

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of,

Joint Application of Qwest Communications  
International Inc. and CenturyTel, Inc. for  
Approval of Indirect Transfer of Control of  
Qwest Corporation, Qwest Communications  
Company LLC, and Qwest LD Corp.

Docket No. UT-100820

**SUPPLEMENTAL TESTIMONY ON PROPOSED SETTLEMENTS**

**OF**

**BILLY H. PRUITT**

**CHARTER FIBERLINK WA-CCVII, LLC**

**January 3, 2011**

**REDACTED VERSION**

**[PUBLIC]**

1 **I. INTRODUCTION**

2  
3 **Q. PLEASE IDENTIFY YOURSELF.**

4 A. My name is Billy H. Pruitt. I am a Manager of Interconnection Services at  
5 Charter Communications, Inc., and I provide support to its subsidiary, Charter  
6 Fiberlink WA-CCVII, LLC, an intervener in this case (collectively “Charter”).

7 **Q. ARE YOU THE SAME BILL PRUITT WHO FILED RESPONSIVE**  
8 **TESTIMONY ON SEPTEMBER 27, 2010 AND SUPPLEMENTAL**  
9 **RESPONSIVE TESTIMONY ON NOVEMBER 1, 2010 IN THIS**  
10 **MATTER?**

11  
12 A. Yes.

13 **II. PURPOSE OF TESTIMONY**

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

15  
16 A. My testimony addresses several concerns with the Settlement Agreement  
17 (“Settlement” or “Integra Settlement”) that CenturyLink, Inc. (“CenturyLink”),  
18 Qwest Corporation (“Qwest”) (CenturyLink and Qwest, collectively, the “Joint  
19 Applicants”), and Integra Telecom (“Integra”) filed with the Commission on  
20 November 10, 2010. Specifically, I will explain why the Settlement: (i) fails to  
21 provide an adequate assurance that CenturyLink will not prematurely discontinue  
22 Qwest’s OSS; (ii) should include an obligation to port interconnection  
23 agreements; (iii) should include a commitment from CenturyLink to discontinue  
24 its use of the rural exemption to avoid Section 251 obligations; (iv) should re-  
25 affirm a CLECs’ right to utilize a single point of interconnection per LATA; and

1 (v) should include a condition that requires CenturyLink to provide non-  
2 discriminatory access to directory listing and directory assistance functions.

3 **III. THE SETTLEMENT FAILS TO ADEQUATELY ADDRESS CRITICAL**  
4 **CONCERNS RAISED BY OTHER CLECS**

5 **A. Charter's Operations Differ From Integra's Operations In Several**  
6 **Important Ways**

8 **Q. DO YOU HAVE ANY GENERAL CONCERNS WITH THE**  
9 **SETTLEMENT?**

10  
11 A. Yes. While the Settlement addresses a number of the risks and potential harms of  
12 the Proposed Merger, it does so primarily from Integra's perspective and fails to  
13 adequately address other critical issues of concern to Charter and competitors  
14 generally. To that end, the Settlement reflects compromises that Integra believed  
15 were in its own best interests, presumably taking into account its strategy for  
16 competing in the market and its own systems and operations. Indeed, in addition  
17 to the conditions that will be discussed in Mr. Gates' testimony,<sup>1</sup> the Settlement  
18 fails to address at all, or to adequately address, a number of critical concerns  
19 identified by Charter (and other CLECs) and therefore should be modified to  
20 include the following:

21 1. A commitment from the Joint Applicants to (i) retain Qwest's current OSS for  
22 at least three years following close of the Proposed Merger; (ii) apply third-  
23 party testing at commercial volumes to ensure that any successor OSS

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<sup>1</sup> I understand that Mr. Gates will also file testimony to address additional conditions (including OSS related conditions) that should be added to the Settlement such as conditions concerning: (1) the Applicable Time Periods for non-UNE commercial and wholesale agreements and tariffs; (2) the extension of non-UNE commercial and wholesale agreements and tariffs, including term and volume discount plans, (3) non-UNE wholesale interstate tariffs; (4) the APAP; (5) the moratorium on Qwest requests to reclassify as "non-impaired" wire centers and for forbearance; and (6) a Most Favored State provision.

