

10-25-2006

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:

LEVEL 3 COMMUNICATIONS, LLC, by ERIK CECIL,  
Regulatory Attorney, and RICHARD THAYER, Director of  
Interconnection Policy, 1025 Eldorado Boulevard,  
Broomfield, Colorado, 80021, Telephone (720) 888-1319,  
Erik.Cecil@Level3.com, and (720) 888-2620, fax  
(720) 888-2802, E-mail, Rick.Thayer@Level3.com.

LEVEL 3 COMMUNICATIONS, LLC, by CHRIS SAVAGE,  
Cole Raywid & Braverman, LLP, 1919 Pennsylvania  
Avenue, NW, Ste. 200, Washington, D.C., 20006,  
Telephone (202) 659-9750, E-mail, csavage@crblaw.com.

Deborah L. Cook, RPR, CSR  
Court Reporter

10-25-2006

Page 593

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,

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

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?

10-25-2006

Page 596

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

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;

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

10-25-2006

Page 599

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

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.

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?