDGE MOSS: All right, fine, well, they will
3 be admitted as marked as well.

4 So let's proceed then.

5 MR. SIMSHAW: Thank you, Your Honor.

6 Mr. Weinman is available for cross-examination.

7 MR. ROMANO: Thank you, Your Honor.

8

9 C R O S S - E X A M I N A T I O N

10 BY MR. ROMANO:

11 Q. Good afternoon, Mr. Weinman.

12 A. Good afternoon.

13 Q. I want to start with some questions I think
14 Mr. Cook couldn't answer or deferred to you. Do you
15 know if CenturyTel collects intercarrier compensation on
16 calls to ISPs that it serves today?

17 A. No, I do not.

18 Q. Do you know if CenturyTel identifies to other
19 carriers the telephone numbers that it assigns to its
20 ISP customers so that the other carriers know how to
21 bill for compensation purposes?

22 A. No, we do not.

23 Q. No, you do not identify them?

24 A. We do not identify them. They're all
25 categorized as either, well, in the case of an ISP would

0224

1 be a 1B.

2 Q. So CenturyTel doesn't set up separate trunks
3 and facilities then in foreign exchange of ISP bound
4 traffic with other carriers?

5 A. Well, we don't run them over common groups,
6 but I mean certainly it is within the same facility as
7 going towards a meet point. But it's certainly with an
8 ISP, once it's handed off, it will be in a trunk group
9 and not running over a common group.

10 Q. Right. But so for let's say the example of
11 an interconnection EAS group you might have with Qwest,
12 for example, you wouldn't have a separate EAS for just
13 set up for ISP bound traffic versus other --

14 A. No.

15 Q. -- EAS traffic?

16 A. I'm sorry, I thought you were referring to
17 the toll side.

18 Q. Do you happen to know whether CenturyTel of
19 Washington, Inc., is LNP capable or local number
20 portability capable?

21 A. I do know that some of the switches are, but
22 not all.

23 Q. Have the codes been marked as portable in the
24 local exchange routing guide to your knowledge?

25 A. I can't tell you that; I don't know.

0225

1 Q. But there are some switches in which number
2 portability is not available today?

3 A. Yes.

4 Q. So those switches couldn't participate in
5 pooling, for example, to conserve numbers?

6 A. That's true.

7 Q. Mr. Weinman, does CenturyTel know where each
8 of its customers is physically located?

9 A. You're going to have to help me, are we
10 talking local customers?

11 Q. Yeah, well, let's talk about customer with a
12 Ocosta telephone number. Can you sit here today and
13 tell me that you know that each customer who has an
14 Ocosta telephone number is physically located in Ocosta?

15 A. Generally the answer is yes. I mean because
16 of the records that we keep, we do know where the
17 customer is located with our line records. And so to my
18 knowledge, we do know where our customers are.

19 Q. My question was, can you standing here today,
20 sitting here today, tell me that all customers -- you
21 said generally, I believe, yes. Can -- so is it the
22 case that you can't tell me where all of your customers
23 with an Ocosta telephone number -- you can't tell me
24 that they're actually physically located in Ocosta?

25 A. Not all of them, no, but I'm going to say

0226

1 that at least 99% are.

2 Q. Would you agree with me that CenturyTel's
3 foreign exchange service would allow a business to
4 receive calls from callers who are not located within
5 the business's local calling area but in a manner where
6 the caller would not incur toll charges for placing the
7 call?

8 A. Yes.

9 Q. When CenturyTel provides foreign exchange
10 service to customers, does the call placed to your
11 foreign exchange customer originate and terminate in the
12 same local calling area?

13 A. Not necessarily.

14 Q. How do you charge if one of your customers
15 places a call to another customer who is a foreign
16 exchange customer? So customer A is CenturyTel basic
17 local exchange customer, and customer B is a CenturyTel
18 foreign exchange customer, okay. When customer A calls
19 the foreign exchange number of customer B, what charges
20 are imposed on customer A?