1 deployed after the three year period is equivalent to the current Qwest OSS;  
2 and (iii) benchmark current operational standards to ensure that the Qwest  
3 OSS is not degraded during or after the three year period. (*See* Joint CLEC  
4 Condition 19).

5  
6 2. A commitment that prevents CenturyLink from avoiding its obligations as an  
7 ILEC under Section 251(c) by using the rural exemption as a shield against  
8 network interconnection obligations which promote competition. (*See* Joint  
9 CLEC Condition 12, 10.b and footnote 5).

10  
11 3. A condition that provides CLECs with the right to utilize a single point of  
12 interconnection per LATA for all of the Merged Company's entities operating  
13 within that LATA provided that this condition only applies to those places  
14 where the Merged Company chooses to interconnect the networks of its  
15 affiliates within the LATA. (*See* Joint CLEC Condition 28).

16  
17 4. A commitment from the Merged Company that it will comply with federal  
18 and state law as it relates to its directory assistance and directory listings  
19 responsibilities in all of its ILEC territories just as Qwest currently does today.  
20 (*See* Joint CLEC Condition 23).

21  
22 5. A condition that permits a competitor to adopt, or opt-into, any  
23 interconnection agreement to which Qwest is a party, in the same state, or in  
24 any state to which Qwest is an ILEC. (*See* Joint CLEC Condition 29).

25  
26 **Q. WHY DO YOU BELIEVE THAT THE SETTLEMENT IS BASED ON**  
27 **INTEGRA'S PERSPECTIVE?**

28 A. As previously discussed, Integra entered into a settlement agreement with the  
29 Joint Applicants on or about November 6, 2010 which was filed with the  
30 Commission on November 10, 2010. The Settlement filed with the Washington  
31 Commission was negotiated solely by the Joint Applicants and Integra and does  
32 not address the additional critical concerns of other CLECs also participating in  
33 this Docket. Integra was aware of the additional concerns of the other CLECs but  
34 chose to enter into the Settlement Agreement in order to get agreement on Integra

1 specific issues (such as loop conditioning) that were not relevant to the business  
2 models of other CLECs. The fact that Integra was able to reach settlement on a  
3 few of their key terms does not in any way mean that it adequately addresses the  
4 critical concerns of other CLECs.

5 **Q. DOES THE SETTLEMENT AGREEMENT FILED WITH THE**  
6 **COMMISSION BY JOINT APPLICANTS, COMMISSION STAFF AND**  
7 **PUBLIC COUNSEL MITIGATE THE CRITICAL CONCERNS THAT**  
8 **YOU HAVE IDENTIFIED ABOVE RELATED TO THE INTEGRA**  
9 **SETTLEMENT?**

10  
11 A. No. The Settlement Agreement between the Joint Applicants, Commission Staff  
12 and Public Counsel deals primarily with retail issues and largely ignores  
13 wholesale issues. Mr. Gates Testimony on Supplemental Testimony on Proposed  
14 Settlements provides more detail on the differences between the Integra  
15 Settlement and the Joint Applicants/Commission Staff/Public Counsel Settlement.  
16 Suffice it to say that the Staff/Public Counsel Settlement does nothing to mitigate  
17 the concerns that Charter has with the Integra Settlement. Both the Integra  
18 Settlement and the Staff/Public Counsel Settlement lack key wholesale conditions  
19 that will ensure that CLECs are not put into an anticompetitive position if the  
20 CenturyLink acquisition of Qwest is approved. The Integra Settlement may be  
21 sufficient for Integra's needs but does not go far enough in protect other CLECs  
22 that are participating in this docket.

