

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	Docket No. UT-130477
)	
THE CENTURLINK COMPANIES –)	
QWEST CORPORATION; CENTURYTEL)	
OF WASHINGTON; CENTURYTEL OF)	
INTERISLAND; CENTURYTEL OF)	
COWICHE; AND UNITED TELEPHONE)	
COMPANY OF THE NORTHWEST)	
)	
To be Regulated Under an Alternative Form)	
of Regulation Pursuant to RCW 80.36.135.)	
_____)	

**DIRECT TESTIMONY OF JAMES R. BURT
ON BEHALF OF SPRINT CORPORATION**

September 19, 2013

1 **Q. Please state your name and business address.**

2 A. My name is James R. Burt. My business address is 6450 Sprint Parkway, Overland
3 Park, Kansas 66251.

4

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

6 A. I am testifying in this proceeding on behalf of Sprint Corporation (“Sprint Corp.”).
7 Sprint provides wireless and wireline services in Washington, as well as throughout
8 the remaining United States.

9

10 **Q. By who are you employed?**

11 A. I am employed by the Sprint Corp. management subsidiary, Sprint United
12 Management Company (“Sprint United”).

13

14 **Q. What is your position with Sprint United?**

15 A. I am Director – Policy, a position I have held since February of 2001.

16

17 **Q. Please summarize your educational and professional background.**

18 A. I received a Bachelor of Science degree in Electronics Engineering Technology from
19 the University of South Dakota – Springfield in 1980 and a Masters in Business
20 Administration with an emphasis in Finance from Rockhurst College in 1989.

21

22 I am responsible for developing state and federal regulatory policy and legislative
23 policy for Sprint Corp., including the coordination of regulatory and legislative

1 policies across the various Sprint Corp. business units, and the advocacy of such
2 policies before regulatory and legislative bodies. Prior to Sprint spinning off its local
3 telephone division in May of 2006, I worked in policy development and advocacy on
4 issues impacting Sprint's wireless, incumbent local exchange carrier ("ILEC") and
5 competitive local exchange carrier ("CLEC") business units.

6
7 From 1997 to February of 2001, I was Director-Local Market Planning. I was
8 responsible for policy and regulatory position development and advocacy from a
9 CLEC perspective. In addition, I supported Interconnection Agreement negotiations
10 and had responsibility for various other regulatory issues pertaining to Sprint Corp.'s
11 CLEC efforts, which are implemented through Sprint Corp.'s wireline subsidiary,
12 Sprint Communication Company L.P. ("SCCLP").

13
14 From 1996 to 1997, I was Local Market Director responsible for SCCLP's CLEC
15 Interconnection Agreement negotiations with BellSouth.

16
17 I was Director – Carrier Markets for Sprint Corp.'s former Local Telecom Division
18 ("LTD") from 1994 to 1996. My responsibilities included inter-exchange carrier
19 account management and management of one of LTD's Interexchange Carrier
20 Service Center.

21

1 From 1991 to 1994, I was General Manager of United Telephone Long Distance, a
2 long distance subsidiary of the former Sprint/United Telephone Company. I had
3 profit and loss, marketing and operations responsibilities.

4

5 From 1989 to 1991, I held the position of Network Sales Manager responsible for
6 sales of business data and network solutions within LTD.

7

8 From 1988 to 1989, I functioned as the Product Manager for data and network
9 services also for LTD.

10

11 Prior to Sprint Corp. I worked for Ericsson Inc. for eight years with positions in both
12 engineering and marketing.

13

14 **Q. Have you testified before any regulatory commissions?**

15 A. Yes. I have testified before the regulatory commissions in Arkansas, Florida,
16 Georgia, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, Missouri,
17 Nebraska, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania,
18 South Dakota, Texas and Wisconsin and have supported the development of
19 testimony in many other states.

20

21 **Q. What is the purpose and scope of your Direct Testimony?**

22 A. The purpose and scope of my Direct Testimony is to explain to the Washington
23 Utilities and Transportation Commission (“WUTC”) or (“Commission”) why the

1 settlement agreement between CenturyLink and Sprint would be consistent with the
2 public interest.

3

4 **Q. Why did Sprint intervene in this docket?**

5 A. Sprint intervened primarily to raise an issue that is central to the development of
6 effective competition in Washington State; namely CenturyLink’s obligation to
7 negotiate in good faith requests for Internet protocol (“IP”) interconnection. Sprint
8 viewed this proceeding, by its very nature and purpose, as one that should examine
9 issues of great relevance to Washington’s competitive telecommunications market,
10 such as IP interconnection. IP interconnection is a fundamental prerequisite to
11 sustainable competition and is the most efficient and modern form of carrier-to-
12 carrier interconnection. Fair and reasonable IP interconnection will ensure that the
13 very competitors that CenturyLink identifies in order to justify reduced regulation
14 will actually have the ability to compete for the foreseeable future. The Telecom
15 Act’s¹ (“Act”) requirement that ILECs interconnect with requesting carriers is a
16 prerequisite to meaningful competition.

17

18 **Q. Please explain what you mean by IP interconnection and Time Division
19 Multiplex (“TDM”) interconnection.**

20 A. The difference is that TDM interconnection uses one protocol, Time Division
21 Multiplex, and IP interconnection uses a different protocol, the Internet protocol.
22 The functionality provided for both types of interconnection is the same, to link

¹ The Telecommunications Act of 1996, Pub. LA. No. 104-104, 110 Stat. 56 (1996).

1 together two networks for the exchange of voice traffic.² The FCC stated in the CAF
2 Order that interconnection is technology neutral.