21 A. Customer A is in one CenturyTel exchange?

22 Q. Yes, let's say customer A and customer --
23 let's say customer A is in the same exchange as the
24 foreign exchange of customer B. So in other words,
25 customer A could call physically -- could call on a

0227

1 local basis to customer B's foreign exchange number.

2 A. In a different exchange or in the same
3 exchange that --

4 Q. I'm trying to do this without diagramming for
5 a little while here. Let's take this. You've got a
6 customer in Ocosta, okay?

7 A. Okay.

8 Q. And then you've got another customer, and
9 that's Customer A physically located in Ocosta.

10 A. Okay.

11 Q. Then you've got customer B who has a foreign
12 exchange telephone number for Ocosta but is actually
13 physically located in Forks.

14 A. Okay.

15 Q. When customer A in Ocosta places a call to
16 the foreign exchange telephone number of customer B that
17 is associated with Ocosta.

18 A. I'm with you.

19 Q. What does customer -- how is that call
20 treated for customer A's retail billing purposes?

21 A. For customer A, the call would be treated as
22 any other normal local call, if I'm understanding,
23 because that's the customers that are dialing to the
24 foreign exchange number, which then crosses into the
25 other exchange where that foreign exchange customer has

0228

1 a termination.

2 Q. Yes.

3 A. Thank you.

4 Q. Does your foreign exchange service appear in
5 your local, basic local or general local exchange
6 tariff?

7 A. It does for all of our exchanges except for
8 the Forks area, which does not have a foreign exchange
9 tariff, and feature group A is the substitute if the
10 customer so desired that service.

11 Q. Does CenturyTel book revenue received from
12 customers purchasing foreign exchange service as local
13 service revenue?

14 A. I believe they do.

15 Q. Maybe you can help me --

16 A. Actually, with the exception of feature group
17 A, which would be booked as an access, I'm sorry.

18 Q. Yeah, I just asked about foreign exchange.

19 Maybe you can help me with a question that
20 I'm not sure we clarified the record completely before
21 with Mr. Cook about a call placed by a customer in
22 Seattle of Qwest, no foreign exchange service, customer
23 downtown Seattle with a Qwest local service, who places
24 a call to a CenturyTel customer in Forks. And my
25 question was assuming that that was being treated as a

0229

1 toll call, the customers didn't have FX or any other
2 kind of service, who would pay whom access charges on
3 that call?

4 A. Qwest would be paying CenturyTel access
5 charges on that call.

6 Q. So the originating carrier in an interLATA
7 toll call in Washington pays the terminating carrier --

8 A. Yes.

9 Q. -- terminating access charges?

10 A. No.

11 Q. I imagine we'll see that on redirect.

12 Okay. I actually have just one more line of
13 questioning, but I think I'm going to have to approach
14 the board again for it.

