

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

QWEST CORPORATION,

Complainant,

v.

LEVEL 3 COMMUNICATIONS, LLC, *et*
al.,

Respondents.

DOCKET NO. UT-063038

RESPONSE TESTIMONY

OF

Diane Peters

On Behalf of

Global Crossing Local Services, Inc.

February 2, 2007

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN OTHER REGULATORY**
2 **PROCEEDINGS BEFORE THE COMMISSION?**

3
4 A. No.

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

6 A. The purpose of my testimony is to describe Global Crossing's Washington operations and
7 to support Global Crossing's counterclaim against Qwest Corporation ("Qwest"). More
8 specifically, I explain that Global Crossing provides business services in competition with
9 Qwest in the same manner that Qwest offers comparable services to its customers, and
10 Global Crossing is entitled to reciprocal compensation on all locally dialed traffic
11 exchanged between the Parties.

12 **Q. PLEASE DESCRIBE GLOBAL CROSSING'S OPERATIONS IN WASHINGTON**
13 **AS THEY ARE RELEVANT TO THE COMPLAINT.**

14
15 A. Global Crossing offers facilities-based local exchange and toll services to business
16 customers in Washington. Global Crossing has constructed its own fiber-optic network
17 and deployed a DMS-500 switch to provision its services. Global Crossing also
18 interconnects with Qwest pursuant to an interconnection agreement ("ICA") between the
19 parties. As authorized under that agreement, the Parties have established a single point of
20 presence ("SPOP") in Seattle at which they exchange all telecommunications traffic from
21 throughout the Seattle LATA.

22 **Q. HOW DOES GLOBAL CROSSING APPLY RECIPROCAL COMPENSATION**
23 **TO THE EXCHANGED TRAFFIC?**

24
25 A. The ICA provides for per minute of use compensation for traffic that is rated as "local,"

1 which Global Crossing interprets as being calls between telephone numbers that are rated
2 to the same local calling area. Global Crossing measures such calls that Qwest delivers to
3 Global Crossing for termination, and bills Qwest on a monthly basis for the reciprocal
4 compensation due for that traffic.

5 **Q. HAS QWEST PAID GLOBAL CROSSING'S INVOICES?**

6
7 A Not in full. Qwest paid Global Crossing's invoices for reciprocal compensation in full
8 until the September 15, 2005 invoice. Beginning with that invoice, Qwest has made
9 partial payments but has disputed a portion of each invoice based on Qwest's claim that
10 the withheld portions represent "VNXX" traffic for which Qwest is not obligated to pay
11 reciprocal compensation. Attached to my testimony as Confidential Exhibit DP-2 is a
12 spreadsheet with the dates and amounts of Global Crossing's reciprocal compensation
13 invoices to Qwest and the amounts that Qwest has paid and disputed through January 31,
14 2007.

15 **Q. HAS QWEST LEGITIMATELY DISPUTED GLOBAL CROSSING'S**
16 **INVOICES?**

17
18 A. No, it has not. Like Qwest, the vast majority of Global Crossing's customers are assigned
19 telephone numbers that are rated as "local" to the local calling area in which the customer
20 or its equipment/network interface is physically located. Like Qwest, however, Global
21 Crossing offers customers the option of being assigned a telephone number that is rated
22 as local to a different local calling area. Like Qwest, Global Crossing imposes an
23 additional charge for this "foreign exchange" ("FX") service, the rates, terms, and

1 conditions of which are set out in Global Crossing's price list currently on file with the
2 Commission.

3
4 Global Crossing's understanding is that any calls its customers make to Qwest's FX
5 customers with telephone numbers rated as "local" to the same local calling area are
6 included in the calls for which Global Crossing is obligated to pay Qwest reciprocal
7 compensation. The reciprocal compensation amounts that Global Crossing has billed
8 Qwest correspondingly include calls that Qwest's customers make to Global Crossing's
9 FX customers with telephone numbers rated as "local" to the same local calling area.
10 Qwest cannot legitimately dispute its obligation to pay the reciprocal compensation
11 amounts that Global Crossing has billed.

