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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

NORTHWEST TELEPHONE, INC.,

Complainant,

v.

QWEST CORPORATION,

Respondent.

DOCKET NO. UT-053081

DIRECT TESTIMONY

OF

ANDREW METCALFE

On Behalf of

Northwest Telephone, Inc.

December 22, 2005

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 the circumstances that gave rise to NTI's
7 complaint against Qwest and to support the allegations in that complaint. NTI, as a
8 CLEC, is entitled to obtain interconnection facilities from Qwest at cost-based rates and
9 to have Qwest be responsible for the costs of its proportionate share of those facilities.
10 NTI asks the Commission to enforce NTI's rights.

11 **Q. PLEASE DESCRIBE NTI'S OPERATIONS IN WASHINGTON AS RELEVANT**
12 **TO THE COMPLAINT.**

13
14 A. NTI provides local exchange services predominantly in eastern Washington. NTI serves
15 mostly Internet Service Providers ("ISPs"), and its objective is to deliver advanced
16 telecommunications services to and through rural areas of the state. NTI's single switch
17 is located in Wenatchee, but NTI also has points of presence in other cities, including
18 Spokane and Seattle. NTI obtains facilities from Qwest to connect these points of
19 presence to Qwest wire centers, as well as to NTI's switch. A high-level diagram of
20 NTI's basic network configuration in Qwest's service territory is attached as confidential
21 Exhibit ____ (AM-2C).

22 **Q. HOW LONG HAS NTI BEEN IN OPERATION AND INTERCONNECTED**
23 **WITH QWEST IN WASHINGTON?**

24
25 A. NTI began its operations in this state in 2001. NTI installed its switch and entered into an

1 interconnection agreement with Qwest that the Commission approved on June 13, 2001,
2 in Docket No. UT-013046. In an effort to interconnect with Qwest as quickly as possible
3 to begin providing service, NTI ordered DS3 entrance facilities from Qwest as private
4 line circuits out of Qwest's special access tariff. NTI also ordered additional private line
5 circuits to connect NTI points of presence with various Qwest central offices. Such
6 circuits are significantly more expensive than Local Interconnection Service ("LIS")
7 facilities ordered out of the interconnection agreement, but NTI did not want to delay its
8 market entry by trying to obtain the necessary facilities as LIS facilities.

9 **Q. ARE THESE FACILITIES USED TO EXCHANGE LOCAL TRAFFIC WITH**
10 **QWEST?**

11
12 A Yes. NTI has dedicated some of these facilities to the exchange of local traffic, *i.e.*, calls
13 between parties with telephone numbers that have been assigned to the same local calling
14 area.

15 **Q. HAS QWEST PAID ANY RECIPROCAL COMPENSATION FOR THIS**
16 **TRAFFIC OR THE FACILITIES USED TO EXCHANGE THE TRAFFIC?**

17
18 A No. Qwest has never paid its proportional share of the facilities used to exchange local
19 traffic, despite NTI's requests for such compensation. NTI has not requested and Qwest
20 has never paid per minute of use reciprocal compensation for the local traffic that Qwest
21 has delivered to NTI for termination, even though such traffic represents the vast majority
22 of the local traffic exchanged between the parties.

23 **Q. WHEN DID NTI RAISE THIS ISSUE WITH QWEST?**
24

1 A. NTI approached Qwest well over a year ago to adjust the interconnection arrangement
2 between the parties. NTI sought to change the method of interconnection to one in which
3 the parties negotiate one or more meet-points and each party pays the costs of
4 constructing the facilities to the meet-point(s). In conjunction with that proposal, NTI
5 requested compensation for the facilities that Qwest had used to deliver local traffic to
6 NTI for termination for the previous two years.

