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BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION,

Complainant,

vs.

ADVANCED TELECOM GROUP, INC.; et al.,

Respondents.

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) Docket No.
) UT-033011
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DEPOSITION OF THOMAS L. WILSON, VOLUME 3
July 27, 2004
Olympia, Washington

Page 2

1 APPEARANCES

2

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1 EXAMINATION INDEX

2

3

4 EXAMINATION BY:	PAGE NO.
5 MR. NAZARIAN	5

6

7 EXHIBIT INDEX

8

9 EXHIBIT NO.	DESCRIPTION	PAGE NO.
10 K	7-page MCI Settlement Agreement, dated 7/20/04	38

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Page 3

1 Also Present:

2 Adam L. Sherr, Qwest
Todd L. Lundy, Qwest (via
3 telephone)

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1 BE IT REMEMBERED that on Tuesday,

2 July 27, 2004, at 1400 Evergreen Park Drive SW, Olympia,

3 Washington, at 8:45 a.m., before, CHRISTY SHEPPARD, CCR,

4 Notary Public in and for the State of Washington,

5 appeared THOMAS L. WILSON, the witness herein;

6 WHEREUPON, the following proceedings

7 were continued, to wit:

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9 <<<<<< >>>>>>

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11 THOMAS L. WILSON, having been previously sworn

12 by the Notary, deposed and

13 testified as follows:

14

15

16 EXAMINATION

17 BY MR. NAZARIAN:

18 Q I don't think we need to swear the witness again as long

19 as Mr. Wilson recognizes he remains under oath from last

20 week.

21 A Yes, I do.

22 Q Thank you, Mr. Wilson, for giving us another day of your

23 life. We will try to make this one as painless as the

24 other day.

25 I wanted to start today by going through a few more

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1 A Right. But on the line above we have got April 28, 2000,
2 8A.
3 Q I was looking at Paragraph 2. Let's start again.
4 A And I have reciprocal compensation and Centrex in it.
5 Q Right. That one you said needed to be filed for all the
6 reasons we talked about before?
7 A Oh, okay. And then in Paragraph 2 of 46A we have got the
8 September 30th reference. I see what you are saying.
9 And we added five million dollars more to that September
10 30 agreement.
11 Q Now Staff's position is that the September 30, 2000
12 agreement did not need to be filed because that's on the
13 Exhibit B side?
14 A Right.
15 Q We are going to talk about that this afternoon.
16 A Right.
17 Q So why does adding five million to the total of Exhibit B
18 agreements turn this one into an Exhibit A agreement?
19 A I can't find any apparent reason right now.
20 Q And is there anything else about this agreement 46A? I
21 mean, we have talked a lot about how some of these
22 settlement agreements talk about resolving things in a
23 manner that will proceed into the future, and therefore
24 in your view that makes its an interconnection agreement.
25 Is there anything about this settlement, 46A, that

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1 contains an ongoing performance obligation?
2 A I don't think so. I think that our big concern was the
3 context.
4 Q And when you say, "the context," do you mean the fact
5 that this was signed by the same people on about the same
6 day as the other agreements we have discussed previously
7 that did qualify in your view as interconnection
8 agreements?
9 A Right. And when I looked at it I thought that it added
10 to the rate effect.
11 Q So is it possible then that this agreement should not be
12 among the Exhibit A agreements?
13 A I think that if there were testimony or evidence to show
14 that our suppositions are correct, that that would be the
15 case. I would just like to confirm it with the people
16 who are most knowledgeable about that.
17 Q That's why I asked you in terms of it being possible.
18 I'm not trying to pin you down. Your lawyer wouldn't let
19 me do that anyway.
20 MR. NAZARIAN: Off the record.
21 (Discussion off the record.)
22 (Noon recess.)
23
24
25 EXAMINATION (Continuing)