12 **Q. DOES GLOBAL CROSSING PROVIDE "VNXX" SERVICE?**

13
14 **A.** No, not as Global Crossing understands how that term is used by Qwest and Commission
15 Staff. Qwest's primary concern seems to be with carriers who provide local service to
16 Internet Service Providers ("ISPs"). Global Crossing does not provide local service to
17 any ISPs in Washington. Qwest and Commission Staff also seem to be concerned about
18 whether the customer pays an additional charge to obtain a "physical presence" in the
19 local calling area where the telephone number is rated. Global Crossing imposes just
20 such a charge on its FX customers. Global Crossing's FX service, therefore, is
21 indistinguishable from the FX service that Qwest provides and is entitled to be treated the

1 same way with respect to the application of intercarrier compensation.

2 **Q. HAS GLOBAL CROSSING “REDEFINED ITS [LOCAL CALLING AREAS] IN**
3 **AN ATTEMPT TO MAKE TOLL TRAFFIC INTO LOCAL TRAFFIC, AND**
4 **THUS ALLOW IT TO RECEIVE RECIPROCAL COMPENSATION” AS**
5 **QWEST WITNESS LARRY B. BROTHERSON STATES IN HIS DIRECT**
6 **TESTIMONY AT PAGE 56, LINES 6-8?**
7

8 A. Absolutely not. Global Crossing has established Seattle LATA-wide local calling as one
9 of the features of its *retail* service offerings to its business customers, but Global
10 Crossing rates and routes all calls for intercarrier compensation purposes according to the
11 telephone numbers and the rating areas to which they have been assigned. If the
12 telephone numbers of the calling and called parties are rated to the same local calling
13 area, the traffic is routed over the local interconnection service (“LIS”) trunks and
14 measured and billed as “local” traffic subject to reciprocal compensation. If the telephone
15 numbers are rated to different local calling areas, the traffic is routed, measured, and
16 billed as toll traffic subject to access charges. Such call rating and routing is fully
17 consistent with industry guidelines, the ICA, and Commission requirements.

18 **Q. DOES QWEST INCUR ANY ADDITIONAL COST TO TRANSPORT TRAFFIC**
19 **BOUND FOR GLOBAL CROSSING’S FX CUSTOMERS?**
20

21 A. No. Under the SPOP provisions of the Parties’ ICA, the Parties are responsible for
22 aggregating in Seattle all traffic originated by their customers and intended for customers
23 of the other party anywhere within the LATA. A telephone call between customers in
24 Tacoma, for example, would be transported on Qwest’s network from its customer in
25 Tacoma to the SPOP in Seattle and handed off to Global Crossing to be transported on its

1 network to its customer in Tacoma. The same is true in reverse – Global Crossing would
2 transport the call from Tacoma to Seattle where Qwest would transport it back to
3 Tacoma. The physical location of the customers is irrelevant. Thus, Global Crossing
4 must transport the call from its Tacoma customer to the SPOP in Seattle whether the
5 Qwest customer is physically located in Tacoma or obtains FX service in Tacoma while
6 being physically located somewhere else. Qwest’s transport obligations are exactly the
7 same.

8 **Q. WHAT IS GLOBAL CROSSING ASKING THE COMMISSION TO DO?**

9
10 A. Global Crossing is asking the Commission to require Qwest to pay the full outstanding
11 balance of Global Crossing’s past reciprocal compensation invoices to Qwest, plus
12 interest to the extent authorized in the ICA. Qwest stated in response to discovery
13 requests from Global Crossing that its “VNXX” allegations are the sole basis on which
14 Qwest has withheld payment of these invoices. Those allegations are groundless. Qwest,
15 therefore, should be required to pay those invoices in full.

16 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

17 A. Yes, it does.

QWEST WASHINGTON

Reciprocal Compensation Amounts Owed to Global Crossing as of January 31, 2007

<u>Invoice #</u>	<u>Invoice Date</u>	<u>Original Charges</u>	<u>Payment rec'd</u>	<u>Outstanding Amt.</u>	<u>Disputes</u>	<u>LPC</u>	<u>MOU</u>
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PUBLIC VERSION

**CONFIDENTIAL INFORMATION REDACTED
PER PROTECTIVE ORDER
DOCKET UT-063038**

CERTIFICATE OF SERVICE
Docket No. UT-063038

I hereby certify that on the date given below the original and 7 true and correct copies of Response Testimony of Diane Peters (Public Version) was sent via email and overnight (Monday) delivery to:

Ms. Carole J. Washburn, Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250
E-mail: records@wutc.wa.gov

On the same date, true and correct copies were sent by regular U.S. Mail, postage prepaid, and by email to interested parties listed below:

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DATED February 2, 2007.

By: Mary A. Scarsorie
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