23 **Q. COULD YOU PLEASE PROVIDE FURTHER DETAIL ON WHY YOU**  
24 **BELIEVE THAT THE INTEGRA SETTLEMENT IS A CAUSE FOR**  
25 **CONCERN?**  
26

1 A. Conditions that reflect the compromises of one CLEC will not adequately protect  
2 the interests of a broader array of competitive interests represented by other  
3 CLECs in this proceeding. Because the other CLECs differ from Integra in  
4 various ways, including, but not limited to, differences in their internal systems,  
5 the types of customers they target, the geographical areas they serve, and the mix  
6 of wholesale products they require from the ILEC, their interests are not entirely  
7 uniform. Other CLECs with different business models have different issues and  
8 concerns with the Joint Applicants' operations, post-merger.

9 **Q. HOW DO CHARTER'S OPERATIONS AND WHOLESALE**  
10 **INTERCONNECTION NEEDS DIFFER FROM INTEGRA'S NEEDS?**

11  
12 A. As I explained in my Responsive Testimony, Charter's perspective is unique  
13 because it provides service in areas of the state where few other entities provide  
14 competitive residential and business wireline voice services on a standalone  
15 basis, or as part of a "bundle" (i.e., voice bundled with video and/or broadband  
16 Internet service). To the best of my knowledge, Integra does not provide  
17 competitive residential or business wireline voice services in the many rural parts  
18 of Washington that Charter competes with Qwest and CenturyLink. In fact, in  
19 most communities, Charter is the only wireline competitor that competes with  
20 CenturyLink to provide residential or business voice services. Even where  
21 another competitor exists in such communities, they generally do not provide  
22 bundled voice, video and broadband services, as Charter does. Thus, consumers

1 in these communities rely upon Charter to provide competitive alternatives to the  
2 incumbent's (i.e., CenturyLink's) services.

3

4 **Q. WHERE DOES CHARTER COMPETE WITH CENTURYLINK IN**  
5 **WASHINGTON?**

6 A. Charter competes with CenturyLink in three counties in Washington: **\*\*\*BEGIN**

7 **CONFIDENTIAL INFORMATION** xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx. **END**

8 **CONFIDENTIAL INFORMATION \*\*\*** In these counties Charter competes  
9 with CenturyLink in the following towns and communities: **\*\*\*BEGIN**

10 **CONFIDENTIAL INFORMATION** xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

11 xxx

12 xxx. **END**

13 **CONFIDENTIAL INFORMATION \*\*\*** These Washington communities are  
14 not densely populated and, for the most part, exist outside of the Seattle, Tacoma  
15 and Olympia metropolitan areas.

16 **Q. HOW LARGE ARE THESE CITIES IN WASHINGTON WHERE**  
17 **CHARTER COMPETES WITH CENTURYLINK?**

18 A. Only two of the cities where Charter provides service in Washington have a  
19 population of greater than 10,000. In the fifteen Washington cities in which  
20 Charter competes with CenturyLink, the average population (excluding  
21 Kennewick) is 4,020, according to 2000 U.S. Census data. Based upon my rough  
22 calculations, all of the eighteen cities are more than 156 miles from the Seattle

1 area. Thus, Charter competes with CenturyLink in many of Washington's  
2 smaller, less densely populated communities.

3 **Q. DOES CHARTER COMPETE WITH QWEST IN WASHINGTON?**

4 A. Yes, Charter also competes with Qwest in 5 counties in Washington.

5 **Q. ARE THERE ANY OTHER UNIQUE ASPECTS OF CHARTER'S**  
6 **OPERATIONS THAT DIFFER FROM INTEGRA?**

7  
8 A. Yes. Charter competes directly with Qwest and CenturyLink to provide  
9 competitive voice services to Washington consumers using the expansive hybrid-  
10 fiber networks of its cable company affiliates to reach end user customers. Other  
11 competitive wireline voice providers in Washington use Qwest's unbundled  
12 network elements ("UNE"), and/or commercial wholesale equivalents, to provide  
13 service to their customers. However, because Charter is a facilities-based carrier  
14 with its own ubiquitous networks within its service territories, it does not use the  
15 ILEC's UNEs (including UNE loops), resale, dark fiber, or other commercial  
16 wholesale equivalents used by other wireline competitors to serve their end user  
17 customers. Nor does Charter generally establish collocation with the ILEC,  
18 preferring instead to interconnect its network with the ILEC at a point outside of  
19 the central office.

