

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

QWEST CORPORATION)

Complainant,)

Docket No. UT-063038

v.)

LEVEL 3 COMMUNICATIONS, LLC;)

PAC-WEST TELECOMM, INC.;)

NORTHWEST TELEPHONE INC.;)

TCG-SEATTLE; ELECTRIC LIGHTWAVE, INC.;)

ADVANCED TELCOM GROUP, INC D/B/A)

ESCHELON TELECOM, INC; FOCAL)

COMMUNICATIONS CORPORATION;)

GLOBAL CROSSING LOCAL SERVICES INC;)

AND, MCI WORLDCOM COMMUNICATIONS,)

INC.)

Respondents.)

DIRECT TESTIMONY OF

RHONDA J. EVANS MCNEIL

ON BEHALF OF BROADWING COMMUNICATIONS, LLC

November 20, 2006

1 **Q. Please state your name, job title, and business address.**

2 A. My name is Rhonda J. Evans McNeil. I am the Senior Manager, Margin Enhancement,
3 for Broadwing Communications, LLC. My business address is 1122 Capital of Texas
4 Highway South, Austin, Texas.

5 **Q. Please summarize your work experience and present responsibilities at Broadwing.**

6 A. I have ten years of financial and billing experience in the telecommunications industry
7 and have held several positions along those lines with both Broadwing and CenturyTel.

8 I joined Broadwing in 2000 and served as the Revenue Assurance Manager until
9 December 2004. I was then the Regulatory Billing Manager from December 2004 to
10 February 2006, and am currently the Senior Manager, Margin Enhancement since
11 February 2006.

12 As Regulatory Billing Manager, I was responsible each month for gathering
13 billing data provided by Broadwing's information technology department from our
14 various switches and using that data to produce monthly invoices. During that time,
15 Broadwing had approximately ten reciprocal compensation carrier customers. I also
16 worked with the accounting firm of KPMG as part of Broadwing's Sarbanes-Oxley
17 compliance to prove that switch data was correctly processed through our billing module
18 – via an Access Database process – to produce accurate bills. I was responsible for
19 setting up key controls to monitor each month's bills for accuracy and completeness. As
20 Regulatory Billing Manger, I acted as liaison with our customers to answer any billing
21 questions and to resolve any disputes.

22 I also met with Broadwing's Regulatory Department at least monthly to review
23 any changes in the regulatory environment that would impact our billing and billing

1 system. If there were any changes, such as rates, I was responsible for updating our
2 invoicing system to reflect the proper change. I was also responsible for collections, and
3 ensuring that all payments on invoices were properly posted. To assist our Accounting,
4 Finance, and Regulatory Departments, I created monthly reports on trends in billing,
5 prepared a monthly aging report on all customers' accounts, and provided monthly
6 reports on large and on-going disputes. While I was involved in providing correct and
7 up-to-date billing information, all dispute negotiations were conducted by others within
8 Broadwing. After those dispute negotiations were concluded, I was responsible to ensure
9 that all adjustments based on those negotiations were properly recorded on Broadwing's
10 billing invoices.

11 Prior to joining Broadwing, I worked at CenturyTel from 1996-2000 as a
12 Marketing Coordinator, Product Manager, and Regulatory and Marketing Support
13 Manager. My responsibilities were primarily with the Long Distance and Operator
14 Services divisions where I had various marketing duties and managed a team of account
15 representatives.

16 **Q. What subject matters will your testimony address?**

17 A. My testimony will address how Broadwing creates invoices for our carrier customers and
18 the information contained in those invoices. I will also discuss Qwest's outstanding
19 reciprocal compensation balance to Broadwing for traffic terminated by Broadwing in
20 Washington.