3 1011. "... The duty to negotiate in good faith has been a
4 longstanding element of interconnection requirements under the
5 Communications Act and does not depend upon the network
6 technology underlying the interconnection, whether TDM, IP, or
7 otherwise..."³
8

9 **Q. Does IP interconnection involve the Internet itself?**

10 A. IP interconnection has nothing whatsoever to do with the Internet itself. IP
11 interconnection is not done over the Internet and the voice traffic exchanged via IP
12 interconnection is not commingled with Internet data traffic.

13
14 **Q. What are the advantages of IP interconnection over TDM interconnection?**

15 The main advantages are provided below. Each of these serves to either reduce
16 interconnection costs or further the advancement of IP networks both of which are in
17 the public interest.

18 1) IP interconnection utilizes the interconnection trunks more efficiently than TDM
19 interconnection, leading to a smaller number of interconnection trunks.

20 2) It is also generally agreed within the industry that IP interconnection requires
21 fewer points of interconnection ("POI") between interconnecting voice service
22 providers. A POI is a location where interconnecting parties connect their
23 networks.

² 47 C.F.R. § 51.5.

³ *In the Matter of Connect Am Fund*, 26 FCC Rcd 17663, Report & Order & Further Notice of Proposed Rulemaking (2011) ("CAF Order") at p. 1011.

1 3) Some of the unique end user features enabled by IP technology, such as high-
2 definition voice and presence, do not function between end users of different
3 service providers if IP interconnection is not utilized between the service
4 providers.

5 4) Some voice service provider networks are all IP based today and virtually all are
6 moving in that direction.⁴ It does not make sense for IP voice to be converted to
7 TDM for interconnection purposes and then have to convert back to IP before it
8 is connected to another IP voice service. Unnecessary IP to TDM conversions
9 reduce functionality and increase costs.

10 5) IP interconnection promotes the deployment and use of IP networks generally.⁵

11
12 **Q. Why does IP interconnection matter?**

13 A. Briefly, competitive carriers want to switch from TDM interconnection to IP
14 interconnection for the reasons stated above. In addition, IP interconnection is
15 viewed as a means to expand IP and broadband networks which has been determined
16 to be in the public interest. Independent competitive carriers, generally competitive
17 local exchange carriers (“CLECs”) and wireless providers that do not have ILEC
18 affiliates or relationships, want to migrate to IP interconnection because their
19 networks already are IP based or are migrating to IP. Competitive carriers also argue
20 that IP interconnection is subject to Sections 251 and 252 of the Act.

21

⁴ *Id.* at p. 1009

⁵ *Id.* at p. 1010.

1 Independent local exchange carriers (“ILECs”) on the other hand, argue IP
2 interconnection, because of the difference in protocol, should not be subject to any
3 kind of regulation, including Sections 251 and 252. In addition, some ILECs claim
4 even if IP interconnection were a Section 251 requirement, they don’t have IP
5 equipment within the ILEC legal entity so they are not required to provide IP
6 interconnection.

7
8 I do not address the arguments regarding these positions within this testimony.

9
10 **Q. Please explain the reasons why Sprint entered into a settlement agreement with**
11 **CenturyLink?**

12 A. Sprint had several discussions with CenturyLink about the issue of IP
13 Interconnection. Sprint strongly believes and CenturyLink has agreed not to object
14 to the issue of IP Interconnection being considered by the Commission in a separate
15 forum from this proceeding, as reflected in the Settlement Agreement. The parties
16 differ on the type of forum that should be instituted for consideration of this very
17 important question. Sprint urges the Commission to commence a formal
18 investigation or rulemaking as soon as practicable on IP Interconnection whereas
19 CenturyLink prefers a more informal forum. The benefits of a separate proceeding
20 are many. First, the proceeding could involve other interested parties, such as other
21 CLEC’s, ILECs and wireless carriers that did not participate in this case. Second, a
22 separate proceeding would be more focused and the Commission could develop a
23 more complete record.

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Q. Why should the Commission adopt the Sprint and CenturyLink Agreement?

A. A modern and more efficient approach to interconnecting voice networks through IP interconnection clearly is in the public interest. The Sprint/CenturyLink settlement tees up the issue for the Commission to resolve in a separate proceeding that has all of the benefits discussed above. Approving the settlement therefore would be in the public interest.

Q. You mentioned that IP interconnection is consistent with the State of Washington’s communications policy goals. Please explain.

A. Both RCW 80.36.135 and 80.36.300 contain stated goals of the State of Washington that can be well served by modern, efficient and low cost interconnection.

RCW 80.36.135 states that “the commission shall consider, in determining the appropriateness of any proposed alternative form of regulation, whether it will:

- (c) Preserve or enhance the development of effective competition and protect against the exercise of market power during its development;
- (d) Preserve or enhance service quality and protect against the degradation of the quality or availability of efficient telecommunications services;
- (e) Provide for rates and charges that are fair, just, reasonable, sufficient, and not unduly discriminatory or preferential; and

These are in addition to the policies stated at RCW 80.36.300.

The legislature declares it is the policy of the state to:

- (1) Preserve affordable universal telecommunications service;

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- (2) Maintain and advance the efficiency and availability of telecommunications service;
- (3) Ensure that customers pay only reasonable charges for telecommunications service;
- (5) Promote diversity in the supply of telecommunications services and products in telecommunications markets throughout the state; and

10 Each of these policies can benefit from, and in fact require consideration of modern,
11 low cost and efficient interconnection between ILECs and the voice service
12 providers that interconnect with the ILECs.

13

14 **Q. Please summarize your testimony.**

15 A. I welcome the opportunity to discuss the issue of IP Interconnection and why we
16 think the Settlement Agreement advances this at the hearing on October 16.

17

18 **Q. Does this conclude your Direct Testimony?**

19 A. Yes.

20