7 **Q. WHAT WAS QWEST'S RESPONSE?**
8

9 A. Qwest did not respond until NTI escalated the issue to Qwest's Regional Vice President
10 for Wholesale Markets in October 2004, but ultimately Qwest rejected NTI's proposal.
11 Qwest refuses to provision facilities as LIS facilities if the traffic delivered over those
12 facilities is not between two end users who are physically located within the same local
13 calling area, regardless of whether the telephone numbers of the calling and called parties
14 are assigned to the same local calling area. Qwest also has taken the position that the
15 tariff rate applies to the private line facilities that currently are in place to exchange local
16 traffic without any offset for Qwest's use of those facilities.

17 **Q. DO YOU AGREE THAT TRAFFIC IS ONLY "LOCAL" IF IT IS BETWEEN**
18 **PARTIES WHO ARE PHYSICALLY LOCATED WITHIN THE SAME LOCAL**
19 **CALLING AREA?**
20

21 A. Absolutely not. The telecommunications industry has long rated and routed calls based
22 on the first six digits, or "NPA-NXX," of the ten digit telephone numbers of the calling
23 and called parties. If the NPA-NXX of each party is assigned to the same local calling

1 area, the call is rated as a local call, regardless of whether both parties are physically
2 located within the same local calling area. Indeed, Qwest itself rates as “local” calls
3 between customers who are physically located in different local calling areas if one or
4 both customers subscribe to Qwest foreign exchange or “FX” service.

5 **Q. IS ALL TRAFFIC RATED AS “LOCAL” THAT IS EXCHANGED BETWEEN**
6 **QWEST AND NTI ACTUALLY TRAFFIC BETWEEN CUSTOMERS WHO ARE**
7 **PHYSICALLY LOCATED IN THE SAME LOCAL CALLING AREA?**

8
9 A. No. NTI provides service to its customers that is indistinguishable from the FX service
10 that Qwest offers to its customers. An NTI customer can obtain a telephone number that
11 is rated as local in a particular local calling area even if the customer is not physically
12 located in that local calling area – exactly as a Qwest customer can. NTI customers
13 typically are ISPs who obtain telephone numbers in different local calling areas to enable
14 their customers to access the Internet over a local dial-up connection. NTI does not
15 necessarily know where the ISP customer’s modem bank is physically located, but that
16 information is irrelevant for purposes of call rating and routing.

17
18 An example will illustrate this point. Assume that a Qwest customer physically located
19 in Pasco obtains dial-up Internet access from an ISP who obtains its local service from
20 NTI. All traffic routed to or from any NTI customer passes through NTI’s switch in
21 Wenatchee. If the ISP’s modem bank were physically located in Pasco, the call would be
22 routed from the Qwest customer over interconnection facilities to NTI’s switch in

1 Wenatchee, where it would then be delivered over NTI facilities to the ISP back in Pasco.
2 If the ISP's modem bank were physically located in Wenatchee, the call still would be
3 routed from the Qwest customer over the same interconnection facilities to NTI's switch
4 in Wenatchee before being delivered to the ISP. From an inter-carrier interconnection
5 perspective, therefore, the physical location of the NTI customer has no bearing on
6 Qwest's obligation to pay for its share of the facilities used to carry its customers' calls to
7 the NTI switch for delivery to NTI's customers.

8 **Q. DOES THE INTERCONNECTION AGREEMENT PROHIBIT ROUTING OF**
9 **THIS TRAFFIC OVER LIS FACILITIES?**

10 A. No, it does not. Qwest has contended that the parties' current Interconnection Agreement
11 (which is essentially Qwest's Statement of Generally Available Terms or "SGAT") limits
12 traffic over LIS facilities to "Exchange Service" or "Extended Areas Service (EAS)/Local
13 Traffic," which Section 4 defines as "traffic that is originated and terminated within the
14 Local Calling Area as determined by the Commission." Nothing in that definition,
15 however, requires that such origination and termination occur *physically* within the local
16 calling area. Indeed, Section 7 of the parties' Interconnection Agreement governs
17 interconnection and expressly includes ISP-bound traffic, which the Federal
18 Communications Commission ("FCC") has determined does not "terminate" at the ISP
19 modem but continues on until it reaches the ultimate recipient of the communication.
20 The traffic at issue here falls squarely within the type of traffic to be routed over LIS
21 facilities under the Agreement.