21 **Q. When does Broadwing issues bills for reciprocal compensation for the traffic that**
22 **Broadwing exchanges with other carriers?**

1 A. Broadwing issues bills to carriers for reciprocal compensation on the 28th day of each
2 month.

3 **Q. What is the source of data that comprises Broadwing's invoices for reciprocal**
4 **compensation?**

5 A. In order to prepare an invoice, Broadwing's billing department obtains total minutes of
6 use information from Broadwing's switches from the 24th day of the previous month to
7 the 23rd day of the current month. The minute of use ("MOU") information is broken
8 down into local traffic terminated by Broadwing, toll traffic terminated by Broadwing,
9 and local traffic originated by Broadwing.

10 **Q. How is the data received by Broadwing's billing department partitioned among**
11 **Broadwing's customers?**

12 A. The traffic data is classified by Billing Account Number ("BAN"). BANs are unique to
13 the carrier served by Broadwing. Broadwing issues invoices to a carrier basis based on
14 that BAN. In addition, those invoices have unique identifiers that permit their tracking.

15 **Q. Please explain Broadwing's invoice numbering conventions.**

16 A. Broadwing's bills use a standardized system to number and identify invoices. The
17 numbering scheme identifies the type of traffic, the carrier being billed, the specific
18 central office switch where the traffic is being measured, and the date of the invoice.

19 To explain, let's use a hypothetical invoice number of "RCD0674001-04033."
20 The first three characters, "RCD," identify the type of traffic being charged for, which, in
21 this example, is traffic subject to reciprocal compensation. The next seven digits,
22 "0674001," is the BAN assigned by Broadwing. Each BAN is unique to a particular
23 carrier customer. For example, "0674001" is the BAN for traffic exchanged with Qwest

1 in Washington from central office “STTLWAHND0.” Any invoice or correspondence
2 referencing that BAN would, therefore, be indicating where and with whom Broadwing
3 exchanged traffic.

4 Following the BAN is a five-digit code that represents the date an invoice is
5 issued. Using the previous example of “04033,” the first two digits are the year code for
6 the bill – in this case, 2004. The last three digits correspond to Julian calendar date, that
7 is, the numerical day of the year. Again, using our example, “033” would be February 2
8 – the thirty-third day of a year. If the number was “365,” it would signify December 31st
9 for non-leap year invoices.

10 **Q. Does Broadwing’s numbering system assist in bill tracking?**

11 A. Yes.

12 **Q. How?**

13 A. By uniquely coding invoices, Broadwing is able to track a bill’s history. Our accounting
14 systems use the invoice number to record any activity related to that invoice, for example,
15 payments made and outstanding balances.

16 **Q. How and when does Broadwing issue its bills for reciprocal compensation?**

17 A. Invoices for reciprocal compensation are sent by overnight delivery in hard copy form to
18 the billed carrier on the 28th day of the month.

19 **Q. When is payment due?**

20 A. Payment is due within thirty days.

21 **Q. What information is contained in an invoice?**

22 A. The invoice number, the billing date, the total amount due including any outstanding
23 balances, credits from the last billing date, the total MOUs and categorized traffic usage

1 related to that BAN, the rate charged for the different types of traffic, and a total amount
2 of usage charges can be found on a Broadwing bill.

3 **Q. Please explain how Broadwing's invoices treat outstanding balances.**

4 A. Outstanding balances are referenced by invoice number and are presented in a Broadwing
5 monthly bill in both an itemized and summary fashion. For example, if a payment is
6 made for a particular invoice, that payment amount is reflected in the monthly invoice.
7 At the same time, the outstanding balance for that invoice is also listed in the monthly
8 invoice.

9 **Q. What level of detail does Broadwing provide in its invoices regarding traffic
10 volume?**

11 A. Broadwing provides the total minutes of use through a central office for a particular
12 carrier separated out into local terminating minutes, toll terminating minutes, and
13 Broadwing originating minutes.

14 **Q. Does Broadwing's invoices list the rate charged for traffic?**

15 A. Yes.

16 **Q. How?**

17 A. The rates charged to a particular carrier depends on the type of traffic. For example,
18 intraLATA terminating minutes are billed at Broadwing's intrastate tariff rates filed with
19 a state utility commission. On the other hand, rates for reciprocal compensation
20 terminating minutes rely on the terms and conditions of interconnection agreements
21 between Broadwing and other carriers.

