BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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REBUTTAL TESTIMONY OF

JOSEPH CRAIG

ON BEHALF OF US WEST COMMUNICATIONS, INC.

May 10, 2000

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1		I.INTRODUCTION
2		
3	Q.	PLEASE STATE YOUR NAME.
4	A.	My name is Joseph Craig.
5		
6	Q.	ARE YOU THE SAME JOSEPH CRAIG THAT PREVIOUSLY FILED
7		DIRECT TESTIMONY IN THIS CASE?
8	A.	Yes, I am.
9		
10	Q.	PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY.
11	A.My	testimony responds to issues raised in the direct testimony of Sprint's witness,
12	Davi	d Stahly, relating to the costs of delivering Internet-bound traffic and how this
13	type	of traffic can be separated technically from voice traffic. My direct testimony
14	addr	resses all other network-related issues having to do with the costs of delivering
15		this type of traffic.
16		
17		II. REBUTTAL TESTIMONY REGARDING RECIPROCAL
18		COMPENSATION FOR ISP TRAFFIC
19		
20	Q.	AT PAGES 13 AND 14 OF HIS DIRECT TESTIMONY, MR. STAHLY
21		ASSERTS THAT BECAUSE INCUMBENT LOCAL EXCHANGE
22		CARRIERS ("ILECs") HAVE LARGER NETWORKS THAN

COMPETITIVE LOCAL EXCHANGE CARRIERS ("CLECs"), THEY
 HAVE GREATER SCALE AND LOWER COSTS. DO YOU AGREE
 THAT THE GREATER SCALE OF AN ILEC'S NETWORK RESULTS IN
 LOWER COSTS?
 A.No. Mr. Stahly does not take into account the significant costs that U S WEST

6 must incur in serving as a carrier of last resort. U S WEST must build its network 7 to reach all customers in the geographic areas it serves regardless of the revenues 8 those customers generate. In Washington, the geographic diversity of the customers 9 in U S WEST's territory requires U S WEST to have a far-reaching interoffice 10 network that contains tens of thousands of trunk groups. In areas with small 11 populations and low usage, the utilization rates of these trunk groups and other 12 facilities are necessarily low. By contrast, CLECs like Sprint can pick and choose 13 the customers they serve and can focus on the customers that are most efficient to serve. Accordingly, I do not agree with Mr. Stahly's statement that larger networks 14 15 necessarily result in lower cost.

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17 Q.ON PAGE 18 AND 19 OF HIS DIRECT TESTIMONY, MR. STAHLY CLAIMS 18 THAT IT IS NOT TECHNICALLY FEASIBLE TO SEPARATE INTERNET19 BOUND TRAFFIC. IS THAT TRUE?

20 A.No. There are several technically feasible ways Internet-bound traffic can be separated

21 from voice calls. First, as discussed in my direct testimony at pages 19 through 21 and

