

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

**In the Matter of the Petition for Arbitration of
an Interconnection Agreement Between**

DOCKET NO. UT-093035

**NORTH COUNTY COMMUNICATIONS
CORPORATION OF WASHINGTON**

and

QWEST CORPORATION

Pursuant to 47 U.S.C. Section 252(b).

**DIRECT TESTIMONY
OF RENÉE ALBERSHEIM
QWEST CORPORATION**

MAY 19, 2010

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1 **I. IDENTIFICATION OF WITNESS**

2 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**
3 **ADDRESS.**

4 A. My name is Renée Albersheim. I am employed by Qwest Services Corporation,
5 parent company of Qwest Corporation ("Qwest"), as a Staff Advocate. I am
6 testifying on behalf of Qwest. My business address is 1801 California Street,
7 24th floor, Denver, Colorado, 80202.

8
9 **Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR EDUCATIONAL**
10 **BACKGROUND AND TELEPHONE COMPANY EXPERIENCE.**

11 A. I have been working in Qwest's Global Wholesale Markets organization since
12 December 2003. Before December 2003, I had worked in Qwest's Information
13 Technologies Wholesale Systems organization since joining Qwest in October
14 1999. As a Staff Witnessing Representative, I provide support for Qwest's
15 responses to regulatory issues associated with the 1996 Telecommunications Act,
16 FCC orders, state commission decisions, and other legal and regulatory matters.

17
18 Prior to becoming a Qwest employee, I worked for 15 years as a consultant on
19 many systems development projects and in a variety of roles, including the
20 following: programmer and systems developer, systems architect, project
21 manager, information center manager and software training consultant. I worked
22 on projects in a number of different industries, including: oil and gas; electric,
23 water and telephone utilities; insurance; fast food; computer hardware; and the

1 military. I also designed and developed a number of applications, including
2 electronic interfaces. During that time, I worked on several of Qwest's
3 Operations Support Systems ("OSS") as a consultant on Human Resources and
4 Interactive Access Billing Systems ("IABS") projects.

5
6 In addition to working full-time at Qwest, I also earned a Juris Doctor degree
7 from the University Of Denver College Of Law and passed the Colorado Bar
8 Examination in October 2001. Prior to attending law school, I received a Master
9 of Business Administration in Management Information Systems from the
10 University of Colorado College of Business and Administration in 1985 and a
11 Bachelor of Arts degree from the University of Colorado in 1983.

12

13 **Q. HAVE YOU TESTIFIED PREVIOUSLY IN WASHINGTON?**

14 A. Yes, I presented testimony to this Commission in the Eschelon Arbitration,
15 Docket No. UT-062061, the Covad Arbitration, Docket No. UT-043045, and the
16 Charter Arbitration, Docket No. UT-083401. I also presented testimony in the
17 previous cost dockets.

18

19 **Q. HAVE YOU TESTIFIED BEFORE OTHER STATE REGULATORY**
20 **COMMISSIONS?**

21 A. As a witness for Qwest's Global Wholesale Markets organization, I have filed
22 written testimony and appeared before the commissions in Arizona, Colorado,
23 Iowa, New Mexico, Minnesota, Oregon, Utah and Wyoming. In my job as a

1 witness on matters dealing with Qwest's interconnection agreements and
2 operations support systems, I have also submitted written testimony in Idaho,
3 North Dakota, South Dakota, Montana, and Nebraska.

4
5 **II. PURPOSE OF TESTIMONY**

6
7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 A. The purpose of my testimony is to explain Qwest's positions with regard to
9 language contained in its proposed interconnection agreement ("ICA") with North
10 County Communications Corporation, Inc. ("North County"). At present, three
11 sub-sections of the ICA are at issue, Section 7.1.1 and 7.2.1.1 regarding the
12 exchange of traffic and the use of Multi-Frequency ("MF") signaling, and Section
13 7.8, proposed by Qwest to address Qwest's right to receive accurate bills in order
14 to allow for MF signaling. In addition, I discuss sections 7.3.1.1.3.1 and 7.3.2.2.1
15 of the ICA, addressing the relative use factor, or "RUF. These sections were not
16 at issue at the time Qwest filed its petition, but have become a potential issue
17 since that time.

