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BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

In the Matter of:)
LEVEL 3 COMMUNICATIONS, LLC's)
Petition for Arbitration)
Pursuant to Section 252(b) of)
the Communications Act of 1934)
as Amended by the)DOCKET NO. UT-063006
Telecommunications Act of 1996)Volume VI
and the Applicable State Laws)Pages 527-732
for Rates, Terms, and)
Conditions of Interconnection)
with Qwest Corporation.)
_____)

An arbitration in the above matter was held on
October 25, 2006, at 9:30 a.m., at 1300 South
Evergreen Park Drive Southwest, Room 206, Olympia,
Washington, before ADMINISTRATIVE LAW JUDGE ANN
REHNDAHL.

The parties were present as follows:

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Deborah L. Cook, RPR, CSR
Court Reporter

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1 LEVEL 3 COMMUNICATIONS, LLC, by SCOTT PORTER,
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5 QWEST CORPORATION, by THOMAS DETHLEFS,
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9 QWEST CORPORATION, by TED SMITH, Attorney at
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13 ALSO PRESENT: Staff, represented by Robert
14 Williamson, and Lisa Steel.

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PROCEEDINGS

2

Wednesday, October 25, 2006 9:30 a.m.

3

4

JUDGE RENDAHL: Let's be on the record.

5

6

We're back for the second day of hearing in docket UT 063006, an arbitration proceeding between

7

Level 3 Communications, LLC and Qwest Corporation.

8

And we're going to take the testimony of

9

Mr. Kenneth Wilson this morning.

10

11

But before we do that, we have a preliminary issue about going through Mr. Wilson's testimony.

12

I understand the motion from Qwest to strike

13

certain portions, or is there agreement between the

14

parties?

15

16

MR. DETHLEFS: I think there's agreement, I

think. Let me identify them, and Level 3 can

17

speak. There's two in the direct testimony and one

18

in the reply. In the direct testimony on page

19

10 --

20

21

JUDGE RENDAHL: And that is what has been

marked as Exhibit 11 T?

22

MR. DETHLEFS: Exhibit 11 T, yes.

23

JUDGE RENDAHL: Page 10.

24

25

MR. DETHLEFS: Page 10, lines 3 and 4. He makes the statement, "This policy is contrary to

0533

1 Washington rules regarding local traffic."

2 JUDGE RENDAHL: And the parties agree that
3 should be stricken?

4 MR. THAYER: We'll have an errata and that
5 will be stricken. And that will be rephrased to,
6 "This policy is contrary to common engineering
7 practices."

8 JUDGE RENDAHL: Is that what Qwest
9 understood from yesterday?

10 MR. DETHLEFS: That's fine. If they want to
11 make that, that's fine.

12 JUDGE RENDAHL: So "Washington rules
13 regarding local traffic" would be replaced with
14 "common engineering practices."

15 And, Mr. Thayer, you are going to need to
16 speak up a little bit for the court reporter so she
17 can hear you.

18 And the next item?

19 MR. DETHLEFS: Is on page 12, lines 11
20 through 13. And it's the sentence that begins,
21 "One of the principle tenets of the
22 Telecommunications Act is that" --

23 JUDGE RENDAHL: So at that point through the
24 end of the sentence on line 14 would be stricken?

25 MR. DETHLEFS: End of the sentence on 13.

0534

1 JUDGE RENDAHL: So just the sentence
2 beginning, "One of the principle tenets," and the
3 parties agree that should be stricken?

4 MR. THAYER: Level 3 agrees.

5 JUDGE RENDAHL: And the next item?

6 MR. DETHLEFS: Is in the reply testimony.

7 JUDGE RENDAHL: And that's what has been
8 marked Exhibit 16 T?

9 MR. DETHLEFS: Yes. And it's on page 2.
10 It's the sentence beginning on line 12, "Without
11 discussing the legal support for Level 3's
12 position, Qwest is responsible for the costs of the
13 network on its side of the POI," P-O-I.

14 JUDGE RENDAHL: And so the entire sentence
15 would be stricken? Is that the agreement? Or just
16 the phrase about legal support?

17 MR. DETHLEFS: I think it's a legal
18 statement, and the fact that they use the clause at
19 the beginning indicates that's what they intended
20 the sentence to mean. So we would propose to
21 strike the entire sentence.

22 JUDGE RENDAHL: And does Level 3 --

23 MR. THAYER: Level 3 agrees to that.

24 JUDGE RENDAHL: So the sentence beginning on
25 line 12 with the word "Without," and ending on line

0535

1 14 will be stricken.

2 MR. DETHLEFS: And those are the only items
3 in his testimony that we had objections to.

4 JUDGE RENDAHL: And you, too, will need to
5 speak up. We don't have microphones in this room,
6 unlike the hearing room, so you will need to make
7 sure you speak up.

8 With that, I think we're now ready to go
9 forward with Mr. Wilson. Now, there are no other
10 pieces of testimony we need to parse through, or
11 are we now done with that exercise of striking
12 portions of testimony?

13 MR. DETHLEFS: We did all of Qwest
14 yesterday, and we have now finished Level 3. So I
15 think that's right.

16 JUDGE RENDAHL: Good. Mr. Wilson, could you
17 please state your name for the record.

18 THE WITNESS: Kenneth Wilson.

19

20 KENNETH WILSON,
21 produced as a witness in behalf of Level 3, having
22 been first duly sworn, was examined and testified as
23 follows:

24

25 THE WITNESS: I do.

0536

1 JUDGE RENDAHL: Okay. Go ahead and lay a
2 foundation.

3

4 DIRECT EXAMINATION

5

6 BY MR. THAYER:

7 Q Mr. Wilson, are you the same Kenneth L.
8 Wilson that has caused to be prepared or prepared
9 the testimony in this case referred to as Exhibits
10 11 T and 16 T?

11 A I am.

12 Q Are you also the Kenneth Wilson that caused
13 to be prepared or prepared the exhibits that are
14 attached thereto, which are items 12 through 15?

15 A I am.

16 Q Do you have any changes to that testimony?

17 A I have a few corrections of typos. On the
18 direct testimony on page 10 we already covered the
19 one change that I wanted to make, but there is a
20 typo in line 17. There's a "yes" that needs to be
21 deleted, that initial "yes" on line 17.

22 Then on the next page, page 11, line 18, it
23 starts "Qwest creation." That should be Qwest,
24 apostrophe s.

25 And then on line 19, somehow the word

0537

1 "trucking" got put in instead of "trunking."

2 MR. BROTHERTON: And spell-checker never
3 catches those, do they?

4 THE WITNESS: No, they certainly don't.

5 JUDGE RENDAHL: So there should be an "n" in
6 there?

7 THE WITNESS: Yes. It should be trunking,
8 not trucking. And then in the reply testimony on
9 page 4 --

10 JUDGE RENDAHL: And that's Exhibit 16 T?

11 THE WITNESS: I believe so. So page 4, line
12 14, the sentence that begins, "Level 3 does not
13 intend," and then it says "it." And it should be
14 "its," "its language," not "it language."

15 And then on line 25 of the same page, the
16 word in that line that is "features" should be
17 replaced with "trunks."

18 MR. DETHLEFS: Was that line 26?

19 MR. SMITH: Line 25. Features should be
20 trunks.

21 THE WITNESS: And then one more, if the
22 Court will bear with me. On page 6, the same
23 testimony, line 21, the last word in that line is
24 "had." It should be "has." And that is the extent
25 of the corrections that I found.

0538

1 Q BY MR. THAYER: With those corrections, is
2 this your testimony in this case?

3 A Yes, it is.

4 MR. THAYER: We move for admission of the
5 testimony and exhibits into the record.

6 JUDGE RENDAHL: Is there any objection to
7 admitting what has been marked as Exhibits 11 T
8 through 16 T into the record?

9 MR. DETHLEFS: No objection, as long as the
10 portions we just discussed as being stricken, are
11 stricken.

12 JUDGE RENDAHL: Yes. And based on what I
13 said yesterday, what I will do instead of having
14 the parties submit testimony that strikes out those
15 portions we agreed to, I will, after receiving the
16 transcript, take the official version of the
17 testimony that has been filed in the Records Center
18 and have that physically stricken in the testimony.
19 Okay. Those exhibits will be admitted.

20 (EXHIBIT RECEIVED.)

21 JUDGE RENDAHL: Is the witness ready for
22 cross?

23 MR. THAYER: Mr. Wilson is available for
24 cross-examination.

25 JUDGE RENDAHL: Ready.

0539

1

CROSS EXAMINATION

2

3

BY MR. DETHLEFS:

4

Q Good morning, Mr. Wilson.

5

A Good morning.

6

Q I would like to see if there's a mistake in your testimony right off the bat, because I was a little bit confused when I was reading it.

7

8

9

10

If you could turn to your reply testimony, page 3, so Exhibit 16 T, page 3. And on page 3 you state that Mr. Easton claims at pages 23 and 24 of his replacement direct testimony that Level 3's section, 7.2.2.9.3.1, allows jointly provided switched access to be carried over LIS trunks. I would like to show you pages 23 and 24 of Mr. Easton's testimony.

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JUDGE RENDAHL: Off the record for a moment.

18

(Discussion off the record.)

19

20

JUDGE RENDAHL: Back on the record. So we're looking at what has been marked as Exhibit 71 T, pages 23 to 24?

21

22

MR. DETHLEFS: That's correct.

23

24

25

BY MR. DETHLEFS: As I read Mr. Easton's testimony on pages 23 and 24, he's talking about Qwest's language, isn't he?

0540

1 A Yes.

2 Q And in your testimony, which we have marked
3 as Exhibit 16 T, you are claiming that his
4 statements are about Level 3's testimony, correct?

5 A (Reading document.) I am pausing, because
6 on Mr. Easton's page 25, the first question and
7 answer says, "Are there other problems with the
8 Level 3 proposal?" So I think this issue may be a
9 little less simple than you made me initially
10 believe. I believe -- I am sorry.

11 JUDGE RENDAHL: Let's be off the record.

12 (Discussion off the record.)

13 JUDGE RENDAHL: Let's be back on the record.

14 Mr. Dethlefs, could you repeat the issue
15 that we're looking at here.

16 Q BY MR. DETHLEFS: Sure. Mr. Wilson, it's
17 correct, isn't it, that Mr. Easton did not
18 criticize 7.2.2.9.3.1 in the way that you
19 described?

20 A I believe there's a simple typo here. It
21 looks as though, that instead of -- let's see, the
22 sentence -- my sentence beginning on line 15, but
23 specifically in line 16 where it says, Level 3's
24 section, 7.2.2.9.3.1, it should say Qwest's
25 section. I believe that's the change that needs to

0541

1 be made.

2 Q Now, if we do that, though, then in your
3 subsequent discussion, you are not citing Qwest's
4 language. You are citing Level 3's language,
5 aren't you?

6 A I would have to get out both sets to look at
7 them. I don't have them here. Because
8 Mr. Easton's testimony that you provided me says
9 the Qwest language in 7.2.2.9.3.1 allows jointly
10 provided switched access traffic to be carried over
11 LIS trunks. And that's what I am addressing in my
12 reply.

13 So we seem to be in sync with that, much of
14 it. As I said, I don't have the two sections of
15 contract language to compare here, but at least the
16 reference seems to be --

17 Q Let me show you the agreement that Qwest
18 filed that we marked as Exhibit --

19 JUDGE RENDAHL: Should be Exhibit 1, if
20 that's Qwest's language.

21 Q BY MR. DETHLEFS: And it should have the
22 disputed language for both parties for that
23 section. Isn't it true that the language you cited
24 on page 3 of your testimony, marked as Exhibit 16 T
25 is, in fact, the Level 3 proposed language, not the

0542

1 Qwest proposed language?

2 A It's not the -- it's not identical with what
3 was just handed to me, which looks to be the May
4 11, 2005 Qwest agreement -- oh, updated October
5 20th.

6 Q So the language on the bottom of page 3 of
7 your reply testimony, Exhibit 16 T, you are saying
8 that language doesn't match the Level 3 language,
9 correct?

10 A Well, it doesn't match the Qwest language.

11 Q Okay. That's all I wanted to ask you on
12 that. Does it match Level 3's language that is
13 listed in the disputed box in Exhibit 1?

14 A Yes, it appears to.

15 Q So, in fact, the language that you quote on
16 page 3 of Exhibit 16 T is Level 3's proposed
17 language?

18 A Yes.

19 Q Let me shift to a different area. You would
20 agree that a point of interconnection is not a
21 customer location, wouldn't you?

22 A It's generally not a customer location. It
23 could be, but it's generally not.

24 Q And it's your testimony that the point of
25 interconnection should be a dividing line between

0543

1 Qwest and Level 3 as to who's responsible for costs
2 on each side of that point of interconnection,
3 correct?

4 A Yes.

5 Q So on the Qwest side of the point of the
6 interconnection, Qwest should be responsible for
7 the costs. And on the Level 3 side of the point of
8 interconnection, Level 3 should be responsible for
9 the costs?

10 A Yes.

11 Q You have heard the phrase DEOT before,
12 haven't you?

13 A Yes, I have.

14 Q DEOT stands for what?

15 A Direct end office trunk.

16 Q And in some states Level 3 actually pays for
17 direct end office trunks that are on Qwest's side
18 of the point of interconnection, correct?

19 A In some states Level 3 does pay the cost of
20 the DEOTs, even when the traffic is Qwest
21 originated. I think part of your phrase there is
22 more complicated, but that much I certainly agree
23 with.

24 Q Now, if a company leases a facility to use
25 with its network, do you consider that leased

0544

1 facility to be part of its network?

2 A Yes, I do.

3 Q And if a customer leases a piece of
4 equipment from a telecommunications carrier, do you
5 consider that leased facility to be the customer's
6 facility?

7 A For the part that they are leasing, I think
8 that's one way of looking at it. I believe
9 Mr. Greene touched on that yesterday.

10 Q Now, in your testimony in Washington, have
11 you assumed that Level 3 will pay for the cost of
12 direct end office trunks?

13 A No, I don't believe I did.

14 Q Now, most of the traffic that goes between
15 Level 3 and Qwest today is ISP traffic. You would
16 agree with that, wouldn't you?

17 A Yes, that's what Mr. Greene testified to
18 yesterday. I have no reason to doubt that.

19 Q And the ISPs are predominantly on Level 3's
20 network; is that correct?

21 A Today that's the way the traffic flows.

22 Q And Level 3 has internet service provider --
23 that's what ISP stands for -- Level 3 has ISP
24 customers who need to receive dial-up internet
25 calls to provide service to their customers,

0545

1 correct?

2 A Yes. The Qwest customer dials their ISP,
3 who is served by Level 3.

4 Q Well, the customer who is placing the call
5 is both a customer of Qwest for local service, and
6 a customer of the ISP, correct?

7 A They are a telecom customer of Qwest.

8 Q For local service, correct?

9 A Yes.

10 Q And they are also a customer of the ISP,
11 correct?

12 A For internet service, yes.

13 Q And Level 3 provides telephone numbers to
14 its internet service provider customers, correct?

15 A Yes, it does.

16 Q And it gets those telephone numbers from the
17 North American Numbering Plan Administrator,
18 correct?

19 A Yes.

20 Q And it provides those telephone numbers so
21 that callers can access their internet service
22 provider, correct?

23 A Yes. Yes, internet service providers need a
24 phone number.

25 Q And the reason that Level 3 provides

0546

1 telephone numbers that correspond with local
2 calling areas in which the callers are located is
3 so that those customers do not have to pay a toll
4 charge to make calls to their internet service
5 provider, correct?

6 A That's the way that service has always been
7 provided. People wouldn't choose an internet
8 provider where they had to make a toll call.

9 Q So it's true that for Level 3's ISP
10 customers to offer a viable product for their
11 dial-up callers, they have to offer basically at a
12 toll-free basis, correct?

13 A Yes. If I were looking at internet
14 providers, I wouldn't pick one where I had to make
15 a toll call from my home.

16 Q And so for the ISP service to be viable, the
17 numbers that its customers call have to be
18 essentially toll-free numbers?

19 MR. THAYER: I object. The concept of
20 toll-free is a legal distinction. I believe
21 Mr. Wilson's testimony is mostly engineering, and I
22 don't believe he testified at any point as to
23 whether the calls were not -- were toll-free or
24 local calls, or the other matters we dealt with in
25 the legal discussion.

0547

1 JUDGE RENDAHL: Mr. Dethlefs.

2 MR. DETHLEFS: All I am asking is for the
3 ISP to have a viable product, it has to be able to
4 offer a service to its customers in which the
5 customer doesn't pay a toll charge, correct?

6 JUDGE RENDAHL: And I think this witness is
7 an engineering witness, but can you point to
8 testimony where he addresses the compensation and
9 the nature --

10 MR. DETHLEFS: Well, it ties directly to all
11 of his testimony about how you determine if a call
12 is a local call, or a long distance call. And
13 fundamentally his testimony is, it is a -- you do
14 it just based on the telephone numbers. So I am
15 tying that to the reason why Level 3 does that.

16 JUDGE RENDAHL: And, Mr. Thayer, there's
17 enough interplay in his testimony between the
18 engineering technical aspects and the compensation,
19 that I am going to allow the question. But I think
20 that should be the end of the delving into this
21 issue.

22 THE WITNESS: Could you ask the question
23 again?

24 Q BY MR. DETHLEFS: Yes. So for Level 3's ISP
25 customers to offer a viable product to their

0548

1 dial-up callers, they have to offer basically a
2 service in which the caller doesn't pay a toll
3 charge to make calls to the ISP?

4 A Customers expect to dial a local number.

5 Q So your answer is "yes"?

6 A I think your question gets a little more
7 complicated than that.

8 Q You testified in Oregon, did you not?

9 A Yes, I did.

10 Q And you were under oath at the time,
11 correct?

12 A Yes.

13 Q I am going to show you the transcript of
14 your testimony in Oregon. If you look at page 153,
15 line 25 -- do you see where that is?

16 MR. THAYER: Before you proceed, Tom, would
17 you lay some foundation that that is, in fact, the
18 transcript.

19 MR. DETHLEFS: Yes. As a matter of fact, I
20 just took the transcript from what you put in your
21 cross exhibits.

22 MR. THAYER: Okay.

23 JUDGE RENDAHL: So which testimony are we
24 looking at?

25 MR. DETHLEFS: His testimony from Oregon was

0549

1 on August 29th, 2006.

2 JUDGE RENDAHL: And that's what we premarked
3 as Exhibit 94?

4 MR. DETHLEFS: That's correct.

5 THE WITNESS: The first page of what has
6 been handed me -- oh, it says Mac Greene at the top
7 of it, but I think that's the index.

8 JUDGE RENDAHL: Let's be off the record for
9 a moment.

10 (Discussion off the record.)

11 JUDGE RENDAHL: Let's be back on the record.

12 While we were off the record we determined that
13 what has been marked as Exhibit 94 is the
14 transcript from August 29, 2006. Mr. Wilson's
15 testimony, cross-examination, begins on page 147 of
16 the transcript. And we're now referring to page
17 153.

18 Go ahead, Mr. Dethlefs.

19 Q BY MR. DETHLEFS: Mr. Wilson, do you see
20 line 25 of page 153?

21 A Yes.

22 Q And the question begins "Okay," correct?

23 A I see that.

24 Q And isn't it true that in Oregon when you
25 were asked the question, "Okay, so for Level 3's

0550

1 ISP customers to offer a viable product to their
2 dial-up callers, they have to offer basically at a
3 toll-free basis, right?" And your answer was,
4 "Yes," correct?

5 A I see that.

6 Q And I did correctly read the question and
7 your answer, correct?

8 A I see that, yes.

9 Q Now, you would agree with me, wouldn't you,
10 that for any given telephone call, regardless of
11 whether we call it a local call or long distance
12 call, there is a cost to originate the call, some
13 cost to transport the call, and a cost to terminate
14 the call, correct?

15 A There's some network costs for all of those
16 elements.

17 Q Now, one of the things that Level 3 has
18 requested in this proceeding is the ability to
19 combine all traffic types on the existing
20 interconnection trunks between Qwest and Level 3,
21 correct?

22 A All traffic types, with some minor
23 exceptions like meet point trunks.

24 Q Would you agree with me that the amount of
25 traffic that would be subject to switched access

0551

1 charges that Level 3 today would send to Qwest is
2 very small?

3 A That's correct.

4 Q Would you also agree that most of Level 3's
5 traffic that would be subject to switched access
6 charges is interstate traffic?

7 A I don't actually know the complexion,
8 whether it would be intra- or interstate.

9 Q Now, Level 3 has entered into agreement with
10 some of the other RBOCs, and you mentioned those
11 generally in your testimony. Is it true for all
12 the RBOCs that Level 3 carries just a small amount
13 of traffic that is subject to switched access
14 charges?

15 A Can you repeat that question?

16 Q Well, I asked you a minute ago about traffic
17 between Qwest and Level 3, and you said that a very
18 small portion of the traffic, anyway today, that
19 Level 3 wants to send across the existing
20 interconnection trunks would be subject to switched
21 access charges?

22 A Yes.

23 Q And that's also true with the other RBOCs,
24 isn't it?

25 A With respect to Level 3?

0552

1 Q With respect to the traffic that Level 3
2 sends to them.

3 A Yes.

4 Q And Level 3, because of what it believes to
5 be the decline in dial-up traffic, wants to try to
6 grow the volume of other types of traffic that it
7 exchanges with Qwest to essentially replace the
8 dial-up traffic, correct?

9 A Well, I think that's really a question to
10 Mr. Greene, who is the business unit
11 representative.

12 Q Isn't that, in fact, what Mr. Greene
13 testified to yesterday?

14 A Sitting in the audience, I would say
15 essentially that's what he said, but I think we
16 should let his testimony speak for itself there.

17 Q I am okay with that. What I am ultimately
18 trying to get to is Level 3 is, in fact, trying to
19 grow the volume of traffic that it sends to Qwest,
20 including in particular switched access traffic,
21 correct?

22 A I am an engineer. I think they would like
23 to be able to send traffic the other direction, and
24 that's what we're talking about. As to what that
25 volume might one day be, I can't say.

0553

1 Q You are familiar with the Wiltel
2 acquisition, aren't you?

3 A Very vaguely.

4 Q And the effect of the Wiltel acquisition was
5 that Level 3 was carrying, albeit on Wiltel's
6 facilities, a significantly greater amount of
7 interexchange traffic, wouldn't you agree?

8 A Certainly greater than Level 3 is carrying
9 today, yes. I also understood from Mr. Greene that
10 a lot of that Wiltel traffic was going away.

11 Q Now, the difference between Feature Group D
12 trunks and LIS trunks is essentially software in
13 the switch, correct?

14 A Yes.

15 Q And it's not a big deal to convert a LIS
16 trunk to a Feature Group D trunk, is it?

17 A It requires some modification and recent
18 changes in the switch. It's some work, not a lot
19 of work.

20 Q And I believe in your testimony that you
21 testified that it would be acceptable to Level 3 as
22 a solution to the disagreement between Qwest and
23 Level 3 if Qwest simply activated the Feature Group
24 D features on LIS trunks, correct?

25 A That's not exactly what I said. I said they

0554

1 could turn on the recording feature. You don't
2 need the pick selection, or the CIC code selection.

3 JUDGE RENDAHL: CIC code --

4 THE WITNESS: Carrier identification code,
5 sorry. You don't need that feature. What we're
6 suggesting is that Qwest witnesses have testified
7 that they can do combined traffic on Feature Group
8 D trunks. They have developed that feature for
9 Feature Group D, and what I am saying is just turn
10 that feature on for LIS trunks.

11 Q BY MR. DETHLEFS: So if we did that, the
12 only difference we would have between -- in the
13 resulting outcome between Feature Group D trunks
14 and this new type of trunk would be that the new
15 type of trunk would not have the features for
16 basically sending traffic to pick IXC's, correct?

17 A That's the main difference. All I am
18 saying -- it's not a new type of trunk. It's
19 simply turn on recording for the LIS trunks.

20 Q Now, Level 3 is not, today, a preselected
21 interexchange carrier; is that correct?

22 A That's my understanding.

23 Q And Level 3 is not seeking in this
24 proceeding to have Qwest send 1 plus traffic to
25 Level 3, correct?

0555

1 A I don't believe that -- I don't believe
2 that's part of this proceeding.

3 Q Now, on page 7 of your direct testimony, you
4 make the statement that on page -- on line 16 the
5 size and scope of local calling areas varies
6 greatly from place to place around the country,
7 correct?

8 A Yes.

9 Q And the size and scope of local calling
10 areas, you would agree, is something that is
11 determined by state public utility commissions,
12 correct?