15 MR. ROMANO: Your Honor, if I may approach?

16 JUDGE MOSS: (Nodding head.)

17 MR. ROMANO: Thank you.

18 I'm going to ask that a diagram be passed out
19 showing the Ocosta and Aberdeen exchanges.

20 JUDGE MOSS: All right, the Ocosta/Aberdeen
21 diagram will be marked for identification as Number 27.

22 MR. ROMANO: And I put Aberdeen-H because
23 that's -- it's actually Aberdeen-Hoquiam.

24 Hoquiam, thank you, I figured I would
25 abbreviate that.

0230

1 And I guess I would ask that we mark this as
2 Exhibit 27. Is that what this is?

3 JUDGE MOSS: Yes.

4 MR. ROMANO: Thank you.

5 JUDGE MOSS: It's been so marked for
6 identification.

7 MR. ROMANO: Thank you.

8 BY MR. ROMANO:

9 Q. Mr. Weinman, I hope you have before you and
10 then up on the board here what's been identified as
11 Exhibit Number 27. And just to describe this diagram
12 generally before we go forward, in this case we've got a
13 circle representing the Ocosta exchange again. A
14 telephone hanging off the CT switch, and the telephone
15 is marked as CT EU (360) 222-1111, that being the
16 CenturyTel Ocosta NPA-NXX. The customer is a customer
17 of CenturyTel physically located in Ocosta. On the
18 right, moving right, we've got a horizontal line that
19 connects a CT switch and a box marked as Q switch or
20 Qwest switch in Aberdeen, and there's a circle
21 representing the Aberdeen exchange. And then there's a
22 customer hanging off the Qwest switch, a little
23 telephone again, with Q EU, the Qwest end user, and that
24 customer holding a (360) 333-1111 telephone number,
25 which is the Qwest, in this example, Qwest exchange

0231

1 number.

2 A. Okay.

3 Q. Would you accept or do you know that Ocosta
4 and Aberdeen are within the same local calling area,
5 have EAS to one another?

6 A. Is it? I mean I --

7 Q. It is.

8 A. Okay, I will accept that.

9 Q. I didn't know if you had --

10 A. I've got it here, but it takes some digging
11 to get to it.

12 Q. For this example, let's assume that they are
13 anyway. So on calls placed between these two, what's --
14 and can I assume that you have some kind of trunks, EAS
15 trunks set up between exchanges when they're within the
16 same local calling area between two providers?

17 A. Yes.

18 Q. So you would have EAS trunks with Qwest --

19 A. Correct.

20 Q. -- between Ocosta and Aberdeen?

21 A. Correct.

22 Q. And what's the compensation on your exchange
23 of EAS traffic with Qwest?

24 A. Well, the compensation to Qwest by CenturyTel
25 you mean?

0232

1 Q. Okay, yeah, let's take a call first from
2 CenturyTel end user to Qwest end user; what would be the
3 compensation on that call?

4 A. Well, the compensation for EAS is bill and
5 keep. The one thing I think that's important about an
6 EAS type increment is the fact that we usually measure
7 the cost of providing that service in terms of the trunk
8 groups, et cetera, and have an EAS increment that our
9 customers pay for an EAS type call.

10 Q. Okay. But intercarrier compensation is bill
11 and keep?

12 A. Correct.

13 Q. Between the carriers, okay.

14 MR. ROMANO: I'm going to pass now around
15 what I will ask be identified as Exhibit 28.

16 JUDGE MOSS: All right, and we'll mark this
17 or describe this one as Ocosta/Aberdeen/Seattle --

18 MR. ROMANO: Thank you, Your Honor.

19 JUDGE MOSS: -- diagram. 28 for
20 identification.

21 BY MR. ROMANO:

22 Q. Mr. Weinman, I will ask you to review this,
23 but while you're reviewing it, I will just try and
24 review for the record what we've got here. On the left
25 and in the middle of the page we've got the same diagram

0233

1 basically that we had for Exhibit 27, an Ocosta exchange
2 and an Aberdeen exchange with the same figures depicted
3 in the circles and the same NPA-NXXs associated with
4 those exchanges as on 28, or on 27 rather. The addition
5 here is that we've got an additional circle off to the
6 right that we have designated as Seattle, the Seattle
7 exchange. And in that, we've got another Qwest switch
8 serving another Qwest end user, the little phone on the
9 right, with that end user having the telephone number
10 (206) 444-1111, that being the Qwest Seattle NPA-NXX.

11 A. Okay.

12 Q. And I will ask you to assume for me that the
13 Qwest customer in Seattle has decided that they want a
14 foreign exchange telephone number, they want Qwest to
15 provide foreign exchange service with respect to
16 Aberdeen so that the Qwest customer who is physically
17 located in Seattle goes to Qwest and asks Qwest to give
18 it (360) 333-2222, that being a telephone number
19 associated with the Aberdeen exchange. Okay, are you
20 with me so far?