20 **Q. HOW IS THIS DISTINCT FROM INTEGRA'S OPERATIONS?**

21 A. Unlike Charter, Integra relies upon Qwest's UNE loops to provide  
22 telecommunications and Internet service to its customers. This is likely the  
23 reason that the Integra Settlement includes specific terms concerning the



1 conditioning of copper loops necessary to support the provision of xDSL services.

2 Thus, the Integra Settlement terms governing the conditioning of copper loops to

3 support the provision of xDSL services do not provide any benefit to Charter.

4 **Q. DOES CHARTER RELY ON QWEST OR CENTURYLINK FOR ANY OF**  
5 **THE SERVICES THAT IT PROVIDES TO CONSUMERS IN**  
6 **WASHINGTON?**

7  
8 A. Yes. Although Charter does not rely upon incumbents to provide unbundled

9 elements or collocation in Washington, it does rely upon Qwest and CenturyLink

10 to provide interconnection facilities to allow Charter to interconnect with their

11 ILEC networks. Charter also relies on Qwest and CenturyLink for critical

12 wholesale processes that facilitate competition by ensuring that competitors can

13 seamlessly acquire and migrate customers that choose our competitive voice

14 services. In particular, Charter requires efficient number porting and directory

15 listing processes.

16 **Q. SHOULD THESE DIFFERENCES BETWEEN INTEGRA'S AND**  
17 **CHARTER'S BUSINESS MODELS HAVE ANY BEARING ON THE**  
18 **COMMISSION'S ANALYSIS OF THE ADEQUACY OF THE**  
19 **SETTLEMENT?**

20 A. Yes. Because the Settlement is largely based on issues that arise from Integra's

21 particular service arrangements, it does not adequately address the unique service

22 and operational issues that Charter faces, in part, by competing with CenturyLink

23 in smaller communities for residential and business customers. As explained in

24 my prior testimony in this case, these problems include CenturyLink's reliance on

25 the rural exemption to avoid its Section 251(c) interconnection obligations, its

1 refusal to allow interconnection via a single point per LATA for all CenturyLink  
2 entities operating within the LATA, and, its failure to provide non-discriminatory  
3 access to wholesale directory functions.

4 **B. OSS**

5 **Q. WHY IS HAVING CONDITIONS THAT ADEQUATELY ADDRESS**  
6 **THE OSS POST MERGER A CRITICAL CONCERN FOR CHARTER?**

7  
8 A. As I explained in my earlier testimony, Charter relies upon the wholesale  
9 operations support systems (“OSS”) of Qwest and CenturyLink to obtain pre-  
10 ordering information (i.e. customer service records), to submit “orders” for  
11 interconnection facilities, to submit requests for number porting and directory  
12 services, and to engage in other carrier-to-carrier communications that facilitate  
13 subscriber migrations from one carrier to another.

14 **Q. PLEASE EXPLAIN.**

15 A. The subscriber acquisition and migration process frequently includes a request to  
16 port the end user customer’s telephone number from the incumbent to the  
17 competitor, and to list that number in appropriate directories. Thus, in order for  
18 Charter to compete effectively to “win” new customers, it must be able to access  
19 the incumbent’s OSS systems to engage in a seamless subscriber migration  
20 process with incumbents that permits Charter to port numbers and to list those  
21 numbers in the local white and/or yellow pages directories.

22 **Q. DOES INTEGRA RELY UPON THE QWEST OSS FOR THE SAME**  
23 **REASONS?**

24

1 A. Although Integra also relies upon the Qwest OSS, it does so for those and  
2 different reasons, and in a different manner than Charter. Integra relies upon the  
3 Qwest OSS, to a significant degree, to place orders for UNE loops and similar  
4 inputs.

