

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition for Arbitration  
of an Interconnection Agreement between

CHARTER FIBERLINK WA-CCVII, LLC

and

QWEST CORPORATION

Pursuant to 47 U.S.C. Section 252.

DOCKET NO. UT-083041

**REBUTTAL TESTIMONY**

**OF**

**TIMOTHY J GATES**

**ON BEHALF OF**

**CHARTER FIBERLINK WA-CCVII, LLC**

November 17, 2008

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1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE**  
3 **RECORD.**

4 A. My name is Timothy J Gates. My business address is QSI Consulting, 10451  
5 Gooseberry Court, Trinity, Florida 34655.

6 **Q. ARE YOU THE SAME TIMOTHY GATES WHO FILED DIRECT**  
7 **TESTIMONY IN THIS PROCEEDING ON OCTOBER 8, 2008?**

8 A. Yes.

9 **Q. ON WHOSE BEHALF WAS THIS REBUTTAL TESTIMONY**  
10 **PREPARED?**

11 A. This testimony was prepared on behalf of Charter Fiberlink WA-CCVII, LLC  
12 (“Charter”).

13 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

14 A. The purpose of my testimony is to respond to the direct testimony of Qwest  
15 Corporation (“Qwest”). Specifically, I will respond to the direct testimony of Mr.  
16 William R. Easton<sup>1</sup> on Issues 10, 11, 13, 14, 15, 16 and 18; and the direct  
17 testimony of Philip Linse<sup>2</sup> on Issues 13 and 16.

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<sup>1</sup> Direct Testimony of William Easton on behalf of Qwest, WUTC Docket No. UT-083041, October 8, 2008 (“Easton Direct”).

<sup>2</sup> Direct Testimony of Philip Linse on behalf of Qwest, WUTC Docket No. UT-083041, October 8, 2008 (“Linse Direct”).

1           **II.     ISSUE BY ISSUE ANALYSIS**

2           **Issue 10: WHAT STANDARD SHOULD BE USED TO EXCUSE QWEST FROM**  
3           **THE OBLIGATION TO ALLOW CHARTER TO INTERCONNECT AT**  
4           **CERTAIN POINTS ON THE QWEST NETWORK?**

5           **Q.     MR. EASTON DISCUSSES QWEST’S “RIGHTS” RELATED TO**  
6           **DENYING INTERCONNECTION TO REQUESTING CARRIERS. DOES**  
7           **HIS     TESTIMONY     SQUARE     WITH     THE     GOVERNING**  
8           **INTERCONNECTION RULES?**

9           A.     No. Mr. Easton testifies as follows:

10                         Qwest has the right to deny interconnection at particular points if it  
11                         is not technically feasible. Similarly, Qwest has the right to reject  
12                         requests for connections between Qwest tandem switches where  
13                         such connections would risk switch exhaust.<sup>3</sup>

14           Mr. Easton does not identify any state or federal rules, or statutes, that support his  
15           claims, and as I discussed in my direct testimony, his claims are incorrect.

16           **Q.     PLEASE ELABORATE.**

17           A.     In my direct testimony, I explained that it is the requesting carrier who has the  
18           right to interconnect with Qwest at any technically feasible point on Qwest’s  
19           network. Further, Qwest cannot dictate where that interconnection takes place, or  
20           how many interconnection points a requesting carrier must establish within a  
21           LATA. I also explained that the FCC’s rules are very clear about when Qwest is

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<sup>3</sup> Easton Direct, p. 5, lines 16-19.

1 relieved of its obligation to provide interconnection to a requesting carrier – the  
2 FCC has made clear that Qwest is relieved of the obligation **only if** Qwest first  
3 proves to a state commission that interconnection at a particular point is **not**  
4 technically feasible (FCC Rule 51.305(e)).

5 **Q. ARE YOU SUGGESTING THAT QWEST HAS NO RIGHTS TO REJECT**  
6 **INTERCONNECTION?**

7 A. No, but such rights are strictly limited and impose a heavy burden of proof on  
8 Qwest. As I have just explained, Qwest does not have to interconnect in a manner  
9 that is technically infeasible. But it is important to recognize that FCC regulations  
10 establish a presumption of technical feasibility, and require the incumbent LEC  
11 (in this case Qwest) to prove that any particular interconnection arrangement  
12 which the CLEC requests is **not** technically feasible. For example, 47 C.F.R.  
13 51.301(c) and (d) establish that any previous successful interconnection  
14 arrangement constitutes “substantial evidence” of technical feasibility. That is  
15 why I have testified that Qwest has the obligation to provide interconnection at  
16 any technically feasible point, and is relieved of that obligation only when it  
17 proves to the state commission that a particular request is technically infeasible.  
18 Therefore, Mr. Easton’s statements that Qwest has the right to “deny” and “reject”  
19 requests for interconnection have no basis in the applicable rules. The only  
20 “right” Qwest has in this regard is the right to seek relief of its obligation to  
21 provide the requested interconnection by proving to the state commission that the

1 requested interconnection is technically infeasible (as that term is defined in the  
2 rules).

3 **Q. DO YOU DISAGREE WITH MR. EASTON’S TESTIMONY FOR OTHER**  
4 **REASONS?**

5 A. Yes. I disagree with his statement that the mere fact that an interconnection  
6 request “would risk switch exhaust” would render that request technically  
7 infeasible. The FCC rules (FCC Rule 51.5) discussing technical feasibility and  
8 infeasibility states:

9 A determination of technical feasibility does not include  
10 consideration of economic, accounting, billing, space or site  
11 concerns, except that space and site concerns may be considered in  
12 circumstances where there is no possibility of expanding the space  
13 available. *The fact that an incumbent LEC must modify its*  
14 *facilities or equipment to respond to such request does not*  
15 *determine whether satisfying such request is technically feasible.*  
16 (emphasis added)

17 Qwest’s claim that a request would risk switch exhaust is not sufficient to render  
18 an interconnection request technically infeasible, particularly because Qwest may  
19 be able to modify its facilities or equipment to relieve the capacity restriction  
20 leading to the potential exhaust. That being said, Charter has agreed to language  
21 recognizing an “imminent risk of switch exhaust” as grounds for relieving Qwest  
22 of its obligation for providing interconnection at tandems so long as Qwest proves  
23 as much to the state commission. Qwest objects to including the word  
24 “imminent,” though based on the FCC’s rules related to technical infeasibility,

1 inclusion of this word is perfectly reasonable and may actually be a concession by  
2 Charter to Qwest that “lowers the bar” on what Qwest must prove to the state  
3 commission to be relieved of its obligation to provide requested interconnection at  
4 a particular point.

5 **Q. MR. EASTON STATES THAT CHARTER MAY DISPUTE QWEST’S**  
6 **CLAIMS OF TECHNICAL INFEASIBILITY OR SWITCH EXHAUST. IS**  
7 **THIS ACCEPTABLE TO CHARTER?**

8 A. No. Mr. Easton testifies:

9 Admittedly, Charter may dispute Qwest’s claims of technical  
10 infeasibility or switch exhaust. However, the proper order of  
11 events is for Charter to request an interconnection point or switch  
12 connection, for Qwest to determine whether to accept or reject the  
13 request, and for any dispute to be negotiated and/or submitted to  
14 the Commission for resolution pursuant to the dispute resolution  
15 provisions of the ICA.