21 A. I'm with you.

22 Q. Have you ever asked Qwest to identify the
23 physical locations of its customers?

24 A. No, we have not.

25 Q. So you wouldn't know for any call going over

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1 the EAS trunk groups to Aberdeen whether they, (360) 333
2 NPA-NXX for example, whether that call was actually
3 physically terminating in Aberdeen or whether the call
4 was going through a foreign exchange arrangement to
5 Seattle?

6 A. That's true, we would not. We haven't in the
7 past. Certainly to the extent that a customer is trying
8 to get more local calling from our customers in Ocosta,
9 we certainly would want to know that and change it away
10 from the EAS mechanism.

11 Q. Change it away from the EAS mechanism to
12 what?

13 A. Well, bill and keep. I mean all of a sudden
14 the call is really going beyond the EAS area.

15 Q. So you would want to charge Qwest originating
16 access for its provision of a foreign exchange service
17 on its network between Aberdeen and Seattle?

18 A. If there's a lot of magnitude in terms of --
19 it comes down to a relevancy issue. I mean if it's a
20 trickle of traffic, then we're probably not going to
21 catch it in terms of aggregation of just our business.
22 But if it becomes significant, yeah, we probably would.

23 Q. How much traffic do you exchange with Qwest?
24 I mean -- let me strike that.

25 So in your opinion, if the traffic grows

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1 large enough over what it is today between Ocosta and
2 Aberdeen, you would then ask Qwest for the physical
3 location of all of its customers?

4 A. I think we would certainly look at that, yes.

5 Q. And you would demand originating access for
6 all of those customers who are not physically located in
7 Aberdeen?

8 A. Yes.

9 MR. ROMANO: I have one last exhibit I would
10 ask be marked as 29, or actually as next in the series.

11 JUDGE MOSS: All right, we will identify this
12 one as the CT exchange A. Is that going to be
13 sufficient, or do we need to add something?

14 MR. ROMANO: I think this will be the only
15 one with that reference.

16 JUDGE MOSS: Okay, then we'll call it CT
17 exchange A diagram and mark it as 29 for identification.

18 MR. ROMANO: Thank you, Your Honor.

19 BY MR. ROMANO:

20 Q. Mr. Weinman, what I've got before you now, if
21 you compare this to Exhibit 27, I believe you would see
22 that the Ocosta and Aberdeen exchanges should be
23 basically the same. The addition now is that we have
24 added a CenturyTel exchange, exchange A. It could be
25 Forks, it could be any different CenturyTel exchange.

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1 But assume with me that it's in a different LCA or local
2 calling area than Ocosta and Aberdeen. And assume with
3 me that in that exchange which has been marked with a
4 circle on the left, we've got a CT EU or end user who's
5 got a (360) 555-1111 telephone number. That's the
6 standard CenturyTel NPA-NXX for exchange A, okay. And
7 assume with me further that that customer in exchange A
8 decides that it wants a foreign exchange telephone
9 number, it wants an open end in Ocosta. So it goes out
10 and gets a foreign exchange telephone number equaling
11 (360) 222-2222, which is the CenturyTel Ocosta NPA-NXX.
12 Are you with me so far?

13 A. Sure.

14 Q. Do you go to Qwest today on calls coming from
15 Aberdeen and tell them the physical location of all
16 customers with an Ocosta telephone number?

17 A. No, we do not.

18 Q. Do you offer to pay Qwest originating access
19 for calls that might go to your foreign exchange
20 customers?

21 A. We haven't to my knowledge at this point.

22 Q. I'm sorry?

23 A. We haven't to my knowledge at this point.

24 Q. Under your reasoning in this docket, wouldn't
25 you be obligated to pay Qwest for its cost in

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1 originating that call that's going from the Qwest end
2 user in Aberdeen through your foreign exchange service
3 to exchange A?

4 A. Again, it's one of these issues in terms of
5 magnitude and the amount of traffic that's going, but
6 theoretically yes.