13 A Yes, in conjunction with carriers and public
14 interest groups, et cetera.

15 Q Have you ever worked for SBC, Bell South or
16 Verizon?

17 A Certainly not as an employee. I was trying
18 to recall if I had done any consulting for any of
19 them. I don't remember that I have, so I will
20 testify that I have not.

21 Q And have you ever had occasion to review
22 SBC's billing systems, for example?

23 A Yes, I have.

24 Q And what is it that you did in that review?

25 A During 271 proceedings, I basically reviewed

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1 billing systems of all the major carriers. Some
2 more specifically and some less specifically. Bell
3 South and SBC I spent a little more time with.

4 Q What are the names of their billing systems
5 for switched access traffic?

6 A Oh, testing my memory. I don't recall the
7 specific names of those billing systems at this
8 time. It's been a few years since I reviewed those
9 systems.

10 Q Does SBC, to your knowledge, have the
11 ability to prepare category 11 records off of its
12 LIS trunks?

13 A I knew that detail some years ago. I don't
14 recall it today.

15 Q Does Bell South, to your knowledge, have the
16 ability to prepare category 11 records using -- off
17 of its LIS trunks?

18 A There again, I don't recall that detail.

19 Q Does Verizon, to your knowledge, have the
20 ability to prepare category 11 records off of its
21 LIS trunks?

22 A I think I testified a moment ago I really
23 didn't review Verizon systems in as much detail, so
24 I doubt I ever studied their system to that level
25 of detail.

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1 MR. DETHLEFS: Those are all the questions I
2 have for cross-examination.

3 JUDGE RENDAHL: Any redirect for the
4 witness?

5 MR. THAYER: One quick question.

6

7 REDIRECT EXAMINATION

8

9 BY MR. THAYER:

10 Q Mr. Dethlefs had asked you some questions as
11 to conversion of LIS trunks to FGD trunks?

12 A Yes.

13 Q And the difficulty involved in that. Are
14 there other factors in doing such a conversion,
15 such as money, quality, time that may impact a
16 decision to do that?

17 A Absolutely. The main difference in a LIS
18 trunk and Feature Group D trunk is the price.
19 Qwest charges whoever uses Feature Group D a high
20 price for that trunking. So that -- I think that's
21 the main reason that Level 3, with its
22 preponderance of local traffic, thinks it makes
23 much more sense to keep its traffic on LIS trunks,
24 and put the small amount of long distance traffic
25 on the LIS trunk rather than vice versa.

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1 MR. THAYER: Nothing further.

2 JUDGE RENDAHL: Any recross based on that?

3 MR. DETHLEFS: No, Your Honor.

4 JUDGE RENDAHL: I have a few questions.

5

6

EXAMINATION

7

8 BY JUDGE RENDAHL:

9 Q Mr. Wilson, you were here yesterday when I
10 asked Mr. Greene to give some definitions or
11 explain terms, were you not?

12 A Yes, I was.

13 Q And those terms, for the record today, I
14 asked Mr. Greene to explain his understanding of
15 the terms toll, access, exchange, local calling
16 area, rate center, and wire center. Do you
17 remember his discussion of that?

18 A Let me get the terms. Toll, access,
19 exchange, local calling area, wire center, and rate
20 center.

21 Q So did you recall his discussion of those
22 yesterday?

23 A Yes.

24 Q Do you disagree with any of his definitions
25 or explanations of those terms?

0559

1 A I have a few maybe minor suggestions. Wire
2 center is a term that is sometimes misconstrued. I
3 have looked it up several times. I didn't look it
4 up again, but I know that definition is associated
5 with a building.

6 So wire center for Olympia would be the
7 building that houses one or more switches.
8 Probably in Olympia it's one switch at the Qwest
9 office. It could be more than one. But it is the
10 physical building where loops come into the
11 building. So those are the wires that the wire
12 center refers to.

13 If you have a big city like Seattle, you --
14 Seattle, the main building in Seattle might have
15 multiple switches, but it is one wire center.

16 Q And did you agree with Mr. Greene's
17 discussion of the terms toll and access, whether
18 they are the same or different?

19 A On the terms toll and access and rate
20 center, actually, those are not really technical
21 terms. They are terms out of regulatory and access
22 regimes. And, in fact, the one that has always
23 caused me a great deal of difficulty is rate
24 center.

25 And I asked several people their definitions

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1 of that last night, and I didn't come away with a
2 warm feeling. And I also don't believe in the
3 thousands of pages of testimony I have written that
4 I have ever used the term rate center, because I
5 still don't exactly know what that is. And as an
6 engineer, it's not really part of what I would need
7 to know.

8 Q But in the terms of your testimony this
9 morning about something being toll-free, how would
10 you explain what you meant when you responded to
11 the question about toll-free?

12 A A call where the customer does not pay a
13 toll charge. Generally a toll call is a 1 plus
14 call. There are areas where intraLATA calling you
15 don't need a 1 to dial it that would also be toll.

16 But generally when I think of toll calling,
17 I think of a 1 plus call. And in general that's
18 what we talk about in this case is whether a
19 customer -- or whether a call is a 1 plus call that
20 would normally go to an IXC or not. And that's
21 generally what we mean here.

22 Q When you would talk about access charges or
23 access, that would be the same thing or different?

24 A Generally the same thing. You generally use
25 those in slightly different context. When I talk

0561

1 about access charges, I am talking about
2 terminating or -- either originating or terminating
3 access charges that would be levied on a particular
4 call. So -- and I have certainly dealt with that
5 issue as an engineer. But that does come up.

6 Q So a toll charge is really something that
7 the end user customer reflects, and access is
8 something that carriers will charge one or the
9 other?

10 A Yes. It gets a little more complicated with
11 800 type calls where the calling party is not the
12 originator, but generally the terminating customer.
13 So if I dial a 1-800 call from home, I don't pay
14 the toll charges on that. The person I am calling
15 pays the toll charges.

16 Q I am going to move on to some questions
17 about your testimony. If you turn to your
18 testimony 11 T and turn to page 17.

19 A (Complies.)

20 Q Line 25, beginning at line 25 and going on
21 to the next page, and this addresses the difference
22 between Qwest and Level 3's proposals for trunking.

23 A Yes.

24 Q Forget that. If you could turn to page 19,
25 I think it's more clear. Turn to page 19, and the

0562

1 discussion on this page beginning on line 1 and
2 going down, I understand that there's a difference.

3 Is the issue that there's a local switch or
4 end office switch for local calls, and a switch for
5 access calls that require different trunk groups to
6 serve them, and that is why there's a need for
7 two -- possibly a need for two trunk groups, or am
8 I not understanding that?

9 A Well, the main point here from an
10 engineering perspective is you want the most
11 efficient network possible. And the way to do that
12 is to combine as much traffic as you can on one set
13 of trunk groups. Level 3's proposal is to combine
14 it all on LIS trunks. Qwest's proposal is to put
15 it all on Feature Group D trunks. The main
16 difference being a cost difference to Level 3.

17 As an engineer, I worry about cost
18 differences because many times cost differences
19 make companies -- lead companies to make the wrong
20 decision. They may indeed set up two sets of trunk
21 groups so they can avoid paying too much for more
22 Feature Group D trunks than they need.

23 So the best solution here would be to put
24 all the traffic on the LIS trunk. The only
25 exception to that is for meet point traffic where

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1 Level 3 needs to go through a Qwest switch to get
2 to a long distance carrier where Level 3 has no
3 connectivity to them.

4 So in other words, maybe there's a small IXC
5 that Level 3 doesn't have a direct connection to.
6 They need to go through a Qwest switch to get to
7 that. We set up one meet point trunk to a Qwest
8 tandem switch, and all of that traffic goes through
9 that one point. That doesn't mean -- that doesn't
10 negate the issue of efficient trunking for the bulk
11 of the traffic. It's an exception that is a small
12 exception.

13 So I think that's the big issue here,
14 whether Level 3 can combine the traffic on LIS
15 trunks, and I think pay the correct amount, or
16 whether they have to move everything to Feature
17 Group D trunks if they do, because it's going to be
18 more expensive.

19 And I think that's what I was trying to
20 communicate here. The efficiencies of large trunks
21 over two networks, essentially, one a LIS network
22 and one a Feature Group D network. And we had
23 lengthy discussions here in Washington about his
24 issue five years ago with AT&T where I represented
25 the same issue from a slightly different

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1 perspective.

2 AT&T had huge Feature Group D trunks. They
3 wanted to add a little bit of local traffic to
4 them, and Qwest finally conceded that we could do
5 that. And so that went into the SGAT that they
6 could do that here. That was efficient for AT&T.
7 They didn't mind paying the same high rate because
8 it was a small amount of local traffic onto a very
9 large Feature Group D trunk. And they just didn't
10 care about the cost. Here we have the inverse of
11 that.

12 Q I want to ask you about a different issue
13 now. Turn to page 24 of the same testimony, and it
14 has to do with the billing factors discussion. And
15 since I'm not as familiar with the agreement
16 language as you all are, and I didn't hunt for it,
17 does Level 3 propose any language in the agreement
18 relating to audits of billings made under factors
19 method?

20 A I believe we do, yes. And I have actually
21 been in discussions with Bell South and SBC on how
22 to do all of that. And they are doing that today,
23 so I assume it was good enough for them.

24 Q And is that still in dispute here?

25 A The audit language?

0565

1 Q Yes.

2 A I don't know that the audit language is in
3 dispute. Not to my knowledge.

4 Q Now, if you look at page 25, there's
5 discussion on this page about quad links. And my
6 question is, from the technical conference and from
7 reading the testimony, is there really a dispute
8 between the parties about quad link language, or am
9 I not getting it?

10 A I'm not sure what -- whether the language
11 covers it. This is actually a pretty serious
12 issue. I think for me, as an engineer, because the
13 resources on the SS7 network become very dear,
14 trunking is more an issue of -- is an issue of
15 efficiency, as we talked a minute ago.

16 I think the real issue is a price. Who
17 should have to pay -- should Level 3 pay a lot? On
18 this one, the issue is really about resources. You
19 have limitations on signaling transfer points as to
20 the number of ports, and you can eventually run
21 out. So why use double the number of ports on the
22 SS7 network? So that's the issue here.

23 I must admit, I have not studied the
24 language itself to see if this is really coming
25 out. And I know it has been an issue in other

0566

1 regions similar to the trunking issue. But more --
2 the regional carrier wants to get paid for every
3 SS7 call. And for these local calls, they
4 shouldn't -- they don't get paid for 1 plus calls.
5 They do get paid by the message.

6 So the issue has been really one of, they
7 want to be paid for calls. We have a plan to do
8 that, but it again involves factors that are
9 identical really to the factors we're proposing for
10 the traffic itself. So you have 50 percent of the
11 calls are toll, and 50 percent are local. You
12 would pay them for 50 percent of the data traffic
13 on the links, rather than setting up two sets of
14 links.

15 Q So the two sets of links issue is one set of
16 links would be for local, and the other would be
17 for toll?

18 A Yes.

19 Q All right.

20 A And maybe one other clarification that keeps
21 coming up. This issue isn't about unbundled
22 signaling. That gets confused in here. Level 3
23 has it's own signaling network. It's never asking
24 for unbundled signaling from Qwest. It doesn't
25 need it.

0568

1 Q In the state of Washington, to your
2 knowledge, does Qwest have some tandems that are
3 only used for local traffic?

4 A I haven't actually looked. In some states
5 we have pulled the information from the national
6 database. I haven't actually looked. Typically
7 there will be, in a given state there will be one
8 or two tandems that for some reason only handle
9 local traffic.

10 But here again, the efficient way to do this
11 is to have a tandem that handles both local and
12 toll traffic. Now, you have to be careful because
13 in the database a switch may be showing as local --
14 they may show a tandem that seems to be local only,
15 but it's basically a switch can be segmented into
16 two parts, so there can be one side that's local
17 and one side that is toll, but the switch itself
18 actually handles both.

19 Q So to help me understand, you are saying you
20 don't know if they have local tandems in this
21 state?

22 A Local only tandems?

23 Q Right.

24 A I haven't looked to see if they have had
25 any.

0569

1 Q And as a clarification on page 2, lines 25
2 through -- or 25 through 26, is similar to what I
3 asked yesterday. You say, "In the rare case where
4 Qwest has a local tandem switch, Level 3 will agree
5 to only send local traffic to that switch."

6 A Yes.

7 Q If it were true in this state that Qwest
8 only has local tandems, then you would agree to
9 send local traffic there separately?

10 A That's correct. That's correct. We're not
11 asking them to change the nature of any of their
12 switches.

13 Q On one more, on your curriculum vitae
14 attached to -- which is KLW-2, attached to your
15 direct testimony, I notice that you have a long
16 past history with OSS interfaces and support
17 systems?

18 A Yes.

19 Q And I wondered through that time if you had
20 ever seen a time where AT&T, or any of the
21 companies you had dealt with, had turned on the
22 billing type of information that you are talking
23 about on LIS trunks that is provided on Feature
24 Group D, if that had been done on a LIS type trunk,
25 or if it's only been done on Feature Group D?

0570

1 A I had extensive conversations on this
2 subject with Qwest back during the time when AT&T
3 wanted to put local traffic onto their Feature
4 Group D trunks, and MCI wanted to do the same
5 thing. At that time there were no companies like
6 Level 3 who had a preponderance of local traffic
7 and wanted to put a little bit of Feature Group D
8 traffic on a large LIS trunk.

9 So Qwest was developing -- well, Qwest and
10 AT&T agreed to use the PLU, the ratio method, and
11 that was, in fact, used for about five years. Then
12 Qwest, after that time Qwest had developed this
13 feature on Feature Group D trunks where they could
14 actually record everything, and handle it all
15 properly, both local traffic and toll traffic.

16 Since no one had asked to do the inverse, I
17 don't know of anyone who has done that. The
18 other -- in the other regions, to the best of my
19 knowledge, none of the regional BOCs in the other
20 regions have built the capability that Qwest has
21 built to actually correctly bill all of the
22 traffic -- the combined traffic on Feature Group D
23 trunk.

24 So in those regions we were talking to those
25 RBOCs strictly about using the PLU PIU ratio

0571

1 method, and that is what they are all using. So
2 none of them, to my knowledge, does the actual call
3 by call segregation, either on Feature Group D or
4 on LIS trunks in those other regions.

5 Q So I want to make sure I understood. In the
6 other regions, to your knowledge, the other RBOCs,
7 do they have a way to record the details on Feature
8 Group D or LIS trunks that Qwest has?

9 A To the best of my knowledge, none of them in
10 the discussions we had with them, none of them
11 mentioned that capability. The discussions were
12 always about using the factors, and that's what
13 they are doing today.

14 So if they had -- I would assume by process
15 of elimination that if they had had that feature,
16 they would have offered it up as an alternative.

17 MR. WILLIAMSON: That's all I have.

18 JUDGE RENDAHL: Ms. Steel, do you have
19 anything?

20 MS. STEEL: No.

21 JUDGE RENDAHL: Anything further for
22 Mr. Wilson this morning?

23 MR. DETHLEFS: I have no further questions.

24 JUDGE RENDAHL: With that, Mr. Wilson, you
25 are excused. And you may take your plane. And

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1 let's take our morning recess at this time, and be
2 back at 10:45.

3 (Brief recess.)

4 JUDGE RENDAHL: Let's be back on the record
5 after our morning break. And we're going to take
6 the testimony of Dr. William Fitzsimmons.

7 Would you state your full name for the
8 record, please.

9 THE WITNESS: William Lewis Fitzsimmons.

10

11 WILLIAM LEWIS FITZSIMMONS, PhD,
12 produced as a witness in behalf of Qwest, having been
13 first duly sworn, was examined and testified as
14 follows:

15

16 THE WITNESS: Yes.

17 JUDGE RENDAHL: Thank you. Lay a
18 foundation, please.

19

20 DIRECT EXAMINATION

21

22 BY MR. SMITH:

23 Q Dr. Fitzsimmons, by whom are you employed?

24 A A consulting company named LECG.

25 Q And you are based in --

0573

1 A Emeryville, California.

2 Q And in this docket I believe you filed two
3 pieces of testimony, and let me describe them. The
4 first is what has been designated as replacement
5 direct testimony, and has been marked as Exhibit
6 111 T. And attached to that is your vitae, if
7 that's the right term, that has been marked as
8 Exhibit 112. And then reply testimony that has
9 been marked as Exhibit 113 T, and it has no
10 attached exhibits. Did I describe that correctly?

11 A Yes.

12 Q Dr. Fitzsimmons, if I were to propound the
13 questions that are set forth in those two pieces of
14 testimony today, would your answers be
15 substantially the same?

16 A Yes. I do have one correction.

17 Q Okay. Go ahead.

18 A It's on the first testimony you described --

19 Q 111 T?

20 A Right. What I consider my direct testimony
21 or replacement direct, page 9, footnote 15.

22 MR. PORTER: Sorry. What page?

23 THE WITNESS: Page 9, footnote 15, there is
24 a reference to TDM ISP. It should read TDM IP.

25 JUDGE RENDAHL: Just to clarify, my version

0574

1 of the replacement direct testimony, page 9,
2 doesn't have a footnote 15. That footnote appears
3 on page 11.

4 THE WITNESS: I am sorry. I don't have the
5 same copy.

6 MR. SMITH: It's on page --

7 JUDGE RENDAHL: Page 11. Footnote 15, TDM
8 ISP should be TDM IP?

9 THE WITNESS: That's correct.

10 MR. SMITH: We offer Exhibits 111 T, 112,
11 and 113 T subject to cross-examination.

12 MR. THAYER: No objection.

13 JUDGE RENDAHL: With no objection, what has
14 been marked as Exhibits 111 T through 113 T will be
15 admitted.

16 (EXHIBIT RECEIVED.)

17 MR. SMITH: Dr. Fitzsimmons is available for
18 cross.

19

20 CROSS EXAMINATION

21

22 BY MR. PORTER:

23 Q Good morning, Mr. Fitzsimmons.

24 A Good morning, Mr. Porter.

25 Q You are testifying in this case as an

0575

1 economist; is that correct?

2 A That's correct.

3 Q You are not an attorney?

4 A No, I am not.

5 Q Could you please describe to me the
6 materials that you reviewed in preparing your
7 testimony in this case?

8 A I reviewed the ISP remand order, and the
9 associated orders from the FCC.

10 Q By associated orders, you mean like court
11 forbearance order?

12 A Correct. I think there was a previous order
13 to the ISP remand order, and a post. Those are the
14 ones I am referring to. The materials that are
15 indicated in my footnotes in the testimony are
16 materials that I reviewed. Nothing else comes to
17 mind.

18 Q So the ISP remand order, court forbearance
19 order, related orders, and any other materials in
20 the footnotes; is that right?

21 A Yes, footnotes that are described in my two
22 testimonies that I submitted in this proceeding.

23 Q Any other materials that you reviewed to
24 prepare your testimony?

25 A Nothing comes to mind. Let me backtrack on

0576

1 that. I read Mr. Brotherson's testimony, and I
2 don't believe in this state, but certainly other
3 states.

4 Q Okay. Actually I have nothing further.

5 JUDGE RENDAHL: Is there any cross on
6 that -- I mean any redirect on that, excuse me.

7 MR. SMITH: Well, and I would acknowledge it
8 probably goes somewhat beyond the scope of cross,
9 but there is one additional question that I would
10 ask indulgence.

11 JUDGE RENDAHL: You ask, and we will see if
12 there's an objection.

13

14 REDIRECT EXAMINATION

15

16 BY MR. SMITH:

17 Q I was wondering, Dr. Fitzsimmons, if you
18 could briefly address your view of the economic
19 theory that underlies the reciprocal compensation.

20 MR. PORTER: I object, Your Honor. It goes
21 beyond cross.

22 JUDGE RENDAHL: I agree. And it's laid out
23 in the testimony, so there's no need to give an
24 oral presentation on that.

25 I appreciate your testimony, but I don't

0577

1 have any questions either. I would ask you about
2 the toll and access and exchange, but I don't think
3 you are necessarily the appropriate witness to do
4 that for Qwest, so I am going to defer those
5 questions to the other more technical witnesses.

6 And, Mr. Williamson, do you have any
7 questions?

8 MR. WILLIAMSON: No.

9 JUDGE RENDAHL: Ms. Steel.

10 MS. STEEL: No.

11 JUDGE RENDAHL: We appreciate you flying up
12 from the Bay area to enjoy such a beautiful
13 morning, and I hope the return flight is equally
14 nice.

15 Thank you for appearing, and I believe you
16 are excused, unless there's anything further for
17 the witness. Well, thank you very much.

18 THE WITNESS: You are welcome.

19 (Discussion off the record.)

20 JUDGE RENDAHL: Let's be back on the record.

21 We're going to take the testimony of
22 Mr. Easton, but before we get to that point,
23 Mr. Smith and I were discussing two cross exhibits
24 that were marked 17 C and 18 C. And my
25 understanding is that Qwest is withdrawing those

0578

1 two exhibits?

2 MR. SMITH: Yes. We did not use those. We
3 might have in cross-examination, and having not
4 used them, we would withdraw them.

5 JUDGE RENDAHL: With that detail, let's move
6 on to Mr. Easton.

7 Could you please state your full name for
8 the record, Mr. Easton.

9 THE WITNESS: My name is William Easton.

10 JUDGE RENDAHL: Would you raise your right
11 hand, please.

12

13

14 WILLIAM EASTON,
15 produced as a witness in behalf of Qwest, having been
16 first duly sworn, was examined and testified as
17 follows:

17

18 THE WITNESS: I do.

19 JUDGE RENDAHL: Please go ahead and lay a
20 foundation.

21

22

DIRECT EXAMINATION

23

24 BY MR. DETHLEFS:

25 Q Could you state your name and business

0579

1 address for the record?

2 A My name is William Easton. My business
3 address is 1600 7th Avenue, Seattle, Washington.

4 Q And you are employed by?

5 A Qwest Corporation.

6 Q And what is your position?

7 A I am a director of wholesale advocacy.

8 Q Have you prepared testimony for today's
9 hearing?

10 A Yes, I have.

11 Q And does that consist of direct testimony
12 that we marked as Exhibit 71 T, and reply testimony
13 that we have marked as 72 TC; is that correct?

14 JUDGE RENDAHL: TC, and that's because
15 portions are confidential.

16 THE WITNESS: Yes, that's correct.

17 Q BY MR. DETHLEFS: Do you have any
18 corrections that you would like to make to your
19 testimony?

20 A No, I do not.

21 Q If you were asked the questions today that
22 were contained in your testimony marked as Exhibit
23 71 T and Exhibit 72 TC, would your answers today be
24 the same?

25 A They would.

0580

1 MR. DETHLEFS: Qwest would offer into
2 evidence Mr. Easton's prefiled replacement direct
3 testimony, which we marked as Exhibit 71 T, his
4 reply testimony that we marked as 72 TC, as well as
5 Exhibit 74, which was attached to that. I believe
6 Exhibits 73 and 75 have already been admitted.

7 JUDGE RENDAHL: And that's my understanding.

8 So is there any objection to admitting into
9 the record what's been marked as 71 T, 72 TC, and
10 74?

11 MR. SAVAGE: No.

12 JUDGE RENDAHL: No objection, so those
13 exhibits will be admitted.

14 (EXHIBIT RECEIVED.)

15 MR. DETHLEFS: With that, we will offer
16 Mr. Easton for cross-examination.

17 JUDGE RENDAHL: Thank you very much.

18 Mr. Savage.

19

20 CROSS EXAMINATION

21

22 BY MR. SAVAGE:

23 Q Good morning.

24 A Good morning.

25 Q You create the illusion of organization, and

0581

1 I want to tell you, there are four areas I want to
2 ask you about. I may jump around a little bit, but
3 I will let you know when I'm going to jump from one
4 to the other.

5 I want to ask you a little bit about your
6 background. I want to ask you a little bit about
7 the numerical calculations you make, about how much
8 it would cost Level 3 to do their business the way
9 QCC does it at the end of your reply testimony. I
10 want to ask you about the discussion that you have
11 about responsibility for interconnection costs, and
12 then the notion of combining traffic on LIS trunks.

13 So let's start with your background. Am I
14 correct that -- I didn't miss it that there's
15 nothing in your testimony that provides any
16 description of your education and employment
17 history? If it's there, I apologize. I didn't see
18 it.

19 A Typically I do. You are correct on this
20 replacement testimony. I don't see anything on my
21 background.

22 Q Well, good. Then I'm not embarrassed from
23 having not seen it.

24 Why don't we start with your current
25 position as director of wholesale advocacy. It

0582

1 sounds like you are muscling in on my territory, so
2 I was wondering what that actually was.