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1 BY MR. NAZARIAN:
2 Q Mr. Wilson, you are probably wondering when if ever we
3 are going to start talking about the Exhibit B
4 agreements, and it seems to me now is about the time.
5 Before we start talking about individual ones, let me
6 make sure I understand a couple of global rules.
7 First of all, the Staff is not alleging that any of
8 the agreements listed in Exhibit B are interconnection
9 agreements that needed to be filed, correct?
10 A Correct.
11 Q Does that also mean then that Staff does not consider the
12 Exhibit B agreements to create ongoing obligations under
13 section 251(b) or (c)?
14 MR. SWANSON: Objection to the extent
15 it calls for a legal conclusion.
16 THE WITNESS: The answer is yes.
17 Q (By Mr. Nazarian) Now it says in your testimony, and I
18 will find it for you, I don't imagine you remember it off
19 the top of your head, that the problem that the Staff
20 sees with the Exhibit B agreements like the Exhibit A
21 agreement is the fact that they were kept secret. And I
22 guess the one paragraph that kind of synopsis your
23 position as best I can tell is on Page 79.
24 Tell me though, as a practical matter, with respect
25 to settlement agreements between Qwest and a CLEC that

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1 don't contain any going forward obligation, how is it
2 that Staff believes Qwest should have handled these
3 agreements in order to keep them from being secret?
4 MR. SWANSON: Objection to the extent
5 it calls for a legal conclusion.
6 You can go ahead and answer.
7 THE WITNESS: First of all, I just
8 want to note that the passage in my testimony referenced
9 regarding keeping it secret, and not filing was regarding
10 the Exhibit A agreements and not the Exhibit B
11 agreements.
12 Q (By Mr. Nazarian) Well, just so I'm pointing you in the
13 right place, I was referring to the sentence that starts
14 on Line 4 that says, "Secondly, all of the Exhibit B
15 agreements were kept secret."
16 And I guess I assumed, but maybe you can correct me
17 if I'm wrong, the reference to them also being kept
18 secret meant that Staff's position was that they should
19 not have been kept secret. And if I need to be corrected
20 in that regard, please do.
21 A I understand from reading that sentence in my testimony
22 how one might possibly derive that conclusion, but that
23 was not an intent.
24 We are not alleging that failure to file is a
25 violation for the Exhibit B agreements.

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1 As between Qwest and ARCH, on this dispute
 2 resulting in this agreement, No. 1B, Exhibit 44, do you
 3 have any reason to believe that just between the two of
 4 them that this was anything but a fair deal?
 5 A No.
 6 Q All right. Having made a fair deal to resolve their
 7 dispute then --
 8 A Excuse me. You asked me if it was a fair deal for them.
 9 Q As between Qwest and ARCH, and I meant that for both
 10 parties.
 11 A Right.
 12 Q Okay. Now there are lots of other CLECs I'm sure that
 13 had reciprocal compensation arrangements with Qwest,
 14 right?
 15 A I think so.
 16 Q Can you name a single other CLEC in Washington that had
 17 an actual dispute with Qwest over the amount of
 18 reciprocal compensation that had to be paid?
 19 A As I explained before, I didn't go out and try to find
 20 the other CLECs and the other complaints for Qwest.
 21 Q Well, sir, with all due respect, when you say you didn't
 22 do it for Qwest, the Staff is the one who brought this
 23 case against us. I'm trying to find out what evidence
 24 you have that we discriminated the way you say we did,
 25 okay, so --

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1 A So what is your question?
 2 MR. SWANSON: Object to the form of
 3 the question.
 4 MR. NAZARIAN: I'm working up to my
 5 question if you wouldn't interrupt me, please. We have
 6 been around this a bunch of times because Mr. Wilson and
 7 I are not apparently communicating very well and I'm
 8 trying to get at it.
 9 MR. SWANSON: Actually, I believe
 10 part of it is that the judge instructed that you were
 11 certainly able to make your case the way that you needed
 12 to make it, but to the extent that you are badgering Mr.
 13 Wilson, I don't think it's fair.
 14 MR. NAZARIAN: Are you finished with
 15 your objection?
 16 MR. SWANSON: Yes.
 17 Q (By Mr. Nazarian) I understand, Mr. Wilson, your point
 18 that Qwest knows in theory anyway what other CLECs might
 19 have contacted it to ask about resolving other disputes.
 20 But you are the witness today, so what I want to
 21 know is how you know that there is another CLEC in
 22 Washington, that did business in Washington, that had
 23 another dispute with Qwest -- that had its own dispute
 24 with Qwest relating to reciprocal compensation?
 25 MR. SWANSON: Objection. I believe