7 Q. So it's your position then going forward that
8 this Commission should mandate that all carriers who
9 provide foreign exchange service should pay some
10 compensation to other carriers who originate?

11 MR. SIMSHAW: I'll object --

12 A. I think to the extent that it's expanding the
13 calling area outside of the existing EAS routes and it's
14 an issue in terms of the magnitude of the traffic, then
15 it would be appropriate.

16 Q. Doesn't foreign exchange do exactly that,
17 take you from one exchange to a different exchange in a
18 different local calling area?

19 A. It certainly does, and there's a number of
20 other types of services such as remote call forwarding
21 that can also do that, but. And I don't know of an
22 instance in Washington, but certainly in Oregon we had
23 an issue where this was happening with a remote call
24 forwarding, became known to the commission, and there
25 were changes made so that people could not daisy chain

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1 remote call forwarding through our own territories to a
2 Qwest exchange.

3 Q. In your opinion, you used the term daisy
4 chaining, in your opinion is CenturyTel daisy chaining
5 here by providing foreign exchange service to its
6 customer between Ocosta and exchange A?

7 A. I don't know. To the extent that they're
8 taking advantage of Aberdeen, maybe.

9 MR. SIMSHAW: Could we -- if you're going to
10 go further along that line, could you state it as a
11 hypothetical.

12 MR. ROMANO: I apologize, understood,
13 understood.

14 BY MR. ROMANO:

15 Q. But to date, CenturyTel hasn't come forward
16 and demanded that Qwest -- either offered to pay Qwest
17 originating access --

18 A. No.

19 Q. -- and Exhibit 29 is --

20 A. No, and again I think we have to take this in
21 perspective. We offer a foreign exchange service, and
22 it has information that I have looked at as less than
23 1/2% of our customer base is utilizing foreign exchange.
24 And so I mean as a carrier, a local exchange carrier,
25 you're going to be looking for issues that can affect

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1 your network, but are you going to take it when there's
2 1/2% of your customer base using it, it needs to become
3 significant.

4 Q. Isn't 1/2% of your customer base over a
5 thousand lines or something like that?

6 A. No, it's not.

7 Q. How much is it?

8 A. It's 800.

9 Q. 800 lines, okay.

10 A. I mean when you compare that to, you know,
11 185,000, I mean, you know, depending upon the demands of
12 the business and so forth, it's not significant.

13 Q. But aren't you by your own theory losing
14 access revenue?

15 A. Could be.

16 MR. SIMSHAW: Could I interject at this
17 point; is the assumption that all 800 of those FXs are
18 daisy chaining like this?

19 JUDGE MOSS: No, you may not interject. If
20 you have an objection. You may state it, Mr. Simshaw.

21 MR. ROMANO: I didn't --

22 JUDGE MOSS: There was not a question
23 pending, and so I will ask you to refrain from
24 interjecting in between witness and counsel.

25 MR. ROMANO: I hadn't --

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1 JUDGE MOSS: And direct your comments to me.

2 MR. ROMANO: Thank you.

3 JUDGE MOSS: Both of you.

4 MR. ROMANO: Thank you, Your Honor. I hadn't
5 left the question pending about daisy chaining, I didn't
6 mean to, so thank you.

7 JUDGE MOSS: There was no question pending.

8 BY MR. ROMANO:

9 Q. You don't know, Mr. Weinman, do you, how much
10 of the traffic going to Aberdeen today might be going to
11 Seattle? It might be a trickle, it might be more than a
12 trickle; you just don't know, do you?

13 A. No, I do not.

14 Q. And you haven't gone to Qwest to ask or come
15 to the Commission to ask yet?

16 A. No, we have not.

17 Q. Thank you.

18 MR. ROMANO: And I have one last series of
19 questions on what I would ask be marked as Exhibit 30, a
20 diagram showing Ocosta and Seattle.

21 JUDGE MOSS: All right, now we get
22 complicated, because we have several identified that way
23 with the previous witness. I still think it will be
24 sufficient if we label this Ocosta/Seattle Diagram 5. I
25 think our records will remain clear, and I will mark

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1 that for identification as 30.

