

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**UT – 090842**

In the Matter of )  
 )  
VERIZON COMMUNICATIONS INC. )  
And FRONTIER COMMUNICATIONS )  
CORPORATION )  
 )  
Joint Application for an Order Declining to )  
Assert Jurisdiction, or, in the )  
Alternative, to Approve the Indirect )  
Transfer of Control of )  
VERIZON NORTHWEST INC. )

**TESTIMONY IN SUPPORT**  
  
**OF STIPULATION BETWEEN**  
**FRONTIER COMMUNICATIONS CORPORATION**  
**AND LEVEL 3 COMMUNICATIONS, LLC**

**BY THE**  
**PARTIES TO THE STIPULATION**

**December 22, 2009**

1 **Q. Who is sponsoring this testimony?**

2 A. This testimony is jointly sponsored by: Frontier Communications Corporation  
3 (“Frontier”) and Level 3 Communications, LLC (“Level 3”). In this Joint Testimony, the  
4 parties are referred to collectively as “the Parties.”

5  
6 **Q. Please state your names.**

7 A. Our names are: Daniel McCarthy (Frontier) and Rick Thayer (Level 3). Mr. McCarthy  
8 previously filed testimony in this proceeding and his qualifications are set forth in pre-  
9 filed direct testimony dated July 6, 2009. Mr. Thayer’s qualifications are attached as  
10 Exhibit No. \_\_\_\_ (DM/RT-2).

11  
12 **Q. What is the purpose of your testimony?**

13 A. Our testimony describes and supports the Settlement Agreement agreed upon by the  
14 Parties on December 10, 2009 and filed with the Commission with this testimony (“Level  
15 3 Stipulation”). Our testimony demonstrates why the Level 3 Stipulation satisfies the  
16 Parties’ interests, will not cause any harm and is consistent with the public interest.<sup>1</sup>

17  
18 **Q. Please briefly describe the history of this proceeding.**

19 A. On May 29, 2009, the Applicants filed the Application requesting that the Commission  
20 either issue an order disclaiming jurisdiction or, in the alternative, approving the  
21 transaction. Level 3 filed a petition to intervene on June 29, 2009, and that intervention

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<sup>1</sup> Several parties in the proceeding have reached agreement on the issues in this proceeding and have or will file separate stipulations with the Commission. In short, the Commission has before it four separate stipulations for approval: (1) the Global Stipulation; (2) the Joint CLEC Stipulation; (3) the Comcast Stipulation and the (4) Level 3 Stipulation.

1 was granted by order on July 28, 2009. Level 3 did not file testimony in this proceeding  
2 but has communicated to Frontier that it has one primary issue with respect to the  
3 proposed transaction – the extension of the existing interconnection agreements and  
4 network arrangements that are in place with Verizon and Frontier. On December 10,  
5 2009, the Parties finalized and executed the Level 3 Stipulation to resolve all issues  
6 raised by Level 3. The Level 3 Stipulation resolves all issues among the Parties in this  
7 docket and it is the Parties’ intent that interconnection agreement amendments will be  
8 filed to implement the Level 3 Stipulation.

9  
10 **Q. How does the Level 3 Stipulation address the Level 3 issue related to the extension**  
11 **of existing interconnection agreements and network arrangements?**

12 A. The Level 3 Stipulation provides for the extension of the existing interconnection  
13 agreements and the network arrangements that Level 3 has in place with Verizon and  
14 Frontier for a period of thirty months after the closing of the proposed transaction. (Level  
15 3 Stipulation at paragraphs 2 and 3). The Parties have also agreed to commence  
16 negotiations of each replacement interconnection agreement at least one year prior to the  
17 termination of the existing interconnection agreements (Level 3 Stipulation at paragraph  
18 6).

19  
20 **Q. Will Level 3 and Frontier file interconnection agreement amendments with the**  
21 **Washington Commission to effectuate the terms of the Level 3 Stipulation?**

22 A. Yes. Paragraph 9 of the Level 3 Stipulation expressly contemplates that the Parties will  
23 execute and file interconnection agreement amendments to effectuate the terms of the

1 Stipulation. Similarly, paragraph 4 of the Stipulation provides that the interconnection  
2 agreement between Frontier and Level 3 will be amended to incorporate certain other  
3 provisions from the Frontier and Level 3 interconnection agreement in West Virginia that  
4 address trunking capacity issues that Frontier and Level 3 have previously agreed upon.

5  
6 **Q. What is the significance of Level 3 and Frontier filing interconnection agreement**  
7 **amendments with the Washington Commission to effectuate the terms of the Level 3**  
8 **Stipulation?**

9 A. Because Level 3 and Frontier will file interconnection agreement amendments to  
10 implement the terms of the Level 3 Stipulation with the Commission, the Commission  
11 will have the opportunity to review and approve the interconnection agreement  
12 amendment. As a result and because Level 3 did not file testimony in this proceeding, it  
13 is not clear that the Commission must review and approve the Level 3 Stipulation. The  
14 Parties, however, have submitted the Level 3 Stipulation in the event that the  
15 Commission decides to review and approve the Level 3 Stipulation.

16  
17 **Q. What is Frontier's view of the Level 3 Stipulation?**

18 A. With the Level 3 Stipulation, the issues raised by Level 3 in this proceeding have been  
19 addressed. Specifically, with respect to interconnection agreements and network  
20 arrangements, there will be no adverse impact on Level 3 or any other competitive carrier  
21 in Washington. Frontier is providing Level 3 with these protections for the unexpired  
22 term of existing ICAs or for thirty months from closing, whichever is later. The terms of  
23 the Level 3 Stipulation will be implemented with filing of interconnection agreement

1 amendments with the Commission. Moreover, the terms of the Level 3 Stipulation will  
2 benefit not just Level 3 and the other CLECs participating in this proceeding. To the  
3 extent the stipulation involves prospective interconnection obligations governed by  
4 Section 251 of the Communications Act of 1934, as amended (the “Act”), these  
5 substantive stipulation terms will be incorporated into an interconnection agreement  
6 amendment filed with the Commission and will be governed by the non-discrimination  
7 protections of the Act (including section 252(i)).

8  
9 **Q. What is Level 3’s view of the Level 3 Stipulation?**

10 A. With the Level 3 Stipulation, Level 3’s issues have been addressed. Frontier has  
11 extended existing interconnection agreements and network arrangements for thirty  
12 months from closing of the proposed transaction. These provisions help assure a  
13 continuation of existing business relationships and ensure that wholesale customers will  
14 not be harmed as a result of the transaction.

15  
16 **Q. What do the Parties conclude regarding the Level 3 Stipulation?**

17 A. With the Level 3 Stipulation, the Parties acknowledge that the Applicants’ application  
18 will satisfy the “in the public interest, no harm” standard (described in Order No. 05 in  
19 UT-082119). To the extent the Commission seeks to review and approve the Level 3  
20 Stipulation, the Parties request that the Commission issue an order approving the Level 3  
21 Stipulation and providing the approvals requested by the Applicants in the Application.

22  
23 **Q. Does this conclude the Parties’ testimony in support of the Level 3 Stipulation?**

24 A. Yes.