18
19 **III. THE NEGOTIATIONS BETWEEN QWEST AND NORTH COUNTY**

20
21 **Q. WHEN DID QWEST INITIATE NEGOTIATIONS WITH NORTH**
22 **COUNTY?**

1 A. Qwest sent a formal notice to North County on July 2, 2008, pursuant to Section
2 252(a) of the Telecommunications Act of 1996, requesting that North County
3 undertake negotiations with Qwest to establish a successor ICA.¹ This letter also
4 informed North County that if the parties were not able to execute a successor
5 agreement, then pursuant to Section 251(b) of the Act, Qwest would seek
6 arbitration from the respective state commissions with which agreements were
7 previously established. The initiation of negotiations established the window to
8 file for arbitration of a new ICA from November 14, 2008 through December 9,
9 2008.

10

11 **Q. DID NORTH COUNTY BEGIN TO NEGOTIATE WITH QWEST UPON**
12 **RECEIPT OF THE LETTER?**

13 A. No. Qwest had to send a follow up email after receiving no response from North
14 County. North County then questioned the need for a new ICA, and the parties
15 exchanged a number of emails. Finally, on December 2, 2008, Qwest sent a
16 follow up email to North County asking the company to agree to a 30 day
17 negotiation plan or to adopt an existing ICA to replace the agreements expiring in
18 Arizona, Oregon and Washington.² North County finally agreed to a 30 day
19 negotiation plan.³

20

¹ See Exhibit RA-2 Qwest Letter requesting negotiations 7/2/2008.

² See Exhibit RA-3 Qwest Email seeking negotiation plan or opt-in 12/2/2008

³ See Exhibit RA-4 Email from North County agreeing to 30 day negotiation plan.

1 **Q. DID NEGOTIATIONS COMMENCE IMMEDIATELY?**

2 A. No. North County expressed its concern that a new ICA could impact the
3 company financially, and continued to resist entering into a new agreement.
4 Finally, in mid-December, discussions commenced regarding Signaling System 7
5 (“SS7”) versus MF signaling. For the next several months discussion continued
6 but were sporadic, as North County missed scheduled meetings. During this time
7 it was necessary for the parties to execute extensions of the arbitration window, in
8 order for discussions to continue. In June 2009, Qwest communicated that
9 negotiations needed to come to a conclusion.⁴ At the end of June Qwest agreed to
10 one more extension of the arbitration window, but indicated that Qwest did not
11 want any further extensions.⁵ This final arbitration window closed on August 3,
12 2009.

13
14 Throughout this period, Qwest proceeded in a good faith belief that both parties
15 intended to establish a new ICA based on the negotiations that took place during
16 this time.

17

18 **Q. WHAT PROMPTED QWEST TO FILE FOR ARBITRATION?**

19 A. Qwest filed for arbitration on the last date of the arbitration window that was
20 established by the last extension agreed to by the parties. Qwest continued
21 negotiations with North County subsequent to the filing for arbitration, but the

⁴ See Exhibit RA-5 Email from Jeff Nodland to North County 6/15/2009.

⁵ See Exhibit RA-6 Email from Jeff Nodland to North County 6/25/2009.

1 parties have still not come to agreement on the issues that existed at the time
2 Qwest filed for arbitration.

3

4 **Q. TO QWEST'S KNOWLEDGE, WHAT WERE THE UNRESOLVED**
5 **ISSUES AT THE TIME QWEST FILED FOR ARBITRATION?**

6 A. Based on the negotiations that took place from December 2008 through August
7 2009, Qwest understands that there are three unresolved issues to be decided in
8 this arbitration:

9 • Signaling – MF signaling versus SS7 signaling and the terms that would be
10 necessary to allow North County to continue using MF signaling.

11 • Relative Use Factor (“RUF”)

12 i. The terms for calculating the RUF

13 ii. The assignment of traffic types when calculating the RUF,
14 including VNXX traffic.

15

16 **Q. ARE THE ISSUES AT THE START OF AN ARBITRATION USUALLY A**
17 **MYSTERY?**

18 A. No. Under normal circumstances, the parties jointly file an issue matrix, which
19 makes the issues to be arbitrated very clear.

20

21 **Q. IS THERE AN ISSUES LIST FOR THIS ARBITRATION?**

22 A. No.

23

1 **Q. WHAT IS THE BASIS FOR QWEST'S DETERMINATION OF THE**
2 **ISSUES IN THIS CASE?**

3 A. Qwest had to rely on its documentation of the negotiations with North County as
4 well as the interconnection agreement language that was exchanged by the parties
5 during these negotiations. North County's response to Qwest's petition also
6 provided some indication of North County's concerns.