3 A Well, I'm not involved in the law as we
4 discussed, so certainly not muscling in in that
5 respect. My job entails testifying in regulatory
6 proceedings related to wholesale issues, typically
7 representing product and policy considerations. I
8 would testify in arbitrations, such as we have
9 today. I would also testify in wholesale customer
10 complaints, and finally would be involved in cost
11 dockets where rates are being set for various Qwest
12 wholesale products.

13 Q And how long have you been in that position?

14 A I have been in this position since fall of
15 2001.

16 Q Now, prior to that, when did you first start
17 working for Qwest or its predecessor?

18 A Qwest or its predecessors, I started in
19 1980.

20 Q Wow. Another old-timer. That's good. What
21 substantive areas of responsibility have you
22 actually done in your work with Qwest over those
23 years?

24 A Prior to this last assignment, which, as I
25 stated, began in 2001, I was involved in various

0583

1 financial areas for the company, worked in the
2 finance organization. My most recent job prior to
3 becoming a director of wholesale advocacy, I was
4 director of wholesale finance and responsible for
5 tracking revenues associated with various Qwest
6 wholesale products.

7 Q And could you generally describe what it is
8 that you did when you say tracking revenues? What
9 I imagine -- and tell me if this is wrong -- your
10 banks, and various people who actually collect the
11 bills will tell you this month we received \$5,000
12 for this, \$5 million for that, et cetera, et
13 cetera, and your job is to collate that and present
14 it?

15 A Well, actually it was to help set the
16 targets for each of our wholesale product lines,
17 worked with the product managers, worked with our
18 network organizations, worked with upper management
19 to develop budgets. And then throughout the year
20 to measure performance against those budgets.
21 Again, report deviations to upper management,
22 explain why we exceeded targets, or perhaps why we
23 missed targets.

24 Q So, for example, a product may come up
25 later, the QPP Qwest platform plus product is a

0584

1 wholesale product that you offer that is a
2 replacement for what we used to know as UNE-P,
3 capital U-N-E-P; is that right? Is that what QPP
4 is?

5 A That's correct.

6 Q And is that the kind of thing that you would
7 have -- Qwest would have a target that, okay, we
8 want to sell 100,000 of those at \$10 a pop, or
9 whatever it is?

10 A Yes, that's correct.

11 Q And do you have any background in, or any
12 education or training that particularly qualifies
13 you to do these kind of financial analyses?

14 A I have a master's in business
15 administration, and I am a certified management
16 accountant.

17 Q And now prior to -- well, let me see if I
18 can shorten this. Have all of your positions from
19 1980, prior to your current wholesale advocacy
20 position, have they all been in the area of finance
21 drawing on your expertise as a CMA and MBA?

22 A All except my very first position. I hired
23 in as database quality assurance administrator for
24 a new computer system we were developing.

25 Q The TIRK system?

0585

1 A TIRKS.

2 Q TIRKS, T-I-R-K-S, trunk integrated record
3 keeping system?

4 A Very good.

5 JUDGE RENDAHL: Thank you.

6 MR. SAVAGE: I have been told that this is
7 an AFZ, acronym free zone.

8 JUDGE RENDAHL: This is an acronym free
9 zone, yes.

10 Q BY MR. SAVAGE: Other than that position,
11 keeping track of trunks and TIRKS, it's all been
12 finance?

13 A That's correct.

14 Q You are not a computer programmer?

15 A I have done some programming as part of my
16 financial responsibilities, but not in recent
17 years.

18 Q What programming languages do you know well
19 enough to do programming --

20 A BASIC. This was many years ago.

21 Q Do you know COBOL?

22 A No.

23 Q Do you know FORTRAN?

24 A No.

25 JUDGE RENDAHL: Could you spell these for

0586

1 the record?

2 MR. SAVAGE: C-O-B-O-L. And I apologize. I
3 don't remember what that stands for. FORTRAN is
4 also all caps, F-O-R-T-R-A-N. And that stands for
5 Formula Translation.

6 Q BY MR. SAVAGE: You don't know the C
7 language?

8 A No.

9 Q Have you ever been involved in network
10 engineering?

11 A I did -- was budget person in that work
12 organization, so gained some familiarity there in
13 terms of the functions, but in terms of forming
14 network engineering, no, I have never done any of
15 that.

16 Q Hypothetically, if it were necessary to
17 reconfigure Level 3's trunking architecture with
18 Qwest from a LIS, a LIS architecture to Feature
19 Group D architecture, there are people at Qwest who
20 would figure out what needed to be done on a
21 technical level, but you would not be one of them?

22 A I would not be a person they would probably
23 come to for that.

24 Q And I guess in another area, are you
25 familiar with what is known in the trade as an AMA

0587

1 recording system?

2 A I am familiar with the term, yes.

3 Q AMA is all caps, stands for automatic
4 message accounting. Do you know generally what
5 that is?

6 A Yes.

7 Q What is your understanding of what that is?

8 A That is, as you mentioned, message
9 accounting. That is how we would record minutes of
10 use, and use that as a basis to do billing for
11 toll.

12 Q And this isn't meant to be a test of your
13 memory, but do you remember -- and I will represent
14 to you the answer is yes -- but do you remember
15 whether the parties have an agreed definition of
16 what AMA means in their interconnection agreement?

17 A I believe they do.

18 Q Now, do you have any idea, given your own
19 background and expertise, how AMA actually works?
20 I mean, what it is that happens within the device,
21 the software, the hardware, to permit the recording
22 to take place?

23 A Not in any great detail, no.

24 Q So going back to my hypothetical example of
25 reconfiguring Level 3's network, if a switch

0588

1 technician at the Central Office needed to take
2 down a LIS trunk and put up a Feature Group D trunk
3 in order to ensure that AMA was on it, you wouldn't
4 have any idea what they would actually have to do
5 to make that happen; is that fair?

6 A No.

7 Q It is fair that you wouldn't have an idea?

8 A That's correct.

9 Q Moving up the food chain of billing, the AMA
10 process, if I'm not mistaken, creates these AMA
11 records, but the raw AMA records are not themselves
12 used to generate bills; is that correct, to your
13 understanding?

14 A That's my understanding. It would be an
15 input to the billing process.

16 Q Let me stop you there. Are you familiar
17 with a process called mediation?

18 A No.

19 Q So if I were to ask you whether, in the
20 world of generating telecom bills, the next step is
21 to take AMA recordings and put them through a
22 mediation process, the output of which is industry
23 standard call detail records, you would not have a
24 basis to say that's either right or wrong?

25 A I have an understanding that there is a

0589

1 process that goes on. Whether that's called
2 mediation or not, I don't know.

3 Q So somehow all of that raw data sitting in
4 the switch is converted to a call detail record for
5 each call called a CDR; is that correct?

6 A That's correct.

7 Q And then the CDR, the call detail records,
8 are the actual input to the billing system, then
9 looks at the called number, the calling number, et
10 cetera, and decides what to do with each call?

11 A That's correct.

12 Q But if there were something wrong with the
13 process of converting AMA records to CDRs, again,
14 given your background and responsibilities, that's
15 not -- Qwest wouldn't ask you to fix that? They
16 would go to somebody else?

17 A That's correct.

18 Q And then the next chain up, if the CDRs are
19 fine, but somehow the software that actually looks
20 at the CDRs and decides what to do with them, if
21 that needed to be changed, if that needed to be
22 modified, that also wouldn't be something that is
23 in your bailiwick?

24 A That is correct.

25 Q Let's start at the end. Let's go to the

0590

1 very end of your reply testimony. And when I say
2 the end, I guess what I am talking about is it
3 starts at the bottom of page 19 of 72 TC, and goes
4 all the way to the end of 72 TC.

5 MR. SAVAGE: And just for the record,
6 although I am going to be -- this is the portion of
7 the testimony that contains the information that is
8 marked confidential. I don't think either my
9 questions or his answers will end up being
10 confidential. If I am mistaken about that, I am
11 hoping we can deal with it at the time.

12 JUDGE RENDAHL: We will deal with it at the
13 time. So if you can avoid -- there is very little,
14 as I understand, on those two pages that are
15 designated as confidential, and if you can avoid
16 identifying the particular items that are
17 designated confidential, then we can get around it.

18 MR. SAVAGE: There's a couple of numbers
19 that I don't think we need to deal with.

20 Q BY MR. SAVAGE: Is it fair to characterize
21 what you are doing in this part of your testimony,
22 as trying -- based on publicly available tariff
23 information, trying to come up with some estimate
24 of how much it might cost Level 3 to create an
25 architecture for interconnecting with Qwest and

0591

1 serving ISP customers that is essentially the same
2 as the architecture that QCC uses?

3 A What I was attempting to respond to was
4 statements and analysis contained in Mr. Greene's
5 testimony, which I would characterize as being a
6 worst case analysis, that if Qwest's language were
7 the outcome of this arbitration, it would increase
8 Level 3's cost by 296 percent.

9 So what I was attempting to do in this
10 portion of my testimony is demonstrate that, in
11 fact, there are alternative configurations that
12 Level 3 could avail themselves of that would be
13 significantly less expensive than the calculations
14 Mr. Greene made.

15 Q But my question is, isn't the fact -- and I
16 direct your attention to page 20 of your reply at
17 lines 9 through 14, isn't it a fact that the
18 particular alternative that you were trying to
19 price out, if you will, is the interconnection
20 architecture that QCC uses?

21 A That's correct.

22 Q I want to make sure I understand your
23 analysis. And most of that analysis, I think,
24 occurs on page 21, lines 2 through 15, where you go
25 through it. And there is a confidential number

0592

1 there on line 14, but I'm not going to touch it if
2 I can avoid it.

3 First of all, let's get some terminology.
4 As I understand, what you have done here, you have
5 said that in order -- given essentially what local
6 calling areas are local to what other local calling
7 areas, and we will need to clarify those terms in a
8 bit, Level 3 would need to have PRIs in 11
9 different local calling areas in Washington in
10 order to be able to get local calls into those
11 local calling areas from everywhere that you serve
12 in Washington?

13 A That's correct.

14 Q Are you familiar with the term "full house"
15 used in that context?

16 A No, I am not.

17 Q So what you say is -- and this is now on
18 line 5, the price of a PRI is in the range of \$700
19 to \$125,000 per month?

20 A Correct.

21 Q And am I correct that PRI stands for primary
22 rate interface?

23 A That's correct.

24 Q And it refers to a network connection, I
25 believe it's called a trunk side connection, that

0593

1 contains 23 bearer channels for actual transmission
2 of customer data and one data channel?

3 A Essentially a very large pipe.

4 Q I guess "large" is relative. But am I not
5 correct that it's precisely 23 different channels?

6 A I believe that's correct. And certainly
7 Mr. Linse could go into more detail.

8 Q Well, go with me on this. Assume for the
9 minute that 23 is the right number. So assuming
10 that is true, going through this little
11 calculation, okay, we need a PRI in 11 calling
12 areas. That's 11 PRIs. And taking the lower
13 number, going on your calculation, it's 7,700
14 bucks. And then transport back to our location in
15 Seattle, and you picked 50 miles as a number to use
16 for purposes of calculation. And we understand it
17 could be more or less. And that got you \$2,839 a
18 month, times 11 local calling areas.

19 You add it up and, again, using the lower
20 number, saying, well, it's 38,929 bucks. That's 11
21 PRIs, one in each of the calling areas brought it
22 back to the Seattle on the DS3?

23 A That's correct.

24 Q Do you know how many -- back up for a
25 second. For the rest of this discussion, assume,

0594

1 when I refer to a trunk, I am referring to what is
2 called a DS0 level connection, one voice grade
3 connection?

4 A Yes.

5 Q Is that how you understand the term?

6 A Yes.

7 Q So a PRI with 23 of them has essentially 23
8 trunks on them?

9 A Yes. Okay.

10 Q And a DS3, as we know, has 28 of -- can
11 handle actually 28 DS1s, so it has 672 trunks on
12 it?

13 A That's correct.

14 Q Do you know how many active trunks that
15 Level 3 has presently between Qwest and Level 3 in
16 Washington?

17 A No, I don't. I heard Mr. Greene give a
18 figure nationwide with all the RBOC's, but I don't
19 know Washington specific figures.

20 Q Assume for purposes of the remainder of this
21 conversation that the right number for that is in
22 the record, because I believe it is, but B is
23 approximately 32,000?

24 A Okay.

25 MR. DETHLEFS: Does that mean all the

0595

1 questions you are going to ask from now on are
2 hypothetical?

3 MR. SAVAGE: No. I asked him to assume it's
4 32,000, but I believe that is in the record and
5 came from Mr. Greene. I believe he testified to
6 the number of trunks we have active in Washington.
7 I may be wrong, and we will find out when the
8 transcript is done.

9 MR. DETHLEFS: It makes a difference,
10 because your questions are either hypothetical
11 questions, or there is some foundation for them.

12 MR. SAVAGE: My recollection is that the
13 32,000 number was in the record through Mr. Greene
14 in response to a question, either on cross or
15 redirect.

16 JUDGE RENDAHL: Well, since we don't have
17 the transcript, you are going to have to ask it as
18 if it's a hypothetical, or subject to check, which
19 we could ask it subject to check.

20 Q BY MR. SAVAGE: Does Qwest know how many LIS
21 trunks it's selling to Level 3?

22 A I am sure someone could pull that figure up.
23 I don't know that figure.

24 Q Could you accept, subject to check, that the
25 number is approximately 32,000?

0596

1 A I will accept that, subject to check.

2 Q So moving forward, if we were to try to
3 implement this architecture you have discussed, one
4 PRI in each of these 11 calling areas, and one DS3
5 back wouldn't be enough capacity to handle 32,000
6 active trunks, would it?

7 A That, I can't tell you. Perhaps Mr. Linse
8 can get into more details.

9 Q Assume for me -- and we may have to take
10 this up with Mr. Linse, but assume for me in
11 fact -- well, we know that a PRI has 23, right?

12 A That's correct.

13 Q So did you bring a calculator with you?

14 A I have a Palm Pilot.

15 Q Here, we can use this one. I want you to
16 check my math. You pull it -- it's a skills test.

17 JUDGE RENDAHL: The best way to do this is
18 ask the questions subject to check, and then he can
19 check them on a break and get back to you. And
20 then you don't have to have the witness do
21 calculations on the stand.

22 MR. SAVAGE: I'm happy to do that.

23 Q BY MR. SAVAGE: Let me do this. Would you
24 accept, subject to check, that in order to have a
25 32,000 trunk network using this architecture, Level

0597

1 3 would have to buy 1,391 PRI's, more less?

2 A It would depend on how much traffic you had
3 in the various local calling areas. You may not
4 have the same size pipe in each local calling area.

5 Q So it's not -- I am not suggesting 1,391 in
6 any one local calling area. I am suggesting
7 calling wide, if we have 32,000, translating that
8 to PRIs would be approximately 1,391, if my math is
9 correct. Isn't that what you need to do?

10 A I don't know what the traffic flows are for
11 Level 3. I will accept that if you tell me that's
12 what the Level 3 traffic flows would indicate would
13 be necessary. As I indicated in my testimony, I
14 had to make some necessarily very high-level
15 assumptions.

16 Q But the high-level assumption it looks like
17 you made in generating these numbers is that one
18 PRI per local calling area is all that would be
19 incurred.

20 A That is the assumption that went into these
21 numbers, that's correct.

22 Q Now, given the size of Level 3's network, I
23 think you would have to admit that that is more
24 than a high-level assumption. That can't be right
25 that we only need one PRI per local calling area;

0598

1 isn't that right?

2 A That was my assumption there. You are
3 suggesting that that would not handle the quantity
4 of traffic. I don't know what the quantity of
5 traffic was for Level 3, and I assumed one PRI
6 would be sufficient.

7 Q Were you here yesterday when Mr. Greene was
8 testifying about the total amount of traffic that
9 Level 3 handles nationwide?

10 A Yes.

11 Q Do you recall him commenting that it's a
12 billion minutes a day nationwide?

13 A I believe I heard that figure.

14 Q Do you think we would all be here if the
15 volume of traffic that Level 3 actually exchanges
16 in Washington could be handled by one PRI in 11
17 local calling areas?

18 MR. DETHLEFS: Objection; it's not relevant
19 why we're all here.

20 JUDGE RENDAHL: I think it's argumentative.
21 So I agree with the objection, and will let you
22 move on.

23 MR. SAVAGE: I will.

24 Q BY MR. SAVAGE: Assuming it's 1,300, would
25 you agree that would amount to a price to Level 3

0599

1 of somewhere between \$973,000 and \$1.4 million per
2 month, simply for the PRIs?

3 A I will accept that subject to check, not
4 having done the calculation myself.

5 Q And if we brought that back on DS3, that
6 volume of traffic, that we would probably need at
7 least four DS3s per local calling area at a price
8 of \$124,900 per month, subject to check?

9 A Subject to check.

10 Q So subject to check, the yearly cost of the
11 architecture you are suggesting for Level 3 here
12 ranges from \$13 million to \$18 million per year,
13 subject to check?

14 A Subject to check.

15 Q Can you -- would you agree that Level 3
16 might be hesitant to embrace an architecture that
17 increases its out-of-pocket expense to that level?

18 A I think that would be correct. I would like
19 to see the calculations, and -- well, I don't think
20 it's necessary to sit here and do the calculations
21 today. But I think, you know, to do a detailed
22 analysis I would need to sit down and look at the
23 traffic flows from each of those offices, and do
24 the appropriate sizing.

25 Q Indeed. You didn't do that in generating

0600

1 these numbers?

2 A I did not do that in this analysis. I noted
3 in the testimony it's necessarily very high level.
4 I would be very surprised if the figures, even
5 taking into account the sizing I was just talking
6 about, came out in the neighborhood you referred
7 to.

8 Q Do you have --

9 MR. SAVAGE: Your Honor, how would you like
10 me to proceed? He accepted the number subject to
11 check --

12 MR. DETHLEFS: Objection. There's been no
13 testimony on any of those numbers. He's not
14 testifying to those numbers. You asked him to
15 accept it, and he said okay, I accept it. But
16 there's no evidence on any of those points.

17 MR. SAVAGE: Your Honor, this is the problem
18 I have. If I am not permitted to essentially make
19 him do it, then his testimony is well, gee, I don't
20 know. It's all very complicated. I have to check
21 the numbers.

22 JUDGE RENDAHL: The Commission's rules on
23 the subject to check, and I can find the reference
24 to you -- allow the witness, and require the
25 witness to actually go back and check the numbers.

0601

1 And then if there's an objection to the
2 numbers, then I believe there's an opportunity to
3 do that. And at a break we can go over so you are
4 all aware how that works. I believe Ms. Anderl may
5 be able to clarify that for the witness as well.
6 But there is a provision in the rules for doing
7 that. I don't think there needs to be further on
8 that.

9 MR. SAVAGE: Okay. That's fine.

10 Q BY MR. SAVAGE: Let me ask you then,
11 shifting to a different area, this notion of I
12 guess it's sort of interconnection obligation and
13 costs. Could you take a look at your direct
14 testimony, which is 71 T, on page 5, at lines 1
15 through 2?

16 A Excuse me, what was the line number?

17 Q 1 and 2.

18 A I am there.

19 Q There you say, "Qwest has fulfilled its duty
20 to provide interconnection by developing local
21 interconnection service, LIS for CLECs to
22 interconnect with Qwest."

23 My first question is, did you personally
24 have any involvement in the development of the LIS
25 product?

0602

1 A No.

2 Q Then how do you know that that is what Qwest
3 did?

4 A Because I have been back and looked through
5 the 271 transcripts. I have been through our
6 product catalogs. I am aware of Qwest LIS
7 offerings. And I am aware that those were
8 developed to fulfill our obligations under the
9 Telecom Act.

10 And going through that 271 process, it was
11 recognized that Qwest had, in fact, fulfilled its
12 obligations. So my statement there would be based
13 on that.

14 Q Well, moving on with some trepidation on the
15 area of the law, although you did mention the
16 Telecom Act, would you take a look at No. 77, which
17 is Section 251, or at least the first part of 251.

18 MR. DETHLEFS: Your Honor, we're asking
19 questions about a statute.

20 JUDGE RENDAHL: Yes, I understand. And I
21 also agree that that didn't need to be pulled out
22 of the testimony yesterday, and didn't need to be
23 stricken. So to the extent that Mr. Savage needs
24 to delve into this, I have allowed that there will
25 be cross-examination on this.

0603

1 MR. SAVAGE: If you give me my motion to
2 strike, we can make this a lot shorter.

3 MR. DETHLEFS: I'm not going to give you
4 that.

5 Q BY MR. SAVAGE: Do you have that in front of
6 you?

7 A I do.

8 Q It's on the second page, and I printed it
9 out of a book. But it says 92 at the bottom. And
10 at the top it has Interconnection. And this is
11 Section 251 C2.

12 You said your LIS trunks were developed to
13 fulfill Qwest's obligations under the Telecom Act,
14 this is what you were talking about, right? The
15 duty to provide interconnection?

16 A Yes.

17 Q Now, would you agree with me that Section 2A
18 says, "The kind of interconnection this provision
19 provides for is for the transmission and routing of
20 telephone exchange service and exchange access."
21 That's what it says?

22 A Yes. Yes, it does.

23 Q Do you know what either of those terms
24 means, telephone exchange service or exchange
25 access?

0604

1 A Yes.

2 Q Are you aware that both of them are defined
3 terms in the Telecommunications Act?

4 A They are.

5 Q And what is your understanding of what
6 telephone exchange service means?

7 A That's providing of local service within the
8 telephone exchange.

9 Q We will get the definition if we need to.
10 What is your understanding of what exchange access
11 means?

12 A Exchange access is provided to interexchange
13 carriers so that interexchange calls can be
14 originated or terminated in a local exchange.

15 Q Could you take a look at what is No. 80,
16 which is more from the statute. It's the
17 definition section -- part of the definition
18 section of the statute.

19 And if you look at the bottom of the second
20 page of the exhibit, No. 3, would you agree with me
21 that what exchange access means, according to the
22 statute, is the offering of access to telephone
23 exchange services or facilities for the purpose of
24 the origination or termination of telephone toll
25 services?

0605

1 MR. DETHLEFS: Your Honor, I want to make an
2 objection. I understand that certain parts of his
3 testimony weren't stricken. But basically what
4 counsel is trying to do is set up a legal argument
5 about what the meaning of those words are. And so
6 in my cross, what I have to come back to is what
7 does the FCC say about those words in the first
8 report and order. This is all brief material.

9 MR. SAVAGE: Actually, that's not quite
10 where I was going. There's certainly brief
11 material in it, but I was trying to set up some
12 factual inquiry.

13 JUDGE RENDAHL: Is there anything else you
14 need to inquire into the law before we get to that
15 point?

16 MR. SAVAGE: No, I just want to make sure
17 that we're here, that my next question was facts.

18 JUDGE RENDAHL: Let's move on.

19 Q BY MR. SAVAGE: In what way do your LIS
20 trunks provide for the transmission and routing of
21 exchange access traffic from Level 3 to Qwest or
22 vice versa?

23 A Well, LIS trunks, if you look at the
24 language in the agreement, allow for jointly
25 provided switched access traffic. So that CLEC

0606

1 customers can get to and from their preprescribed
2 interexchange carrier.

3 Q Could you take a look at No. 1, which is
4 your version of the agreement.

5 JUDGE RENDAHL: Let's be off the record for
6 a moment.

7 (Discussion off the record.)

8 JUDGE RENDAHL: Let's be back on the record
9 since we have Exhibit 1. And we're looking for the
10 definition of jointly provided switched access.

11 MR. SAVAGE: And it's not in the definition
12 section, so I have to find it. Sorry to defer
13 this. There we go. It's under the definition of
14 meet point billing, which appears in Section 4 on
15 the page that is numbered 21.

16 JUDGE RENDAHL: 20 or 21?

17 MR. SAVAGE: 21. It's the very first one on
18 the top of the page.

19 JUDGE RENDAHL: My version -- and this is
20 where we get computerized differences -- the
21 version that was submitted by Qwest appears on page
22 20, meet point billing?

23 MR. SAVAGE: Yes. Or MPB or jointly
24 provided switched access.

25 JUDGE RENDAHL: And that appears on page 20

0607

1 of the filed version.

2 Q BY MR. SAVAGE: Now, you would agree that
3 the parties -- as far as you know, this definition
4 is not in dispute between the parties. Is that
5 fair?

6 A I believe that's correct.

7 Q And it refers to an arrangement where two
8 LECs jointly provide access to an interchange
9 carrier, with each LEC receiving an appropriate
10 share of the revenues as defined by their
11 appropriate tariffs?

12 A That's correct.

13 Q And the prototypical situation for jointly
14 provided switched access, I think you will agree,
15 is one in which, let's say a CLEC has an end office
16 switch that subtends an ILEC's access tandem. The
17 CLEC doesn't have a direct connection to a
18 particular long distance carrier, so one of its
19 customers wants to make a call to Washington D.C.