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1 the question has been asked several times and answered.
 2 THE WITNESS: I base that opinion
 3 largely upon the fact that there were nine reciprocal
 4 compensation items in the Exhibit A agreements indicating
 5 to me that Qwest was having substantial problems with
 6 properly billing for the recip comp, including
 7 measurement of access, relative use factors, counting
 8 minutes of use, et cetera.
 9 And it does not strike me as impossible at all to
 10 believe that other CLECs were having similar problems.
 11 Staff believes that these Exhibit B agreements like No.
 12 44, Exhibit 44 represents a preference Qwest gave just to
 13 ARCH.
 14 And I would add that that could very well have to
 15 do with the fact that ARCH had filed a complaint and
 16 Qwest wished to settle that complaint matter. Other
 17 CLECs may have had the same dispute, but didn't have the
 18 negotiating strength that ARCH had as a result of the
 19 complaint.
 20 So I am basing my opinion on my knowledge of the
 21 industry, and I have not gone out and looked for all the
 22 other CLECs.
 23 Q (By Mr. Nazarian) Well, you are not actually aware, are
 24 you, sir, of another CLEC who suffered discrimination as
 25 a result of this agreement, are you?

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1 MR. SWANSON: Objection. Asked and
 2 answered.
 3 THE WITNESS: I haven't undertaken
 4 that analysis. I suspect that I could probably do so to
 5 point to another Exhibit B agreement, but that would take
 6 me a little while because I haven't done that analysis.
 7 Q (By Mr. Nazarian) If you do not know and have not
 8 undertaken an analysis that would allow you to determine
 9 another CLEC who had a dispute -- to identify another
 10 CLEC who had a dispute on this issue, on what, sir, do
 11 you base your allegations that Agreement 1B confers a
 12 preference on ARCH?
 13 A Because it was kept secret.
 14 Q Okay.
 15 A To prevent other similarly situated customers from
 16 obtaining the same arrangement.
 17 Q Assuming there was one?
 18 A Right.
 19 Q Okay.
 20 A I don't know why they had to keep it secret otherwise.
 21 It doesn't make sense to me.
 22 Q But you testified earlier that you understand why parties
 23 keep settlements confidential?
 24 A If you say so. I don't remember.
 25 Q Well, the record will be whatever it is, but let me ask

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1 you this.

2 Having entered into this fair deal with ARCH, what

3 is it that Qwest was supposed to do beginning on June

4 16th of 2000 to prevent the discrimination that you claim

5 happened here?

6 A Staff does not wish to tell Qwest what to do in running

7 its business, but hypothetically to answer your question,

8 there are a variety of remedies we believe Qwest could

9 have pursued.

10 Q Please name them.

11 A For example, in the instance of Exhibit 44, where Qwest

12 and ARCH settled a dispute over reciprocal compensation,

13 Qwest could, as part of its interconnection agreement

14 with like carriers make the same methodology available to

15 them so that they could settle disputes likewise. And it

16 could be set forth in the interconnection agreement.

17 Q What methodology do you mean here?

18 A Whatever methodology was used to result in this

19 settlement agreement for the money that they picked.

20 They looked at various records and information which the

21 two of them then interpreted to yield an estimated

22 settlement result.

23 And one way to have approached this would have been

24 to make that process available to everyone else in the

25 interconnection agreements. Whether they had disputes or

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1 not, they would know then how they would solve that

2 particular dispute the same way. It might not deal with

3 the same dollar figure, but it would be equal treatment

4 for the others.

5 Another way that Qwest could do that is it could

6 research its own records and find out if it does have

7 disputes with other CLECs that are the same sort of

8 disputes, and go ahead and make sure that it's not

9 discriminating against ARCH by going ahead and making

10 sure that it also settles similar disputes with others

11 the same way.