1 **Q. DOES THE AGREEMENT IMPOSE ANY LIMITATIONS ON QWEST'S**
2 **OBLIGATIONS TO PAY FOR ITS PROPORTIONAL SHARE OF THE COSTS**
3 **OF INTERCONNECTION FACILITIES?**

4 A. Section 7.3.1.1.3.1 of the Agreement limits the calculation of each party's proportional
5 use to "non-ISP-bound traffic." Because traffic in excess of a three to one ratio is
6 presumptively ISP-bound traffic, Qwest would be responsible for only 75% of the costs
7 of the interconnection facilities. The Commission, however, has since concluded that
8 ISP-bound traffic should not be excluded from the relative use calculation. That
9 conclusion should also apply to NTI, and Qwest should be responsible for the total
10 percentage of the facilities used to deliver calls from Qwest customers to NTI for
11 termination to its customers.

12 **Q. WHAT ABOUT THE FACT THAT THE CURRENT INTERCONNECTION**
13 **FACILITIES ARE PURCHASED AS PRIVATE LINE CIRCUITS?**

14 A. That fact is irrelevant. FCC Rule 51.703 requires Qwest to "establish reciprocal
15 compensation arrangements for transport and termination of local telecommunications
16 traffic." In other words, Qwest is responsible for compensating NTI for the costs NTI
17 incurs to receive and complete calls from Qwest's customers, and vice versa. More
18 specifically in the context of interconnection facilities, Rule 51.709(b) states, "The rate of
19 a carrier providing transmission facilities dedicated to the transmission of traffic between
20 two carriers' networks shall recover only the costs of the proportion of that trunk capacity
21 used by an interconnecting carrier to send traffic that will terminate on the providing
22 carrier's network." Qwest, therefore, must pay the costs of the facilities that Qwest uses

1 to send its local calls to NTI, including facilities that NTI has obtained from Qwest as
2 private line circuits. Once NTI leases a private line from Qwest, that circuit belongs to
3 NTI. NTI, not Qwest, provides these facilities to exchange local calls with Qwest, and
4 the ultimate source of those facilities is irrelevant for compensation purposes.

5
6 The circumstances here make this conclusion particularly compelling. NTI does not want
7 to use Qwest private line circuits as local interconnection facilities, but Qwest has refused
8 to provide such facilities as LIS facilities under the Interconnection Agreement. NTI thus
9 has had no alternative to obtaining tariffed services to use for interconnection. Qwest not
10 only is requiring NTI to pay tariff, rather than contract, rates for interconnection facilities
11 but has refused to pay any portion of those higher costs because they derive from the
12 tariff, rather than the Interconnection Agreement. The Commission should refuse to
13 permit Qwest to evade its responsibilities and to impose such unreasonable costs on a
14 competitor.

15 **Q. WHAT SPECIFIC RELIEF DOES NTI SEEK FROM THE COMMISSION?**

16 A. NTI seeks to obtain interconnection facilities from Qwest under the Interconnection
17 Agreement and to have Qwest pay for its proportional share of those facilities.
18 Accordingly, NTI requests an order from the Commission requiring Qwest to work with
19 NTI to transition the current private line circuits to LIS facilities governed by the
20 Agreement. NTI further requests that the Commission require Qwest to pay the costs of

1 its proportional share of those facilities, both historically and on a going-forward basis.
2 Attached as Confidential Exhibit ____ (AM-3C) is NTI's calculation of the total amount
3 Qwest owes NTI in compensation for Qwest's share of the costs of the interconnection
4 facilities through November 2005.

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

6 **A.** Yes, it does.