22 **Q. What are Broadwing rates related for reciprocal compensation in Washington?**

23 A. The rates depend on who Broadwing is exchanging traffic with.

1 **Q. What are Broadwing rates for reciprocal compensation when exchanging traffic in**
2 **Washington with Qwest?**

3 A. In the case of terminating traffic in Washington between Broadwing and Qwest, the
4 parties have an interconnection agreement with amendments on file at the Washington
5 Utilities and Transportation Commission. That agreement has a rate for the termination
6 of traffic that varies based upon the amount of traffic exchanged between the two
7 companies. The base reciprocal compensation rate for terminating traffic in Washington
8 between Qwest and Broadwing is \$0.005416. However, if there is an imbalance in the
9 volume of traffic terminated by one carrier when compared to the other, the rate for
10 terminating traffic changes. Pursuant to the parties' approved interconnection agreement,
11 traffic in excess of a three-to-one ratio is billed out at the lower rate of \$0.0007.

12 To understand how the rate is determined in practice, it is probably best to use a
13 hypothetical. Assume, for example, that Broadwing terminated 5,000,000 minutes of
14 Qwest traffic during a monthly billing cycle and that Qwest terminated 1,000,000
15 minutes of Broadwing's traffic. In that case, Qwest would compensate Broadwing for
16 the first 3,000,000 minutes (1 million minutes times 3) at the base rate of \$0.005416. For
17 the remaining traffic (traffic in excess of the 3:1 ratio), Qwest would compensate
18 Broadwing at the \$0.0007 rate. An invoice from Broadwing would include that
19 calculation and breakdown of traffic detail.

20 **Q. Other than the invoice, does Broadwing transmit anything else to carriers regarding**
21 **reciprocal compensation?**

22 A. Yes. Broadwing also sends carriers a remittance document that lists the outstanding
23 balances related to that particular BAN. The remittance document includes a total for the

1 current billing cycle. This remittance document allows a carrier to make a payment
2 toward a particular past invoices. The details of that payment would then be included in
3 subsequent invoices from Broadwing.

4 **Q. What is the status of Qwest's account with Broadwing for reciprocal compensation?**

5 A. During my tenure as Regulatory Manager for Broadwing, Qwest had an outstanding
6 unpaid balance with Broadwing for the BAN associated with traffic exchanged by
7 Broadwing and Qwest in Washington. Qwest does not receive any additional invoices
8 from Broadwing for the termination of traffic in Washington. I am aware that Qwest still
9 has an outstanding balance with Broadwing for that BAN.

10 **Q. What is the outstanding unpaid balance that Qwest owes Broadwing for traffic
11 exchanged in Washington?**

12 A. As of October 28, 2006, Qwest had an outstanding balance of \$1,235,368.54 to
13 Broadwing for traffic exchanged in Washington.

14 **Q. What is the basis for your testimony of Qwest's current outstanding balance with
15 Broadwing?**

16 A. The most recent invoice issued by Broadwing to Qwest demonstrates the entire
17 outstanding amount owed by Qwest to Broadwing for unpaid reciprocal compensation. I
18 have attached that invoice to my testimony today (Exhibit No. ____ (RJEM-5)).

19 **Q. Please describe Broadwing's most recent invoice to Qwest for reciprocal
20 compensation.**

21 A. In the upper right-hand corner of the first page are the bill and invoice numbers, plus the
22 bill date. This invoice has a bill date of October 28, 2006 and an invoice number of
23 "RCD0674001-06301." As discussed previously, "RCD" relates to bills for reciprocal

1 compensation. The "0674001" is the unique BAN for a central office switch located in
2 Washington where traffic is exchanged with Qwest. Lastly, the "06301" reflects that
3 October 28, 2006 is the 301st day of the year. The invoice is seventeen pages long.