20 That call will route from the end user to
21 the CLEC switch to the ILEC tandem, off to the
22 interexchange carrier, and off to the world.

23 That's outbound or originating jointly provided
24 switched access?

25 A I would agree with that.

0608

1 Q And the way it works, basically, in that
2 scenario, the CLEC charges the IXC for what it
3 does, which is basically originating end office
4 functions, and the ILEC charges the IXC for what it
5 does, which is basically tandem switching functions
6 and then they split the transport?

7 A Both parties have provided a portion of the
8 access, which is why they call it jointly provided
9 switched access, yes.

10 Q So now it also works in the other direction,
11 so if a call comes in from Minneapolis to Seattle,
12 the long distance carrier, if it doesn't have a
13 direct connection to the CLEC, will end it to the
14 ILEC tandem. The ILEC will recognize the number as
15 belonging to the CLEC, send it to the CLEC, down to
16 the customer. And at the end of the day the ILEC
17 charges for tandem switching and some transport,
18 and the CLEC charges the end office functions, and
19 then whatever transport it may have provided?

20 A That's correct.

21 Q Is there anything that you see in the
22 definition of meet point billing that contemplates
23 or requires that it is the ILEC that provides the
24 tandem function for incoming access?

25 A Would you repeat that, please.

0609

1 Q Is there anything in the definition that you
2 can see that either contemplates or requires that
3 for incoming jointly provided switch access, it is
4 the ILEC that will provide the tandem function?

5 A No, it doesn't specify that. The definition
6 makes pretty clear that there are going to be two
7 carriers involved. And the exchange access, it
8 doesn't specify who is going to have the tandem and
9 who is responsible for the end office.

10 Q So to the extent that a CLEC has a switch
11 surveying a broad area, and that switch has direct
12 connectivity to a wide variety of end offices, an
13 ILEC could choose to direct its traffic to the CLEC
14 and have the CLEC then directed on to the
15 appropriate end office; isn't that correct?

16 A They could. I am not aware of situations
17 where that happens. In fact, it's the ILECs who
18 tend to have the ubiquitous network, and would have
19 the tandem switches.

20 Q But, in fact, if a CLEC had a switch that
21 had multiple capabilities, and wanted to compete
22 with the ILEC in the provision of tandem
23 functionality, nothing that you are aware of would
24 prevent the CLEC from soliciting business from
25 IXCs, saying, connect to me, and I will get your

0610

1 traffic out to the end offices cheaper and more
2 efficiently than the ILEC can. That's perfectly
3 legal?

4 A Nothing I am aware of would prohibit that.

5 Q And if that were to occur, that would be a
6 form of jointly provided switched access?

7 A Let's go through the example again. So it
8 would be an ILEC going through a CLEC's tandem?

9 Q And it would be incoming, an IXC with a call
10 coming in from Los Angeles, goes to the CLEC switch
11 which is functioning as a tandem, recognizes that
12 call as bound for a particular Qwest customer. The
13 CLEC would then route that to the appropriate Qwest
14 end office?

15 A That would be an example of jointly provided
16 switched access.

17 Q So as far as you understand it, it is
18 perfectly okay for Level 3 to do that, and send
19 that traffic over LIS trunks?

20 MR. DETHLEFS: Are you asking about under
21 this agreement?

22 MR. SAVAGE: Under this agreement, as with
23 his restrictions on LIS trunks, with this
24 definition.

25 Q BY MR. SAVAGE: Wouldn't that be perfectly

0611

1 fine?

2 A That would be perfectly fine if, in fact,
3 that was what Level 3's network was configured to
4 do, and what Level 3 was intending to do. That is
5 not what I understand Level 3 to be proposing in
6 this proceeding.

7 Q Well, suppose an IXC were to come to Level 3
8 and were to say, I think Qwest tandem rates are too
9 expensive. Frankly, I think Qwest transport rates
10 are too expensive. I would like you to take my
11 traffic bound for Qwest customers, switch it as
12 necessary at your devices in Seattle, whatever they
13 are, and point it out to the right end offices.

14 I think we have established that would be
15 jointly provided switched access. I am wondering
16 how you think that differs from what Level 3's
17 proposal is.

18 A We will let Mr. Linse get into the
19 definition of what is and is not an appropriate
20 tandem switch. I would suggest to you that my
21 understanding of what Level 3 is proposing, and
22 this is based on what I have heard Mr. Greene say
23 in a number of states, is that Level 3 is proposing
24 to aggregate IXC traffic, and then terminate it
25 using LIS trunks.

0612

1 The reason that would be appealing from a
2 business perspective is that IXCs are required to
3 interconnect with Qwest using Feature Group D at
4 tariffed rates. To the extent that Level 3 would
5 be able to terminate using LIS trunks at TELRIC
6 rates, they would have a very significant price
7 advantage over what AT&T or other interexchange
8 carriers are able to do today.

9 Q Well, gosh, there's a lot there. If I am an
10 IXC, I am not required to use Qwest at all if I
11 don't want to, am I?

12 A No, you are not.

13 Q So in your answer you said IXCs are required
14 to interconnect using Feature Group D. You didn't
15 mean they were forced in any way to come to Qwest?

16 A No. But what I meant is when an IXC
17 interconnects with Qwest, they interconnect using
18 Feature Group D and pay the full Feature Group D
19 tariffed rates.

20 Q Now, to the extent that Level 3 wanted to
21 compete with Qwest in the provision of terminating
22 access service by providing a tandem switching
23 functionality and outbound routing, Level 3 is
24 perfectly entitled to do that. I think we're okay
25 on that one, yes?

0613

1 A Again, I would defer to Mr. Linse whether
2 what Level 3 is proposing is actually tandem
3 switching functionality.

4 Q Do you yourself have any idea what tandem
5 switching functionality is?

6 A Not in terms of a technical definition. I
7 certainly have a lay understanding. But, again,
8 there are technical definitions around what
9 constitute a tandem switch.

10 Q What is your lay understanding of what
11 constitutes a tandem switch?

12 A A tandem switch is a switch that is
13 subtended by several end offices, and those end
14 offices can send traffic to that tandem switch and
15 on out through the network. It's a way of
16 achieving switching efficiency.

17 Q Let's take a look -- and move onto something
18 slightly different.

19 Take a look at your testimony, your direct
20 testimony on page 4, lines 4 through 6.

21 A If I could have just a moment here, please.
22 So we're talking direct testimony, page 4?

23 Q Lines 4 through 6, the sentence that starts
24 "Qwest intends."

25 A Let me get some of this paper out of the way

0614

1 here.

2 Q We should all have computers. They just --

3 A Page 4, lines 1 through 6.

4 Q Lines 4 through 6?

5 A I am there.

6 Q What you say there is, "Qwest contends that
7 Level 3 is responsible for compensating Qwest for
8 the interconnection costs that Qwest incurs to
9 honor Level 3's request." Do you see that?

10 A I do.

11 Q What do you mean by the phrase,
12 "interconnection costs" in that testimony?

13 A When Level 3 comes to Qwest and asks to be
14 interconnected, Qwest provides for facilities to
15 facilitate that interconnection. And so in so
16 doing, Qwest incurs cost. And in the language in
17 the agreement we talk about such things as entrance
18 facilities, and direct trunk transport,
19 multiplexing. All of those services that Qwest is
20 providing have associated cost.

21 Q In your mind, do you draw a distinction
22 between interconnection in the sense of plugging
23 two things together on the one hand, and let's call
24 it transport, broadly speaking, of carrying stuff
25 back and forth to the point where the plugging in

0615

1 takes place?

2 A FCC has certainly made that distinction.

3 Q I know they have. I was wondering if you
4 did?

5 A I would agree with that distinction. I
6 would suggest to you when we talk about the Qwest
7 local interconnection service products, or LIS
8 products, we're really combining the two. In other
9 words, LIS consists of the entrance facility, or a
10 mid-span meet, or co-location. Which would, in
11 fact, constitute the interconnection or the joining
12 of those two networks.

13 In addition, the LIS products provides for
14 common transport or direct trunk transport, the
15 transport piece. Both of those, the connection of
16 the networks and the transport within the Qwest
17 network, are necessary if you are going to have
18 true interconnection and be able to originate and
19 terminate calls to the end users.

20 Q Let me see if I understood what you just
21 said, and tell me if I got it right. You
22 understand that the FCC makes a distinction between
23 interconnection in the sense of plugging two things
24 together, and the transport and carrying of traffic
25 to that point where the plugging together takes

0616

1 place. You understand that distinction. Your LIS
2 product embraces both the plugging together and the
3 hauling back and forth?

4 A I would agree with that.

5 Q Broadly speaking, okay.

6 MR. SAVAGE: It's 10 of 12, Your Honor. I
7 am about to start on another line of things. It
8 may be 20 minutes. Do you want me to do that, or
9 do you want me to break and come back later?

10 JUDGE RENDAHL: How much more do you have?
11 Is there more of the cross than 20 minutes?

12 MR. SAVAGE: Yes.

13 JUDGE RENDAHL: I suggest we break now. And
14 before we go off the record, I did want to clarify
15 something that I didn't do on the record at the
16 beginning of the record yesterday, which is sitting
17 to my right is Bob Williamson. He's the
18 Telecommunications Staff, and is acting as the
19 technical advisor for me in this arbitration.

20 And to Mr. Williamson's right is Ms. Lisa
21 Steel, who is the Commission's policy advisor on
22 telecommunications issues.

23 So to the extent it's not clear in the
24 record that Ms. Steel and Mr. Williamson are here
25 and assisting me, now the record is clear.

0617

1 So thank you very much. And with that, we
2 will be on lunch recess until 1:30.

3 Off the record.

4 (Lunch recess taken.)

5 JUDGE RENDAHL: Let's be back on the record
6 after our lunch break, and we're continuing with
7 Mr. Savage's cross-examination of Mr. Easton.

8 Q BY MR. SAVAGE: Let's take a look at -- take
9 a look at your direct testimony -- I apologize.
10 Your reply testimony at page 5, lines 19 through
11 20.

12 A (Complies.)

13 Q And we will get to POIs and DEOTs in a
14 little bit. But do you see where you are -- you
15 were mocking Mr. Wilson for suggesting that the
16 existence of a secondary POI somehow magically
17 transforms a long distance call into a local call.

18 And my first question to you is, what do you
19 mean by the term "local call" in that context?

20 A It would be a call for which there was no
21 associated toll charge.

22 Q And so is that the distinction that you
23 make, that if there's a toll charge it's local, and
24 if there -- if there is a toll charge it's a toll
25 call, and if there's not a toll charge it's a local

0618

1 call?

2 A There's that element, but there's also the
3 element it's -- a local call is a call that
4 originates and terminates in the same local calling
5 area.

6 Q And is it your understanding that the
7 classification or status of a call as local, using
8 that definition of the physical location of the end
9 points, is it your understanding that that matters
10 in some way to the kind of reciprocal compensation
11 or intercarrier compensation that should apply to
12 the traffic?

13 A Yes. And Mr. Brotherson has a great deal of
14 testimony on that. And when you get into the areas
15 of VNXX and VOIP, much as Mr. Brotherson is
16 testifying on, that becomes an important element.

17 Q And we will deal with that later on. I
18 guess a question that I have for you is in the
19 world of the intercarrier compensation, are those
20 the only classes of calls that matter, either it's
21 a local call or long distance call, or are there
22 other categories of calls that might be subject to
23 different compensation?

24 A There are other calls subject to different
25 compensation regimes. That is correct.

0619

1 Q And one category of call that might be
2 subject to a different compensation regime would be
3 a wireless call?

4 A Wireless call would have its own
5 compensation regime.

6 Q And another type of call would be calls to
7 ISPs? That's subject to neither the local nor long
8 distance regime. Would you agree with that?

9 A That's correct.

10 Q Would you agree with me that there are some
11 competitive LECs that have targeted customers that
12 primarily or solely receive traffic, such as ISPs,
13 in order to become net recipients of traffic?

14 A Could you repeat the question, please.

15 Q Would you agree with me that there are some
16 competitive LECs that have targeted customers that
17 primarily or solely receive traffic, such as ISPs,
18 in order to be net recipients of traffic?

19 A I would agree with that, yes.

20 Q Would you agree that in that case, in such
21 situations the originating carrier bears the cost
22 of interconnection of a single POI selected by the
23 competitive LEC in addition to paying reciprocal
24 compensation for the terminating traffic?

25 A No, I would not agree with that.

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1 Q Let's go now to page 9 of your reply
2 testimony. And here I think you are mocking us for
3 suggesting that a POI could count as a customer
4 location for any kind of traffic, and that's never
5 happened in the history of the universe, and that
6 kind of stuff.

7 A I think "mocking" is probably not the
8 appropriate word. I was pointing out that --

9 Q Certain difficulties with the argument --
10 JUDGE RENDAHL: Please don't cut off the
11 witness.

12 MR. SAVAGE: Sorry.

13 Q BY MR. SAVAGE: You don't think much of the
14 argument that anyone would ever suggest that a
15 point of interconnection could be a place where you
16 would rate a call from?

17 A I don't agree that that is an appropriate
18 way to rate a call, no.

19 Q Could you take a look at Exhibit 76, which
20 is excerpts from the first report and order from
21 the FCC. We call it the Local Competition Order in
22 the trade.

23 And it's the second page from the back that
24 says page 498 on the bottom.

25 MR. DETHLEFS: Your Honor, I am going to

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1 object to the questions concerning the first report
2 and order, unless he ties it to a piece of
3 testimony that he didn't have stricken yesterday.

4 JUDGE RENDAHL: Can you direct us where you
5 are going, and where this is related?

6 MR. SAVAGE: It relates directly to the
7 answer he just gave, and I was going to point him
8 to a particular sentence of -- one sentence on the
9 page that I have just directed him to that relates
10 directly to the testimony he just gave.

11 MR. DETHLEFS: He wasn't testifying about
12 the first report and order just a minute ago, and
13 now he's asking the witness questions about the
14 first report and order.

15 JUDGE RENDAHL: Mr. Savage.

16 MR. SAVAGE: He just testified with respect
17 to the notion of using the point of interconnection
18 between carriers as a location, as a potential
19 customer location, and said he disagreed with that.
20 That was not correct. And I wanted to ask him if
21 he was aware of something that the FCC said about
22 that precise topic, and the one sentence I was
23 going to point him to.

24 MR. DETHLEFS: This is just a roundabout way
25 of getting into -- you can use that line of

0622

1 questioning for every legal document we have in
2 this proceeding. Were you aware of this particular
3 paragraph in the first report and order? Were you
4 aware of this particular section in the ISP? All
5 it does is it let's him make argument about legal
6 issues in an indirect way.

7 MR. SAVAGE: Actually, to the contrary. One
8 of the issues -- this witness is put forward as
9 someone who is in charge of advocating for Qwest's
10 position. That's his job. And it seems to me that
11 since he says he's aware of policy, and aware of
12 all of these things if, in fact, when taking the
13 positions he takes for Qwest he is unaware of
14 relevant statements by the agency that controls
15 this, that goes to the credibility of his
16 testimony, and the weight that this Commission
17 should give to it.

18 MR. DETHLEFS: You just asked to have all
19 the legal references in the testimony stricken.

20 MR. SAVAGE: And I lost.

21 MR. DETHLEFS: And you won a number of them.
22 And this is going down that same line.

23 JUDGE RENDAHL: On this page -- I don't need
24 any more argument. On this page, I indicated that
25 there were quite a few -- there were a few

0623

1 interspersed pieces of mixing policy and law, and
2 took out a portion of that, as I recall.

3 I am wondering why this can't be done in
4 brief, what the point of doing it here -- I
5 understand your belief that this goes to the
6 credibility of the witness.

7 MR. SAVAGE: I would like for the record to
8 be clear that this witness, in making his
9 statements about what POIs can and cannot be used
10 for, was either ignorant of, or chose to ignore,
11 material that's been in the industry for 10 years
12 on that precise point.

13 And I think I am entitled to get it into the
14 record. If it turns out it's just argument, we can
15 argue about it in brief. But in large measure, my
16 motion to strike legal testimony was not granted,
17 in part because there's this mixed law. And, in
18 fact, it's all built in there.

19 And I thought I understood we would be
20 permitted to cross-examine to some extent on the
21 legal matters that remained, and that's what I am
22 trying to do.

23 JUDGE RENDAHL: If your question is simply
24 whether he's aware of this piece of the first
25 report and order, I'm not going to object -- I'm

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1 not granting the objection on that. So if that's
2 the extent of your questions, go ahead.

3 MR. SAVAGE: That's all I was trying to do.

4 MR. DETHLEFS: Your Honor, before we go
5 further, Mr. Savage several times has asked the
6 witness, and has referred to his testimony as
7 mocking something. And that's inappropriate.
8 There's no mocking going on in his testimony. He's
9 criticized it, but these are -- that's an
10 inappropriate way to ask questions. And Ms. Anderl
11 asked me to request that he not use that kind of
12 terminology.

13 JUDGE RENDAHL: If it comes up again, I
14 think there's a way of asking questions that's not
15 necessarily argumentative, or in a way -- well, we
16 don't need to go further. You are on notice, so
17 please go ahead and ask your question about what
18 has been marked as Exhibit 76.

19 MR. SAVAGE: Let the record reflect I was
20 giving him credit.

21 Q BY MR. SAVAGE: On the page numbered 498 on
22 Exhibit 76, I will represent that we're talking
23 here about what is wireless traffic. Could you
24 read the last sentence at the top of the carryover
25 paragraph, "As an alternative" --

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1 JUDGE RENDAHL: I'm not sure where we are.

2 MR. SAVAGE: Page 498, carryover paragraph,
3 starts "As an alternative."

4 MR. DETHLEFS: Paragraph 498?

5 MR. SAVAGE: No, Page 498, paragraph 1045.

6 JUDGE RENDAHL: So the carryover paragraph,
7 meaning from the top?

8 MR. SAVAGE: The partial paragraph at the
9 top of the page. And there's a sentence that
10 begins, "As an alternative."

11 JUDGE RENDAHL: And at the very end.

12 Mr. Dethlefs?

13 MR. DETHLEFS: If he's asking the witness if
14 he's aware of it, I don't have a problem with it
15 based on the prior ruling. But if he's asking him
16 to read it into the record, now we have a problem
17 because he's making argument.

18 JUDGE RENDAHL: So if you can ask him to
19 read it and ask your question based on that, I
20 don't know that it needs to be read into the
21 record. It will speak for itself.

22 Q BY MR. SAVAGE: Let me try it this way.

23 Were you aware that the FCC had specifically
24 countenanced and suggested that carriers might use
25 the point of interconnection between a wireless

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1 carrier and a land line carrier as a proxy for the
2 location of the mobile party to the call? Did you
3 know that was out there?

4 A I was not aware of this specific sentence.
5 I am aware that the rules for wireless carriers are
6 very, very different than for wire line carriers.
7 For example, local calling areas is not something
8 that is used with wireless carriers. We use
9 something called major trading areas. There are a
10 number of significant differences.

11 What we're talking about here is an
12 interconnection agreement between wire line
13 carriers.

14 Q Do you have any idea why it might be
15 necessary in an interconnection agreement between a
16 land line carrier and a wireless carrier to use
17 some proxy for the location of the mobile callers?

18 A Because the mobile caller could be in
19 various locations, depending on roaming and where
20 they are calling from.

21 Q So the concept here is that if for some
22 reason, or for any reason, you don't know where one
23 end of the call is, you have to have some proxy for
24 that?

25 A This is the notion that the FCC has laid out

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1 for wireless carriers, yes.

2 Q Now, shifting ground from wireless carriers
3 to ISP, are you familiar with the controversy in
4 the industry starting from about 1997 going to
5 about today, as to how one should properly rate and
6 classify calls to ISPs?

7 A I am generally aware of it. But I would
8 suggest that Mr. Brotherson, who devotes a great
9 deal of testimony to it, would be a more
10 appropriate witness on that topic.

11 Q So to the extent that there's any testimony
12 in your prefiled testimony relating to that, what
13 you are saying is I shouldn't really ask you about
14 that. It's sort of a derivative of Mr. Brotherson?

15 A What I was addressing in my testimony was
16 the secondary POI theory. As you will note on the
17 page we were just looking at, page 9, I refer to
18 Mr. Brotherson's testimony. So I was in essence
19 looking at the secondary POI theory, and indicating
20 that this had impact on Mr. Brotherson's area of
21 testimony as well.

22 Q And I am just trying to be clear as to what
23 I should and shouldn't be asking you about. And
24 when I asked you about the controversy and ISPs,
25 you said that's Mr. Brotherson's area, and I am

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1 trying to avoid the need to ask about anything else
2 in your testimony that mentions ISPs.

3 So my question, again, is, is your testimony
4 about the treatment of ISP bound traffic really
5 derivative of Mr. Brotherson, and you are not
6 making any independent claims beyond what he says?

7 A That's correct.

8 Q Actually, one more question on this area.
9 You mention on line 16 the idea of a customer
10 location is the proper test for call rating. How
11 do you define the term "customer location" in that
12 context?

13 A Where the customer is located.

14 Q And let me give you an example. Suppose
15 that I have a business in Olympia, but that for
16 whatever reason I want to get calls from people in
17 Seattle. And so I go to Qwest, and I buy what I
18 would know as an FX line, or foreign exchange line,
19 that gives me a local telephone number in Seattle.
20 Let me stop for a second. Do you know what an FX
21 line is?

22 A Yes, I do.

23 Q Is it fair to characterize an FX line as
24 working more or less as follows: at one end, which
25 is generally called the open end of the FX line, a

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1 customer will buy what amounts to a dial tone line
2 in the foreign exchange, so there's a number
3 assigned to that line out of the foreign exchange.
4 And that dial tone line gets combined with a
5 private line carrying the original line, the
6 foreign exchange, all the way back to where they
7 are?

8 A That's correct.

9 Q So in this case, in my example, the open end
10 would be Seattle. That's where I would be getting
11 dial tone. And I would buy a private line down to
12 Olympia, so folks in Seattle could call me right
13 down here.

14 A (Witness nods head.)

15 Q In that scenario, I think we could agree
16 that I have a location in Olympia. That's where my
17 business is, right?

18 A I would agree. I would also agree you have,
19 in essence, purchased a local presence in Seattle
20 when you purchased that dial tone there.

21 Q Let's be real clear about that. When I am
22 an FX customer buying something out of Seattle, I
23 don't own any property in Seattle, right, by virtue
24 of buying a dial tone line? I mean, I may, but
25 that's not --

0630

1 A I would agree with that.

2 Q I don't control any real estate or premises
3 in Seattle, correct?

4 A That's possible. That's correct.

5 Q Again, I may independently, but by virtue of
6 having a private line, it's not like I am
7 co-locating in Seattle. I don't have any space in
8 the Central Office, right?

9 A I would agree.

10 Q I have, however, bought a service from Qwest
11 that Qwest provides entirely using its facilities
12 in Seattle, and then uses its facilities to bring
13 it back to Olympia. And by virtue of using Qwest
14 facilities to get me from Olympia to Seattle, and
15 then connect with Qwest using Qwest facilities in
16 Seattle, I have a presence in Seattle. That's your
17 testimony?

18 A I would agree that you have a presence in
19 that you are purchasing dial tone out of the
20 Seattle switch. I would suggest probably a more
21 fruitful witness to discuss this with would be
22 Mr. Brotherson who does discuss foreign exchange
23 service in his testimony.

24 Q Okay. So like the issue of ISP traffic, the
25 question of what does it mean to have a customer

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1 location, and what significance that might have is
2 really more a matter for Mr. Brotherson than for
3 you?

4 A Right. Now, I address it here, because I'm
5 addressing the theory of secondary POI. There are
6 implications on Mr. Brotherson's testimony of that
7 theory.

8 Q So if the question is the notion of
9 secondary POI, I should talk to you or should I
10 talk to Mr. Brotherson?

11 A You would talk to me about secondary POI.
12 My testimony has to do with the issues -- amongst
13 the issues I deal with is the issues of point of
14 interconnection.

15 Q Right. And I apologize for not knowing
16 where these dividing lines are. That's what I am
17 trying to ferret out here.

18 So on the issue of secondary POI, then, if I
19 am Level 3 and I paid Qwest for use of a direct
20 trunk transport arrangement from where I am in
21 Seattle down to Olympia, let's say, and that direct
22 trunk transport arrangement connects in Olympia
23 with Qwest's switch in Olympia, that doesn't, in
24 your view, give Qwest any -- give Level 3 any
25 relevant customer presence in Olympia; is that

0632

1 correct?