7

8

IV. SIGNALING

9

10 **Q. HOW WILL QWEST PRESENT TESTIMONY REGARDING**
11 **SIGNALING IN THIS CASE?**

12 A. Philip Linse will testify to the technical differences between MF signaling, and
13 SS7 signaling. My testimony will concentrate on the impact these technical
14 differences have on billing.

15

16 **Q. TO PUT YOUR TESTIMONY IN CONTEXT, WHAT DOES MR. LINSE**
17 **SAY ABOUT THE TECHNICAL DIFFERENCES BETWEEN SS7 AND**
18 **MF SIGNALING?**

19 A. Mr. Linse's testimony and Exhibit PL-2 explain that SS7 signaling is a digital
20 code that is used to manage connections between telecommunications switches
21 and call related databases. SS7 signaling is a type of signaling known as out of
22 band signaling or Common Channel Signaling ("CCS"). This means that the path

1 that the signaling uses to manage the trunk connections between switches is not
2 the same trunk connection as the communication path.

3 MF or multi frequency signaling is generally an audible analog code that is used
4 to manage connections between telecommunications switches. MF signaling is a
5 type of signaling known as in-band trunk signaling. This means that the path that
6 the signaling uses to manage the trunk connections between switches is also the
7 same trunk connection as the communication or talk path. As Mr. Linse explains,
8 SS7 signaling differs from MF signaling because it is more efficient, more
9 reliable, and more flexible.

10

11 **Q. WHAT IS THE DIFFERENCE BETWEEN MF AND SS7 SIGNALING**
12 **WITH REGARD TO BILLING?**

13 A. The difference is that Qwest cannot measure or determine the jurisdiction of
14 different types of traffic on interconnection circuits that use MF signaling. On the
15 other hand, because SS7 signaling is a more sophisticated and advanced
16 technology, Qwest can measure and determine the different types of traffic on
17 circuits that use SS7 signaling. Because North County still uses MF signaling,
18 Qwest is unable to easily verify that the bills it receives from North County are
19 accurate. This can result in billing disputes, and in fact, such a dispute arose
20 during the course of the negotiations between North County and Qwest. Qwest

1 determined that it had significantly overpaid North County, because North County
2 was not removing Jointly Provided Switched Access (“JPSA”) minutes of use.

3
4 Although Qwest understands that most traffic today is one-way to North County,
5 North County’s response to Qwest’s petition now appears to reconsider the
6 possibility of two-way traffic. In addition to the difficulties of validating North
7 County’s bills, North County’s use of MF signaling means that Qwest would be
8 unable to bill North County for North County’s originated local traffic that
9 terminates to Qwest.

10

11 **Q. WHAT DOES QWEST HAVE TO DO TO INVESTIGATE BILLING**
12 **FROM A CLEC THAT USES MF SIGNALING?**

13 A. Because Qwest cannot validate billing for traffic using connections that rely upon
14 MF signaling, Qwest is forced to rely on the information provided by the CLEC.
15 Otherwise Qwest must try to find other sources of information to determine if it is
16 being billed properly. Such sources are not always available and cannot be
17 considered a realistic alternative for billing verification. The problems that can
18 arise in this circumstance are best illustrated by a discussion of the JPSA dispute
19 that arose between Qwest and North County.

20

21 **Q. PLEASE DESCRIBE THAT DISPUTE?**

22 A. In recognition of North County Communication’s use of MF signaling, Qwest and
23 North County in 2001 agreed upon a methodology for use by North County for its

1 reciprocal compensation invoices to Qwest. One step in that process involved the
2 subtraction of the minutes of use associated with the Qwest-provided Jointly
3 Provided Switched Access (“JPSA”), or Meet Point Billing, records from the total
4 minutes of use terminating to North County over the LIS trunk groups
5 interconnected with Qwest’s tandems. This is necessary because Qwest pays
6 North County for the local traffic that Qwest sends to North County’s network,
7 but not for JPSA traffic. North County stopped identifying and removing that
8 traffic from its total terminating usage beginning with its October 2003 invoices
9 to Qwest. Instead, it indicated that the calls and associated minutes of use for the
10 “Meet Point Billing Records” were “N/A”. In 2008, Qwest identified information
11 that could be used to quantify the number of JPSA records and associated minutes
12 of use, and through this information verified that North County was not removing
13 JPSA traffic from its bills to Qwest. Qwest’s proposed contract language,
14 discussed below, attempts to address Qwest’s right to receive accurate bills when
15 MF signaling is used.