16 Again, Mr. Easton does not point to any state or federal rules or orders that  
17 support his claims, and that is because there are none. Indeed, when asked in  
18 discovery to “identify the FCC or Washington rule or order or other authority”  
19 Mr. Easton relied upon for his claim regarding the “proper order of events,” Mr.  
20 Easton responded (in part): “Mr. Easton’s statement is not based on an FCC or  
21 Washington rule. Instead it is based upon what is the most logical order of  
22 events.”<sup>4</sup> Mr. Easton’s view of the “most logical order of events” simply does not  
23 square with the FCC’s rule stating that Qwest is relieved of its obligation to

1 provide a requesting interconnection “only if it proves to the state public utility  
2 commission that interconnection at that point is technically infeasible.” (FCC  
3 Rule 51.305(e)). There is nothing in this rule that allows Qwest to reject the  
4 requested interconnection solely in its own discretion. Nor does the rule require  
5 Charter to dispute Qwest’s claims of technical infeasibility. Instead, the FCC’s  
6 rule properly places the burden on *Qwest* to prove to a state commission that  
7 interconnection at a particular point is technically infeasible if it is to be relieved  
8 of its obligation.

9 **Q. WOULD CHARTER’S PROPOSAL UNDERMINE QWEST’S**  
10 **NEED TO MONITOR, ENGINEER AND MANAGE ITS**  
11 **NETWORK AS MR. EASTON SUGGESTS?<sup>5</sup>**

12 A. No. Mr. Easton states that Charter’s proposal would put the Commission in the  
13 position of micromanaging Qwest’s network and that Qwest is in the best position  
14 to make the first determination of whether an interconnection request is  
15 technically feasible.<sup>6</sup> Mr. Easton’s claims are exaggerated. Nothing in Charter’s  
16 proposal would put the Commission in the role of micromanaging Qwest’s  
17 network or keeping Qwest from making the first determination of technical  
18 infeasibility. Charter’s proposal, which simply reflects the FCC’s rules on the on  
19 this question, is straightforward: if Qwest determines that interconnection at a

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<sup>4</sup> Qwest response to Charter information request 01-005. Respondent: Bill Easton.

<sup>5</sup> Easton Direct, p. 5, lines 26-28.



1 particular point is technically infeasible, then it must prove that to the state  
2 commission. This has nothing to do with the commission monitoring, engineering  
3 or managing Qwest's network. While the Commission will ultimately determine  
4 whether Qwest's claims of technical infeasibility are warranted, it is Qwest who  
5 makes that first determination of whether interconnection at a particular point is  
6 technically infeasible (and it must then prove that to the state commission).

7 **Q. DOES CHARTER'S PROPOSAL CREATE A GREATER RISK OF**  
8 **SWITCH EXHAUST, AS MR. EASTON SEEMS TO SUGGEST?<sup>7</sup>**

9 A. No, and Charter does not take lightly the potential for switch exhaust problems. If  
10 Qwest believed that a potential exhaust problem could arise in the near future, it  
11 would be in both parties' interests to avoid that potential problem. The only  
12 question is whether Qwest should have the right to resolve the problem  
13 unilaterally (as Qwest suggests), or whether it should be required to follow FCC  
14 rules by demonstrating to this Commission that the imminent exhaust problem  
15 would create interconnection arrangements that were not technically feasible (as  
16 Charter proposes).

17 **Q. MR. EASTON STATES THAT CHARTER'S LAST SENTENCE IN**  
18 **SECTION 7.1.1 REGARDING DISPUTE RESOLUTION IS**  
19 **UNNECESSARY BECAUSE SECTION 5.18.1 OF THE ICA ALREADY**

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<sup>6</sup> *Id.* at 5-6.

1           **MAKES THIS CLEAR.<sup>8</sup> WHY IS THIS LANGUAGE IMPORTANT**  
2           **GIVEN SECTION 5.18.1?**

3           A. Charter’s proposed last sentence to Section 7.1.1 is important because of Qwest’s  
4           claims that it is Charter’s burden to raise disputes regarding Qwest’s rejection of  
5           an interconnection request. Section 5.18.1 does not place the burden on either  
6           party to raise disputes and states: “*Either Party* may give written notice to the  
7           other Party of any dispute not resolved in the normal course of business.” By  
8           contrast, Mr. Easton states: “...*Charter* may dispute Qwest’s claims of technical  
9           infeasibility or switch exhaust.”<sup>9</sup> Simply put, Qwest is attempting to place  
10          burdens on Charter that have no basis, and the contract should be clear on this  
11          point.

12          **Q. WHAT IS YOUR RECOMMENDATION ON ISSUE 10?**

13          A. I recommend that the Commission adopt Charter’s proposed Section 7.1.1 of  
14          Section 7 (Interconnection).

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<sup>7</sup> *Id.* at 5, lines 17-19.

<sup>8</sup> *Id.* at 6, lines 21-23.

<sup>9</sup> *Id.* at 5, lines 19-20.

1        **Issue 11: SHOULD THE AGREEMENT LIMIT THE METHODS BY WHICH**  
2        **CHARTER CAN ESTABLISH INTERCONNECTION WITH QWEST WHEN**  
3        **USING LEASED INTERCONNECTION FACILITIES?**

4        **Q.     MR. EASTON CLAIMS THAT CHARTER’S PROPOSAL IS LACKING**  
5        **THE QUALIFICATION THAT AN INTERCONNECTION POINT BE**  
6        **TECHNICALLY FEASIBLE.<sup>10</sup> IS HE CORRECT?**

7        A.     No. Mr. Easton testifies as follows:

8                     Charter does not have an unconditional right to establish a single  
9                     point of interconnection in each LATA in which it has end user  
10                    customers. The Act and FCC rules interpreting the Act qualify a  
11                    CLEC’s request for a single interconnection point by requiring that  
12                    the interconnection point be technically feasible. Charter’s first  
13                    change to Section 7.1.2 does not contain this important  
14                    limitation.<sup>11</sup>

15                    Despite Mr. Easton’s claims, Section 7.1.2 includes the very qualification he  
16                    claims is lacking. As I explained at page 28 of my direct testimony, the parties  
17                    have already agreed to language in Section 7.1.2 which states: “The Parties shall  
18                    establish, at least one (1) of the following Interconnection agreements, *at any*  
19                    *Technically Feasible point...*” (emphasis added), and that “Technically Feasible”  
20                    is a defined term in Section 7.1.1 of the interconnection agreement. Mr. Easton’s  
21                    suggestion that Charter is attempting to circumvent the qualification of technical  
22                    feasibility is not credible.

23        **Q.     DO YOU DISAGREE WITH MR. EASTON’S TESTIMONY QUOTED**

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<sup>10</sup> *Id.* at 9.

<sup>11</sup> *Id.* at lines 3-8.

1                   **ABOVE FOR ANY OTHER REASON?**

2           A.    Yes.  Once again, Mr. Easton’s direct testimony focuses on limitations on the  
3           CLEC’s right to establish interconnection points without acknowledging that the  
4           only limitation on this right is if Qwest proves to the state commission that a  
5           requesting point of interconnection is technically infeasible.  Though Mr. Easton  
6           refers to the “Act and FCC rules,” he does not provide specific cites to support his  
7           testimony, and as I have explained above and in my direct testimony (with  
8           specific cites to the Act and FCC rules), the Act and FCC rules support Charter’s  
9           proposed language.  A casual reading of Mr. Easton’s testimony, absent the  
10          context I am providing, suggests that a CLEC has some type of burden to prove  
11          that a requesting interconnection point is technically feasible.  This is not the case;  
12          rather, the presumption is that a particular interconnection point is technically  
13          feasible, and can be rebutted only by Qwest proving to a state commission that it  
14          is technically infeasible.