5 **Q. HOW DOES THIS COMPARE WITH CHARTER’S USE OF THE**  
6 **QWEST OSS?**

7  
8 A. Contrary to Integra’s use of the Qwest OSS, Charter relies upon the Qwest OSS  
9 primarily to complete the subscriber migration functions described above. In  
10 addition, **\*\*\*BEGIN CONFIDENTIAL INFORMATION** xxxxxxxxxxxxxxxxxxxx  
11 xx  
12 xx  
13 xx  
14 xx  
15 xxxxxxxxxxxxxxxxxxxxxxxxxxx. **END CONFIDENTIAL INFORMATION \*\*\*** In  
16 contrast, much of the OSS functionality that Integra obtains from Qwest (like  
17 submitting trouble tickets, receiving electronic line loss notices, and receiving  
18 FOCs) is not via an e-bonded interface.

19 **Q. WHAT ARE THE SHORTCOMINGS OF THE OSS CONDITIONS**  
20 **PROVIDED IN THE INTEGRA SETTLEMENT?**

21  
22 A. Although Mr. Gates’ testimony discusses this issue in more detail, it is worth  
23 noting that even though the Settlement includes certain OSS conditions, it is not  
24 sufficient to ensure that competitors that rely upon e-bonded solutions (like  
25 Charter) are not impaired by the discontinuance of Qwest’s OSS. Because

1 Charter relies upon e-bonding to submit and process orders in the Qwest OSS for  
2 customer migration processes like obtaining customer records, porting numbers,  
3 and incorporating directory listings into appropriate databases, changes to those  
4 systems will have a significant impact on Charter. And, the impact on Charter is  
5 likely to be greater than it may be on Integra, who generally does not rely upon on  
6 e-bonded interfaces to the same degree as Charter.

7 **C. Interconnection Agreement Porting**

8 **Q. DOES THE INTEGRA SETTLEMENT INCLUDE ALL CONDITIONS**  
9 **NECESSARY TO ENSURE THAT COMPETITORS' TRANSACTION**  
10 **COSTS WILL NOT INCREASE AS A RESULT OF THE MERGER?**

11 A. No. While the Integra Settlement includes several important conditions related to  
12 interconnection agreements that will help reduce competitors' transaction costs, it  
13 does not include conditions that will eliminate the possibility that competitors'  
14 transaction costs will increase as a result of the Merged Company's actions post-  
15 closing. The lack of any interconnection agreement "porting" (also known as  
16 cross-state adoption) provision constitutes a significant omission of necessary  
17 conditions to ensure that competitors' transaction costs do not increase as a result  
18 of the Proposed Merger.

19 **Q. DO YOU THINK THAT THE DIFFERENCES BETWEEN THE**  
20 **OPERATIONS OF CHARTER AND INTEGRA LEAD TO THE**  
21 **EXCLUSION OF THIS NECESSARY CONDITION FROM THE**  
22 **SETTLEMENT?**

23 A. Yes. Charter's experience competing with both Qwest and CenturyLink, in their  
24 respective service areas, extends to Qwest's and CenturyLink's respective  
25 wholesale practices and policies concerning negotiations, arbitration and

1 implementation of interconnection agreements. Because of its competitive  
2 operations within the service territories of both Qwest and CenturyLink in eleven  
3 different states,<sup>2</sup> Charter has also negotiated and arbitrated a number of  
4 interconnection agreements with both companies. As a result, Charter is very  
5 familiar with the interconnection terms and wholesale policies of both Qwest and  
6 CenturyLink.

7 **Q. PLEASE ELABORATE.**

8 A. Based upon my understanding of the record in this proceeding, and the  
9 competitive marketplace in Washington, Integra does not compete with  
10 CenturyLink in Washington, and therefore has no reason to have negotiated or  
11 arbitrated an interconnection agreement with CenturyLink in Washington. On the  
12 other hand, Charter has negotiated and arbitrated interconnection agreements with  
13 CenturyLink in a number of states in the Midwest, including Wisconsin,  
14 Minnesota and Missouri. In fact, Charter recently negotiated and arbitrated an  
15 interconnection agreement with Qwest in Washington. That arbitration  
16 proceeding was conducted in 2009. The parties to that proceeding (Qwest and  
17 Charter) now operate under the terms of that agreement. The arbitrated  
18 agreement in Washington better reflects Charter's specific operational needs and  
19 preferences than Qwest's template agreement.