1	the direct testimony of Larry Brotherson at pages 12 through 14, U S WEST is already
2	identifying and measuring Internet-bound calls separately from voice calls through the
3	use of a three-step process involving: (1) collection of call data through the use of the
4	CroSS7 system designed by Aligent, formerly known as Hewlett Packard; (2)
5	identification of modem traffic through application of an algorithm to the data generated
6	by CroSS7; and (3) use of a modem identifier to determine whether calls initially
7	identified as modem traffic after application of the algorithm are, in fact, Internet-bound
8	calls. In the Colorado arbitration between U S WEST and Sprint, the Colorado
9	Commission found that this process allows U S WEST to identify Internet traffic from
10	other traffic:
11	"In adopting bill and keep, the Commission believes that U S WEST will be able to differentiate
12 13 14 15	compensation. Such differentiation is necessary because the two types of traffic will be treated differently. The procedure for differentiating the two was explained by witnesses for U S WEST, and we find this method to be reasonably designed to measure ISP traffic."
12 13 14 15 16 17	 ISP traffic from the traffic between U S WEST and Sprint that is subject to reciprocal compensation. Such differentiation is necessary because the two types of traffic will be treated differently. The procedure for differentiating the two was explained by witnesses for U S WEST, and we find this method to be reasonably designed to measure ISP traffic." In the Matter of the Petition of Sprint Communications Co. for Arbitration, Docket
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12 13 14 15 16 17 18 19 20 21	ISP traffic from the traffic between U.S. WEST and Sprint that is subject to reciprocal compensation. Such differentiation is necessary because the two types of traffic will be treated differently. The procedure for differentiating the two was explained by witnesses for U.S. WEST, and we find this method to be reasonably designed to measure ISP traffic." In the Matter of the Petition of Sprint Communications Co. for Arbitration, Docket No. 00B-011T, Decision No. C00-479, Initial Commission Decision at 18 (Adopted May 3, 2000). Second, in addition to the process U.S. WEST has implemented, Internet-bound
12 13 14 15 16 17 18 19 20 21 22	ISP traffic from the traffic between U S WEST and Sprint that is subject to reciprocal compensation. Such differentiation is necessary because the two types of traffic will be treated differently. The procedure for differentiating the two was explained by witnesses for U S WEST, and we find this method to be reasonably designed to measure ISP traffic." In the Matter of the Petition of Sprint Communications Co. for Arbitration, Docket No. 00B-011T, Decision No. C00-479, Initial Commission Decision at 18 (Adopted May 3, 2000). Second, in addition to the process U S WEST has implemented, Internet-bound traffic can be identified if ILECs and CLECs share the direct-dialed numbers of
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1	trunk groups used for the exchange of Internet-bound traffic. Any competitive
2	concerns that CLECs may have about turning over these numbers could be
3	addressed through procedures U S WEST has in place to handle information of
4	this type and to ensure that the information is used only for the purposes of
5	identifying and measuring traffic. U S WEST used these procedures, for example,
6	in connection with number portability to ensure that telephone numbers provided
7	by CLECs were used only for implementing number portability.
8	
9	Third, since the FCC has ruled that not all locally dialed numbers are local calls,
10	ISP numbers can be assigned unique, three-digit number prefixes. This alternative
11	would use a numbering plan similar to Feature Group A service. This approach
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11 12 13 14 15	 would use a numbering plan similar to reature Group A service. This approach would allow ILECs and CLECs to route Internet-bound calls using this unique prefix to a separate trunk group away from voice calls. Finally, another option would be to use a separate and distinct Line Class Code for
 11 12 13 14 15 16 	 would use a numbering plan similar to reature Group A service. This approach would allow ILECs and CLECs to route Internet-bound calls using this unique prefix to a separate trunk group away from voice calls. Finally, another option would be to use a separate and distinct Line Class Code for Internet calls. Line Class Codes are used to identify originating and terminating
11 12 13 14 15 16 17	 would allow ILECs and CLECs to route Internet-bound calls using this unique prefix to a separate trunk group away from voice calls. Finally, another option would be to use a separate and distinct Line Class Code for Internet calls. Line Class Codes are used to identify originating and terminating features or restrictions on customer lines. Measured service or flat rate service is an
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 11 12 13 14 15 16 17 18 19 20 	 would use a numbering plan similar to reduce Group A service. This approach would allow ILECs and CLECs to route Internet-bound calls using this unique prefix to a separate trunk group away from voice calls. Finally, another option would be to use a separate and distinct Line Class Code for Internet calls. Line Class Codes are used to identify originating and terminating features or restrictions on customer lines. Measured service or flat rate service is an example of service type, and 976 or toll-dialing restrictions are examples of originating restrictions using Line Class Codes. With the use of a measured Line Class Code for computer lines, all data traffic originating from a computer could be

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2	In su	mmary, there are a number of technically feasible options available to identify	
3	a 1	nd measure Internet-bound calls. U S WEST has implemented one of these	
4	methods, and, as the Colorado Commission found, it allows U S WEST to track		
5		Internet traffic separately from voice traffic.	
6			
7	Q.	DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?	
8	A.	Yes.	