15          **Q.    MR. EASTON STATES THAT CHARTER’S PROPOSED TERM**  
16          **“INTERCONNECTION FACILITY” IS AN ATTEMPT BY CHARTER TO**  
17          **AVOID THE LIMITATIONS THE FCC HAS IMPOSED ON THE USE OF**  
18          **ENTRANCE FACILITIES.<sup>12</sup> IS THIS CORRECT?**

19          A.    No.  Mr. Easton states that “under the FCC’s Triennial Review Remand Order,  
20          other CLECs and third parties are not entitled to obtain entrance facilities as

1 unbundled network elements (“UNEs”) and thus, are not entitled to use entrance  
2 facilities they have obtained from Qwest to provide transport for Charter.” Mr.  
3 Easton cites to paragraphs 136-141 of the Triennial Review Remand Order  
4 (“TRRO”) as support for his testimony.<sup>13</sup> There are a number of problems with  
5 Mr. Easton’s testimony on this issue.

6 **Q. PLEASE ELABORATE ON THE FLAWS IN MR. EASTON’S**  
7 **REASONING.**

8 A. Mr. Easton’s testimony on this point is a red herring. This issue is **not** about  
9 obtaining entrance facilities as UNEs, as Mr. Easton claims. Charter has not  
10 proposed any language that would require Qwest to make available entrance  
11 facilities as UNEs, and Mr. Easton does not identify any language that would have  
12 that effect. Rather, the language that Charter proposed in Section 7.1.2. (at issue  
13 here) relates solely to the question of what methods of interconnection are  
14 available to Charter, and what facilities may be used for such interconnection.  
15 This fact is evident from a brief review of Charter’s proposed language, which  
16 modifies Qwest’s language concerning the “methods of interconnection” available  
17 to Charter. The paragraphs to which Mr. Easton cites from the TRRO find that  
18 requesting carriers are not impaired without unbundled access to entrance  
19 facilities as UNEs. That statement, in and of itself, is accurate, but irrelevant and

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<sup>12</sup> *Id.* at lines 12-13.

<sup>13</sup> *Id.* at lines 12-19 and footnote 1.

1 inapplicable to this question. It is not relevant because the FCC also stated in the  
2 TRRO, at paragraph 140, that “our finding of non-impairment with respect to  
3 entrance facilities does not alter the right of competitive LECs to obtain  
4 interconnection facilities pursuant to section 251(c)(2) for the transmission and  
5 routing of telephone exchange service and exchange access service.” In other  
6 words, the FCC continues to uphold the use of **interconnection** facilities to  
7 connect the parties’ switches pursuant to Section 251(c)(2), even though they are  
8 no longer available as UNEs under Section 251(c)(3). Hence, Mr. Easton seems  
9 to confuse the question of entrance facilities that would be used as UNEs, with the  
10 question of entrance facilities that would be used as interconnection facilities, and  
11 that confusion leads him to the wrong conclusion.

12 **Q. IF MR. EASTON’S TESTIMONY CONFUSES THE ISSUE, WHAT THEN**  
13 **IS THE ACTUAL DISPUTE CONCERNING INTERCONNECTION (OR**  
14 **“ENTRANCE”) FACILITIES?**

15 A. As noted above, the interconnection (or “entrance”) facilities at issue here will be  
16 used for the purpose of interconnecting Charter’s network with Qwest’s network.  
17 The dispute centers around the question of whether such facilities must always be  
18 provided by Qwest, or whether such facilities may be provided by Charter, or third  
19 party CLECs, in some instances. This dispute is highlighted by Mr. Easton’s  
20 statement that under Charter’s proposal, “Charter would inappropriately be

1 allowed to use entrance facilities that a third party has purchased from Qwest.”<sup>14</sup>  
2 That is the heart of the dispute, whether Charter may use entrance facilities  
3 obtained by third parties to interconnect with Qwest. On this point, I would note  
4 that the TRRO language to which Mr. Easton cites specifically discusses  
5 obtaining entrance facilities from third party providers.<sup>15</sup> So, although the FCC  
6 endorses this approach, the use of a third party’s facilities would be barred by  
7 Qwest’s language (i.e., Qwest language only refers to “Qwest-provided facility”  
8 and “Qwest provided Entrance Facility”). While Mr. Easton focuses on Charter  
9 using entrance facilities that a third party has obtained from Qwest, this is not  
10 what Charter’s language says. In fact, Charter’s language for “Interconnection  
11 Facility” does not discuss ownership of the facility at all, but instead simply notes  
12 that facilities can be provided by the CLEC (Charter), a third party, or Qwest. In  
13 contrast, it is Qwest’s proposed definition of “LIS Entrance Facility” that is  
14 defined in terms of Qwest’s sole ownership and, as discussed above, that  
15 definition is inappropriately restrictive.

16 **Q. WHAT IS YOUR RECOMMENDATION FOR ISSUE 11?**

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<sup>14</sup> *Id.* at 17-19.

<sup>15</sup> *In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket 01-338, FCC 04-290, Order on Remand, February 4, 2005 (Triennial Review Remand Order or “TRRO”), paragraph 139 (“The record in this proceeding also demonstrates that competitive LECs are increasingly relying on competitively provided entrance facilities. BellSouth notes, for example, that between October 2003 and September 2004, 10 percent to 20 percent of the entrance facilities it had provided to competitive LECs were replaced by facilities obtained from other sources. Verizon states that between early 2003 and mid-2004, it migrated more than 32,000 entrance facility circuits to non-Verizon facilities.” (footnotes omitted))

1           A.    I recommend that the Commission adopt Charter's proposed language for  
2                Sections 7.1.2 and 7.1.2.4.



1 **Issue 13: IS CHARTER REQUIRED TO COMPENSATE QWEST FOR SO-**  
2 **CALLED “DIRECT TRUNK TRANSPORT” CIRCUITS WHICH CARRY**  
3 **TRAFFIC FROM THE PARTIES’ POI TO QWEST’S TANDEM SWITCH OR**  
4 **END OFFICE SWITCHES, EVEN WHERE CHARTER HAS ALREADY**  
5 **COMPENSATED QWEST UNDER THE RECIPROCAL COMPENSATION**  
6 **PROVISIONS OF THE AGREEMENT (VIA MUTUAL BILL AND KEEP**  
7 **ARRANGEMENTS)?**

8 **Q. WHAT IS QWEST’S PRIMARY DISAGREEMENT WITH CHARTER’S**  
9 **PROPOSAL FOR ISSUE 13?**

10 A. Qwest states, through Mr. Easton, that it can agree to bill and keep for usage-  
11 based charges, but that it cannot agree to bill and keep charges for direct trunked  
12 transport and associated multiplexing.<sup>16</sup> Qwest states that the FCC’s definition of  
13 bill and keep references termination but not transport and that the FCC’s First  
14 Report and Order does not preclude flat rated charges for transport. I believe that  
15 Qwest’s position on this issue is too narrowly construed.

16 **Q. PLEASE ELABORATE.**

17 A. Qwest focuses on the FCC’s discussion of bill and keep in FCC Rule 51.713  
18 which references termination, but not transport, and the First Report and Order’s  
19 statement that nothing precludes a flat rated charge for transport. But those  
20 statements do not prohibit the bill and keep proposal that Charter is advocating  
21 here. In addition, I am not aware of any rule that prohibits a state commission  
22 from adopting bill and keep for transport and termination as Charter proposes.