12 Q Is it your testimony then, Mr. Wilson -- I'm sorry, were

13 you going to add something?

14 A I did remember something else. May I add, please?

15 Q Please do. I want to get all of your answers before I

16 follow-up.

17 A Thank you. Two other ideas -- and again we are not

18 telling Qwest what they should have done, but we have

19 seen this type of approach pursued from time to time. I

20 can't give you a specific, but Qwest could through

21 letters to its customers, through advertisements in the

22 media, announce that it's reached a settlement and offer

23 it to others who are similarly situated.

24 It could also send its customers bill stuffers

25 letting them know of the opportunity to resolve their

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1 billing disputes in a similar manner.

2 Thank you. Those two came up.

3 And then lastly, I just reiterate, we're sure that

4 we don't want to step into the shoes of saying what Qwest

5 should have done. We think that that is Qwest's

6 responsibility to follow the law, and that it should have

7 known itself what to do, and there may be other

8 innovative very effective ways of accomplishing the same

9 answer. Thank you.

10 Q Mr. Wilson, is it your testimony -- let's try it this

11 way.

12 The total amount of dollars and bill credits being

13 paid by Qwest to ARCH under Agreement 1B -- you're the

14 economist and I'm a lawyer -- looks to me like about \$4.2

15 million?

16 A I will accept that.

17 Q Now let's say for the sake of argument, I really don't

18 know, but let's say for the sake of argument that the

19 amount in dispute here was \$8.4 million. ARCH says you

20 owe me \$8.4 million. Qwest says I don't owe you

21 anything. They haggle, and they split the difference at

22 \$4.2 million, okay?

23 A Okay.

24 Q Just for the record, that's hypothetical because I really

25 don't know what happened.

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1 Is it your testimony then that entering into this

2 Agreement No. 1B with ARCH, obliges Qwest now to settle

3 every reciprocal comp dispute it has with any other

4 carrier at 50 cents on a dollar, both now and in the

5 future?

6 A Yes. We think that it does oblige Qwest to treat -- that

7 the law does oblige Qwest to treat its customers the

8 same.

9 Q Is it your testimony that this settlement agreement with

10 ARCH, 1B, now imposes an affirmative obligation on behalf

11 of Qwest to find all CLECs with whom it has or may have

12 reciprocal comp disputes and settle them at 50 cents on

13 the dollar?

14 A Yes.

15 Q Does your testimony regarding Qwest's obligations to

16 settle these disputes account at all for the fact that

17 the facts of each of these disputes may be very

18 different?

19 A Yes.

20 Q And so the fact that it's just -- the mere fact that it's

21 a reciprocal compensation dispute in your mind means that

22 it now has to be settled at 50 cents on the dollar by

23 Qwest?

24 A No.

25 Q Why is your answer no then?

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1 A I'm trying to remember exactly the three questions you
 2 asked me, but they did not all add up, so that's why I
 3 said no.
 4 I think that the question just before that you
 5 asked me was if the -- we didn't agree that all of the
 6 other disputes were identical.
 7 Q Right.
 8 A If they were identical, my answer might have been yes.
 9 Q So does Qwest's obligation to settle at 50 cents on the
 10 dollar run only to disputes raising the identical issue?
 11 A Yes, that's correct. That's why I have been using the
 12 phrase substantially similar all the time.
 13 Q So it runs to identical disputes or to substantially
 14 similar disputes?
 15 A Substantially similar is my understanding of what the
 16 guideline under the law is. I would be happy to call
 17 that identical if you like. I think that substantially
 18 similar means, you know, similar circumstances.
 19 Q I'm not the one calling anything. You are the witness.
 20 I need to know what your understanding is.
 21 Your view is that Agreement 1B, your Exhibit 44,
 22 now requires Qwest to, I guess to do two things. First
 23 of all, to settle all substantially similar disputes at
 24 the same proportion?
 25 A Yes.