16

17 **Q. CAN QWEST BILL A CLEC THAT USES MF SIGNALING FOR LOCAL**
18 **TRAFFIC ORIGINATING FROM THE CLEC’S NETWORK?**

19 A. No, Qwest is unable to bill for such traffic. Billing information necessary to bill
20 reciprocal compensation is unavailable to Qwest when the CLEC originates local
21 traffic that terminates or transits Qwest’s network using MF signaling. North
22 County now appears to be considering routing traffic to Qwest using MF. This is
23 unacceptable for Qwest due to the limitations of MF signaling that precludes

1 Qwest from billing North County for such traffic. In addition there is a potential
2 for abuse if inappropriate traffic is sent over LIS trunks that Qwest is not able to
3 identify.

4

5

6 **Q. WHAT SECTION OF THE CONTRACT DEALS WITH THE EXCHANGE**
7 **OF TRAFFIC AND SIGNALING?**

8 A. The terms and conditions relating to the exchange of traffic, signaling and
9 compensation between the parties are contained in Section 7 of the ICA, which
10 deals specifically with Interconnection.

11

12 **Q. WHAT IS QWEST'S STANDARD LANGUAGE FOR THE EXCHANGE**
13 **OF TRAFFIC AND SIGNALING?**

14 A. Qwest's standard language for Section 7 begins:

15 7.1.1 This Section describes the Interconnection of Qwest's network and
16 CLEC's network for the purpose of exchanging Exchange Service
17 (EAS/Local traffic), IntraLATA LEC Toll and Jointly Provided Switched
18 Access traffic. Intercarrier traffic exchange will be mutual and reciprocal
19 and all traffic exchanged between the Parties must be provisioned pursuant
20 to this Agreement. A Party that has interconnected or gained access under
21 sections 251 (a) (1), 251 (c)(2), or 251 (c)(3) of the Act, may offer
22 information services through the same arrangement, so long as it is
23 offering Telecommunications Services through the same arrangement(s)
24 as well. Enhanced or information service providers (providers or
25 "Information Services" as that term is defined in 47 U.S.C. § 153 (20))
26 that do not also provide domestic or international telecommunications are
27 not Telecommunications Carriers as defined by the Act and thus may not
28 interconnect under this Agreement. Qwest will provide Interconnection at
29 any Technically Feasible point within its network, including but not
30 limited to, (i) the Line Side of a local Switch (i.e., local switching); (ii) the
31 Trunk Side of a local Switch, (iii) the trunk connection points for a

1 Tandem Switch, (iv) Central Office Cross Connection points, (v) out-of-
2 band Signaling Transfer Points necessary to exchange traffic at these
3 points and access call-related databases, and (vi) points of access to
4 Unbundled Network Elements. Section 9 of this Agreement describes
5 Interconnection at points (i), (iv), (v), and (vi), although some aspects of
6 these Interconnection points are described in Section 7. "Interconnection"
7 is as described in the Act and refers, in this Section of the Agreement, to
8 the connection between networks for the purpose of transmission and
9 routing of Telephone Exchange Service traffic and IntraLATA LEC Toll
10 traffic at points (ii) and (iii) described above. Interconnection, which
11 Qwest currently names "Local Interconnection Service" (LIS), is provided
12 for the purpose of connecting End Office Switches to End Office Switches
13 or End Office Switches to local or Access Tandem Switches for the
14 exchange of Exchange Service (EAS/Local traffic); or End Office
15 Switches to Access Tandem Switches for the exchange of IntraLATA
16 LEC Toll or Jointly Provided Switched Access traffic. Qwest Tandem
17 Switch to CLEC Tandem Switch connections will be provided where
18 Technically Feasible. New or continued Qwest local Tandem Switch to
19 Qwest Access Tandem Switch and Qwest Access Tandem Switch to
20 Qwest Access Tandem Switch connections are not required where Qwest
21 can demonstrate that such connections present a risk of Switch exhaust
22 and that Qwest does not make similar use of its network to transport the
23 local calls of its own or any Affiliate's End User Customers.
24