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<sup>16</sup> Easton Direct, pp. 16-17.

1           Though the FCC rules and order referenced by Qwest are silent on bill and keep  
2           for transport, notably, they do not prohibit bill and keep for transport either.  
3           Accordingly, the Commission should adopt Charter's bill and keep proposal  
4           because it is the most efficient reciprocal compensation arrangement proposed by  
5           either party, and because Qwest's proposal does not meet the requirements of a  
6           just and reasonable reciprocal compensation arrangement pursuant to the Act.

7           **Q.    IS THE FCC RULE THAT QWEST RELIES UPON, RULE 51.713, THE**  
8           **ONLY FCC RULE THAT ADDRESSES BILL AND KEEP**  
9           **ARRANGEMENTS?**

10          A.    No, it is not. In fact, FCC Rule 51.705 establishes specific standards regarding  
11          incumbent LECs' rates for transport and termination. In particular, the rule  
12          provides a basis for state commissions to adopt several different rate schemes, and  
13          specifically includes bill and keep arrangements. Notably, the rule indicates that  
14          bill and keep arrangements are appropriate for both transport **and** termination:

15                   51.705 Incumbent LECs' rates for transport and termination.

16                   (a) An incumbent LEC's rates *for transport and termination* of  
17                   telecommunications traffic shall be established, at the election of  
18                   the state commission, on the basis of: ...

19                   (3) A bill-and-keep arrangement, as provided in § 51.713.<sup>17</sup>

20          Notably, this rule (51.705) refers to both transport **and** termination in the context

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<sup>17</sup> 47 C.F.R. § 51.705(a)(3) (emphasis added).

1 of bill-and-keep arrangements which state commissions may elect to impose.  
2 Although the rule refers to Rule 51.713 (which Qwest relies upon), as I explained  
3 above, the plain language of Rule 51.713 does not prohibit a bill-and-keep  
4 arrangement that covers both termination and transport. Thus, Rule 51.705  
5 demonstrates that state commissions, like this one, are empowered to adopt a bill  
6 and keep arrangement that covers both transport and termination.

7 **Q. WHY IS BILL AND KEEP FOR BOTH TRANSPORT AND**  
8 **TERMINATION OF TRAFFIC THE MOST EFFICIENT RECIPROCAL**  
9 **COMPENSATION ARRANGEMENT BETWEEN CHARTER AND**  
10 **QWEST?**

11 A. To answer that question it is helpful to review one important principle that the  
12 parties do not dispute. The parties have already agreed upon the fact that the  
13 traffic between their respective networks has been roughly balanced in the past,  
14 and will be roughly balanced in the future. Agreed-upon language in the  
15 Agreement (e.g., section 7.3.4.1.2) reflects that fact. Because the parties  
16 recognize that the traffic will be roughly balanced, they understand that their costs  
17 of terminating the other party's traffic will also be roughly balanced. And,  
18 further, the parties recognize that any reciprocal charges assessed against one  
19 another for terminating the other party's traffic would likely be roughly equivalent  
20 because each party would use the same rate for such terminating traffic.  
21 Therefore, the parties agree that traffic volumes, costs, and rates, associated with

1 the termination of traffic will be roughly equivalent. If the traffic volume, rates,  
2 and charges, are roughly equivalent then it is likely that each party's reciprocal  
3 compensation invoices will be equivalent. In other words, the parties would likely  
4 send each other invoices for the same dollar amounts (which would effectively  
5 cancel each other out). In recognition of these facts, the parties have agreed to a  
6 bill and keep arrangement for the termination of traffic.

7 **Q. WHY DID THE PARTIES AGREE UPON BILL AND KEEP**  
8 **COMPENSATION ARRANGEMENT FOR TERMINATION OF**  
9 **TRAFFIC?**

10 A. Because that arrangement is both equitable, and efficient. It is efficient because it  
11 does not require the parties to send each other invoices that would, effectively, be  
12 offsetting. That approach is equitable because it ensures that both parties' traffic  
13 is terminated by the other party, and that the party terminating that traffic is  
14 compensated by an "in-kind" compensation arrangement (i.e. the other party  
15 terminating its traffic). In this way, the parties have agreed that bill and keep is  
16 the proper form of compensation for their mutual actions taken to **terminate** each  
17 other's traffic.

18 **Q. IF BILL AND KEEP IS MOST EFFICIENT FOR TERMINATION OF**  
19 **TRAFFIC, WOULDN'T THE SAME APPROACH BE EFFICIENT FOR**  
20 **THE TRANSPORT OF TRAFFIC?**

1           A.     Yes. All of the principles surrounding termination of traffic that I just described  
2                   (roughly equivalent traffic volume, costs, and rates) also apply to the transport of  
3                   traffic. Remember, transport and termination are two functions that occur for  
4                   every call that is delivered to either party's network. Transport is the function of  
5                   delivering (and switching) traffic from the parties' point of interconnection to the  
6                   terminating carrier's end office switch. Termination is the switching and  
7                   transmission of traffic from the end office to the called party's premise. Attached  
8                   as Exhibit TJG-4 is a simple diagram illustrates these two separate, but  
9                   interrelated, functions.

10                   As I just noted, the parties agree that the traffic between the parties has been  
11                   roughly balanced. Moreover, if the parties were to charge each other for transport  
12                   and termination, the rates assessed would be symmetrical. Accordingly, invoices  
13                   between the parties for transport and termination (based on the same amount of  
14                   traffic and same rates) would essentially cancel each other out. By way of  
15                   example, if Qwest invoiced Charter \$1,000 and Charter invoiced Qwest \$1,000  
16                   for a particular month, the invoices to each company would be a wash. However,  
17                   the parties would incur administrative and transactions costs related to invoicing  
18                   the other party. A more efficient method would be to implement bill and keep,  
19                   where the ultimate outcome is largely the same (the charges to each party cancel  
20                   each other out), but the parties would avoid the administrative and transaction  
21                   costs associating with invoicing.

1           **Q.    DO YOU BELIEVE THAT CHARTER INCURS TRANSPORT COSTS**  
2           **THAT ARE ROUGHLY EQUIVALENT TO QWEST’S TRANSPORT**  
3           **COSTS?**

4           A.    Yes.  Although we do not have a specific cost study from Qwest as a basis to  
5           compare Charter’s transport costs, a brief review of Charter’s network  
6           arrangements in Washington reveals that it incurs substantial transport costs in  
7           sending traffic to, and receiving traffic from, Qwest’s network.  The attached  
8           diagram, Exhibit TJG-5C, is a **confidential** network diagram that shows the  
9           substantial transport links that Charter has deployed between its current POI with  
10          Qwest in Yakima, Washington, back to the Charter network facilities in Pasco and  
11          Kennewick (where Charter provides competitive voice services to residential and  
12          small business subscribers in competition with Qwest).  As this diagram reveals,  
13          Charter has deployed significant transport facilities between these locations, and  
14          other relevant locations on the Charter network in Washington.  These transport  
15          facilities have the ability to carry substantial volumes of traffic, and are deployed  
16          over many miles.  In addition, this diagram also reaffirms that Charter’s switch in  
17          Washington serves a comparable (if not greater) geographic area to the Qwest  
18          tandem switch serving the area where these two companies both provide service  
19          to end user customers.

