

**INTRODUCTION**

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3 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION**  
4 **WITH ESCHELON TELECOM, INC.**

5 A. My name is Ron Davis. My title is Director of Sales, Northwest Region, Eschelon  
6 Telecom, Inc. My business address is 7175 Southwest Beveland, Suite 100,  
7 Tigard, OR 97224.

8

9 **Q. PLEASE DESCRIBE YOUR BACKGROUND AND WORK EXPERIENCE**

10 I have worked for Eschelon since April of 1998. I sold our voice products for 16 Months and walked away  
11 from a lot of potential business due to the Centrex 21 contracts that I would discover when out in  
12 the field. I was a sales manager for 7 months and managed a team of 12-24 sales reps that also ran  
13 across these contracts on a daily basis. For the last 4 months I have been in the position of  
14 Director of Sales for the Northwest Region. I have sales responsibility for Washington and  
15 Oregon. Between the two states I have around 60 sales reps on the streets competing for  
16 businesses telephone service and they are running up against the Centrex 21 contracts daily.

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18 **Q. HAVE YOU EVER TESTIFIED BEFORE?**

19 A. No

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21 **Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY.**

22 A. The purpose of my testimony is to describe Eschelon's experience in trying to  
23 compete for Qwest's contract customers in the wire centers that are the subject of  
24 this proceeding. Because those contract customers are subject to long-term  
25 contracts with extremely large termination liability assessments, it is very difficult  
26 if not impossible to attract them to our service.

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28 **Q. WHY ARE QWEST'S TERMINATION CHARGES A CONCERN FOR**  
29 **ESCHELON?**

30 A. Eschelon is trying to compete with Qwest in the State of Washington. Our primary target  
31 customers are small and medium sized business customers. The great majority of those potential

1 customers are presently customers of Qwest. That means that for Eschelon to attract new  
2 customers it must be able to compete for current Qwest customers. To the extent that those  
3 customers are tied up in long-term contracts with large termination penalties, it is often not  
4 financially feasible for the customer to terminate their contract with Qwest.

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6 **Q. WHAT IS ESCHELON'S EXPERIENCE WITH CUSTOMERS SUBJECT**  
7 **TO QWEST'S TERMINATION PENALTIES?**

8 A. First of all, in many cases the customers are not even aware that they are subject to a termination  
9 penalty until an Eschelon representative contacts them. To the extent they are made aware of the  
10 penalty they will not agree to switch to Eschelon's service unless Eschelon pays the penalty for  
11 them, or unless Eschelon's rates are so much lower than Qwest's so as to make up the difference.  
12 In many cases, the penalty is so steep that Eschelon cannot offer enough of a rate discount to make  
13 up for the penalty.

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15 **Q. DOES ESCHELON OPPOSE ALL TERMINATION LIABILITY**  
16 **CHARGES?**

17 A. No. In fact, Eschelon, like most other CLECs also includes such a charge in its contracts. It is the  
18 size of the Qwest penalty and the length of the contracts that we object to.

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20 **Q. WHAT DOES ESCHELON PROPOSE?**

21 A. If companies like Eschelon are going to be able to compete with Qwest for the customer base in  
22 the subject wire centers, Eschelon must either continue to have more regulatory flexibility than  
23 Qwest or the customers must be released from their contract penalty captivity. Therefore, Qwest's  
24 petition should be denied unless and until Qwest's current contracts have expired or Qwest changes  
25 its contracts to make it financially feasible for customers to move to alternative providers. One  
26 way to do that would be to limit termination charges to equal the amount of any discount provided  
27 due to committing to a particular term. For example, if a customer gets a \$5 discount per month  
28 per line off of the month-to-month rate for signing up for a three year term, in order to get out of  
29 the contract the customer would pay Qwest \$5 per line times the number of months it received  
30 service. In that way Qwest is made whole and the customer is in a position to make a reasonable  
31 economic choice about switching to an alternative carrier.

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33 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

**1** A. Yes.