25 The contract continues with language relevant to the exchange of traffic in section
26 7.2 as follows:

27 7.2.1.1 This Section 7.2 addresses the exchange of traffic between CLEC's
28 network and Qwest's network. Where either Party interconnects and
29 delivers traffic to the other from third parties, each Party shall bill such
30 third parties the appropriate charges pursuant to its respective Tariffs or
31 contractual offerings for such third party terminations. Unless otherwise
32 agreed to by the Parties, via an amendment to this Agreement, the Parties
33 will directly exchange traffic between their respective networks without
34 the use of third party transit providers.
35

36 Finally, the contract makes reference to signaling requirements as follows:

37 7.2.2.9.5 The Parties will provide Common Channel Signaling (CCS) to one
38 another in conjunction with all trunk circuits, except as provided below.
39

1 a) The Parties will provision all trunking using SS7/CCS capabilities.
2 Exceptions to this arrangement would be limited to operator
3 services trunking, Directory Assistance trunking and 911 trunking.
4

5 **Q. HOW MANY CLECS HAVE OPTED INTO QWEST'S STANDARD**
6 **LANGUAGE IN WASHINGTON?**

7 A. Of the 136 CLECs with Interconnection Agreements in Washington, 87 opted into
8 Qwest's Template language,⁶ which includes Qwest's standard language for SS7
9 signaling.⁷

10

11 **Q. DID QWEST ATTEMPT TO ACCOMMODATE NORTH COUNTY'S**
12 **DESIRE TO USE MF SIGNALING?**

13 A. Yes. Through its proposed language, Qwest agreed to continue to interconnect
14 with North County using MF signaling. But to enable Qwest to receive accurate
15 bills, and verify those bills, Qwest also added language to the contract that placed
16 certain requirements on North County's bills. Additionally, Qwest's language
17 recognizes the present one-way flow of traffic.

18

19 **Q. WHAT LANGUAGE DID QWEST PROPOSE IN THE**
20 **INTERCONNECTION AGREEMENT IT FILED WITH ITS PETITION**
21 **FOR ARBITRATION?**

⁶ Qwest's Negotiations Template Agreement can be found at
<http://www.qwest.com/wholesale/clecs/nta.html> .

⁷ Of the remaining CLECs, 34 adopted agreements negotiated between Qwest and other CLECs, 10 negotiated agreements, and 5 went to arbitration to complete negotiated agreements. None of these agreements resulted in altered terms to accommodate MF signaling for the purposes of Interconnection.

1 A. Qwest proposed to modify its language to allow North County to continue to use
2 MF signaling, but also to address Qwest's right to receive accurate bills. Qwest's
3 proposal to North County as filed in this arbitration is as follows:

4 7.1.1 This Section describes the Interconnection of Qwest's network and
5 CLEC's network for the purpose of exchanging Exchange Service
6 (EAS/Local traffic), IntraLATA LEC Toll and Jointly Provided Switched
7 Access traffic. Intercarrier traffic exchange ~~will~~ may be mutual and
8 reciprocal and all traffic exchanged between the Parties must be
9 provisioned pursuant to this Agreement. **The Parties understand and**
10 **agree that CLEC currently sends no traffic to Qwest and instead**
11 **terminates traffic either originated by Qwest or originated by other**
12 **carriers and passed through Qwest to CLEC. The Parties further**
13 **understand and agree that CLEC currently uses multi-frequency**
14 **("MF") signaling in its receipt of traffic from Qwest and does not**
15 **utilize SS7 signaling. The Parties agree that, should CLEC**
16 **subsequently wish to originate traffic to send to Qwest for termination**
17 **or passing of traffic to other Telecommunications Carriers, the**
18 **Parties will mutually negotiate an amendment to this Agreement**
19 **which will also include requirements for use of SS7 signaling in the**
20 **mutual exchange of traffic.** A Party that has interconnected or gained
21 access under sections 251 (a) (1), 251 (c)(2), or 251 (c)(3) of the Act, may
22 offer information services through the same arrangement, so long as it is
23 offering Telecommunications Services through the same arrangement(s)
24 as well. Enhanced or information service providers (providers or
25 "Information Services" as that term is defined in 47 U.S.C. § 153 (20))
26 that do not also provide domestic or international telecommunications are
27 not Telecommunications Carriers as defined by the Act and thus may not
28 interconnect under this Agreement. Qwest will provide Interconnection at
29 any Technically Feasible point within its network, including but not
30 limited to, (i) the Line Side of a local Switch (i.e., local switching); (ii) the
31 Trunk Side of a local Switch, (iii) the trunk connection points for a
32 Tandem Switch, (iv) Central Office Cross Connection points, (v) out-of-
33 band Signaling Transfer Points necessary to exchange traffic at these
34 points and access call-related databases, and (vi) points of access to
35 Unbundled Network Elements. Section 9 of this Agreement describes
36 Interconnection at points (i), (iv), (v), and (vi), although some aspects of
37 these Interconnection points are described in Section 7. "Interconnection"
38 is as described in the Act and refers, in this Section of the Agreement, to
39 the connection between networks for the purpose of transmission and
40 routing of Telephone Exchange Service traffic and IntraLATA LEC Toll
41 traffic at points (ii) and (iii) described above. Interconnection, which
42 Qwest currently names "Local Interconnection Service" (LIS), is provided