20          **Q.    YOU SAID ABOVE THAT QWEST’S PROPOSAL DOES NOT MEET**  
21          **THE REQUIREMENTS OF A JUST AND REASONABLE RECIPROCAL**

1           **COMPENSATION ARRANGEMENT UNDER THE ACT. PLEASE**  
2           **EXPLAIN.**

3           A. I explained in my direct testimony that Section 252(d)(2) requires that for terms  
4           and conditions related to reciprocal compensation to be just and reasonable, they  
5           must “provide for the mutual and reciprocal recovery by each carrier of costs  
6           associated with the transport and termination on each carrier's network facilities of  
7           calls that originate on the network facilities of the other carrier” and that the Act  
8           specifically allows for mutual recovery to be implemented through the offsetting  
9           of reciprocal obligations such as bill and keep arrangements.<sup>18</sup> However, as I  
10          explained at pages 39-40 of my direct testimony, Qwest’s proposal does not  
11          clearly provide for the mutual and reciprocal recovery of both parties’ transport  
12          costs. Although there is language in Section 7.3.2.1 of Qwest’s proposed  
13          language that suggests either party may “purchase” transport from the other party,  
14          the remaining language in that section is tailored for Qwest to allow it to charge  
15          Charter for such transport, but not necessarily for Charter to charge Qwest for the  
16          same functionality. Charter also incurs transport costs on its side of the network  
17          for Qwest-originated traffic and must be allowed to recover those costs. If the  
18          Commission does not adopt Charter’s proposal to allow the mutual recovery to  
19          occur through a bill and keep arrangement, it should at least clarify that Charter is  
20          entitled to recover its transport costs by allowing Charter to assess on Qwest the

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<sup>18</sup> Section 252(d)(2)(B)(1).

1 same transport charges (at the same rates) that Qwest proposes to assess on  
2 Charter. I would note that in response to discovery requests from Charter, Qwest  
3 has indicated that it **does** purchase direct trunked transport from other CLECs in  
4 Washington. Charter, therefore, simply seeks the same affirmation of its right to  
5 avail itself of the same compensation terms and principles that Qwest currently  
6 provides to other competitive LECs in Washington.

7 **Q. DOES CHARTER’S PROPOSED LANGUAGE FOR SECTION 7.2.2.1.2.2**  
8 **CONFLICT WITH SECTION 7.2.2.1.3 AS MR. LINSE CLAIMS?<sup>19</sup>**

9 A. No. Mr. Linse states that because Section 7.2.2.1.2.2 is “subject to Section  
10 7.2.2.1.3” the requirement in Section 7.2.2.1.2.2 that the originating party can, at  
11 its option, direct the terminating party to establish trunks conflicts with the  
12 requirement in Section 7.2.2.1.3 (which states that the originating party will  
13 establish trunking). However, the “subject to” language in Section 7.2.2.1.2.2  
14 refers to the agreed-upon DS1 threshold in Section 7.2.2.1.3 (i.e., where direct  
15 trunking obligations arise), not which party establishes the trunks.

16 **Q. WHAT IS YOUR RESPONSE TO QWEST’S CLAIM THAT CHARTER’S**  
17 **PROPOSED SECTION 7.2.2.1.2.2 IS INCONSISTENT WITH CHARTER’S**  
18 **BILL AND KEEP PROPOSAL?<sup>20</sup>**

19 A. I disagree. Qwest is not reading the contract language in context and in its

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<sup>19</sup> Linse Direct, p. 10.



1 entirety. Charter’s proposed Section 7.2.2.1.2.2 simply recognizes that Section  
2 251(b)(5) says that transporting and terminating traffic causes costs and the party  
3 incurring those costs should be compensated for them. Charter’s proposal, in its  
4 entirety, recognizes that this compensation can occur under one of two scenarios:  
5 (a) the parties invoicing and paying each other or (b) in-kind compensation  
6 through bill and keep. It is Charter’s position that since the traffic will be roughly  
7 balanced between the parties, and therefore invoices between the parties will  
8 likely be a wash, that a bill and keep compensation arrangement is the most  
9 efficient arrangement.

10 **Q. MR. LINSE SAYS THAT CHARTER’S PROPOSED SECTION 7.2.2.1.2.2**  
11 **“MAKES NO SENSE” AND IS UNCLEAR WHETHER IT “REFERS TO**  
12 **POIs WITH QWEST OR POIs WITH SOME OTHER UNIDENTIFIED**  
13 **PROVIDER.”<sup>21</sup> WOULD YOU LIKE TO RESPOND?**

14 **A.** Yes. It appears that Mr. Linse misunderstands Charter’s proposed language for  
15 Section 7.2.2.1.2.2. To clarify, the POIs and networks referred to in the phrase  
16 **“to connect any POIs between the networks with CLEC’s network”** are the  
17 Charter/Qwest POIs and the Charter and Qwest networks. Mr. Linse’s reference  
18 to POIs with “some other unidentified provider” is a red herring.

19 **Q. DOES CHANGING THE WORD “OF” TO “FOR” IN SECTION 7.3.2.1.1**

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<sup>20</sup> Easton Direct, p. 15.

1           **REQUIRE QWEST TO PROVIDE TRANSPORT OUTSIDE OF QWEST'S**  
2           **SERVICE TERRITORY, SUCH AS TO CALIFORNIA, AS MR. LINSE**  
3           **CLAIMS?**<sup>22</sup>

4           A.    No. First, changing the word “of” to “for” is a simple grammatical change –  
5           nothing more, nothing less. There was no intent to force Qwest to provide  
6           transport outside of its territory, and more importantly, there is no way that the  
7           language supports Mr. Linse's overbroad reading. Second, Mr. Linse's  
8           misunderstanding of this issue may be due to his apparent belief that the POI is at  
9           the Charter switch (see, e.g., Exhibits PL-5 and PL-6). This is not the case.  
10          Rather, the interconnection point established between Qwest and Charter will be  
11          on Qwest's network, as evidenced by the agreed-upon language in Section 7.1.1  
12          which states: “Qwest will provide Interconnection at any Technically Feasible  
13          point *within its network...*” (emphasis added). Given that the interconnection  
14          point will be within Qwest's network, I am not sure why Mr. Linse thinks that  
15          Charter's POI with Qwest would or could be in California.

16          **Q.    WHAT IS YOUR RESPONSE TO QWEST'S CLAIM THAT CHARTER'S**  
17          **PROPOSAL FOR SECTION 7.2.2.1.4 IS AMBIGUOUS AND**  
18          **INTERNALLY INCONSISTENT?**<sup>23</sup>

19          A.    Mr. Easton takes issue with Charter's proposed phrase: “**where the parties do**

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<sup>21</sup> Linse Direct, p. 9, lines 20-25.

<sup>22</sup> *Id.* at 12.

1           **not use the bill and keep arrangement set forth in Section 7.3”** stating that  
2 Charter does not specify when that will be the case and claims that it is  
3 inconsistent with Charter’s bill and keep proposals. However, as I explained at  
4 pages 42-43 of my direct testimony, Charter informed Qwest during negotiations  
5 that, as an alternative to Charter’s primary recommendation of bill and keep for  
6 transport, Charter would be willing to use the same rates that Qwest proposes to  
7 assess upon Charter for direct trunked transport. The phrase shown above in  
8 Charter’s proposed Section 7.2.2.1.4 accounts for situations in which the parties  
9 do not use bill and keep for transport, and in these instances, the parties would use  
10 the same rates Qwest proposes to assess upon Charter. Therefore, Charter’s  
11 proposed 7.2.2.1.4 would apply when bill and keep does not apply (as in the case  
12 of Charter’s alternative proposal for compensation for transport) and is consistent  
13 with Charter’s overarching bill and keep proposal.