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<sup>2</sup> Charter's affiliates compete with Qwest and/or CenturyLink ILEC affiliates in the following states: Alabama, Minnesota, Missouri, Nebraska, North Carolina, Washington, Tennessee, Texas, Virginia, Washington and Wisconsin.

1 **Q. HAS CHARTER’S EXPERIENCE NEGOTIATING AND ARBITRATING**  
2 **INTERCONNECTION AGREEMENTS WITH CENTURYLINK AND**  
3 **QWEST GIVEN IT CAUSE FOR CONCERN?**

4 A. Yes. Charter is concerned that interconnection agreement terms and rates may not  
5 be stable over the foreseeable future because the Merged Company may use its  
6 size and market power to force competitors into negotiations of a new agreement.  
7 This is particularly true for competitors like Charter that operate in multiple  
8 CenturyLink and Qwest service areas, and who therefore have many different  
9 agreements (on a state-by-state basis) with both Qwest and CenturyLink. Charter  
10 is also concerned that the Merged Company may direct its integration efforts to  
11 the detriment of wholesale customers by withdrawing services, or significantly  
12 changing the offerings Qwest currently makes available.

13 **Q. HOW SHOULD THE COMMISSION ADDRESS THESE CONCERNS?**

14 A. To address these concerns the Commission should adopt an additional condition  
15 that permits a competitor to adopt, or opt-into, any interconnection agreement to  
16 which Qwest is a party, in the same state, or in any state to which Qwest is an  
17 ILEC, subject to state-commission required terms and pricing being included in  
18 the ported agreement.

19 **D. Single Point of Interconnection**

20 **Q. DOES THE INTEGRA SETTLEMENT INCLUDE A CONDITION THAT**  
21 **WOULD GIVE COMPETITORS THE RIGHT TO UTILIZE A SINGLE**  
22 **POINT OF INTERCONNECTION PER LATA?**

23  
24 A. No. The Integra Settlement does nothing to address concerns that are unique to  
25 facilities-based wireline competitors providing competitive services to primarily

1 residential customers in smaller towns and communities in Washington.  
2 Specifically, the Integra Settlement has no conditions that address any concerns  
3 related to inadequate single point of interconnection issues.

4 **Q. WHY DO YOU THINK THE SETTLEMENT FAILS TO ADDRESS**  
5 **CONCERNS RELATED TO SINGLE POINT OF INTERCONNECTION?**

6  
7 A. Because the Integra Settlement reflects compromises tailored almost entirely to  
8 Integra's business interests, the Settlement is devoid of any language that  
9 addresses the concerns raised by CenturyLink's burdensome, costly and  
10 inefficient practice of requiring CLECs to establish multiple points of  
11 interconnection per LATA. As I explained above, Integra does not provide  
12 competitive residential wireline voice services in small Washington communities  
13 so it lacks any real incentive to seek conditions to address concerns that are not  
14 relevant to its business model.

15 **Q. CAN THESE CONCERNS BE RESOLVED?**

16 A. Yes. The Commission can address Charters' (and other competitors') concerns  
17 with respect to single point of interconnection by adopting an additional condition  
18 which gives CLECs the option to interconnect with the Merged Company at a  
19 single point of interconnection per LATA. Notably, the Joint CLECs have  
20 revised their proposed condition to apply *only* where the Merged Company's  
21 affiliates' networks are interconnected.