1 for the purpose of connecting End Office Switches to End Office Switches
2 or End Office Switches to local or Access Tandem Switches for the
3 exchange of Exchange Service (EAS/Local traffic); or End Office
4 Switches to Access Tandem Switches for the exchange of IntraLATA
5 LEC Toll or Jointly Provided Switched Access traffic. Qwest Tandem
6 Switch to CLEC Tandem Switch connections will be provided where
7 Technically Feasible. New or continued Qwest local Tandem Switch to
8 Qwest Access Tandem Switch and Qwest Access Tandem Switch to
9 Qwest Access Tandem Switch connections are not required where Qwest
10 can demonstrate that such connections present a risk of Switch exhaust
11 and that Qwest does not make similar use of its network to transport the
12 local calls of its own or any Affiliate's End User Customers.
13

14 7.2.1.1 This Section 7.2 addresses the exchange of traffic between CLEC's
15 network and Qwest's network. Where either Party interconnects and
16 delivers traffic to the other from third parties, each Party shall bill such
17 third parties the appropriate charges pursuant to its respective Tariffs or
18 contractual offerings for such third party terminations. Unless otherwise
19 agreed to by the Parties, via an amendment to this Agreement, the Parties
20 will directly exchange traffic between their respective networks without
21 the use of third party transit providers. **In addition, as discussed in**
22 **Section 7.1.1 above, unless a later amendment is mutually negotiated**
23 **by the Parties, CLEC will send no traffic to Qwest either for**
24 **termination or for Qwest to send to other Telecommunications**
25 **Carriers connected to Qwest.**
26

27 **7.8 Billing Methodology for MF Signaled Traffic Terminated to CLEC**

28 **7.8.1 While the traffic between Qwest and CLEC is as described in**
29 **Section 7.1.1 and this Agreement has not been amended otherwise, CLEC**
30 **will use the following process to determine the amount of traffic**
31 **originated by Qwest that CLEC is entitled to receive intercarrier**
32 **compensation from Qwest for its determination.**

33 **7.8.1.1 CLEC will determine the total number of non-VNXX minutes**
34 **terminating to CLEC's end office switch from Qwest each calendar**
35 **month over the LIS trunk groups interconnecting Qwest and CLEC.**
36 **That information will be provided to Qwest on a per-trunk group**
37 **basis.**
38

39 **7.8.1.2 The minutes determined in Section 7.8.1.1 will be identified as**
40 **end office versus tandem minutes, e.g. minutes terminating to CLEC**
41 **that were delivered to CLEC from a Qwest end office ("End Office**

1 Minutes”) versus those minutes terminating to CLEC that were
2 delivered to CLEC from a Qwest tandem (“Tandem Minutes”).
3 Qwest will have the right, once per calendar year, to request reports
4 of the detail and methodology discussed on this Section 7.8.1.2 in
5 order to audit the usage underlying the billed reciprocal
6 compensation minutes of use. At no time shall the total number of
7 minutes of use per in-service DS1 exceed 10,000 on a calendar month
8 basis.
9

10 7.8.1.3 In determining the number of minutes for which CLEC is
11 entitled to receive intercarrier compensation for termination from
12 Qwest, CLEC will subtract from the total monthly minutes of use
13 determined in Section 7.8.1.1, the following:
14

15 CLEC will subtract from the sum of each switch’s Tandem
16 Minutes for the calendar month (subject to the limitation described
17 in Step 7.8.1.2 above):
18

19 (a) All wireline-originating minutes of use that
20 transits Qwest’s network and terminates to CLEC’s switch
21 during that calendar month. Qwest will provide CLEC
22 summary level messages and minutes each month for these
23 wireline-originating transit records.