2 A No.

3 Q It does not?

4 A No.

5 Q But if I bought a private line and bought a
6 dial tone line or PRI trunk -- private line from
7 Seattle to Olympia, and then a dial tone line trunk
8 out of the Olympia switch, that would, in your
9 mind, give me a presence in Olympia?

10 A Again, I think you are getting into area
11 foreign exchange. The theory of secondary POI, as
12 Level 3 has argued it in other states, is when
13 Level 3 chooses -- purchases LIS direct trunk
14 transport to a local calling area, that in essence
15 they have established a point of interconnection in
16 that local calling area.

17 Now, I would distinguish between the direct
18 trunk transport or DEOT, as you will sometimes hear
19 Level 3 refer to it, which is a shared facility for
20 the mutual exchange of traffic between the two
21 parties, as opposed to the private line transport
22 we were talking about with foreign exchange, which
23 is dedicated transport, dedicated solely to the
24 party who purchases it.

25 So there's a distinction there. If you want

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1 to talk about secondary POI, fine. Do more. If
2 we're trying to compare and contrast LIS and
3 foreign exchange, I think Mr. Brotherson would be a
4 better witness.

5 Q Well, let me see if I can properly establish
6 the demarcation point between you and
7 Mr. Brotherson. You are testifying that having a
8 direct end office trunk or direct trunk transport
9 between a Level 3 location and a distant Qwest
10 switch is not sufficient for purposes of call
11 rating to establish a customer presence in the
12 distant location. That's what you believe to be
13 true?

14 A No. My testimony actually is that having
15 direct trunk transport to a local calling area does
16 not create a point of interconnection in that local
17 calling area.

18 Q Do you have -- do you know whether the
19 parties have agreed in their agreement on what the
20 definition of a point of interconnection is?

21 A I believe the parties have.

22 Q And I will read it to you, and you can look
23 it up. It's on page 24 of Exhibit 1. It says,
24 "Point of interconnection is a demarcation between
25 the networks of two LECS, between a LEC and CLEC.

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1 POI is that point where the exchange of traffic
2 takes place." And it's the top of page 24 on my
3 copy. It might be different on the file copy.

4 JUDGE RENDAHL: It's actually at the bottom
5 of page 23, point of interface, point of
6 interconnection or POI.

7 Q BY MR. SAVAGE: Do you see that?

8 A I do see that.

9 Q Do you see anything in that definition that
10 would prohibit the treatment of, let's call it the
11 Qwest end of a direct trunk transport facility, to
12 be used as a POI?

13 A I do. What this is talking about is the
14 point where the two networks come together. In
15 fact, the direct trunk transport is on Qwest's
16 network. It's not between the two networks. And,
17 in fact, direct trunk transport goes from the POI
18 to a serving wire center -- or excuse me, goes from
19 the serving wire center where the POI is out to a
20 Qwest end office. It's clearly part of the Qwest
21 network. It's not between the two networks.

22 Q Now, let me see if I get your position with
23 respect to responsibility for the cost of
24 interconnection. And for some point of reference,
25 take a look at your direct testimony, page 14,

0635

1 lines 18 through 19. You say here that Level 3
2 denies it has an obligation to compensate Qwest for
3 the use of its network.

4 And I think the record establishes here that
5 a large preponderance of the traffic between the
6 two networks is traffic where Qwest end users are
7 dialing up to connect to the internet via Level 3's
8 managed modem service that it sells to its ISP
9 customers.

10 MR. DETHLEFS: And my objection is that
11 mischaracterizes the record. I don't dispute that
12 the dial-up caller is placing calls to ISPs on
13 Level 3's network.

14 I dispute that the record establishes that
15 it's acting in the capacity of a Qwest end user.
16 Level 3 didn't submit any testimony on that point.
17 The only testimony in the record is Qwest's records
18 that they are acting as customers of the ISP.

19 JUDGE RENDAHL: Let me make sure I am on the
20 right page. Are you on page 14?

21 MR. SAVAGE: Page 14. And I am looking at
22 lines 18 through 19 where he is referring to Level
23 3's supposed obligation to compensate Qwest for the
24 use of its network. And I want to ask him some
25 questions about that in the context of the fact

0636

1 that it's mostly ISP bound traffic coming to us.

2 JUDGE RENDAHL: Can you repeat the question,
3 because now I am on board.

4 MR. SAVAGE: Well, the question I was going
5 to ask was --

6 Q BY MR. SAVAGE: My understanding of your
7 position is, that in the case of calls to ISPs,
8 Level 3 properly bears cost responsibility for the
9 use of your network to get that traffic from your
10 end user to a Level 3 customer that is an ISP?

11 A That is my position, yes.

12 Q Let me ask you a question, then. It's a
13 hypothetical, but it's -- I will represent to you
14 that it's largely true, but let's treat it as
15 hypothetical.

16 Suppose, hypothetically, I had twin
17 14-year-old daughters who were intelligent,
18 attractive, athletic, and generally popular. And
19 assume further that for some reason a 14-year-old
20 boy decided one of them was the greatest thing in
21 the world, and decided that he wanted her for a
22 girlfriend. And decided, therefore, that he wanted
23 to take her to the homecoming dance next week.
24 With me so far?

25 A I am. I am just thinking about teenage

0637

1 daughters.

2 Q I thought we could relate on that one. Now,
3 when he picks up the telephone and calls my house
4 to ask my daughter to the homecoming dance, am I
5 responsible for that call?

6 A Repeat the question again, please.

7 Q When he picks up the telephone and calls my
8 daughter to ask her to the homecoming dance, am I
9 responsible for that call?

10 A No. I would not say you are responsible for
11 that call.

12 Q I shouldn't be liable for any costs
13 associated with that call?

14 A No. I would suggest, however, that if you
15 wanted to get into real issues of cost causation,
16 Qwest did, in fact, fly up a witness this morning,
17 an economist, to talk specifically about those
18 kinds of issues. And I think would have been more
19 fruitful to have that discussion with that witness
20 rather than with me.

21 Q That's fine. I am perfectly happy to have
22 you clarify in response to my questions about the
23 language that actually appears in your testimony,
24 that, in fact, you are not responsible for those
25 ideas and those concepts; that other witnesses are.

0638

1 That's fine.

2 But I think I am entitled to ask. So,
3 again, what I would like to ask you, then, to the
4 extent that any of your testimony can be construed
5 to deal with issues of cost causation and who is
6 responsible for what, that, in fact, is derivative
7 of the testimony of Dr. Fitzsimmons, and you
8 yourself don't have anything independent to say
9 about that. Is that fair?

10 A I would have something to say about that, in
11 fact, in this case we brought in Dr. Fitzsimmons as
12 an economist to talk about issues of cost
13 causation, and I refer to Dr. Fitzsimmons'
14 testimony on the issue of cost causation. I am
15 merely suggesting if you wanted to have a
16 discussion about cost causation, he would have been
17 a more appropriate witness.

18 Q All I am trying to find out is the extent of
19 your knowledge and your testimony about the issue
20 of cost causation. If the answer to that question
21 is, I don't have any; I am entirely reliant on
22 Dr. Fitzsimmons, say that and I won't ask.

23 But which is it? Either you have
24 independent testimony, in which case I will ask
25 about it, or it is derivative about

0639

1 Dr. Fitzsimmons, in which I will be quiet. Let me
2 know what it is.

3 A It's based on Dr. Fitzsimmons' testimony,
4 that in the case of ISP traffic, the cost causer is
5 the person calling the ISP.

6 Q Right. I understood you said that. You
7 don't have any independent -- we shouldn't give
8 your testimony on the topic of cost causation any
9 independent weight whatsoever beyond what it
10 derives from being consistent with Dr. Fitzsimmons'
11 testimony. Is that what you are saying about this
12 issue?

13 A I would not suggest that. I have views on
14 cost causation, which happen to be consistent with
15 Dr. Fitzsimmons'.

16 MR. SAVAGE: Your Honor, if I could have
17 some guidance. I don't have to burden the record
18 with arguing with the witness back and forth.

19 JUDGE RENDAHL: I think he's clear he has
20 his own thoughts on cost causation that are in the
21 record. So to the extent you want to ask the
22 witness questions about that, I suggest you do so.

23 Q BY MR. SAVAGE: Let's go back to my daughter
24 getting invited to the dance. You agree I'm not
25 responsible for that call, right?

0640

1 A I would agree you are not responsible for
2 that call.

3 Q Even though in some sense that all fathers
4 of teenage girls understand, my daughter caused
5 that call to happen. She was involved, interested,
6 attracted to the guy, gave him enough signals that
7 he wanted to call and, by golly, he called?

8 A Well, I guess I will disagree with you
9 there. I would say the causer of that call is the
10 teenage boy who worked up his nerve, and I think he
11 should be given credit for that.

12 Q Do you have a teenage son, too?

13 (Discussion off the record.)

14 Q BY MR. SAVAGE: I will grant you that.

15 That's fair, knowing my daughter.

16 JUDGE RENDAHL: Off the record for a moment.

17 (Discussion off the record.)

18 JUDGE RENDAHL: Back on the record.

19 Q BY MR. SAVAGE: The teenage boy wants to
20 call my daughter, decides to call my daughter, and
21 he is the cost causer and, therefore, responsible
22 for that call.

23 After he talks to my daughter, he says, I
24 need to get the latest something or other to give
25 her a gift for homecoming. So he hangs up the

0641

1 phone, and dials up the internet provider to find
2 that out. Why is he responsible for the first
3 call, but not the second call?

4 A The first call, he was calling as a Qwest
5 customer. And as a local Qwest customer, he's
6 allowed to make calls anywhere within the local
7 calling area. I would suggest in the case of the
8 second call, he's calling as a customer of that
9 ISP.

10 Q Let's change the hypothetical for reasons
11 that may become obvious. And let's say instead of
12 a call to my daughter, let's say it's a call to my
13 law office, that I have a law office. I have a
14 local telephone number. And there are people in
15 Washington D.C. within the local calling area who I
16 very much want to call me up, because then I can
17 bill them my high billing rates.

18 When a client of mine, or a potential client
19 of mine, seeking to take advantage of my legal
20 services, calls me up from his phone to my phone,
21 and not only is he a client of mine, I charge him
22 for the time we're on the phone. Am I responsible
23 for the cost of him calling me?

24 A As a local telephone customer -- I am
25 assuming he's in your same local calling area?

0642

1 Q Same local calling area.

2 A He is entitled, as a result of paying his
3 monthly bill, to make local calls anywhere within
4 that local calling area.

5 Q He is certainly entitled to do that, but
6 that wasn't quite the question.

7 The question is, is he the cost causer, or
8 am I the cost causer when one my clients, seeking
9 to buy my legal services, calls me up? Who is the
10 cost causer?

11 A He's the cost causer. In fact, he's the one
12 paying for that call through his monthly telephone
13 bill.

14 Q But when he calls up the ISP in order to
15 find out whatever he needs to know on the internet,
16 somehow he's not the cost causer. Is that your
17 testimony?

18 A He's calling as a customer of the ISP.

19 Q My client is calling as a customer of me.
20 What is the difference?

21 A He's not making a local call when he calls
22 that internet service provider.

23 Q Let's hold that thought, and let's even
24 assume that's right for the moment. What does
25 whether it's a local call or not have to do with

0643

1 whether he's the cost causer? I mean, for example,
2 if my client, Eric Cecil, based in Denver,
3 Colorado, calls me up in Washington D.C., I don't
4 then become the cost causer, do I?

5 A No.

6 Q He's still the cost causer, even though it's
7 a toll call?

8 A And he's calling as a customer of the IXC
9 who delivered the call to you in Washington D.C.
10 He's not calling as a customer of the local
11 telephone company when he makes that call. He's
12 calling as a customer of the IXC. Just as when
13 someone dials up the ISP, they are dialing up as a
14 customer of the ISP.

15 Q So if I am hearing you correctly, what you
16 are saying is the ISP is to be treated like a
17 carrier, like the IXC, because there's some
18 intermediate point in a longer call. Is that your
19 testimony?

20 A That is, in fact, my testimony. And if I
21 were to have any legal opinions, or knowledge about
22 legal decisions, I would point out that, in fact,
23 there have been regulatory bodies who have reached
24 just that conclusion.

25 Q Well, if I were to cross examine you with

0644

1 respect to the legal issue, I think you would have
2 to agree with me that the FCC has held repeatedly,
3 would you not, that ISPs are providers of
4 information services, A, and, B, that information
5 services providers are, by definition, not
6 carriers. Would you agree with both of those
7 parts?

8 A Well, I think my attorney will battle back
9 and forth with you in the briefs.

10 Q We will. Rest assured.

11 MR. SAVAGE: I guess I would like to strike
12 his legal commentary. If he won't answer that
13 question, I would like to have his commentary about
14 what commissions have found removed from the
15 record.

16 MR. DETHLEFS: I don't have a problem with
17 striking that part of his last answer.

18 JUDGE RENDAHL: We will strike the last
19 portion of the answer referring to legal decisions
20 or legal analysis.

21 MR. SAVAGE: You will see a lot of this in
22 the brief, but --

23 JUDGE RENDAHL: I am sure I will.

24 Q BY MR. SAVAGE: Let's move on to what will
25 be my last area, which will be the issue of

0645

1 combining traffic on LIS trunks or Feature Group D
2 trunks, or some kind of trunks. Just to make sure
3 we agree with each other at the outset, when we
4 talk about LIS trunks versus Feature Group D
5 trunks, you would agree with me that's not anything
6 different about the trunks, the physical
7 transmission media in either case. Are we agreed
8 on that?

9 A I think we agree on that. Mr. Linse, when
10 we get into talking about network capabilities,
11 would be the one who could address that. But I
12 would agree with that in general.

13 Q And is it fair to say that the main
14 difference -- that the difference, if you will,
15 between Feature Group D trunks and LIS trunks
16 occurs in the switch itself. The trunk -- if it's
17 a Feature Group D trunk, it comes into a switch
18 port that has associated with it whatever magic
19 capabilities are necessary to do the detailed call
20 recording and whatever we talked about earlier, and
21 so on?

22 A There's functionality associated with
23 Feature Group D trunks; different functionality
24 associated with LIS trunks. I would agree with
25 that.

0646

1 Q Now, your testimony, I believe, and we can
2 look at your direct testimony all the way back up
3 to page 2, page 2, line 5, direct testimony. Just
4 to give a high-level overview, your testimony is
5 that there are billing and systems issues that
6 arise if the Feature Group D traffic, as you call
7 it, is carried over LIS trunks?

8 A If switched access traffic is carried over
9 LIS trunks.

10 Q I will get to the distinction in a minute.
11 Feature Group D, let me try to frame the issue with
12 numbers that are totally made up, but I want to try
13 to frame it.

14 Let's suppose that the costs imposed on
15 Level 3 of having to have its network be sent over
16 Feature Group D trunks as compared to LIS trunks
17 would be \$100 million. I am making this number up.
18 Let's also suppose that the cost to Qwest to fix
19 whatever these billing systems issues are that make
20 it difficult for you is 10 bucks.

21 Would you agree with me that if the evidence
22 showed that it costs us 100 million bucks to go to
23 Feature Group D trunks, and cost you 10 bucks to
24 fix LIS trunks, that the only rational solution is
25 to have you fix the LIS trunks?

0647

1 A I guess I can't answer that question yes,
2 and for this reason --

3 Q Okay.

4 A Whatever number you want to make up -- I
5 mean, it will cost more, in fact, to put that
6 traffic for Feature Group D trunks, just by virtue
7 of the fact that if you are going to be purchasing
8 Feature Group D out of a tariff, as opposed to at
9 TELRIC under the interconnection agreement, is that
10 fair? I guess I would say, yes, it is.

11 In fact, for other companies who are
12 carrying switched access traffic, namely companies
13 like AT&T, MCI, those carriers are also purchasing
14 out of the tariff. They are purchasing Feature
15 Group D. They are not carrying that switched
16 access traffic over LIS trunks.

17 And so I would say, yes, from a fairness
18 standpoint it is appropriate that Level 3 pay the
19 same charges that other IXCs pay.

20 Q There's a lot buried in that answer, but I
21 don't think an answer to my question is among what
22 is buried in it --

23 JUDGE RENDAHL: Was what?

24 MR. SAVAGE: Was among what was buried in
25 it. So let's try again.

0648

1 MR. DETHLEFS: I object. It's been asked
2 and answered.

3 MR. SAVAGE: He didn't answer my question,
4 which is if it cost us \$100 million to convert to
5 Feature Group D, and it would cost you \$10 to make
6 LIS capable of solving this problem, isn't the only
7 rational answer to have you fix the problem on LIS?

8 MR. DETHLEFS: And he answered that.

9 MR. SAVAGE: And the answer was no.

10 JUDGE RENDAHL: I believe his answer was,
11 he -- was no, and that his opinion is it's a
12 fairness issue, rather than a rational issue. So I
13 heard an answer to the question.

14 MR. SAVAGE: I will take that
15 characterization.

16 Q BY MR. SAVAGE: Trying to unpack the answer
17 that you gave. What you said was AT&T buys Feature
18 Group D groups out of the tariff, MCI or Verizon
19 buys Feature Group D trunks out of the tariff.
20 And, therefore, Level 3, like other IXCs, should
21 buy out of the tariff. Is that what you said?

22 A That's correct.

23 Q Is it your understanding that when Level
24 3 -- that the switched access traffic that Level 3
25 wants to send over the LIS trunks is switched

0649

1 access traffic arising from Level 3's role as an
2 IXC?

3 A That's my understanding.

4 Q Assume with me, for the moment, that that
5 understanding is mistaken and that, in fact, Level
6 3 is not acting as an IXC. Which, for the record,
7 is interexchange carrier, but is instead acting as
8 a competing provider of access services. On the
9 assumption that Level 3 is acting as a competing
10 provider of access services, providing those
11 services to IXCs like Verizon, like AT&T, would
12 your objection based on fairness remain?

13 A Let me be clear about your hypothetical.
14 This hypothetical carrier is delivering switched
15 access traffic to Qwest; is that correct?

16 Q Let me try to restate it to be very clear.
17 Let's suppose that we have an entity that has a
18 multifunctional device -- has a multifunctional
19 device sitting in Seattle. And that among the
20 capabilities of that multifunctional device is the
21 ability to take in traffic from third-party IXCs,
22 examine it to determine which Qwest end office it
23 ought to go to, and route it out on trunk groups
24 destined for those individual end offices.

25 Now on that assumption, that entity is

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1 acting, would you not agree, as a provider of
2 terminating access services and not as an IXC
3 itself; isn't that correct?

4 MR. DETHLEFS: I object. That calls for a
5 legal conclusion.

6 JUDGE RENDAHL: Mr. Savage, any response?

7 MR. SAVAGE: If this witness, and these
8 witnesses, are not permitted to discuss the
9 classification of different entities into industry
10 categories based on the actual functions they
11 perform, because that constitutes a legal
12 conclusion, I would have no choice but to renew,
13 actually, in more detail than I did the first time
14 in the motion to strike a lot of stuff. This is
15 about how the industry works. This isn't about
16 law. Maybe I am wrong.

17 MR. DETHLEFS: Well, their status as an IXC
18 or provider of exchanges service is fundamentally a
19 legal question.

20 MR. SAVAGE: Then I move to strike his
21 entire discussion of fairness, but the entire
22 discussion of fairness was based on the assertion
23 that Level 3 was acting as an IXC, like AT&T and
24 MCI.

25 MR. DETHLEFS: Level 3 has testified they

0651

1 intend to send interexchange traffic to Qwest.

2 JUDGE RENDAHL: I think the testimony of the
3 witness has indicated an understanding. And given
4 his experience in the industry, whether it's a
5 legal conclusion or not, he has an understanding of
6 what an IXC is. So I am going to allow the
7 question.

8 Q BY MR. SAVAGE: Do you remember the
9 question?

10 A If you could repeat it, that would be
11 helpful.

12 Q If you have an entity with a magic silver
13 colored box that is capable of taking in traffic
14 from third-party IXCs, determining which Qwest end
15 office that should be routed to, and routing it out
16 on trunks to those Qwest end offices, would you not
17 agree with me that that entity is acting as a
18 competing provider of access services, and not as
19 an IXC?

20 A I will leave it to you and Mr. Dethlefs to
21 wrangle over the legal classifications.

22 From my perspective, to the extent you are
23 delivering interexchange traffic as AT&T does, you
24 are acting as an IXC.

25 Q I believe you testified earlier this morning

0652

1 that you have been in the business for 26 years.
2 You started in 1980?

3 A That's correct.

4 Q Are you familiar with the class of entity
5 that was known as a CAP, a competitive access
6 provider?

7 A I have heard that term, yes.

8 Q Do you have any understanding of what those
9 entities did, what functions they performed? In
10 providing competitive access service, what
11 functions they performed?

12 A No.

13 MR. SAVAGE: Let me take a moment, because I
14 may be able to short circuit a lot of stuff if I
15 check a couple of notes.

16 JUDGE RENDAHL: We will be off the record
17 for a moment.

18 (Brief recess.)

19 JUDGE RENDAHL: Let's go back on the record.

20 Q BY MR. SAVAGE: Just to make sure I
21 understand your answer before, where we are is even
22 if you could solve your billing system problems for
23 \$10 and it costs us \$100 million to go to Feature
24 Group D trunks, you think we should go to Feature
25 Group D trunks because it's unfair to AT&T and

0653

1 Verizon?

2 A I am suggesting that there are issues other
3 than just financial issues, such as whether Level 3
4 would be forced to pay more than they would
5 carrying all the traffic over LIS.

6 Q I know you have suggested that there are
7 more, and the one more you identified was, it would
8 be unfair, I suppose to the other IXCs, as you
9 characterize them, Verizon and MCI, for them to be
10 using Feature Group D if we got to use LIS?

11 A That would be correct. The other piece I
12 would say is it would be unfair to Qwest in that
13 Qwest would not be receiving the switched access
14 revenues that it's entitled to.

15 Q Well, let me ask you about that. Do you
16 understand Level 3's position to be that we can
17 take this long distance traffic from other IXCs,
18 run it through our device, send it out to you and
19 not pay you terminating switched access rates for
20 it?

21 A No, that's not my understanding. What my
22 understanding is, is that number 1, Level 3 will
23 not be paying non-recurring charges associated with
24 Feature Group D trunking that other IXCs pay. In
25 addition, Level 3 is proposing a form of

0654

1 proportional pricing. So whereas AT&T is going to
2 pay the tariffed rate for the entire Feature Group
3 D facility, what Level 3 is proposing, as I
4 understand it, is to pay the tariffed rate only in
5 proportion represented by the interexchange traffic
6 divided by toll traffic. That's my understanding.

7 Q And is that proportional rating, is that a
8 practice that is also called ratcheting?

9 A That is called ratcheting, yes.

10 Q And you think that's a bad idea.

11 A I do believe that's a bad idea.

12 Q Do you know what those non-recurring charges
13 that Qwest, by your testimony, would be deprived of
14 are?

15 A I can't tell you what the actual charges
16 are. They are out in the Qwest access tariffs.

17 Q Now, you may recall this morning we were
18 talking about how many trunks we had, and how many
19 PRIs we would have to buy. Do you remember that
20 conversation?

21 A I remember that discussion.

22 Q Well, we went back, and I don't have the
23 specific page reference. But I will represent to
24 you that the testimony in the technical conference,
25 the evidence shows that we actually have 35,000

0655

1 trunks, LIS trunks between Qwest and Level 3.
2 That's on page 106 of the technical conference on
3 lines 15 through 16.

4 If we did what you say we should do, is it
5 your testimony that we have to pay non-recurring
6 charges on each of those 35,000 trunks to convert
7 them to Feature Group D?

8 A Well, first of all, I don't know how many of
9 those trunks you would need to carry what has been
10 portrayed here as a rather small amount of
11 interexchange traffic. So I think we can't just
12 make the assumption that you would need to convert
13 all 35,000 of those.

14 Q Well, let me --

15 A But I would suggest, if I could finish, I
16 would suggest that those trunks that are going to
17 be used to carry interexchange traffic, that, yes,
18 Level 3 should pay the non-recurring charges that
19 AT&T, for example, would pay.

20 Q Maybe I missed something, but I had thought
21 that your testimony and your position was that we,
22 Level 3, could achieve the efficiencies that
23 everyone seems to agree exist, of having a single
24 combined trunking network with all of our traffic
25 on a single combined set of trunk groups. But that

0656

1 single combined set of trunk groups would be
2 Feature Group D trunks. Isn't that your testimony?

3 A That is my testimony. Mr. Wilson had much
4 discussion in his testimony about the fact that
5 Qwest was requiring Level 3 to have two separate
6 networks. That's not the case. In fact, they
7 could run all of their traffic over a single
8 Feature Group D network, such as AT&T has chosen to
9 do. The decision is up to Level 3, how they want
10 to configure their network in a way that makes the
11 best use of their network, and makes the most
12 financial sense to Level 3.