22 **Q. WHAT IS THE SIGNIFICANCE OF THE ADDITIONAL LIMITATION**  
23 **CHARTER AND THE OTHER CLECS HAVE PROPOSED FOR THIS**  
24 **CONDITION?**

25

1 A. The significance of this additional limitation is that it substantially limits the  
2 application of the condition. Specifically, the Merged Company could require  
3 competitors to interconnect at several points in the same LATA if there were no  
4 facilities connecting the Merged Company's networks in that LATA. However,  
5 if the Merged Company establishes facilities between several of its ILEC service  
6 areas in the same LATA, the Merged Company would have the ability to carry  
7 its own traffic between such areas. If it has the ability to carry its own traffic,  
8 then it should also be required to carry the traffic of competitors that choose to  
9 interconnect at only one point on the Merged Company's network. This basic  
10 principle reflects the well established non-discrimination standard under Section  
11 251, which requires the incumbent LEC to provide interconnection to the  
12 competitive LEC on terms that are equivalent to what the incumbent provides  
13 itself.<sup>3</sup> For that reason the Commission should re-affirm that principle and  
14 require the Merged Company, where it has facilities connecting several entities in  
15 a single LATA, to interconnect via a single point in such LATA.

16

17 **E. Rural Exemption**

18 **Q. DOES THE INTEGRA SETTLEMENT ADDRESS CHARTER'S**  
19 **CONCERNS REGARDING CENTURYLINK'S USE OF THE RURAL**  
20 **EXEMPTION TO AVOID ITS SECTION 251 OBLIGATIONS?**

21

22 A. No. The Integra Settlement does not adequately address Charters' concerns with  
23 CenturyLink's current practice of using the rural exemption in an anticompetitive

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<sup>3</sup> See Section 251(c)(2).



1 manner. Although the Integra Settlement addresses the rural exemption issue, it is  
2 limited to the rural exemption's application to only the "Qwest ILEC service  
3 territory."<sup>4</sup> Qwest has admitted that it currently does not operate under a rural  
4 exemption. In contrast, CenturyLink has admitted that three of its four affiliates  
5 operating in Washington do operate under a rural exemption.<sup>5</sup> Because this  
6 condition only applies to Qwest and not CenturyLink, it is of limited utility to  
7 competitors like Charter who provide service in Washington's smaller, less densely  
8 populated communities in competition with CenturyLink.

9 **Q. WHY DO YOU BELIEVE THAT THE INTEGRA SETTLEMENT FAILS**  
10 **TO ADEQUATELY ADDRESS CHARTER'S CONCERNS RELATING TO**  
11 **THE RURAL EXEMPTION?**

12  
13 A. Because the Settlement does nothing to address CenturyLink's general refusal to  
14 accept its ILEC responsibilities under 251(c). For example, Charter had to  
15 arbitrate with CenturyLink's former CenturyTel affiliates in 3 states to get them to  
16 agree to TELRIC pricing for interconnection facilities – which we still haven't  
17 implemented. Another example during arbitration in the CenturyTel states, was  
18 CenturyTel's erroneous position that LATAs only apply to Bell Operating  
19 Companies and, because they weren't a BOC, didn't need to agree to a single POI  
20 per LATA.<sup>6</sup> Thus, Charter is acutely aware, through first-hand experience, of

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<sup>4</sup> Integra Settlement at ¶ 6.

<sup>5</sup> See Exhibit No. \_\_\_BHP-9 (CenturyLink Response to Charter Data Request No. 38).

<sup>6</sup> See, e.g., *Petition of Charter Fiberlink, LLC for Arbitration of an Interconnection Agreement Between the CenturyTel Non-Rural Telephone Companies of Wisconsin and Charter Fiberlink, LLC*, Initial Brief of CenturyLink at 58 (filed Jan. 14, 2009); and *Petition of Charter Fiberlink-Missouri, LLC for Arbitration of an Interconnection Agreement*, Case No. TO-2009-0037 at 68 (filed Nov. 20, 2008).

1           how critical it is for the Commission to impose additional conditions that would  
2           appropriately assuage these concerns.