4 **Q. Please explain how this invoice lists Qwest's outstanding balance?**

5 A. The first line of the invoice identifies that the total amount of Broadwing's last bill to
6 Qwest was \$1,254,724.77. As indicated on the second line, Qwest made a payment of
7 \$66,053.17 sometime during the previous billing cycle that was applied to that balance.
8 That left a total balance due of \$1,188,671.60.

9 The lower half of the first page details the current charges associated with the
10 BAN. Intrastate terminating toll charges incurred by Qwest amounted to \$2,947.28. A
11 breakdown of how that amount was calculated can be found on page 14 of the October
12 28, 2006 invoice. IntraLATA terminating minutes totaled 98,788 from September 24
13 through October 23. Two separate charges are associated with those minutes – the
14 Washington State Universal Service Fund and access services (Exhibit No. ____, p. 15
15 (RJEM-5)). The 98,788 minutes of intraLATA traffic resulted in a bill of \$150.16
16 (98,788 minutes times \$0.001520/minute) for universal service charges and \$2,797.44
17 (98,788 minutes times \$0.028316/minute) for access service charges. The sum of those
18 two charges is \$2,947.44.

19 The lower half of the first page then details the current charges associated with the
20 BAN. As before, page 14 of the invoice records the total number of minutes that passes
21 through Broadwing's switch in Washington between Broadwing and Qwest. From
22 September 24 through October 23 of this year, 29,878,465 minutes of traffic left Qwest's

1 network and was terminated by Broadwing. For that same period, 1,613,979 minutes
2 originated on Broadwing's network and were terminated by Qwest.

3 Page 16 details how the charges associated with the termination of local traffic are
4 calculated. Because there is an imbalance of traffic terminated by Qwest and Broadwing,
5 the rate charged for traffic could vary. The information on page 14 showed that
6 Broadwing terminated significantly more local minutes than did Qwest. Therefore the
7 total amount of local traffic terminated by Qwest is multiplied by three to calculate the
8 amount of traffic terminated by Broadwing that is subject to the base reciprocal
9 compensation rate. Page 16 notes that 4,841,937 minutes (1,613,979 times 3) qualified
10 for the \$0.005416/minute rate for the termination of local traffic. This resulted in Qwest
11 owing Broadwing \$26,223.93 for that portion of local traffic terminated by Broadwing.

12 The balance of the local traffic terminated by Broadwing (25,036,528 minutes)
13 used the rate of \$0.0007 to determine the amount due – \$17,525.57.

14 The sum of those two services was \$43,749.50 and was referenced on the first
15 page of the invoice.

16 Between the previous balance due and the total current charges, this invoice
17 indicates that Qwest has an outstanding balance as of October 28, 2006, of
18 \$1,235,368.94. Of course, that value will change over time as Broadwing issues
19 additional invoices to Qwest and Qwest continues to make payments against those sums.

20 **Q. Where on the invoice are Qwest's payments recorded?**

21 A. Payments made by Qwest to Broadwing for previous charges can be found on page 2 of
22 the October 28, 2006 invoice (Exhibit No. ____, p. 2 (RJEM-5)). That page reflects that
23 on October 6, 2006, payments made by Qwest were applied to two previous invoices –

1 \$34,819.55 was applied to the outstanding balance of invoice RCD0674001-06209 and
2 \$31,233.62 was applied to the outstanding balance of invoice RCD0674001-06240. The
3 entries on this invoice are typical of what would be normally present on any monthly
4 invoice sent by Broadwing.