24 (b) All wireless-originating minutes of use for traffic
25 that transits Qwest’s network and terminates to CLEC’s
26 switch during that calendar month. Qwest will provide CLEC
27 summary level messages and minutes each month for these
28 wireless-originating transit records.

29 (c) All minutes of use for Jointly Provided Switched
30 Access (“JPSA”) traffic originating from or terminating to
31 CLEC’s switch during that calendar month. Qwest will
32 provide CLEC summary level messages and minutes each
33 month for these JPSA records.

34 (d) All Qwest-originated IntraLATA LEC Toll for
35 which Qwest is the originating intraLATA toll provider.
36 Qwest will provide CLEC summary level messages and
37 minutes each month for these intraLATA toll records.

38 (e) All ILEC-originating minutes of use for traffic
39 that transits Qwest’s network and terminates to CLEC’s
40 switch during that calendar month. (These minutes of use are
41 not included in the wireline-originating minutes reflected in (a)
42 above) Qwest will provide CLEC summary level messages and
43 minutes each month for these ILEC-originating transit
44 records.

1 **(f) For clarification, as discussed generally in Section 7 of**
2 **this Agreement, Qwest has no obligation to compensate CLEC**
3 **for local minutes terminating to CLEC that are originated by**
4 **third party providers, IntraLATA LEC Toll minutes**
5 **terminating to CLEC for which Qwest is not the originating**
6 **toll provider, and JPSA Traffic.**
7

8 The language in section 7 and the association sub-sections was proposed by
9 Qwest for North County, to facilitate accurate billing when MF signaling is used.

10

11 **Q. CAN YOU EXPLAIN THE PURPOSE OF THE LANGUAGE PROPOSED**
12 **IN SECTION 7.8?**

13 A. Yes, this language requires North County to produce accurate bills for Qwest in
14 light of the fact that Qwest is not able to verify traffic when MF signaling is used.
15 It also clarifies that Qwest is not required to pay for minutes associated with
16 JPSA, IntraLATA LEC Toll, wireless traffic, and minutes originated by third
17 party providers. In essence, the responsibility for the tracking and billing of
18 traffic is given to North County, because Qwest is at North County's mercy with
19 regard to traffic sent using MF signaling.

20

21 **V. RELATIVE USE FACTOR ("RUF")**

22

23 **Q. WHAT IS THE RUF?**

24 A. The RUF is applicable to LIS trunks when traffic data is available, to allow each
25 carrier to account for its proportion of traffic, and adjust billing accordingly.

26

1 **Q. WAS LANGUAGE REGARDING THE RUF AT ISSUE WHEN QWEST**
2 **FILED FOR ARBITRATION?**

3 A. No. North County raised concerns regarding the traffic types when calculating
4 the RUF in subsequent negotiations. At the time that Qwest filed for arbitration
5 of this agreement, the parties had not exchanged language regarding the
6 calculation of the RUF. The parties continued negotiations after Qwest filed for
7 arbitration, but there has still been no agreement on the language regarding the
8 RUF.

9
10 **Q. WHAT IS QWEST'S STANDARD LANGUAGE FOR THE RUF?**

11 A. Qwest's standard language reads as follows:

12 7.3.1.1.3.1 The provider of the LIS two-way Entrance Facility (EF) will
13 initially share the cost of the LIS two-way EF by assuming an initial
14 relative use factor (RUF) of fifty percent (50%) for a minimum of one (1)
15 quarter if the Parties have not exchanged LIS traffic previously. The
16 nominal charge to the other Party for the use of the EF, as described in
17 Exhibit A, shall be reduced by this initial relative use factor. Payments by
18 the other Party will be according to this initial relative use factor for a
19 minimum of one (1) quarter. The initial relative use factor will continue
20 for both bill reduction and payments until the Parties agree to a new factor,
21 based upon actual minutes of use data. If CLEC's End User Customers are
22 assigned NPA-NXXs associated with a rate center different from the rate
23 center where the End User Customers are physically located, traffic that
24 does not originate and terminate within the same Qwest Local Calling
25 Area, regardless of the called and calling NPA-NXXs involving those End
26 User Customers, is referred to as "VNXX traffic." For purposes of
27 determining the relative use factor, the terminating carrier is responsible
28 for VNXX traffic. If either Party demonstrates with traffic data that actual
29 minutes of use during the previous quarter justifies a new relative use
30 factor that Party will send a notice to the other Party. The new factor will
31 be calculated based upon Exhibit H. Once the Parties finalize a new
32 factor, bill reductions and payments will apply going forward from the
33 date the original notice was sent. Qwest has never agreed to exchange
34 VNXX traffic with CLEC.