13 Q But if, as I think the testimony shows, if
14 we wanted to maintain the technical efficiency of a
15 single set of trunk groups between our network and
16 any given Qwest switch, then under your proposal we
17 would have to convert all of those trunk groups,
18 all of those trunks to Feature Group D. Otherwise
19 we would have to split off the traffic, and
20 inefficiently have separate trunk groups, correct?

21 A If you wanted to have a single Feature Group
22 D network, you would need to convert all of those
23 trunks.

24 Q And if we wanted to have a single LIS
25 network, you wouldn't have to convert any of them,

0657

1 right?

2 A That's correct. And you wouldn't be
3 entitled to carry switched access traffic over that
4 LIS network.

5 Q Except for jointly provided switched access?

6 A Except for jointly provided switched access.

7 Q Well, let me ask you the following question
8 which may, depending on your answer, avoid a lot of
9 others. Have you read the testimony of the other
10 Qwest witnesses in this case?

11 A I am not sure I have read the specific
12 testimony in Washington. As you are aware, we have
13 been in many states, and at one time or another,
14 yes, I have read the testimony of the other Qwest
15 witnesses.

16 Q Can you point me to any Qwest testimony in
17 this case that identifies the activities or level
18 of effort that Qwest would have to go through to
19 activate recording capability on LIS trunks if it
20 wanted to do that?

21 A Qwest has done a very high-level analysis, I
22 believe, in response to a Bench Request -- either
23 Bench Request No. 1 or No. 2. Qwest did provide a
24 description of the high-level activities that would
25 need to take place to build that functionality into

0658

1 LIS trunks.

2 Q And was there a dollar value associated with
3 that effort?

4 A There is. I don't know whether that made it
5 into the Bench Request. But the high-level
6 estimate that I have been informed of is somewhere
7 between 1 million and 2 million dollars.

8 Q And that's a region-wide number, correct?

9 A That's a region-wide number, correct.

10 Q So assuming you were going to actually do
11 that, that region-wide number would, in some fair
12 way, need to be apportioned between the various
13 Qwest states where you did it?

14 A If there was a need to apportion it, some
15 regulatory need, for example.

16 Q Now, based on our discussion earlier about
17 your background and technical expertise, is it fair
18 to say you are not the guy to ask questions to
19 about what would have to happen in a switch to
20 activate AMA recording capability on a LIS trunk?

21 A I would not be able to get into that level
22 of detail, no.

23 Q And to the extent that there might be some
24 other issue that even if that capability were
25 activated, some other issue out there, you are not

0659

1 the guy to ask what that other issue would be. You
2 don't know what other issues would arise?

3 A I am aware of things that our high-level
4 analysis looked at. Getting into the nits and
5 grits of exactly what is required, no, I am not
6 aware of that.

7 Q What were the items you identified in the
8 high-level analysis?

9 A It would be items -- for example, the IABS
10 billing system.

11 Q And IABS is I-A-B-S, integrated access
12 billing system.

13 A The IABS system which is used to bill for
14 switched access currently uses Feature Group D as
15 the input to that process. So one of the things
16 that would have to happen that was looked at in the
17 high-level analysis is to now instruct IABS, that
18 look, for these particular trunks, for this
19 particular company, you need to use LIS trunks as
20 an input to your billing process.

21 We also have a system called a trunk usage
22 management system that inputs information into the
23 system about LIS trunks. That would require some
24 modification to flag that those LIS trunks are also
25 carrying Feature Group D traffic.

0660

1 One of the functionalities that Feature
2 Group D has is that the switch is able to sign what
3 is called a CIC, C-I-C, code so that the company
4 who was sending that switched access traffic can be
5 identified, and can be appropriately billed by the
6 terminating party.

7 LIS trunks don't have the functionality to
8 assign a CIC code. So that CIC code functionality
9 needs to be built into those LIS trunks as well.

10 Q Can I ask you a question about that one, or
11 do you want to go on with other things. I have a
12 question about that.

13 A No, that's fine.

14 Q Do you know whether this ability to, as you
15 put it, assign a CIC code is relevant to incoming
16 long distance traffic, or whether the CIC code is
17 assigned, as you put it, only in connection with
18 the outbound traffic so that you know which long
19 distance carrier it's related to?

20 A It's my understanding the CIC code is
21 assigned to inbound traffic as well, so the
22 terminating carrier knows who they can bill. And
23 Mr. Linse would be glad to talk about how the
24 switch assigns CIC codes.

25 Q And these high-level activities would need

0661

1 to occur, and kind of the back of the envelope is
2 region-wide, 1 million to 2 million bucks?

3 A Yeah. Systems changes, there are obviously
4 going to be some process changes. There might be
5 some associated network changes as well.

6 Q Now, as I understand it, there are -- let me
7 see if I can identify what I think are the three
8 main sort of practical issues that Qwest sees with
9 getting the switched access traffic, we will call
10 it, coming in on LIS trunks.

11 Number 1 is, to the extent that Qwest is
12 entitled to bill some long distance carrier access
13 charges, if the LIS trunks aren't recording it, you
14 wouldn't know who to bill for your own terminating
15 access services. That's one?

16 Two, I understand you have an issue or
17 raised an issue that to the extent that traffic
18 comes in on a LIS trunk that is bound for a
19 third-party carrier, whether it's a CLEC or
20 independent small ILEC, that if it comes in on the
21 LIS trunk, you wouldn't be able to generate the
22 relevant billing records that they need.

23 And the third, we talked about this morning,
24 briefly, the QPP customers. And my understanding
25 is that those customers have some need to have

0662

1 detailed billing information in order that they can
2 do what they need to do?

3 A That's correct. Carriers who purchase QPP
4 are entitled to bill for switched access.

5 Q Right.

6 A And they would need the necessary records to
7 do that.

8 Q Now, with respect to the non-QPP third-party
9 carriers, you understand, I hope, that Level 3 has
10 agreed that it will take that traffic and send it
11 off separately so it hits your access tandem coming
12 in on somebody's Feature Group D trunk. And that
13 issue is off the table. Would you agree with that?

14 A I would agree with that.

15 Q With respect to the QPP customers, why is
16 it -- what is it that leads you to believe that
17 they are entitled to the call detail records for
18 billing from you? What underlies that statement?

19 A It has to do with the QPP product itself.
20 And maybe going back a bit further, that it's a
21 replacement product for unbundled switching. And
22 one of the features of that product is that it
23 allows a carrier to purchase QPP and, unlike a
24 resale application, receive switched access for
25 originating and terminating calls from that

0663

1 carrier's QPP customers.

2 That's one of the features of QPP as a part
3 of the agreement with the carriers who contract
4 with Qwest for QPP. Qwest agrees that we will
5 provide the necessary switched access records so
6 that those carriers can accomplish that billing.

7 Q Let me try to restate it so I make sure I
8 understand it. If I am a reseller of Qwest's local
9 service, which I am entitled to be under the Act, I
10 can go out and sell the local service. But to the
11 extent that my customers make or receive long
12 distance calls, Qwest charges the long distance
13 carrier the access charges associated with those
14 calls. And in my role as reseller, I am not
15 entitled to that?

16 A That's correct.

17 Q But QPP customers, who are sort of a
18 successor to UNE-P, you can -- I guess there was
19 discussion in the industry that it was deeply
20 discounted resale. But this is a difference, which
21 is they are, in effect, buying not just the right
22 to resell your existing service, but the right to
23 use that switch. And, therefore, if they use that
24 switch to provide originating or terminating
25 access, they, and not Qwest, has the right to bill

0664

1 the long distance carrier?

2 A Correct. Just as when they purchased
3 unbundled switching.

4 Q Now, the whole big deal with converting from
5 UNE-P to QPP is that in the old days -- I hesitate
6 to use the word -- you had a legal or regulatory
7 obligation to offer UNE-P, and that's gone. And so
8 you are offering this commercial product. Is that
9 fair?

10 A That's my understanding.

11 Q So what is it that requires you to give
12 these commercial customers those call detail
13 records? What makes that mandatory?

14 A The contractual agreement we have with those
15 customers, that commercial agreement you referred
16 to previously.

17 Q Okay.

18 A Now, looking maybe a little broader, a
19 little more broadly, that was the whole concept
20 behind unbundled switching and QPP is, that's
21 something that made it different than resale.

22 Q So one of the benefits of being a QPP
23 customer of Qwest, as compared to reseller of Qwest
24 services, is I get to bill and collect access
25 charges?

0665

1 A Yes.

2 Q And I think you or somebody testified you
3 have a lot of these customers in Washington?

4 A Approximately 119,000 in Washington.

5 Q If they need this recording capability and
6 you have 119,000 of them in Washington, do you know
7 how many you have region-wide, roughly?

8 A I don't have the region-wide figure at my
9 fingertips, no.

10 Q I think you said it was about 100-odd-000 in
11 Oregon?

12 A Yes.

13 Q Would you say region-wide you have at least
14 half million of them?

15 A I would think that's in the ballpark.

16 Q So theoretically, region-wide for a one-time
17 charge to them of two or three bucks a line, their
18 problem could be solved, right?

19 A Just so that I am clear, you are suggesting
20 that Qwest turn around and charge our QPP customers
21 in order to meet the needs of Level 3?

22 Q Actually, no. You have testified that you
23 have a contractual obligation to supply these
24 records to them. That's -- Level 3 had nothing to
25 do with that, I hope you would agree?

0666

1 A I would agree with that.

2 Q So you have this obligation, and you have
3 testified, I think, that it would cost you 1
4 million, 2 million bucks region-wide to make this
5 work on LIS trunks, right?

6 A That's 1 million to 2 million, that's
7 correct.

8 Q Therefore, I was simply doing division.
9 That if you wanted to charge the QPP customers for
10 the cost involved in getting them the records that
11 they need, and that you have agreed to get them,
12 dividing \$1 to \$2 million by half-million customers
13 gets you \$2 to \$4 per line one time; isn't that
14 correct, as a matter of mathematics?

15 A Yes. I would suggest, number 1, that I
16 don't believe there's anything in that commercial
17 agreement that would allow us to assess those
18 charges to the QPP customers.

19 But more importantly, if I were a QPP
20 customer, I would say, wait a minute, Level 3 is
21 the one who is requesting this additional
22 functionality. You have already got a system in
23 place, Qwest, that I am paying, in part, for today,
24 that works fine. Level 3 seems to me to be the
25 cost causer, and they are the ones that should be

0667

1 paying for this, not me as a Qwest QPP customer.

2 Q Well, I think you would agree with me that
3 there are, as among the three of us, three
4 potential parties to pay that 1 to 2 million bucks.
5 Level 3 could pay it. Qwest could pay it and
6 absorb it. The QPP customers could pay it, or we
7 could split it somehow among the three of us,
8 right?

9 A I guess I would remove the third party.
10 Take the QPP customers off the table. There's
11 nothing in their contract that would require them
12 to pay that additional charge.

13 Q Any of those contracts month-to-month?

14 A I don't believe so.

15 Q Any of those contracts for a shorter term
16 than a couple of years?

17 A I don't believe so.

18 Q Interesting. Were you involved in
19 negotiating those contracts?

20 A No, I was not.

21 Q I was going to ask you if you knew about
22 this LIS billing problem when you did, if you would
23 say yes.

24 A But let me follow up on that, if I might.
25 You called it a LIS billing problem. The way this

0668

1 issue arose -- and I would refer to it as an issue,
2 rather than a problem -- is as a result of this
3 arbitration, Level 3 asking that Qwest allow all
4 traffic to be put over LIS trunks. That was not
5 something that had been requested previously. So
6 to suggest that somehow that we signed up customers
7 with a billing system that had problems I think is
8 not an appropriate characterization.

9 Q I didn't mean that characterization.

10 MR. SAVAGE: I think I have nothing more
11 at this point. Thank you.

12 JUDGE RENDAHL: Mr. Dethlefs, do you have
13 any redirect?

14 MR. DETHLEFS: I do have a few redirect
15 questions.

16

17 REDIRECT EXAMINATION

18

19 BY MR. DETHLEFS:

20 Q Mr. Easton, if you could turn to page 19 of
21 your testimony.

22 A Direct testimony.

23 Q Your direct testimony -- I am sorry. I
24 meant your reply testimony.

25 A (Complies.) I am there.

0669

1 Q Now, this whole section, beginning on page
2 19 through, I guess, the end of your testimony, you
3 were asked questions concerning calculations as to
4 how you arrived at the calculations you did for
5 PRI's, correct?

6 A Yes.

7 Q And just to get a few -- first of all, why
8 did you prepare this calculation?

9 A Mr. Greene prepared a calculation, and his
10 testimony indicating that if Qwest prevailed its
11 language, that Level 3's costs would go up 296
12 percent. His assumption was that all of these
13 calls would now be rated at access.

14 And so I was putting together testimony to
15 demonstrate that, in fact, these customers could be
16 served in a different manner.

17 Q Now, in Mr. Greene's calculation, was he
18 calculating access for all of Level 3's traffic --
19 I am asking for your understanding about
20 Mr. Greene's testimony.

21 Did you understand him to be testifying
22 about applying access charges to all traffic that
23 Level 3 exchanged with Qwest, or just a portion of
24 that?

25 A I believe it was all traffic.

0670

1 Q In Mr. Greene's calculation?

2 A Yes, that's correct.

3 Q And the access charges were applied to, am I
4 correct, VNXX traffic?

5 A Yes.

6 Q And so when you did your analysis, were you
7 looking for a replacement for Level 3's
8 arrangements with ISPs for all ISP traffic, or just
9 VNXX traffic?

10 A I was attempting to demonstrate that they
11 would not -- there is a configuration that Level 3
12 could employ so that these would not be VNXX calls,
13 and would not be subject to switched access.

14 Q And so in your analysis, did you include any
15 of the trunks in the Seattle area?

16 A No. I looked only at areas outside Seattle.
17 In fact, Level 3 would not need to purchase PRI or
18 private line to serve the customers in the Seattle
19 area.

20 Q Now, we have heard the number in excess of
21 30,000 trunks bandied about. Is your understanding
22 that those are DSO trunks?

23 A I don't know what level trunks those are.

24 Q Did Mr. Greene provide you with any
25 information concerning the volume of traffic that

0671

1 would qualify as VNXX under Qwest's position?

2 A Mr. Greene had minutes that he used in his
3 analysis, aggregate minutes. In other words,
4 minutes for the entire state.

5 Q And to your knowledge, that wasn't broken
6 out between VNXX and non-VNXX traffic, was it?

7 A Not to my understanding.

8 Q And so you did your analysis based upon the
9 information that you had from Level 3, correct?

10 A That's correct.

11 Q Now, you were asked a couple of questions
12 about how you distinguish between -- how you would
13 characterize a toll call.

14 A Yes.

15 Q Do you differentiate between an
16 interexchange call and a toll call in your use of
17 those terms?

18 A No. An interexchange call, I would also
19 consider a toll call.

20 Q And does your meaning, when you use the term
21 long distance, differ from the use of term
22 interexchange or toll?

23 A No.

24 Q So all of those three words are synonymous
25 to you?

0672

1 A That's correct.

2 Q You were asked a few questions about FX
3 service, and I believe you referred some of the
4 questions to Mr. Brotherson. Is FX service a
5 tariff service in Washington?

6 A I believe it is.

7 Q And is it your understanding that,
8 therefore, it's a service that is approved by the
9 Commission?

10 A Yes.

11 Q And an FX customer does, in fact, buy dial
12 tone in the originating exchange, don't they?

13 A That's correct.

14 Q Now, I would like you to look at the
15 contract. Do you have a copy of the contract up
16 there?

17 A I do.

18 JUDGE RENDAHL: Is this Exhibit 1 we're
19 looking at?

20 MR. DETHLEFS: Yes. This is the contract
21 that Qwest had filed.

22 Q BY MR. DETHLEFS: And I want you to look at
23 the disputed language for issue 2 C, the transit
24 limitation. Do you recall what section that is?

25 A That's in Section 7. Do you have a page

0673

1 cite there? Okay. I have got Section 7.

2 Now, if this is the contract that Qwest
3 initially filed, there was an issue 2 A and 2 B, as
4 I recall. I believe issue 2 C was a new issue that
5 was added when Level 3 changed its language.

6 MR. SAVAGE: Before we go through all of
7 this, maybe I am missing something, but I don't
8 actually recall asking him about contract language,
9 about a transit limitation. Maybe there's some
10 relation I don't get.

11 MR. DETHLEFS: I will tell you right where I
12 am going. You asked him, you said Level 3 has
13 agreed to send traffic destined for independents
14 not through Qwest. And so what I was going to is
15 what exactly is the language that Level 3 has
16 proposed on that issue. And that, I believe, is
17 the language that's been characterized as issue 2
18 C.

19 MS. SMITH: On the version that I sent, the
20 way it printed out for us, it's on page 68 and it's
21 7.2.2.3.5.

22 JUDGE RENDAHL: And that's the version I
23 received. It's on page 68.

24 MR. SMITH: This is the old -- this isn't
25 the updated template.

0674

1 MR. CECIL: Are you looking at the contract
2 or --

3 THE WITNESS: Contract.

4 MR. CECIL: Whose contract are you looking
5 at?

6 JUDGE RENDAHL: Qwest's contract that was
7 filed as Exhibit 1.

8 Off the record for a moment.

9 (Discussion off the record.)

10 JUDGE RENDAHL: Back on the record. We're
11 back on the record. And after clarifying what
12 versions we were using, just to clarify, the
13 version of the Qwest contract that Mr. Savage was
14 using for cross-examination was an older version of
15 the Qwest contract now in the record as Exhibit 1,
16 which is why the page numbers were not correlating.

17 But the information that was in the version
18 Mr. Savage was using was exactly the same, just on
19 a different page. So there's no issue there.

20 So we are now referring to the Exhibit 1
21 that has been marked for the record. On page 68
22 there's a box in the middle of the page stating New
23 Issue. That same language correlates to what has
24 been marked as Exhibit 3, which is the disputed
25 issues list, or the joint issues matrix on page 35,

0675

1 referring to transit limitation. So now that we're
2 on the same page, Mr. Dethlefs, why don't you ask
3 your question.

4 Q BY MR. DETHLEFS: My question, Mr. Easton,
5 is you were asked whether Level 3 has agreed to
6 take all traffic going to independents and not send
7 it through Qwest. Is that, in fact, what the
8 language that they have proposed does?

9 A The language specifically says toll and IP,
10 slash, TDM traffic. Doesn't say all traffic.

11 Q And it does, in fact, say that it only
12 includes traffic to NPA-NXX codes homed to Qwest
13 switches, correct?

14 A That's correct.

15 Q And so if a CLEC -- excuse me. What they
16 mean -- what that language says is if the traffic
17 is sent to an NPA-NXX that is homed to a Qwest
18 switch, they are going to go ahead and send it. If
19 it's not homed to a Qwest switch, they are not
20 going to send it?

21 MR. SAVAGE: I object to the form. He's
22 cross examining his own witness.

23 JUDGE RENDAHL: Yes. You need to use the
24 form of a direct question.

25 Q BY MR. DETHLEFS? What traffic can they send

0676

1 to Qwest under this language?

2 A Well, they would be able to send all traffic
3 where NPA-NXX codes are destined or -- or excuse
4 me, all traffic for NPA-NXX codes that are homed to
5 Qwest switches.

6 Q So if a CLEC has a switch that's homed to a
7 Qwest tandem, Level 3 would be able to send that
8 traffic through Qwest to the CLEC, correct?

9 A That's correct.

10 Q And if an independent had a switch that was
11 homed to a Qwest tandem --

12 MR. SAVAGE: A, I move to strike the last
13 question and answer, and B, object to the form of
14 the question. He's leading the witness.

15 JUDGE RENDAHL: Can you change the form of
16 the question, please.

17 Q BY MR. DETHLEFS: Sure. Would traffic
18 destined for a CLEC homed to a Qwest switch be
19 allowed to be sent by Level 3 under this language?

20 A Yes. The way the language reads, it's any
21 codes that are homed to Qwest switches.

22 Q And that would include -- would that include
23 traffic to independents who are homed to Qwest
24 switches?

25 A The way I read the language, yes.

0677

1 MR. DETHLEFS: Those are all the questions I
2 have, Your Honor.

3 JUDGE RENDAHL: Any recross?

4 MR. SAVAGE: A little.

5

6 RE CROSS EXAMINATION

7

8 BY MR. SAVAGE:

9 Q What do you understand the idea of an NXX
10 code being homed to a switch to mean?

11 A I think Mr. Linse is our network person,
12 would be the one you want to talk to about homing
13 arrangements we have, and what that means from a
14 technical perspective.

15 Q Do you have any understanding of what that
16 means?

17 A My understanding is a network person is --
18 that those would be NPA-NXX switches that are
19 associated with, for example, a Qwest tandem.

20 Q Let me -- I guess I get to lead. You would
21 agree with me that if a particular switch has been
22 assigned an NPA-NXX code, that that NPA-NXX code is
23 homed on that switch?

24 A I would agree with that.

25 Q Now, given that a tandem switch -- would you

0678

1 agree with me that a tandem switch does not, in its
2 role as a tandem, provide service directly to end
3 users, but rather switches traffic among and
4 between other switches that perform the end user
5 function?

6 A That's correct.

7 Q Would you agree with me, therefore, that
8 tandem switches will not have NPA-NXX codes homed
9 to them, but rather the switches that subtend the
10 tandems will have NPA-NXXs homed to them?

11 A They would have NPA-NXXs that, it's my
12 understanding, would be homed to that Qwest tandem.
13 And again, Mr. Linse can explain that more fully.

14 Q Right. But your assertion on redirect that
15 this would permit us to send traffic to a Qwest
16 tandem bound for an NPA-NXX bound for some third
17 party -- let me back up for a second.

18 What is it that -- what problem do you see
19 arising from this language? What is it that you
20 are worried about, putting aside the QPP customers?
21 I know that this doesn't address them, but with
22 respect to third-party carriers, CLECs or
23 independents, what problem would exist under this
24 language that it doesn't address?

25 A I would let Mr. Linse address the network

0679

1 issues that this would create. I was merely
2 interpreting what the language says, that it would
3 be NPA-NXX codes homed to Qwest switches.

4 Q But what you are saying is Mr. Linse is the
5 one that knows what that really means?

6 A He can tell you network terms, what it
7 means, and what it would and would not allow.

8 Q So to the extent you were testifying what
9 this would and wouldn't allow with regard to
10 billing issues, your counsel should have been
11 asking Mr. Linse?

12 A I think that would be -- I mean, his
13 question was what it was; my answer was what it
14 was. I was merely answering what this language
15 says, whether it would or would not be permitted
16 under his example.

17 Q Right. And what you are saying is in terms
18 of what it means to have a code homed to a switch,
19 and therefore what this language means, Mr. Linse
20 is the guy who knows that and not you?

21 A I would agree.

22 Q Okay. I believe earlier you mentioned that
23 in your usage, the terms long distance,
24 interexchange, and toll are all essentially
25 synonymous?

0680

1 A I have used them synonymously, yes.

2 Q Is that synonymous use based on any review
3 of, for example, the definitions of different terms
4 in the contract?

5 A No. It was not specifically based on that.

6 Q And so to the extent that these terms have
7 specific and different definitions in the contract,
8 or are used in different ways in the contract, you
9 weren't trying to somehow match them all together
10 for purposes of what the contract language says?

11 A I would agree.

12 MR. SAVAGE: That's it. I have nothing
13 further.

14

15 EXAMINATION

16

17 BY JUDGE RENDAHL:

18 Q I have a few questions, Mr. Easton. And
19 understanding that many of these terms are used in
20 the contract, and that I have asked Mr. Greene and
21 Mr. Wilson the same questions, do you -- would you
22 disagree with any of their descriptions of toll,
23 access, exchange, et cetera that I asked earlier?

24 A No. No, I guess I generally agreed with
25 Mr. Wilson's characterizations with a couple of

0681

1 slight clarifications.

2 Mr. Wilson talked about wire center as
3 specifically being the building that houses the
4 switch that all the wires come into. I would point
5 out that often in the industry when people talk
6 about a wire center, they are also talking about
7 the serving area which is served by that switch.

8 The other clarification I would have is rate
9 center, which is a specific geographic location
10 within an exchange that is used as a basis for
11 measuring V&H coordinates associated with the
12 mileage component of inner exchange charges.

13 Q You said V&H?

14 A V&H, vertical and horizontal coordinates.

15 Q Thank you. All right. And with those
16 clarifications, you are okay with the discussions
17 earlier with Mr. Greene and Mr. Wilson?