14           **Q.    WOULD CHARTER’S PROPOSAL FOR 7.2.2.1.4 RESULT IN**  
15           **ASYMMETRICAL RECIPROCAL COMPENSATION RATES IN**  
16           **VIOLATION OF FCC RULES?<sup>24</sup>**

17           A.    No. In my direct testimony at pages 42-43, I explained that Charter proposed to  
18           Qwest during negotiations that Charter would be willing to use the same rates  
19           Qwest proposes to assess on Charter (found in the current price list) when bill and

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<sup>23</sup> Easton Direct, pp. 15-16.

<sup>24</sup> *Id.* at 16.

1 keep does not apply. Accordingly, the rates would be symmetrical under  
2 Charter's proposed Section 7.2.2.1.4.

3 **Q. WHAT IS YOUR RECOMMENDATION FOR ISSUE 13?**

4 A. I recommend the Commission adopt Charter's proposed language for Sections  
5 7.2.2.1.2.2, 7.2.2.1.4, 7.3.2.1, 7.3.2.1.3, 7.3.2.3, 7.3.2.1.2, 7.3.2.1.4, 7.3.2.2, and  
6 7.3.2.2.1.

1 **Issue 14: SHOULD QWEST BE ENTITLED TO IMPOSE NON-RECURRING**  
2 **TRUNK INSTALLATION AND REARRANGEMENT CHARGES UPON**  
3 **CHARTER EVEN WHERE THE PARTIES HAVE AGREED TO A BILL AND**  
4 **KEEP COMPENSATION SCHEME?**

5 **Q. WHAT IS QWEST'S OBJECTION TO CHARTER'S PROPOSAL FOR**  
6 **ISSUE 14?**

7 A. Qwest objects to Charter's proposal for bill and keep for trunking charges. Mr.  
8 Easton states that "Qwest is willing to agree to bill and keep for usage-based  
9 charges, but not for the dedicated transport."<sup>25</sup> My response to Qwest's direct  
10 testimony on this issue will be discussed within the context of Issues 13 and 15  
11 and will not be repeated here, other than to reiterate two points. First, as  
12 explained above under Issue 13, Qwest's reference to FCC Rule 51.713, which is  
13 Qwest's primary support for applying bill and keep only to termination but not  
14 transport, does not tell the entire story. Qwest ignores FCC Rule 51.705 which  
15 refers to a state commission establishing an ILEC's rates for transport *and*  
16 termination based on bill and keep. Second, if Qwest can charge Charter for  
17 transport on Qwest's side of the POI, it is only fair and equitable that Charter  
18 should be able to charge Qwest for transport on Charter's side of the POI at the  
19 same rate that Qwest charges. Not doing so (if the Commission adopts Qwest's  
20 language here) would be inequitable and a violation of Section 251(b)(5) of the

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<sup>25</sup> *Id.* at 20, lines 12-13.

1 Act, and implementing FCC rules.<sup>26</sup>

2 **Q. WHAT IS YOUR RECOMMENDATION FOR ISSUE 14?**

3 A. I recommend the Commission adopt Charter's proposed language for Sections  
4 7.3.3.1 and 7.3.3.2.

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<sup>26</sup> For example, FCC Rule 51.711 requires symmetrical rates for transport and termination except under specific circumstances.

1        **Issue 15: SHOULD THE PARTIES' AGREED UPON BILL AND KEEP**  
2        **COMPENSATION ARRANGEMENT APPLY TO BOTH THE TRANSPORT**  
3        **AND TERMINATION OF SECTION 251(b)(5) TRAFFIC EXCHANGED**  
4        **BETWEEN THE PARTIES?**

5        **Q.     WHY DOES QWEST OBJECT TO CHARTER'S PROPOSAL FOR ISSUE**  
6        **15?**

7        A.     Mr. Easton raises two primary reasons why Qwest objects to Charter's proposal  
8        for Issue 15. First, Mr. Easton states that Charter's proposal, which would extend  
9        bill and keep to transport *and* termination, is not consistent with the FCC's rules  
10       and orders which extends bill and keep only to termination (but not transport).<sup>27</sup>  
11       Second, Mr. Easton states that the FCC's rules do not authorize state commissions  
12       to impose bill and keep for transport.<sup>28</sup> The first issue is addressed above under  
13       Issue 13 and the second issue is addressed below.

14       **Q.     PLEASE ADDRESS MR. EASTON'S SECOND ISSUE – THAT THE**  
15       **FCC'S RULES DO NOT AUTHORIZE STATE COMMISSIONS TO**  
16       **IMPOSE BILL AND KEEP FOR TRANSPORT.**

17       A.     This is really an extension of Mr. Easton's first argument that the definition of bill  
18       and keep under FCC Rule 51.713(a) includes termination but not transport. Mr.  
19       Easton states: "Neither the FCC's definition of bill-and-keep in Rule 51.713(a)  
20       nor the FCC's authorization for state commissions to impose bill in keep [sic] in

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<sup>27</sup> Easton Direct, pp. 22-23, referencing the definition of bill and keep in FCC Rule 51.713(a) and the Local Competition Order, ¶ 1096.

<sup>28</sup> Easton Direct, pp. 23-24.

1 Rule 51.713(b) authorizes the Commission to impose bill and keep for transport,  
2 much less dedicated transmission facilities, as Charter is proposing.”<sup>29</sup> The  
3 definitional issue of bill and keep under FCC Rule 51.713(a) is addressed above  
4 under Issue 13. Regarding Mr. Easton’s discussion of what the FCC authorizes a  
5 state commission to impose concerning bill and keep under FCC Rule 51.713(b),  
6 Mr. Easton takes an overly narrow view of the FCC’s rules. 47 CFR § 51.713(b)  
7 states:

8 A state commission may impose bill-and-keep arrangements if the  
9 state commission determines that the amount of  
10 telecommunications traffic from one network to the other is  
11 roughly balanced with the amount of telecommunications traffic  
12 flowing in the opposite direction, and is expected to remain so, and  
13 no showing has been made pursuant to § 51.711(b).

14 Because FCC Rule 51.713(b) does not specifically reference termination, Mr.  
15 Easton’s apparent interpretation is that this Commission is precluded from  
16 adopting Charter’s proposal of bill and keep for both termination and transport. I  
17 disagree. But, as I have previously explained, during my testimony on Issue 13,  
18 FCC Rule 51.705 specifically authorizes state commissions to adopt rates for  
19 transport and termination, **including** bill and keep arrangements. Nothing in FCC  
20 Rule 51.713(b) prohibits this Commission from adopting bill and keep for  
21 transport and termination as Qwest would have the Commission believe. Instead,  
22 the fact that the rule references “arrangements” (plural) suggests that the FCC

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<sup>29</sup> *Id.* at 23, lines 19-23.



1 intended that state commissions have the authority to impose various forms of bill  
2 and keep arrangements on carriers. Therefore, implicitly, other options are  
3 available to a state commission regarding reciprocal compensation. And though  
4 Mr. Easton points to paragraph 1096 of the Local Competition Order which states  
5 that bill and keep does not “preclude” a positive charge for transport, what he does  
6 not say is that the FCC’s rules and orders do not “require” a positive charge for  
7 transport either.