5 **Q. Is information related to past invoices for that BAN tracked?**

6 A. As I mentioned before, Broadwing's invoice also details unpaid balances for invoices
7 issued previously by Broadwing to Qwest. Pages 4 through 11 of the October 28, 2006
8 invoice list all of the Broadwing invoices that were outstanding at the beginning of the
9 previous billing cycle. For each invoice with a balance, Broadwing's monthly invoice
10 will list the previous balance and if any adjustments were made to that balance during the
11 past month. Also, if any payments were received by Broadwing for a particular invoice,
12 then that amount would listed as applied to the outstanding balance of that invoice. For
13 example, entries that record the payments made by Qwest on October 6, 2006, to two
14 Broadwing invoices can be found on page 10 of the October 28, 2006 invoice. As shown
15 by that invoice, however, Qwest's payments made toward those two invoices did not
16 cover the full amount owed by Qwest to Broadwing.

17 **Q. Did all of Broadwing's invoices to Qwest in the past follow this format?**

18 A. For the monthly reciprocal compensation invoices to Qwest, yes. Broadwing has used
19 this invoice and billing format since 1997.

20 There was one invoice, however, that I sent on February 3, 2005, with a bill date
21 of February 4, 2005, to Qwest that was outside the normal reciprocal compensation
22 billing cycle. This special invoice was created to comply with the terms and conditions
23 of a Revised Inter-Carrier Compensation Mechanism Amendments to the Interconnection

1 Agreements between Qwest Corporation and then-Focal Communications Corporation of
2 Washington and Minnesota, executed on or about June 20, 2002 (the "Amendments").
3 Specifically, Section 4 of the Amendments did not contain a growth ceiling (or cap in
4 minutes of use) for any time period after December 31, 2003. Consequently, all ISP-
5 bound traffic exchanged between the parties after that date was compensable at the rate of
6 \$.0007/minute. The total for that traffic was \$317,630.97. Both the transmittal letter
7 (Exhibit No. ____ (RJEM-6)) and the special invoice (Exhibit No. ____ (RJEM-7)) are
8 attached to my testimony today.

9 **Q. After receiving an invoice, what options does a Broadwing customer have if they**
10 **believe that the bill is inaccurate?**

11 A. Carriers, at times, contest the charges listed on Broadwing's invoices when they submit
12 payment to a particular invoice. For example, a carrier may pay a portion of an invoice
13 amount and then state that a certain amount was being withheld because of a stated
14 reason. If the outstanding amount remains unpaid for an extended period of time,
15 Broadwing representatives will contact the carrier to attempt to resolve the dispute.

16 **Q. Did Qwest contest Broadwing's invoices for reciprocal compensation in**
17 **Washington?**

18 A. Starting in June of 2003, Qwest began to not pay the entire invoice submitted to it by
19 Broadwing. Qwest submitted formal dispute letters that included payment for undisputed
20 amounts but withheld other portions based on Qwest's assertion that it had fewer MOUs
21 sent or received by Qwest to Broadwing. Qwest later indicated on June 9, 2005, that its
22 non-payment of Broadwing invoices was based on its belief that certain types of traffic
23 were not eligible for reciprocal compensation.

1 Furthermore, Qwest did not submit a formal dispute letter contesting the one-time
2 invoice that Broadwing sent to Qwest regarding the reciprocal compensation for traffic in
3 excess of a minute of use rate cap removed by the Washington UTC.

4 **Q. What efforts did you take to resolve that dispute with Qwest?**

5 A. On approximately March 15, 2005, I contacted Cynthia Bradish of Qwest twice to
6 discuss what actions Broadwing and Qwest could take to address Qwest's disputes
7 associated with its MOU discrepancies by pulling traffic reports from Qwest's switches.
8 I never received a response in writing, but was told that to see call records that account
9 for the difference in MOUs she would have to contact another department to see if she
10 could provide to us call records that would account for the MOUs. I did not receive any
11 follow up information that explained the MOUs.

12 **Q. Are you aware whether Qwest contacted your successor as Regulatory Billing
13 Manager to resolve the outstanding balance?**

14 A. I was informed that Qwest did not contact Broadwing apart from this litigation to resolve
15 its outstanding balance.

16 **Q. Does this complete your testimony?**

17 A. Yes it does.