2 MR. ROMANO: Thank you, Your Honor.

3 BY MR. ROMANO:

4 Q. Mr. Weinman, I will give you a second to look
5 at this it while I discuss what's on here for the
6 record. We have a CT end user, CT EU (360) 222-1111,
7 again physically located in Ocosta.

8 A. Okay.

9 Q. Again served out of a CenturyTel switch.
10 There's a horizontal line going across out of Ocosta to
11 Seattle, which is a circle on the right.

12 A. Okay.

13 Q. We have a point of interconnection or POI
14 that divides that line within the Ocosta exchange just
15 along the line. We then have also in Ocosta a little
16 phone designated as Level 3 EU1 or end user 1 with the
17 telephone number (360) 777-1111, and that's a customer
18 of Level 3 I will ask you to assume who is physically
19 located in the Ocosta exchange and that the (360) 777
20 NPA-NXX is Level 3's LERG assigned NPA-NXX telephone
21 code, NXX code.

22 A. Okay.

23 Q. Over in Seattle we've got a Level 3 switch
24 that connects both to the end user, Level 3 end user 1
25 in Ocosta, and to Level 3 end user 2 in Seattle who has

0242

1 a number (206) 888-1111, and they have also requested
2 that Level 3 provide them with a foreign exchange
3 telephone number (360) 777-2222, and that's Level 3,
4 again, Level 3's LERG assigned NPA-NXX for Ocosta.

5 A. Okay.

6 Q. For a call going to Level 3 end user 1 versus
7 Level 3 end user 2, would you agree with me that the
8 call, when the end user places a call to either
9 customer, the call will go off hook, the customer will
10 place a call, it will go over the local loop to the
11 CenturyTel end office serving that customer; would you
12 agree with that?

13 A. Yes.

14 Q. Would you agree that CenturyTel would then
15 have to transport that call to the POI, wherever that
16 might be, on the interconnection trunks with Level 3?

17 A. Yes.

18 Q. And then would you agree that under the
19 agreement that's being discussed, at the POI it becomes
20 Level 3's responsibility to get there, pick up the
21 traffic, and take the traffic back to its switch
22 wherever it would be?

23 A. Well, I guess to the extent that the
24 customers back in Seattle are -- we would see it as an
25 access service and want to charge accordingly.

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1 Q. I understand, I'm just saying wouldn't this
2 be Level -- the POI, it would be Level 3's
3 responsibility to take the call from there back to the
4 switch in Seattle. I'm not asking you about what you
5 would want to get paid yet for this facility here.

6 A. Okay, yes.

7 Q. On your side of the POI. I'm just asking on
8 Level 3's side of the POI, do you agree with me that
9 it's Level 3's network and financial responsibility to
10 get out there, pick up the traffic, and take it back?

11 A. Yes.

12 Q. Now as between a call to Level 3 end user 1
13 and Level 3 end user 2, do CenturyTel's network
14 obligations for originating the call change in any
15 degree?

16 A. Between two Level 3 customers?

17 Q. Yes, between this customer Level 3 EU1 in
18 Ocosta and this customer Level 3 EU2 in Seattle with a
19 foreign exchange number (360) 777-2222, does
20 CenturyTel's obligation to originate the call over --
21 the network used to originate that call change depending
22 on whether the call is destined for Level 3 end user 1
23 or Level 3 end user 2's foreign exchange number?

24 A. No.

25 Q. Does CenturyTel's costs of origination change

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1 based upon the functions it's performing to get the call
2 to the point of interconnection for a call going to
3 either of these customers?