18 A That is correct.

19 Q If you look at your direct testimony on page
20 23, and this goes to lines 13 and 14 which we
21 discussed yesterday, you say that Qwest has
22 required this since 1984, and nothing since then
23 has changed this requirement. By referring to
24 1984, do you mean Judge Green's decision to split
25 AT&T into regional Bell operating companies?

0682

1 A That's correct. And as a part of that we
2 needed to provide equal access. And Feature Group
3 D was a means by which we could provide equal
4 access, and allow customers to have different
5 interexchange carriers assigned to them.

6 Q And when you say at the end of the sentence
7 that nothing since then has changed since this
8 requirement, when you are referring to requirement,
9 do you mean Qwest's requirement to use Feature
10 Group D, or the requirement of law to provide equal
11 access?

12 A I was referring to Qwest's requirement.

13 Q If you now turn to page 26, and you look at
14 lines -- your discussion on lines 6 through 10
15 about QPP, and I may have missed this in your
16 discussion with Mr. Savage, but I want to clarify.
17 Over what type of trunks does QPP service flow? Is
18 it LIS or Feature Group D?

19 A It's actually within the Qwest switch. So
20 let's set aside for a moment the Level 3 proposal.
21 But if an interexchange caller or interexchange
22 carrier is sending a call destined for a QPP
23 customer, they would have Feature Group D trunks
24 coming into that Qwest switch. And using the
25 Feature Group D functionality, Qwest would then be

0683

1 able to produce the access record necessary for QPP
2 customers to bill the IXC.

3 Now in the case of Level 3's proposal, it
4 would be a LIS trunk coming into the Qwest switch
5 where the QPP number is assigned. And what I am
6 suggesting is Qwest would not have the
7 functionality with that LIS trunk to produce that
8 switched access record that we could then pass on
9 to the QPP customer.

10 Q So just to clarify, the QPP service -- and
11 I'm not entirely familiar with it -- allows use of
12 the Feature Group D feature at the switch, the
13 trunk comes in and uses the Feature Group D feature
14 on the switch?

15 A For interexchange calls.

16 Q For interexchange calls. So they are not
17 using LIS service for interexchange calls?

18 A No. We would not be allowing, today, any
19 interexchange carriers to use LIS.

20 Q And then if you look at line 11, the reason
21 why Qwest would be unable to provide these records
22 is what you have just described, because they are
23 using -- QPP customers are using Feature Group D,
24 and you couldn't then send that traffic over LIS
25 trunks, or am I confusing this?

0684

1 A You are either going to have LIS trunks
2 coming in, or Feature Group D trunks. Today when
3 an IXC call is being delivered to a QPP customer,
4 it comes in over Feature Group D. Feature Group D
5 has the capability to produce the switched access
6 record that Qwest can pass on to the QPP customer.

7 If that call were to come in, rather than on
8 a Feature Group D, come in on a LIS trunk, as Level
9 3 is proposing they be allowed to do, that LIS
10 trunk doesn't have the capability to create the
11 switched access record.

12 Q Without the modifications that are discussed
13 in the Bench Request response?

14 A That's correct.

15 JUDGE RENDAHL: I don't think I have
16 anything further.

17 Mr. Williamson, do you have anything further
18 at this point.

19 MR. WILLIAMSON: Yes. And one would be a
20 follow-up to your question to help clarify it.

21

22 EXAMINATION

23

24 BY MR. WILLIAMSON:

25 Q QPP customers are served from Qwest, their

0685

1 dial tone is from a Qwest switch?

2 A Yes.

3 Q So any call from an IXC comes over your
4 regular IXC network, AT&T, MCI, whoever that is,
5 and since all your IXCs come to Qwest via Feature
6 Group D, that's how the billing happens for those
7 customers, just as it does for all of your other
8 customers?

9 A That's correct.

10 Q If Level 3 sends that same type of call over
11 your LIS trunks, just as with the rest of the
12 trunks in terms of your switch, you wouldn't be
13 able to get the detailed recording from the LIS
14 trunk?

15 A That's correct. LIS trunks are to carry
16 local traffic, and so we're not -- assuming that is
17 local, we're not going to create that record. We
18 don't have the functionality for those.

19 Q I keep wrestling with the Feature Group D,
20 and the ability of the Qwest Feature Group D
21 trunks. Is it true that the ability to create the
22 detailed recordings that Qwest does over Feature
23 Group D is not standard through the industry? It's
24 something Qwest has on its own?

25 A That's correct. As you heard Mr. Wilson, it

0686

1 was in 2001, I believe, and I believe it was in
2 conjunction with the agreement to allow AT&T and
3 other IXCs to carry interexchange traffic, as well
4 as local traffic, over Feature Group D. At that
5 point, we put functionality into Feature Group D
6 that allowed us to compare the billing, and billed
7 telephone numbers to actually measure and determine
8 the appropriate jurisdiction of the traffic.

9 In other words, based on that comparison, we
10 could determine whether it was local calls, or
11 whether these were interexchange calls, and bill
12 appropriately. I don't know what other companies'
13 functionality is with their Feature Group D. What
14 I heard Mr. Wilson say this morning is that they
15 are using factors to jurisdictionalize that
16 traffic.

17 Q One last one. Mr. Savage asked you a
18 hypothetical question about the cost of, I think it
19 was 1,391 primary DS0s to Level 3 if they were to
20 do that service the way you had suggested in your
21 testimony. And I was curious if any other carrier
22 were to choose to serve that service via primary
23 DS0s, if the cost would be the same to them, or is
24 it different than what you charge Level 3?

25 A The way PRI works, there are volume and term

0687

1 discounts. So if they had the same volumes and
2 same terms, they would get the same thing Level 3
3 would. We're not going to -- one carrier doesn't
4 get a better price than another if they order the
5 same thing.

6 MR. WILLIAMSON: Okay.

7 JUDGE RENDAHL: And I do have a Bench
8 Request for both Qwest and Level 3 arising out of
9 this testimony. And I am going to read it into the
10 record, but we will be generating a paper version
11 that will be sent out to both of you tomorrow.

12 The first one which would be Bench Request 4
13 is for Mr. Easton. And for your benefit, I am
14 going to give you a copy to look at.

15 At pages 4 to 5 of your reply testimony,
16 Mr. Easton, 72 TC, Mr. Easton, you calculate
17 differently from Mr. Greene two costs that Qwest
18 would incur under Level 3's proposal. At pages 20
19 to 22 of your reply testimony, you provide an
20 estimate of costs that Level 3 would incur for
21 interconnection as indicated by Qwest.

22 So would you please specify and break down
23 all dollar costs in Washington to Qwest to provide
24 interconnection as advocated by Level 3. And B,
25 would you please specify and break down all dollar

0688

1 costs in Washington to Qwest to provide
2 interconnection as advocated by Qwest.

3 Please separately identify any costs that
4 are foregone revenues, such as access charges in
5 your response.

6 I will make a copy so you all have it,
7 tonight, but the official version will go out
8 tomorrow.

9 (BENCH REQUEST NO. 4.)

10 JUDGE RENDAHL: And then the Bench Request
11 for Mr. Greene would be Bench Request 5. And it's
12 similar. At pages 21 and 22 of his direct
13 testimony, which would be Exhibit 31 T, Mr. Greene
14 provides a calculation of the costs that Qwest
15 would incur on its side of the POI under the
16 proposal advocated by Level 3.

17 So, Mr. Greene, we would like Mr. Greene to
18 specify and break down all dollar costs in
19 Washington to Level 3 to provide interconnection as
20 advocated by Level 3. And B, specify and break
21 down all dollar costs in Washington to Level 3 to
22 provide interconnection as advocated by Qwest. And
23 similarly, to separately identify any costs that
24 are foregone revenues, such as access charges in
25 your response.

0689

1 So before we leave today we will have a copy
2 so you have it to look at. But the official
3 version will go out as an official Bench Request
4 tomorrow with a date for response.

5 (BENCH REQUEST NO. 5.)

6 MR. DETHLEFS: Your Honor, could I ask two
7 questions based upon the questions that you asked
8 Mr. Easton, just for clarification?

9 JUDGE RENDAHL: Yes, you may.

10

11 REDIRECT EXAMINATION

12

13 BY MR. DETHLEFS:

14 Q Mr. Easton, in defining the terms rate
15 center, wire center, exchange, and local calling
16 area, you started your answer with something to the
17 effect of "I agree generally with what Mr. Wilson
18 said, except for." And then after you finished
19 your answer, the judge asked you, "So you agree
20 with both Mr. Wilson and Mr. Greene with the
21 exceptions that you provided for."

22 And I wanted clarification as to what you
23 were saying there.

24 A In general, I did. We could talk about
25 technicalities. There were the two that I felt

0690

1 needed more clarification to rate center, as well
2 as wire center.

3 Q And my question was, did you agree with both
4 Mr. Greene and Mr. Wilson, or just Mr. Wilson?

5 A I was specifically addressing Mr. Wilson.

6 Q And then my second question is, when QCC
7 purchases a PLI, is it your understanding that that
8 is a form of interconnection?

9 A When QCC purchases PRI, they are purchasing
10 that out of the tariff. That is not -- they are
11 not purchasing that out of an interconnection
12 agreement.

13 MR. DETHLEFS: Those are my two questions.

14 JUDGE RENDAHL: Is there anything further
15 for the witness?

16 MR. SAVAGE: I have a tiny one based on your
17 questions.

18

19 RE CROSS EXAMINATION

20

21 BY MR. SAVAGE:

22 Q Going back to page 23 of the direct, on
23 lines 11 and 12, Feature Group D, wouldn't you
24 agree with me, is one of actually four different
25 feature groups that the FCC directed carriers to

0691

1 put into their tariffs; isn't that correct?

2 A I would agree.

3 Q And one option that the FCC directed
4 carriers to put into their tariff was called
5 Feature Group A, right?

6 A Yes.

7 Q And do you remember what Feature Group A is?

8 A Not specifically, but I believe Mr. Linse
9 can explain that.

10 Q But you remember that there was something
11 called Feature Group A?

12 A I do recall that. As I sit here, I can't
13 recall exactly what it was.

14 Q Perhaps to refresh your recollection, isn't
15 it true that Feature Group A was a line side
16 connection that MCI and Sprint, and the OCCs, the
17 other common carriers, used where you would dial a
18 local number to get to MCI, and then punch in your
19 code number, and then finally dial the number you
20 are trying to reach?

21 A I know that's correct. I know one of the
22 other three did that, and Mr. Linse can answer the
23 specifics.

24 Q That's fine. And do you remember what
25 Feature Group B was?

0692

1 A No, I don't recall that as well, other than
2 there was a Feature Group B.

3 Q I will spare you Feature Group B. Do you
4 remember what Feature Group C was?

5 A Feature Group C, I believe, is what was used
6 with AT&T.

7 Q I will agree with you on that. And then
8 other issues with -- and would you agree that
9 switched access traffic, an IXC, wishing to
10 originate or terminate switched access traffic, had
11 an option under your tariff of using either a
12 Feature Group A arrangement or Feature Group B
13 arrangement, or a Feature Group D arrangement?

14 A That's correct.

15 Q So to that extent, when you say Qwest
16 requires that traffic be carried over Feature Group
17 D trunks, what you really meant was, it was
18 required that it be carried on some arrangement
19 purchased out of your access tariff?

20 A That's correct.

21 Q Now, are you familiar -- and I know I am
22 testing your memory here -- with a regulatory thing
23 called the leaky PBX? Do you remember leaky PBX?

24 A I have heard the term, but I am not --

25 Q It's a lot of fun, but I will spare you.

0693

1 JUDGE RENDAHL: How is this related to what
2 I asked? Are you going on with that, or --

3 MR. SAVAGE: No. No. I am just about done.
4 It's related in that these are different ways than
5 Feature Group D by which carriers transmit switched
6 access traffic, but since he admitted he really
7 meant that to be any kind of tariff arrangement, I
8 think we're okay. So that's all I have.

9 JUDGE RENDAHL: Anything further for
10 Mr. Easton this afternoon?

11 With that, Mr. Easton, you may step down.
12 You are excused, and we will be off the record for
13 a break.

14 (Brief recess.)

15 JUDGE RENDAHL: Let's be back on the record.

16 We are now here for the cross-examination of
17 Mr. Linse.

18 Mr. Linse, could you state your full name
19 for the record.

20 THE WITNESS: My name is Philip Linse.

21 JUDGE RENDAHL: Would you raise your right
22 hand, please.

23

24 PHILIP LINSE,

25 produced as a witness in behalf of Qwest, having been

0694

1 first duly sworn, was examined and testified as
2 follows:

3

4 JUDGE RENDAHL: Understanding there's great
5 laughter over the beep, go ahead with the
6 foundation for the witness, please.

7

8 DIRECT EXAMINATION

9

10 BY MR. DETHLEFS:

11 Q Mr. Linse, state your position and business
12 address.

13 A I am a director in Qwest's network public
14 policy. My business address is 700 West Mineral
15 Avenue in Littleton, Colorado, Zip code 80210.

16 Q And have you prepared testimony for today?

17 A Yes, I have.

18 Q And does that consist of your direct -- your
19 replacement direct testimony, dated August 18,
20 2006, which we have marked as Exhibit 91 T?

21 A Yes.

22 Q And reply testimony dated September 15,
23 2006, that we have marked as Exhibit 93 T?

24 A Yes.

25 Q And an attachment to your prefiled direct

0695

1 testimony that we have marked as Exhibit 92, a page
2 from the Wiltel website?

3 A That's correct.

4 Q Do you have any corrections that you would
5 like to make to the testimony you have prepared?

6 A Yes. I would like to make a couple of
7 corrections. On page 31, line 16 and 17 --

8 Q Is this of your direct testimony?

9 A This is of my direct testimony.

10 JUDGE RENDAHL: So page 15.

11 THE WITNESS: Sorry, page 31, line 16 and
12 17.

13 JUDGE RENDAHL: Thank you.

14 THE WITNESS: There's a subpoint A that
15 reads, "as set forth in this agreement at Section
16 9.6 or 9.13," that needs to be replaced in its
17 entirety with, "under Qwest's intrastate tariff."

18 On page 34, line 16, need to make the word
19 "subparts," subpart plural, to read "subparts."
20 And then replace the "B" that is within the
21 parenthetical with "A and B."

22 And then on line 17, beginning with the
23 acronym FCC through the end of the sentence,
24 replace with "State and Federal tariffs."

25 JUDGE RENDAHL: So replace "FCC" with "State

0696

1 and Federal" --

2 MR. CECIL: Which page was that?

3 JUDGE RENDAHL: Page 34, line 17. Are you
4 intending to replace "FCC" with "State and
5 Federal"?

6 THE WITNESS: I am intending to replace "FCC
7 tariff No. 1" with "State and Federal tariffs,"
8 plural.

9 And, likewise, in my reply testimony on page
10 18, lines 23 and 24, the sub bullet A that reads,
11 "as set forth in this agreement at Section 9.6 or
12 9.13" needs to be replaced by "under Qwest
13 intrastate tariff."

14 MR. SAVAGE: I am sorry. Was that "intra"
15 or "inter"?

16 THE WITNESS: "Intra."

17 MR. SMITH: Tariff, singular?

18 THE WITNESS: Correct. And then on page 19,
19 line 11, I need to replace sub -- or I need to make
20 "subitem" plural to read "subitems." And then
21 replace the "B" within the quotations with "A and
22 B."

23 And to be further grammatically correct, at
24 the very end of that sentence, which is on line 13,
25 the word "tariff" should be plural. That would be

0697

1 all.

2 Q BY MR. DETHLEFS: If you were asked the
3 questions today that were asked in what we have
4 marked as 91 T and 93 T, as corrected, would your
5 answers today be the same?

6 A Yes, they would.

7 MR. DETHLEFS: We would offer Exhibits 91 T,
8 92, and 93 T into evidence.

9 JUDGE RENDAHL: Any objection?

10 MR. CECIL: I will register an objection,
11 Your Honor. We have had -- this testimony, we have
12 no way of -- he's representing this language as
13 agreed to between the parties, and then changed the
14 contract language. And we further have a problem
15 with our two different contracts out there.

16 So as we sit here at this moment, we have no
17 way of knowing or verifying which is agreed to and
18 which isn't. So what I would offer is if we could
19 pend that admission until Level 3 and Qwest have a
20 chance to confer as to the representation of the
21 agreed to language, we could probably pick that up
22 in the morning. If we can confer overnight, and
23 verify what, indeed, is the language, we could
24 probably do it that way.

25 JUDGE RENDAHL: And I think your suggestion

0698

1 is a good one. I think we can withhold
2 at this point admitting the exhibit until you
3 resolve whether the contract language is actually
4 in dispute.

5 MR. DETHLEFS: I don't have a problem with
6 checking tonight. The only thing I would point out
7 is the language as set forth in this agreement at
8 9.6 or 9.13, if you went to the agreement, either
9 Level 3's or ours, you wouldn't find any provision
10 for signaling in 9.6 or 9.13.

11 JUDGE RENDAHL: But I think the question is,
12 there's been a suggested change to the language
13 that the parties have agreed to at this point. And
14 so whether or not the parties have actually agreed
15 to that change or not, instead of eating up the
16 time this afternoon to discuss that, if we can
17 resolve it in the morning, that would be good.

18 So let's move ahead at this point. Before
19 we do that, Mr. Savage, since you are here, for
20 your examination of Mr. Easton, did you wish to
21 admit any of the cross-examination exhibits into
22 evidence? There's a list of them, and you didn't
23 use some of them. So I am wondering which of these
24 you want to admit.

25 MR. SAVAGE: I think the only ones I

0699

1 actually referred to were either regulatory
2 materials or the statute. So I don't think there's
3 a need to admit them. I can cite them in my brief.

4 JUDGE RENDAHL: So 76 through 85, you are
5 withdrawing as cross exhibits at this point?

6 MR. SAVAGE: Yes, that's fine. Let me
7 confer -- yeah, that's fine. I didn't want to do
8 something bad.

9 JUDGE RENDAHL: So what has been marked as
10 Exhibits 76 through 85 are withdrawn for
11 Mr. Easton.

12 MR. SAVAGE: I reserve my right to cite them
13 in brief.

14 JUDGE RENDAHL: That's fine.

15 Mr. Dethlefs.

16 MR. DETHLEFS: I have the joint issues
17 matrix that we submitted, and 7.2.2.6.1 has the
18 language as corrected by Mr. Linse.

19 JUDGE RENDAHL: Well, I would let counsel
20 look that over tonight, so we don't need to do that
21 at the moment, but thanks for pointing that out.
22 And we will go forward.

23 MR. SMITH: Just for reference, it's on page
24 19.

25 JUDGE RENDAHL: Mr. Cecil -- I guess, is the

0700

1 witness tendered for cross at this point?

2 MR. DETHLEFS: I have offered his testimony
3 in evidence. It's admitted, subject to resolution
4 of the issue on the change in the text of the
5 testimony. And so I offer him for
6 cross-examination.

7 JUDGE RENDAHL: Okay. Mr. Cecil.

8

9 CROSS EXAMINATION

10

11 BY MR. CECIL:

12 Q Good afternoon, Mr. Linse.

13 A Good afternoon, Mr. Cecil.

14 Q Starting out with some of your background
15 here, you mentioned in your direct testimony, your
16 background in telephone company experience. You
17 mentioned that you have a bachelor's degree from
18 the University of Northern Iowa. Is that a
19 technical degree?

20 A No, that wasn't a technical degree. It was
21 a Bachelor's of Arts.

22 Q And you have never studied law, and you are
23 not a lawyer, correct?

24 A That's correct.

25 Q You mentioned that you began your career in

0701

1 the telecommunications industry with a company
2 called CDI Telecommunications. At the time that
3 you worked for them, were they a regulated carrier
4 or what were they?

5 A They were a contracting firm. They
6 contracted engineering resources to carrier type
7 companies, or telecommunication companies.

8 Q And what kind of engineering did they do?

9 A They handled a myriad of engineering type
10 functions for different carriers.

11 Q For example?

12 A For example, outside plant engineering, I
13 believe they offered some outside plant technician
14 type resources, and other engineering resources.

15 Q So they weren't a regulated carrier?

16 A They were a contracting firm that supplied
17 human resources to regulated companies and
18 nonregulated companies.

19 Q And so is that a "yes" or "no"?

20 A They are not a regulated company, I don't
21 believe. I'm not sure what regulation they would
22 be operating under, if they were.

23 Q And so they didn't own any network plant, or
24 anything like that, correct, to your understanding?

25 A Correct. As a human resource provider to

0702

1 carriers, they would not own a network.

2 Q Where were you working with Pacific Bell,
3 what state was that?

4 A That was in California.

5 Q And what were your -- what was your role and
6 responsibilities as a technology planner?

7 A As a technology planner I had
8 responsibilities for, in California for the Highway
9 50 corridor from Sacramento up through South Lake
10 Tahoe. And in those responsibilities I basically
11 planned for the growth of those communities to
12 provide telephone services.

13 Q When you say planned for the growth to
14 provide telephone services, what does that mean?

15 A Well, essentially what that entails is
16 looking at historical trends in line growth. And
17 then you look at the areas where you have
18 insufficient capacity, and then you provide the
19 analysis in order to select the technology in order
20 to best serve the customers in those areas.

21 Q So when there was growth, you would decide,
22 select what kind of network to build them?

23 A Essentially, yes, that's how it evolves.

24 Q In selecting what kind of network to build,
25 what were some of the criteria that you used to

0703

1 evaluate how to build and grow a network?

2 A Basically the demand versus the technology
3 that we would utilize in order to provide service,
4 as well as the cost in order to place that
5 equipment or cable facilities.

6 Q Would you generally favor optical equipment
7 or electrical equipment in terms of transmission
8 capacity?

9 A When we do our analysis, and when we did our
10 analysis in California, and most engineers do their
11 analysis, they do it based on a technology neutral
12 perspective.

13 So in other words, with -- in some
14 situations copper facilities are more economical
15 than placing fiber optics. So when you do the cost
16 analysis, you base that on what is most economical,
17 not what type of technology you wish to use.

18 Q You say you do it based on -- I am confused.
19 You said it was technologically neutral, but then
20 you said sometimes copper is more economical. So
21 I'm not sure -- are you saying you just analyzed
22 the capacity, that you didn't select the technology
23 or you did select the technology?

24 A I am sorry. I don't understand the
25 question.

0704

1 Q Well, what do you mean by a technology
2 neutral perspective? What does that mean?

3 A Basically when we do the planning for an
4 area, we don't look at deploying a particular
5 technology. We look at what capacity we need to
6 provide in order to serve the customers, and have
7 the capacity available for customers as the growth
8 is realized over time.

9 And so based on where the customer is
10 located, it may be more economical to provide
11 service to that customer with a copper pair of
12 wires that run from the Central Office to the
13 customer's location essentially.

14 If the customer -- as the customer moves
15 farther out from the Central Office, then the cost
16 analysis of that copper and placing that copper
17 becomes more expensive. And there's a point at
18 which -- they call it a cross-over point where it
19 becomes more economical to place like a fiber
20 optics facility in lieu of a copper facility.

21 Q And you looked at those economics relative
22 to what was capable over the Pacific Bell network
23 at that time; is that correct?

24 A It was based on what approved vendors
25 Pacific Bell had, and the resources that were made

0705

1 available to us through the company.

2 Q So at that time there would have been many
3 cases where it might be more economical to serve a
4 customer over copper, because you might not have
5 optical equipment in the area capable of lighting
6 fiber out to a customer?

7 A I don't think we ever had a limitation such
8 as that.

9 Q So in a situation where an end office switch
10 in Pacific Bell's territory -- those generally
11 served copper lines, correct?

12 A They served both copper lines, and they also
13 served copper lines that are -- that employ fiber
14 optic facilities as well.

15 Q When you say copper line that employs fiber
16 optic facilities, are you referring to an
17 integrated digital loop carrier?

18 A Wouldn't necessarily have to be an
19 integrated digital loop.

20 Q A device capable of powering copper --
21 talking to copper on one side, and fiber on the
22 other, correct?

23 A I mean, that's kind of -- I mean, there's
24 several ways that it can be deployed where there's
25 fiber optics in between copper facilities, or --

0706

1 and that's typically how it's deployed unless you
2 are serving fiber directly to a customer, which
3 then you wouldn't have a copper facility,
4 necessarily.

5 Q Did you use those facilities primarily in
6 situations where they are in what you would call
7 remote switch situations, where you had an area
8 growing, and you wanted to move copper out to the
9 edge and it was more efficient to put fiber in and
10 distribute copper out at the edge?