8 **Q. IF FCC RULE 51.713 DOES NOT RULE OUT EITHER PARTY’S**  
9 **PROPOSAL, THEN WHY IS CHARTER’S PROPOSAL PREFERABLE**  
10 **TO QWEST’S?**

11 A. As explained in my direct testimony, Section 252(d)(2) *requires* reciprocal  
12 compensation arrangements to “provide for the mutual and reciprocal recovery by  
13 each carrier of costs associated with the transport and termination on each  
14 carrier’s network facilities of calls that originate on the network facilities of the  
15 other carrier.”<sup>30</sup> The Act and FCC Rule 51.705 state that this mutual recovery can  
16 be accomplished through bill and keep arrangements, as Charter proposes.  
17 Finally, this form of mutual recovery is consistent with the fact that the parties  
18 have already agreed that they expect the traffic volumes exchanged between their  
19 networks to be roughly balanced.

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<sup>30</sup> See, Direct Testimony of Timothy J Gates, WUTC Docket UT-083041 (“Gates Direct”), p. 37.

1 In the alternative, I explained at page 42 of my direct testimony that if the  
2 Commission decides not to adopt Charter's proposal of bill and keep for both  
3 transport and termination, then it must permit Charter to assess direct trunk  
4 transport charges (the same charges that Qwest proposes to assess Charter) on  
5 Qwest.<sup>31</sup> While this would allow Charter to recover its costs related to transport  
6 and would adhere to the mutual recovery requirement of the Act, Charter prefers  
7 its primary proposal of bill and keep for both termination and transport because it  
8 is more efficient and less administratively burdensome for both parties. Qwest's  
9 proposal, on the other hand, provides for recovery of only *Qwest's* costs of  
10 transport, which is one-sided and a contravention of the Act's reciprocal  
11 compensation requirements. Charter incurs costs to transport traffic originated on  
12 Qwest's network (and Qwest does not contend otherwise in its direct testimony),  
13 and based on this fact, Qwest's proposal (which does not provide Charter an  
14 opportunity to recover these costs on Charter's side of the POI) is expressly  
15 prohibited.

16 **Q. QWEST OFFERS A NEW PROPOSAL FOR ISSUE 15 AT PAGES 24-26**  
17 **OF MR. EASTON'S DIRECT TESTIMONY. IS THIS NEW PROPOSAL**  
18 **ACCEPTABLE TO CHARTER?**

19 A. No, I don't think it addresses Charter's fundamental concern that both Charter and

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<sup>31</sup> See, e.g., 47 CFR § 51.705.

1 Qwest will incur transport costs, that both parties should be able to recover those  
2 transport costs, and that the most efficient way to do that is through a bill and  
3 keep arrangement which applies to both transport and termination.

4 **Q. HOW DOES QWEST'S PROPOSAL ADDRESS THIS SPECIFIC ISSUE?**

5 A. It doesn't address this issue. Qwest's proposal merely substitutes a reciprocal  
6 compensation arrangement that would, without question, apply to both transport  
7 and termination of Section 251(b)(5), and ISP-Bound traffic, on each party's side  
8 of the POI. If adopted, I don't know how Qwest would have any basis to continue  
9 to argue that it would be entitled to bill Charter for both reciprocal compensation  
10 (which includes a transport element), **and** direct trunked transport on Qwest's side  
11 of the POI. On the other hand, if Qwest is conceding that no direct trunked  
12 transport charges would apply, I suspect that Charter would be willing to  
13 exchange all such traffic at \$.0007 (assuming that neither party were required to  
14 pay direct trunked transport to the other party).

15 **Q. ARE THERE ANY OTHER CONCERNS WITH QWEST'S PROPOSAL?**

16 A. My last concern is simply that the parties have already agreed that the traffic on  
17 their networks is roughly balanced. If Qwest's alternative language were adopted,  
18 I suspect it would mean that the parties would exchange reciprocal compensation  
19 invoices that would essentially cancel each other out. As I have already  
20 explained, that is an inefficient result.

1           **Q.    WHAT IS YOUR RECOMMENDATION FOR ISSUE 15?**

2           A.    I recommend the Commission adopt Charter's proposed language at Sections  
3           7.3.4.1.1.2, 7.3.4.1.2, and 7.3.4.1.3.

1        **Issue 16: SHOULD EITHER PARTY HAVE THE RIGHT TO UTILIZE**  
2        **INDIRECT INTERCONNECTION AS A MEANS OF EXCHANGING TRAFFIC**  
3        **WITH THE OTHER PARTY?**

4        **Q.    QWEST STATES THAT CHARTER’S PROPOSAL COULD LEAD TO**  
5        **“PHANTOM TRAFFIC.”<sup>32</sup> WOULD YOU LIKE TO RESPOND?**

6        A.    Yes. Mr. Linse says that Charter’s language would provide Charter the ability to  
7        transit traffic through an end office switch, which may disguise the traffic as  
8        originating from the end office switch providing the transit. Not only is this pure  
9        speculation on Mr. Linse’s part, it is also false. Section 7.3.8 requires each party  
10       to provide the other party the signaling information necessary to properly identify  
11       and bill traffic, and includes protections if the required signaling information is  
12       not provided.

13       **Q.    WHAT IS YOUR RESPONSE TO MR. LINSE’S CLAIM THAT**  
14       **CHARTER’S PROPOSAL WOULD ENCOURAGE REVENUE SHARING**  
15       **AGREEMENTS BETWEEN CHARTER AND THE TRANSIT PROVIDER**  
16       **SO THAT CHARTER WOULD BE COMPENSATED FOR EVERY**  
17       **MINUTE OF TRANSIT TRAFFIC FROM QWEST?<sup>33</sup>**

18       A.    Again, Mr. Linse engages in pure speculation. He does not provide any evidence  
19       that Charter would establish or has established such revenue sharing  
20       arrangements. Furthermore, what Mr. Linse fails to mention is that Charter’s

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<sup>32</sup> Linse Direct, pp. 13-14.

<sup>33</sup> *Id.* at 15.

1 proposed language for Section 7.1.2.7 states that once the total volume of traffic  
2 being exchanged exceeds a relatively low threshold of 240,000 minutes per month  
3 for three consecutive months, either party may request the establishment of direct  
4 interconnection. This means that Charter does not have an incentive to attract  
5 customers that generate terminating traffic from Qwest to Charter or to partner  
6 with multiple transit providers, because once the total traffic from these  
7 hypothetical transit providers reaches the established threshold, direct  
8 interconnection could be required and any revenue that is shared with transit  
9 providers would be eliminated. Charter's indirect interconnection proposal is  
10 designed to provide a cost-effective method for the exchange of relatively low  
11 levels of traffic between the parties, not to engage in regulatory arbitrage, and in  
12 fact, Charter's proposal eliminates the potential for regulatory arbitrage by  
13 providing for direct interconnection when the level of traffic between the parties  
14 may justify it.