4 A. No.

5 MR. ROMANO: Thank you, I have no further
6 questions, Your Honor.

7 JUDGE MOSS: All right, do we have any
8 redirect?

9 MR. SIMSHAW: Some, yes, thank you, Your
10 Honor.

11

12

13 R E D I R E C T E X A M I N A T I O N

14 BY MR. SIMSHAW:

15 Q. Mr. Weinman, along that last line of
16 questions, if I could change the assumption, I will
17 continue with a CenturyTel customer in Ocosta calling a
18 Seattle customer. This time though let's make it a
19 Qwest customer, and let's make it a toll call. Would
20 the functions that CenturyTel performs on this third
21 call be identical to the functions that CenturyTel would
22 perform on the prior two calls?

23 A. Yes, it would.

24 Q. Would CenturyTel charge access on that call?

25 A. Yes, we would.

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1 Q. Mr. Weinman, you had some discussion with
2 Mr. Romano about EAS. Is it true that in a typical EAS
3 situation that there are separate trunks established as
4 between EAS traffic within the local calling area and
5 maybe toll traffic that's going outside the calling
6 area?

7 A. Generally yes, that's true.

8 Q. And is the understanding between two ILECs
9 that may have EAS trunks that only -- the only traffic
10 that should go on that EAS facility is traffic that
11 originates and terminates within the EAS calling area?

12 A. That's correct.

13 Q. Okay. Now you and Mr. Romano discussed
14 hypothetical situations where perhaps some traffic could
15 get onto that facility that in fact was not originated
16 and terminated within the EAS calling area. Isn't that
17 generally referred to in the industry as a contaminated
18 EAS facility?

19 A. I honestly don't know. I mean I have always
20 referred to it as daisy chaining or moving it outside
21 the local calling area.

22 Q. Are you aware that the WECA, and that's
23 W-E-C-A, Washington Exchange Carriers Association, has
24 instituted a docket to investigate EAS trunks with
25 Qwest? I should explain. WECA is an association of

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1 independent companies. But are you aware that WECA has
2 a docket to investigate EAS trunks with Qwest because of
3 this very fact that there's traffic going over those
4 facilities that is not really within the EAS boundary?

5 A. I have not looked at their docket, but that's
6 my understanding is that they have gone forth to do
7 that.

8 Q. Just one more area, and that had to do with
9 access charges. I will ask you it this way. It had to
10 do with when CenturyTel terminates a toll call, who do
11 they charge access charges to. Does CenturyTel in that
12 instance charge access charges to the originating ILEC,
13 or do they charge it to the IXC?

14 A. The IXC.

15 Q. Okay. So in those instances where Qwest is
16 performing as both the originating ILEC and the IXC,
17 that's the presubscribed carrier, would CenturyTel be
18 charging Qwest not because they are the originating ILEC
19 but rather because Qwest is the IXC?

20 A. That's true.

21 Q. And who would be getting the revenue from the
22 end user on that call?

23 A. Qwest.

24 Q. As the IXC?

25 A. Yes.

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1 MR. SIMSHAW: I think that will do it, Your
2 Honor, thank you.

3 JUDGE MOSS: All right, if we have nothing
4 further for this witness, then you're excused, thank you
5 very much.

6 We have completed our witnesses. If there's
7 nothing further for the record, we will look at our post
8 hearing process, and I believe we had previously set
9 December 6 as the date for simultaneous post hearing
10 briefs. Is that still agreeable to counsel?

11 MR. ROMANO: I believe at this time it is,
12 Your Honor, thank you.

13 JUDGE MOSS: All right, we'll stay with our
14 schedule then.

15 And I will just say that I appreciate the
16 fine work that all of you did here today. I appreciate
17 you being focused and keeping us within a good time
18 frame and doing a very professional job in presenting
19 the respective cases of your respective clients.

20 If there's nothing further?

21 MR. ROMANO: Nothing further, Your Honor,
22 thank you.

23 MR. SIMSHAW: Nothing, Your Honor, thank you.

24 JUDGE MOSS: We'll be off.

25 (Hearing adjourned at 4:50 p.m.)

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1 (Exhibits 27, 28, 29, and 30 were admitted as
2 marked.)

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