11 JUDGE RENDAHL: Mr. Cecil, you are going to
12 have to speak up.

13 MR. CECIL: You know, it is rare that I am
14 ever told to speak up.

15 JUDGE RENDAHL: It's the wonderful --

16 MR. CECIL: I really enjoy that.

17 JUDGE RENDAHL: It is the dynamics in this
18 room.

19 MR. SAVAGE: I wouldn't get used to it.

20 MR. CECIL: I can't wait. And it's on the
21 record. I will show everybody back at the office.

22 JUDGE RENDAHL: So, Mr. Linse may have lost
23 the question with me asking you to speak up.

24 Q BY MR. CECIL: In the situation where you
25 are talking about the integrated digital loop

0707

1 carrier system, or digital loop carrier, were
2 those -- can you approximate, based on your
3 knowledge and experience with Pacific Bell, as to
4 how much of the time -- what the percentage of
5 lines that the Company actually served customers
6 off that sort of arrangement?

7 A With digital loop carrier?

8 Q Uh-huh.

9 A You know, I don't really know what the
10 Pacific Bell figure would be.

11 Q In 2000 when you accepted the position with
12 US West as a manager of tactical planning, was
13 that -- I guess that would have been US West in the
14 region. Where was that position?

15 A Denver, Colorado.

16 Q And what did you do in that position?

17 A Excuse me. I did similar type activities as
18 I performed with Pacific Bell.

19 Q So you looked at the capacity of the network
20 and what needed to be built, or what needed to be
21 added?

22 A That's correct.

23 Q Was that on the -- what branch of the
24 organization? Was that a retail activity serving
25 retail customers, or where was that within US West?

0708

1 A It was within the network organization which
2 basically provides the infrastructure for all
3 business units within the regulated company.

4 Q So this was -- let me see, I am trying to
5 understand where that is in the Company. Is
6 that -- would that be customers purchasing out of
7 your tariffs when you say all business units, or
8 was that interexchange carriers, or competitive
9 local carriers? What was the capacity for?

10 A Typically it was for retail customers as
11 well as any type of UNE type customers that may
12 request an unbundled loop. I think there was some
13 larger business type customers, potentially some
14 governmental type customers, things like that. And
15 I think those can all be potentially segregated
16 into different business units, so --

17 Q So when you say retail, you mean generally
18 very large customers or carriers?

19 A With the tactical planning that I performed
20 initially when I was at Qwest, it was mainly for
21 loop plant. And so the interconnection plant came
22 in contact with, but didn't typically get involved
23 with, the engineering of the capacity.

24 Q This is whether or not you had to build out
25 new loops, or just what the capacity of the loops

0709

1 was?

2 A It required the analysis of both what
3 capacity was available, as well as what was
4 required to build additional facilities.

5 Q In that position and the prior position --
6 strike that.

7 In your 2001 technical regulatory
8 interconnection planning, you have already
9 testified you are not a lawyer, so what is
10 technical regulatory interconnection planning?

11 A Our technical regulatory interconnection
12 planning basically took our requirements, our
13 regulatory requirements, and implemented those
14 requirements into the network.

15 So in other words, when we had to unbundle a
16 switch, I was charged with determining how that was
17 going to be accomplished, as well as the other
18 unbundled network elements, interconnection, things
19 such as that.

20 Q So it would be fair to say the lawyers came
21 to you and said, go do this. And you went and did
22 it basically? We have a regulatory requirement,
23 meet this, make this happen. Would that be fair?

24 A That might be a bit of oversimplification,
25 but that's close.

0710

1 Q Currently you are part of the policy
2 organization?

3 A That's correct.

4 Q So you are no longer analyzing or really
5 running networks; is that correct?

6 A My function is not an engineering function
7 per se, but I draw on my engineering background to
8 aid me in my -- in the policy side of the house.
9 Our responsibility is strictly to the network.

10 Q So at least since 2003 you haven't been
11 analyzing networks, planning networks, or
12 engineering networks; is that correct?

13 A I haven't been analyzing the capacity of
14 networks like I did when I was with Pacific Bell,
15 or when I originally -- however, I do -- I am
16 involved with industry standards groups, and I am
17 engaged with the engineering aspects of the
18 business on a day-to-day basis.

19 Q And so on a day-to-day basis, are you
20 actually designing and operating these networks?

21 A I don't actually design or operate the
22 network necessarily.

23 Q Do you have any responsibilities that go to
24 the operation, planning, or engineering of these
25 networks or the Qwest network?

0711

1 A Through my policy responsibilities, I drive
2 different changes into the network as is necessary
3 pursuant to our policies.

4 Q What does that mean? Explain what you mean
5 by driving changes into the network through policy?

6 A Well, essentially if the Company takes a
7 particular position, and you have to validate that
8 it is an existing position that you are currently
9 operating under, so you have to go validate that,
10 and if you are not operating under that assumption
11 then you have to make sure you are operating under
12 that assumption. So then you involve other groups
13 to ensure that those policies are adhered to.

14 Q You are in the role of one of the people
15 that explains, interprets and interprets regulatory
16 requirements to the network side of Qwest? Is that
17 a fair characterization?

18 A I typically leave the interpretations up to
19 my lawyers. But once they have provided the
20 interpretations, we make sure the implementation is
21 done pursuant to that interpretation.

22 Q In this policy role, you are primarily -- in
23 this policy role your primary activity is
24 testifying before state commissions?

25 A I wouldn't say that's my primary

0712

1 responsibility.

2 Q About how much of your time is devoted to
3 that?

4 A On a yearly basis, it's probably -- lately
5 it's been about 25 percent of my time.

6 Q The network reliability and interoperability
7 council, are you actually a member of the council?

8 A No, I am not a member of the council. I was
9 a member of the focus group.

10 Q Are you currently a member of one of the
11 working subgroups?

12 A There currently is not a working subgroup
13 under NRIC yet. They have not established their
14 charter for the next NRIC, is my understanding
15 unless there's something that has come out real
16 recent that I don't know about. I know they were
17 supposed to get something out, I thought it was
18 this summer, but I don't think that has happened
19 yet.

20 Q Do you routinely attend those meetings? Is
21 that one of your primary responsibilities?

22 A Back when that was active, I spent a
23 considerable amount of my time in those meetings.
24 I led some of the subgroups associated with my
25 focus group in that last NRIC.

0713

1 Q So you know about Bob Tregemba?

2 A Bob Tregemba is our senior VP for network.

3 Q And you have worked with them in those
4 groups?

5 A Bob doesn't participate in the focus groups.
6 I think he is more on the council side, the
7 leadership side of that.

8 Q Do you know if Level 3 is a member?

9 A They were not in the focus group that I was
10 in, so I am not sure if they were or were not.

11 Q So you wouldn't know if Jack Waters,
12 executive vice president and chief technical
13 officer of Level 3, is on the board of that
14 organization?

15 A Not sure.

16 JUDGE RENDAHL: For the record, can you
17 spell the Qwest person -- I am not going to botch
18 the name, but if you could spell it for me, that
19 would be helpful.

20 THE WITNESS: Tregemba --

21 JUDGE RENDAHL: Off the record.

22 (Discussion off the record.)

23 JUDGE RENDAHL: Back on the record.

24 Mr. Smith can spell it for us.

25 MR. SMITH: T-r-e-g-e-m-b-a, Tregemba.

0714

1 JUDGE RENDAHL: Thank you very much. Go
2 ahead, Mr. Cecil --

3 Did you get the spelling of -- was it Jack
4 Waters?

5 (Discussion off the record.)

6 THE WITNESS: N-R-I-C. Stands for -- I drew
7 a blank --

8 MR. CECIL: Network Reliability and
9 Interoperability Council.

10 Q BY MR. CECIL: You mentioned a focus group
11 that you were a member of. Do you recall which
12 focus group that was?

13 A Focus Group 1 A, I believe.

14 Q What did that address?

15 A That addressed emergency services -- now, I
16 am stretching my memory -- congestion, and those
17 types of issues with our 911 -- with the nation's
18 911 networks, and developing best practices for the
19 industry for 911 networks.

20 Q You are aware that Level 3 is now a member
21 of that, and has been for some time?

22 A They are a member of what? I'm sorry.

23 Q They have worked with Network Reliability
24 and Interoperability Council on the emergency
25 services?

0715

1 A I know they were not a part of my focus
2 group. That's all I can really speak to. I don't
3 know if they were a member of the overall council
4 or not.

5 Q Did you do any work on how 911 operates with
6 regard to voice over internet?

7 A We did not address that issue. I don't
8 believe that was part of our charter.

9 Q And are you aware that -- and then you
10 mentioned the network interconnection and
11 interoperability forum?

12 A That's correct.

13 Q And --

14 JUDGE RENDAHL: And that acronym would be
15 pronounced NIIF; is that correct?

16 THE WITNESS: "Knife," "NIIF."

17 JUDGE RENDAHL: But it's N-I-I-F?

18 THE WITNESS: That's correct.

19 MR. CECIL: Might be "neef."

20 JUDGE RENDAHL: Just so the court reporter
21 knows how to spell it. That's all I care about.

22 MR. CECIL: And here I thought this was an
23 AFZ, and I was trying to stay away from that.

24 Q BY MR. CECIL: Are you aware that Level 3 is
25 a member of that and on the board?

0716

1 A I have not heard them in any of the
2 meetings. Of course, I have not attended a meeting
3 in a while.

4 Q When is the last meeting you attended? Do
5 you recall?

6 A Probably earlier this year. And we have an
7 additional Qwest representative that is also
8 assisting me in representing Qwest on that forum.

9 Q So you don't know whether or not we're on
10 the board or not?

11 A You know, the last I -- and I am assuming --
12 let me back up.

13 NIIF, I don't believe, has a board of its
14 own other than the ATIS, A-T-I-S, which is the
15 sponsor of that group.

16 Q Do you have any experience running a network
17 that is based in internet protocol?

18 A I am familiar with the working of IP
19 networks.

20 Q But you have never been responsible for
21 engineering or technical planning on an IP network?

22 A That's correct. I have not.

23 Q And have you ever worked for a competitive
24 carrier?

25 A No, I have not.

0717

1 Q So you have never been in a situation with a
2 carrier -- worked for a carrier that has built a
3 network from the ground up? You have always worked
4 for established carriers, correct?

5 A All networks have been built from the ground
6 up at some point. But I have not been involved in
7 building a network from the ground up, if that's
8 what you are asking.

9 Q That's what I am asking. Do you have any
10 experience with design, operation, or engineering
11 of Qwest's wholesale dial products?

12 A Could you repeat the question, I am sorry.

13 Q Do you have any experience with the design,
14 engineering or operation of Qwest's wholesale dial
15 products?

16 A I am familiar with the engineering and
17 design of that product.

18 Q And how do you come by this familiarity?

19 A Technical publications, meetings with people
20 that have the engineering knowledge on that.

21 JUDGE RENDAHL: Did you say "TAF"?

22 THE WITNESS: Engineering knowledge.

23 MR. CECIL: Meetings with people --
24 something. I didn't catch that either.

25 JUDGE RENDAHL: I thought I heard you say

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1 meeting at "TAF," or something like that.

2 THE WITNESS: I am sorry. I don't know if
3 that's what I said or not. I'm not sure what the
4 context was in.

5 JUDGE RENDAHL: Did you say meetings with
6 Staff, maybe?

7 THE WITNESS: Maybe.

8 JUDGE RENDAHL: It's late.

9 Q BY MR. CECIL: Do you have any experience
10 with the design, operation or engineering of any of
11 Qwest's wholesale products offered with relation
12 to -- or support voice over internet protocol?

13 A I am familiar with the voice over internet
14 protocol, and how it's typically provided to
15 customers, yes.

16 Q And you come by that experience in the same
17 way that you did with the Qwest wholesale dial
18 products?

19 A That's correct.

20 Q You have read some technical publications,
21 and perhaps met with some people; is that correct?

22 A I have been involved with -- in detail with
23 engineers and the technicians that operate the
24 networks.

25 Q Page 3 of your testimony, starting at line

0719

1 8, you are talking about a point of
2 interconnection. And you say, "Level 3
3 mischaracterizes the issue as having to do with its
4 right to interconnect at a single point in the
5 LATA, and Qwest's obligation on its side of the
6 point of interconnection." Do you see that?

7 A Yes.

8 Q When you say Level 3 mischaracterizes the
9 issue, do you mean we misstated the issue
10 incorrectly in our petition for arbitration?

11 A One second while I read this. (Reading
12 document.) Well, I think -- I don't necessarily
13 think they misstated it. I believe the issue is
14 really about the cost of providing interconnection
15 and who should be responsible for that cost.

16 Q And you say that from your perspective as a
17 representative of Qwest, correct?

18 A I say that because Qwest offers Level 3 the
19 ability to have a single point of presence in a
20 LATA, and to interconnect at that point. And then
21 the issue really comes down to who is going to be
22 responsible for the cost of interconnection.

23 Q And is it your testimony that Level 3
24 mischaracterizes this issue as a technical matter,
25 then, based on your experience as an engineer?

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1 A I think it comes down more to a cost, which
2 is what my testimony goes into is that Qwest does
3 provide Level 3 with the ability to interconnect,
4 and those methods of interconnection.

5 Q You don't have a background in economics or
6 accounting, do you, Mr. Linse?

7 A No, I do not.

8 Q So your testimony here as to cost isn't
9 based upon any independent expertise that would
10 have anything to do with cost shifting; is that
11 correct?

12 A I am sorry. I did not understand the last
13 two words that you said.

14 Q Let me restate it, then. So is it your
15 testimony that Level 3 mischaracterizes the issue
16 because of cost concerns; is that your testimony?

17 A I don't know why Level 3 would
18 mischaracterize the issue.

19 Q Well, you say that we do, so I am trying to
20 understand what this means. And you say further
21 that Level 3 mischaracterizes -- well, let me ask
22 you this: You would agree that Level 3 isn't
23 mischaracterizing any of the technical issues in
24 this case, wouldn't you?

25 A That's an awfully broad statement. I don't

0721

1 know if I can respond to that without having
2 specific examples put in front of me.

3 Q Is there anyplace in your testimony where
4 you identify Level 3 as mischaracterizing technical
5 issues in this case?

6 A All I can say is my testimony says what it
7 says. If you have a particular location you want
8 to point me to, I would be happy to look at that
9 location.

10 Q So you don't know -- you don't recall what
11 is in your testimony?

12 A How many pages of testimony do I have?

13 MR. SAVAGE: 61.

14 THE WITNESS: Shall we go through it line by
15 line, or --

16 Q BY MR. CECIL: Either you know your
17 testimony or you don't. I am just asking you
18 whether or not -- you state here that we have
19 mischaracterized the issue. You are the technical
20 witness.

21 So my question is whether or not you
22 identify specific areas within your areas of
23 expertise that Level 3 has mischaracterized that
24 relate to the technical issues in this case.

25 A Now, do you want to go through each section,

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1 and we can go through those individually, or --

2 Q I believe there's a question outstanding.

3 A So the first issue is Level 3's
4 mischaracterization as the issue having to do with
5 its right to interconnect at a single point in the
6 LATA, and Qwest's obligation on its side of the
7 point of interconnection.

8 The mischaracterization I saw there was
9 that -- was because Qwest provides a single point
10 of interconnection capability for them called SPOP,
11 that this issue isn't really about a single point
12 of interconnection, but rather it is about the cost
13 of interconnection between Level 3's network and
14 Qwest's network.

15 Q But that's not a technical error by Level 3,
16 is it?

17 A I am sorry. Could you repeat that?

18 Q But that's not a technical error by Level 3,
19 is it?

20 A If Qwest already offers and provides that
21 capability, I believe there's some sort of error
22 there. I don't know if you want to characterize it
23 as technical or not, but it is an error because
24 Qwest does provide a product called SPOP which
25 provides a single point in the LATA that Level 3 is

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1 seeking.

2 Q So is it your testimony that Level 3's
3 request for a single point of interconnection in
4 its arbitration petition is an error because Qwest
5 offers this product?

6 A All I can state is Qwest does offer that
7 functionality. Whether or not whether Level 3
8 wants to consider withdrawing the -- its dispute on
9 this issue, that's up to Level 3.

10 Q So this has nothing to do with anything
11 related to technology or the technical feasibility
12 of the manner in which Level 3 seeks to establish a
13 single point of interconnection?

14 A What my testimony addresses is what Qwest
15 offers --

16 Q Could you answer that question "yes" or
17 "no."

18 JUDGE RENDAHL: He is answering the
19 question. Please don't talk over the witness.

20 Please answer the question.

21 THE WITNESS: What my testimony explains is
22 the method of interconnection that Qwest provides,
23 of which one is what Level 3 seeks, which is a
24 single point in the LATA. And Qwest's language
25 reflects that.

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1 Q BY MR. CECIL: Is it your testimony -- based
2 on your participation in this case, you were at the
3 technical conference, correct, that was held in
4 this case? You attended that?

5 A Yes.

6 Q You have reviewed the testimony filed in
7 this case, correct?

8 A Yes, I have.

9 Q Including Level 3's testimony?

10 A Yes, I have.

11 Q And the exhibits Level 3 has offered,
12 correct?

13 A For the most part. I may have missed one or
14 two. I'm not sure if they were all included.

15 Q And you have been present for the
16 cross-examination of Mr. Greene and Mr. Wilson?

17 A Yes, I have been.

18 Q Based on that, is it still your testimony
19 that Level 3's requesting interconnection is not
20 technically feasible?

21 A I believe I addressed some technically
22 feasible issues with the routing of toll traffic to
23 a local tandem, because a local tandem does not
24 have the capability to route originating toll
25 traffic. And Level 3's language supposes that

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1 Qwest would provide that through a local tandem.

2 Q You say Level 3's language supposes that, or
3 it's your interpretation that Level 3's language
4 requires that? Level 3 certainly didn't advocate
5 that, did they?

6 A And I would suggest that their advocacy is
7 not necessarily represented in their proposed
8 language.

9 Q And you understood the explanations by
10 Mr. Greene as to how the routing and traffic would
11 work on this between us?

12 A Does Mr. Greene's language or testimony
13 modify the language that Level 3 is proposing,
14 or --

15 Q I believe I am the one who is asking the
16 questions.

17 A That's fine.

18 Q Can you answer the question?

19 JUDGE RENDAHL: Can you repeat your question
20 for him? It's getting late.

21 Q BY MR. CECIL: Well, let's back up. You say
22 in your testimony on page 3 that Qwest should not
23 be required to provide interconnection at points
24 where it is not technically feasible.

25 Based on the evidence in this case, and what

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1 has been presented thus far, to your understanding,
2 Mr. Linse, is it still your position that Level 3
3 is requesting interconnection at points that are
4 not technically feasible?

5 A To the extent they want Qwest to route toll
6 traffic through its local tandem, that would be a
7 technical infeasibility.

8 Q And to the extent they don't?

9 A Then it would not be a technically feasible
10 issue. However, I believe their language, Level
11 3's language does pose that that could occur.

12 Q And that's based on your understanding and
13 interpretations of Level 3's language?

14 A That's based on what Level 3's language
15 represents, yes.

16 Q You mention here, you say -- your testimony
17 addresses the issues from a technical perspective
18 and the testimony of Mr. Easton addresses
19 compensation issues. Do you see that?

20 A Yes.

21 Q So we should rely on your testimony as to
22 technical issues, but not as to compensation; is
23 that correct?

24 A Technical issues tend to run hand-in-hand
25 with compensation issues sometimes, and they tend

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1 to overlap a bit. So there is some potential for
2 discussions of what it may cost to provide network
3 functions.

4 Q Is cost an element of the technical
5 feasibility?

6 A Not as far as I know.

7 Q Page 6 of your testimony, you say that Level
8 3 defines a POI as a point that is physically -- or
9 incorrectly defines a POI that is physically
10 located on Level 3's network. Do you see that?

11 A Yes.

12 Q Is your objection grammatical or technical?
13 I was having trouble making sense of your testimony
14 here.

15 A I believe it's technical.

16 Q If it said physically located within Level
17 3 -- within the Qwest network, would that remedy
18 the objection that you are talking about here on
19 page 6?

20 JUDGE RENDAHL: You say within -- which
21 language are you referring to at this point?

22 MR. CECIL: Page 6, line 7, Mr. Linse
23 states, "Level 3's contract language at 7.1.1.1
24 incorrectly defines the POI as a point that is
25 physically located on Qwest's network."

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1 So my question is, if we change the word
2 "on" to "within," would that remedy his objection,
3 or remedy his concern.

4 JUDGE RENDAHL: Thank you for that
5 clarification.

6 THE WITNESS: (Reading document.) I think
7 if you look at Qwest's language, I think it's on my
8 page 4, line 6 --

9 Q BY MR. CECIL: I couldn't hear you. I am
10 sorry.

11 A Page 4, line 6 and 7, that sentence would be
12 sufficient for Qwest.

13 Q Qwest -- could you read that sentence,
14 please?

15 A "Qwest will provide interconnection at any
16 technically feasible point within its network."

17 Q So would you agree that trunk ports on
18 Qwest's end office switches are technically
19 feasible points of interconnection?

20 A Yes, they are technically feasible points of
21 interconnection. However, I believe the -- it
22 becomes an operational and administrative problem
23 to directly connect another carrier's facility
24 directly to that port. Therefore, Qwest has
25 established a cross connect, a frame that allows

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1 those ports to be accessed without access directly
2 to those ports.

3 And that is the concern that Qwest has with
4 Level 3's language is that it potentially would
5 allow Level 3 direct access to a Qwest switch port
6 without the protection that is provided through the
7 cross connect of a frame or protector block.

8 Q I am sorry. Is that mentioned in your
9 testimony, or is this something you have discovered
10 as a result of our discussions?

11 A No, I believe on page 8, reason 1, it says,
12 "Such demarcation points can include such locations
13 as a main distribution frame." And then there's a
14 footnote to, I think, the first report and order,
15 which I think there's a discussion in there about
16 how carriers should be allowed, or can be allowed
17 to utilize interconnection frames in order to
18 provide access to the switches that operate in
19 their networks.

20 Q So you are citing to legal authority here as
21 to where Level 3 should be permitted to
22 interconnect. Is that your point?

23 A The only references I make is their
24 discussion about the technical nature of networks,
25 and how they interconnect.

0730

1 Q And you rely on the FCC's first report and
2 order on local computation dated August 8, 1996,
3 for that technical authority?

4 A It's not necessarily a technical authority.
5 I think it basically bridges the engineering
6 concepts that the industry operates under, and
7 demonstrates that even the regulators understand
8 that there should be a -- the ability for each
9 network to be able to operate and control its
10 network.

11 Q Was that the only technically feasible point
12 of interconnection that the FCC discussed in that
13 first report and order?

14 A I don't recall without looking at it.

15 Q Did you read the first report and order on
16 preparing this testimony?

17 A Yes, I did, but it's been a while since I
18 actually read that particular portion.

19 Q It is possible that other technically
20 feasible points of interconnection were discussed?

21 A It says what it says, which it may.

22 Q So if that first report and order stated
23 that the trunk side of an end office switch was a
24 technically feasible point of interconnection, you
25 would agree that Qwest would be required to provide

0731

1 interconnection at that point, wouldn't you?

2 A Well, I believe what the context of that
3 footnote in their discussion is within the context
4 of that interconnection, and the technically
5 feasible location, such as the line side or the
6 trunk side of a switch. However, those ports are
7 typically accessed through interconnection, via a
8 main distribution frame.

9 So the regulators even conceded that,
10 although the technically feasible location would be
11 the actual port on the switch that is more logical
12 for carriers to be able to maintain control of
13 their network, so that they don't have adverse
14 conditions brought in from other carriers, or vice
15 versa, to where the LEC's network may adversely
16 impact the interconnecting carrier's network that
17 it should be at a distribution frame, or some sort
18 of location where each carrier can have things such
19 as test control and electrical protection.

20 Q But previously you said that this was an
21 example of where the regulators balanced these
22 concerns, and made some decisions about what is
23 technically feasible, correct?

24 A All I am saying is they reference a
25 distribution frame in their discussion, or the

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1 ability for each carrier to maintain control of its
2 network.

3 Q But if the regulator said the trunk side of
4 a local switch, you would agree that -- in that
5 very same context, you would agree that that would
6 be a technically feasible point of interconnection,
7 wouldn't you?

8 A I believe they say the trunk side of a
9 switch is a technically feasible -- and then they
10 discuss how that trunk side of the switch is
11 accessed, which is through a distribution frame of
12 some sort, some sort of protected location where
13 carriers can connect.

14 MR. CECIL: Your Honor, it's about 5:00.
15 You said you wanted to break now.

16 JUDGE RENDAHL: Is this a logical break
17 point for you now?

18 MR. CECIL: This is as good a point as any.

19 JUDGE RENDAHL: Let's break now. We will be
20 in recess until 9:30 tomorrow morning.

21 Off the record.

22 ENDING TIME: 5:00 P.M.

23

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25