15 **Q. MR. LINSE STATES THAT HE IS NOT AWARE OF ANY INDUSTRY**  
16 **STANDARD THAT USES THE 240,000 MINUTE BENCHMARK IN**  
17 **CHARTER'S PROPOSAL THAT WOULD TRIGGER DIRECT**  
18 **CONNECTION.<sup>34</sup> PLEASE EXPLAIN THIS BENCHMARK.**

19 **A.** I am surprised by this comment. It is relatively common for carriers to agree to  
20 some benchmark, which when met, results in joint planning for direct end office

1 trunks. While it varies from region to region, it is not uncommon to use a DS1  
2 level of traffic – which is what the 240,000 minutes refers to – for a trigger.  
3 References to either 200,000 or 240,000 minutes of use have been used for a  
4 number of years in the industry. Obviously the 240,000 minutes does not refer to  
5 the absolute capacity of a DS-1 but rather to a fill of approximately 60 percent of  
6 the DS-1. Let me provide just a couple examples. In 2001 Cox brought a Petition  
7 for Investigation of Southern New England Telephone Company’s (“SNET”)  
8 Transit costs and rates.<sup>35</sup> In that decision, the Department quoted SNET as  
9 follows: “According to the Telco, CTTS [Connecticut Transit Traffic Service]  
10 allows carriers to send up to one DS-1 worth of traffic per month (24 trunks  
11 carrying approximately 240,000 minutes) over these trunks to these third-party  
12 carriers.” In a recent traffic termination agreement filed in Wisconsin between  
13 Rhinelander Telephone LLC (“Frontier”) and Charter, the parties agreed to the  
14 following language regarding when to engage in direct interconnection: “For  
15 purposes of this Agreement, Crossover Volume means a total bi-directional  
16 volume of Local/EAS Traffic exceeding 240,000 minutes of use or one DS1 at  
17 512 ccs [centum call seconds] per month for three (3) consecutive months.”<sup>36</sup>  
18 Just as in this case, the concern was tandem exhaust. It may be that Mr. Linse  
19 does not understand the relationship between minutes of use and CCS, but I do

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<sup>34</sup> *Id.* at 16.

<sup>35</sup> 2003 Conn. PUC LEXIS 11, dated January 15, 2003, Docket No. 02-01-23, at page 5.

<sup>36</sup> See, Request to Approve a Voluntary Interconnection Agreement Pursuant to 47 U.S.C. § 252(e); filed July 9, 2008; Proposed ICA at page 5.

1 not see a significant disagreement between the parties on the trigger for a request  
2 for direct connection.

3 I am also surprised by the statement that Qwest cannot monitor traffic. If Qwest  
4 can monitor “CCS” it can monitor minute of use since they are one in the same.  
5 Traffic sampling is a common practice and can be used to determine when traffic,  
6 over a period of say three months, has reached a trigger amount.

7 **Q. WHAT IS YOUR RESPONSE TO QWEST’S CLAIM THAT CHARTER’S**  
8 **PROPOSAL FOR ISSUE 16 DOES NOT ADDRESS SIGNIFICANT**  
9 **ISSUES REGARDING INDIRECT CONNECTION?<sup>37</sup>**

10 A. Mr. Easton states that Charter’s language does not address issues such as  
11 identification of the third party Charter intends to use and how the transit traffic  
12 will be identified/segregated for intercarrier compensation purposes. However, as  
13 mentioned above, the contract requires that the amount of traffic routed over an  
14 indirect interconnection will be relatively small – i.e., to be used in this  
15 circumstances when it is most cost effective – and requires the traffic to be  
16 properly identified for compensation purposes. And to Qwest’s point that  
17 Charter’s language does not identify the third party Charter intends to use, I  
18 disagree that identifying a specific company within the contract is needed or  
19 appropriate, as the agreement being arbitrated is between Charter and Qwest (and

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<sup>37</sup> Easton Direct, p. 28.



1 not a third party) and should set out the terms and conditions that are applicable  
2 between the two parties only – which Charter’s language does.

3 **Q. WHAT IS YOUR RECOMMENDATION FOR ISSUE 16?**

4 A. I recommend the Commission adopt Charter’s proposed language for Section  
5 7.1.2.6 and 7.1.2.9.

1        **Issue 18: SHOULD QWEST BE REQUIRED TO MAKE 911 FACILITIES**  
2        **AVAILABLE TO CHARTER AT COST-BASED RATES PURSUANT TO**  
3        **SECTION 251(C)?**

4        **Q.     QWEST OFFERS A NEW LANGUAGE PROPOSAL FOR THIS ISSUE**  
5        **THAT WAS NOT PROVIDED PREVIOUSLY. HOW DOES QWEST’S**  
6        **NEW PROPOSAL COMPARE TO ITS OLD PROPOSAL AS WELL AS**  
7        **CHARTER’S PROPOSAL?**

8        A.     The last sentence of Qwest’s original proposal was: “Otherwise, DS0 LIS  
9        facilities may be ordered for 911/E911 per section 7.2.2.9.4.” The last sentence of  
10       Qwest’s new proposal is: “911/E911 DS0 trunks may be provisioned on either  
11       muxed LIS T1 facilities or muxed private line T1 facilities at the CLEC’s  
12       discretion.” By comparison, the last sentence of Charter’s proposal states:  
13       “Otherwise, **rates for 911/E911 facilities shall be the same as rates for LIS**  
14       **facilities.**”

15       **Q.     IS QWEST’S NEW PROPOSAL ACCEPTABLE TO CHARTER?**

16       A.     No. Qwest’s new proposal is an improvement over its original proposal because it  
17       acknowledges that 911/E911 trunks may be provisioned on LIS facilities, but  
18       Charter’s proposal is still superior. While Qwest’s new proposal references LIS  
19       facilities (and by implication, suggests that LIS rates would apply), it does not  
20       expressly reference the rates that would apply. Charter’s language is clear on this  
21       issue and expressly indicates that LIS rates (i.e., TELRIC-based rates) will apply

1 for these facilities. The clarity provided by Charter’s language is appropriate  
2 because, as explained at page 60 of my direct testimony, the FCC currently  
3 requires TELRIC pricing for 911/E911 interconnection.

4 **Q. BUT MR. EASTON CLAIMS THAT QWEST’S LANGUAGE PROPERLY**  
5 **RECOGNIZES THE “OPTION” AVAILABLE TO CHARTER FOR**  
6 **PURCHASING 911/E911 FACILITIES AS EITHER LIS FACILITIES OR**  
7 **PRIVATE LINE FACILITIES.<sup>38</sup> WOULD YOU LIKE TO COMMENT?**

8 A. Yes. As demonstrated by Charter’s proposed language, there’s no reason to  
9 include in the contract a reference to private line facilities because Charter does  
10 not want to avail itself of this so-called “option.” Qwest’s reference to options  
11 makes no sense: why would Charter purchase these facilities as private line  
12 facilities at higher rates when it can purchase them at lower LIS (interconnection)  
13 rates? While Qwest’s new proposal states that this decision is left up to “the  
14 CLEC’s discretion,” Charter has already expressed its decision to purchase these  
15 facilities at LIS rates, and therefore, Qwest’s proposed “option” language is  
16 unnecessary. Furthermore, while Qwest states that “unlike the Charter language,  
17 [Qwest’s new language] does not require that LIS facility rates apply to all 911  
18 facilities,” what Mr. Easton fails to mention is that the requirement in Charter’s  
19 language that LIS rates apply to 911 facilities is consistent with the FCC’s

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<sup>38</sup> *Id.* at 30.

1 conclusions.<sup>39</sup>

2 **Q. WHAT IS YOUR RECOMMENDATION FOR ISSUE 18?**

3 A. I recommend the Commission adopt Charter's proposed language for Section  
4 10.3.7.1.1.

5 **III. CONCLUSION**

6 **Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?**

7 A. Yes, it does.

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<sup>39</sup> See, *In the Matter of IP-Enabled Services; E911 Requirements for IP-Enabled Service Providers*, First Report and Order and Notice of Proposed Rulemaking, 20 FCC Rcd 10245 (2005), ¶ 38, referenced in my direct testimony at page 60.