1

2 7.3.2.2.1 The provider of the LIS two-way DTT facility will initially share
3 the cost of the LIS two-way DTT facility by assuming an initial relative
4 use factor of fifty percent (50%) for a minimum of one (1) quarter if the
5 Parties have not exchanged LIS traffic previously. The nominal charge to
6 the other Party for the use of the DTT facility, as described in Exhibit A,
7 shall be reduced by this initial relative use factor. Payments by the other
8 Party will be according to this initial relative use factor for a minimum of
9 one (1) quarter. The initial relative use factor will continue for both bill
10 reduction and payments until the Parties agree to a new factor. If CLEC's
11 End User Customers are assigned NPA-NXXs associated with a rate
12 center other than the rate center where the End User Customers are
13 physically located, traffic that does not originate and terminate within the
14 same Qwest Local Calling Area, regardless of the called and calling NPA-
15 NXXs involving those End User Customers, is referred to as "VNXX
16 traffic." For purposes of determining the relative use factor, the
17 terminating carrier is responsible for VNXX traffic. If either Party
18 demonstrates with data that actual minutes of use during the previous
19 quarter justifies a new relative use factor that Party will send a notice to
20 the other Party. The new factor will be calculated based upon Exhibit H.
21 Once the Parties finalize a new factor, bill reductions and payments will
22 apply going forward from the date the original notice was sent. Qwest has
23 never agreed to exchange VNXX traffic with CLEC.
24

25 **Q. HOW MANY CLECS HAVE OPTED INTO QWEST'S STANDARD**
26 **LANGUAGE FOR THE RUF?**

27 A. Of the 136 CLECs with Interconnection Agreements in Washington, 87 opted into
28 Qwest's Template language, which includes Qwest's standard language for the
29 RUF.

30

31 **Q. WHAT IS VNXX?**

32 A. Per the definition contained in the proposed interconnection agreement, VNXX,
33 or Virtual NXX is:

1 all traffic originated by a Party's End User Customer and dialed with a
2 local dialing pattern that is not terminated to the other Party's End User
3 Customer physically located within the same Qwest Local Calling Area
4 (as approved by the state Commission) as the originating caller, regardless
5 of the NPA-NXX dialed. VNXX does not include originating 8XX traffic.
6

7 **Q. WITH RESPECT TO THE RUF CALCULATION, WAS VNXX AN ISSUE**
8 **WHEN QWEST FILED FOR ARBITRATION?**

9 A. No. North County raised concerns regarding the exclusion of VNXX traffic from
10 the calculation of the RUF in subsequent negotiations. At the time that Qwest
11 filed for arbitration of this agreement, the parties had not exchanged language
12 regarding VNXX beyond what was filed by Qwest in section 7.8 and Exhibit H
13 regarding the treatment of VNXX traffic from Qwest's bills. The parties
14 continued negotiations after Qwest filed for arbitration, but there has still been no
15 agreement on language regarding the VNXX traffic.

16

17 **Q. WHAT IS QWEST'S STANDARD LANGUAGE FOR VNXX?**

18 A. Standard language referencing VNXX is contained in paragraphs 7.3.2.2.1 and
19 7.3.1.1.3.1 regarding the RUF. In addition to the standard language, Qwest added
20 language in the new Section 7.8 to exclude VNXX traffic from North County's
21 bills to Qwest.

22

23 **Q. HOW MANY CLECS HAVE OPTED INTO QWEST'S STANDARD**
24 **LANGUAGE FOR VNXX?**

1 A. Of the 136 CLECs with Interconnection Agreements in Washington, 87 opted into
2 Qwest's Template language, which includes Qwest's standard language for
3 VNXX.

4

5 **VI. CONCLUSION**

6 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

7 A. Qwest has made every effort to accommodate North County's desire to continue
8 using MF signaling instead of industry standard SS7 Signaling. The language
9 Qwest has proposed in this arbitration strikes a balance by allowing North County
10 to continue using MF signaling, but compensating the fact that different types of
11 traffic cannot be tracked by Qwest if MF signaling is used by spelling out the
12 requirements that North County must fulfill when it submits bills to Qwest for
13 terminating traffic.

14

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

16 A. Yes.