3   **Q.   PLEASE EXPLAIN.**

4   A.   As I explained in my Responsive Testimony, CenturyLink’s assertion of the rural  
5           exemption has the effect of increasing operational costs for Charter. In particular,  
6           as a result of CenturyLink’s continued operations as a “rural” telephone company,  
7           CenturyLink claims that its “rural” affiliates are exempt from the obligation to  
8           interconnect with Charter at a single point of interconnection per LATA. For  
9           example, in Wisconsin, for future interconnections Charter is required to  
10          undertake the costly and inefficient process of interconnecting with CenturyLink  
11          at multiple points of interconnection in each LATA, i.e., the agreements  
12          contemplate a separate POI per LATA per CenturyLink entity when there are  
13          more than one CenturyLink entity competing in a LATA, regardless of whether  
14          those entities are interconnected for the exchange of traffic among themselves.

15   **Q.   WOULD THE IMPOSITION OF ADDITIONAL CONDITIONS ADDRESS**  
16           **THESE CONCERNS?**

17  
18   A.   Yes. The Commission should go beyond the limited terms of the Integra  
19           Settlement by securing commitments from the Merged Company to waive its  
20           right to seek exemption for rural telephone companies under Section 251(f)(1),  
21           and to waive its right to seek suspensions and modifications for rural carriers  
22           under Section 251(f)(2) of the Act. Keep in mind that Charter is only advocating  
23           that CenturyLink act like the third largest carrier in the country by relinquishing

1 its rights to avoid obligations under Section 251(b) and (c). Charter is not  
2 advocating that CenturyLink give up its access to its substantial Universal  
3 Service support payments.<sup>7</sup>

4 **F. Directory Assistance & Listing Practices**

5 **Q. DOES THE INTEGRA SETTLEMENT INCLUDE ANY CONDITIONS**  
6 **THAT SECURE SUFFICIENT COMMITMENTS FROM THE MERGED**  
7 **COMPANY REGARDING DIRECTORY LISTING AND ASSISTANCE**  
8 **PRACTICES?**

9  
10 A. No. The Integra Settlement fails to address any of Charter's concerns with respect  
11 to CenturyLink's failure to provide wholesale access to directory listing and  
12 directory assistance functions in a nondiscriminatory manner. In fact, there is not  
13 a single provision in the Integra Settlement that secures a commitment that the  
14 Merged Company will comply with existing federal law with respect to its  
15 responsibilities to provide nondiscriminatory access to directory listing and  
16 directory assistance, or that the Merged Company will not attempt to shift its  
17 directory listing and directory assistance responsibilities to a third party vendor  
18 and then claim that it no longer has any such responsibilities under the Act.

19 **Q. HAVE THE JOINT CLECS PROPOSED A CONDITION THAT WOULD**  
20 **ADDRESS THIS CONCERN?**

21  
22 A. Yes, the Joint CLECs have proposed a condition (i.e., CLEC Condition 23) that  
23 would require the Joint Applicants to commit to comply with federal and state law

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<sup>7</sup> See W. David Gardner, *AT&T, Verizon Receive Billions From FCC Phone Fund*, Information Week (July 12, 2010), <http://www.informationweek.com/story/showArticle.jhtml?articleID=225702855> (explaining that CenturyTel received \$931 million from the Universal Service Fund over the past three years).

1 as it relates to their directory assistance and directory listings responsibilities in all  
2 their ILEC territories just as Qwest currently does today.

3 **Q. HOW DOES QWEST DEAL WITH DIRECTORY LISTINGS AND**  
4 **DIRECTORY ASSISTANCE TODAY?**

5  
6 A. Qwest allows CLECs to submit Directory Service Requests to retain, add or  
7 change a CLEC directory listing in the white and yellow pages directories that  
8 Qwest causes to be published for its own customers, without charge. In addition,  
9 the listing automatically flows to its directory listing database which ensures that  
10 the CLEC's customers' name, address and/or phone numbers can be obtained by  
11 Qwest's customers when they dial Qwest's directory assistance number  
12 requesting a CLEC customer's number. That is without charge to the CLEC too  
13 and for the obvious reason that it benefits the ILEC to have the CLEC's  
14 customers' listing in its directories and DA databases. It furthers the perception  
15 that the ILEC's directories and DA includes listings from the entire service  
16 territory – whether those customers are ILEC or CLEC customers.

17 **V. CONCLUSION**

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

19 A. Yes.