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1 Q And it affirmatively obliges Qwest to go out and find all
 2 other CLECs with whom it has a substantially similar
 3 dispute and make that settlement happen, right?
 4 A Yes.
 5 Q All right. Now let's say -- before I go on to the next
 6 one let me ask this.
 7 What would you consider to be the range of disputes
 8 that would be substantially similar to this reciprocal
 9 compensation billing dispute?
 10 A What I would think would be the range that is defined by
 11 the language in this agreement. So the agreement itself
 12 defines that range, and I would just have to parse
 13 through it to do that.
 14 Q So it would be substantially similar -- disputes that are
 15 substantially similar to those defined, for example, in
 16 the subparagraphs of Section 1?
 17 A I'll try it this way. We would first of all be looking
 18 for another interconnection agreement with a pager like
 19 ARCH, might be Cellair the next one, or there's other
 20 pagers besides just ARCH in our state, so first of all it
 21 would be a paging agreement, because it's a specific type
 22 of interconnection agreement.
 23 Q Okay.
 24 A Secondly, it would be with someone who has an existing
 25 interconnection arrangement with the company like under

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1 1A.
 2 I don't think that it would matter if CLEC B were
 3 operating in all of the same states, just Washington
 4 would be the key.
 5 Q Right.
 6 A I might be proven wrong about that if there were some
 7 technical reason why the reciprocal comp dispute arose
 8 because of just those states for some technical reason,
 9 but I don't think that is probably the case, so it would
 10 be in Washington.
 11 Under Exhibit B it would be important to know a
 12 little bit more about the type of interconnection
 13 facilities involved here. It isn't spelled out on the
 14 face of the agreement, so I would be in trouble there. I
 15 would just be looking for interconnection facility
 16 disputes, I suppose.
 17 And then I would be looking for disputes over
 18 reciprocal compensation between Qwest and the paging
 19 company with an existing interconnection arrangement in
 20 Washington state.
 21 I would probably also look at the text of the FCC
 22 action to find out if there were any other particulars
 23 that define it as -- define the circumstances of the
 24 agreement. And I would look if those circumstances
 25 exist with CLEC B to say that they were required to

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1 receive the same treatment.
 2 I suppose also the time frame would apply, so they
 3 would be covering approximately the same time period just
 4 because I know that over time things change and the
 5 circumstances.
 6 Those are some of the items that might describe
 7 similarity in the circumstances that were substantial.
 8 Q Okay. And so it would be Qwest's obligation to identify
 9 paging companies with substantially similar connection
 10 arrangements with substantially similar disputes and
 11 publicize the fact of this settlement to them by way of
 12 offering to settle with them on the same terms, right?
 13 A Yes.
 14 Q Okay. All right. So let's say Qwest actually does that,
 15 put aside whatever disputes we might have about whether
 16 that obligation is really out there, and Qwest finds
 17 another paging company that has a similar enough
 18 interconnection agreement, it's got a similar enough
 19 dispute over reciprocal compensation, and it says we did
 20 this deal with ARCH, we settled with them for 50 cents on
 21 a dollar. We are here to do the same for you, and they
 22 say no way. You owe us one hundred percent of a dollar
 23 is what you owe us. We are not compromising at 50 cents
 24 or whatever. Haggle, haggle, haggle. They say they want
 25 to settle for 75 cents on the dollar.

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1 Now is Qwest obligated then either to litigate to
 2 the death to avoid discriminating, or to go back and now
 3 retroactively catch ARCH back up to 75 cents on a dollar?
 4 A Yes.
 5 Q Okay. Which is it?
 6 A Both.
 7 Q So once Qwest settles with ARCH at 50 cents on the
 8 dollar, it can't settle with anybody for better than that
 9 without having to pay ARCH or litigate and lose?
 10 A No, because that's a preferential treatment that ARCH got
 11 and the others didn't.
 12 Q Let's say that my second CLEC, the one that doesn't want
 13 50 cents on the dollar, is a much bigger customer than
 14 ARCH is and would have more bargaining power and
 15 competitive market than ARCH would.
 16 Why does that second CLEC's greater bargaining
 17 power get negated by the deal we made with ARCH?
 18 A Well, it doesn't necessarily. We see the same sort of
 19 thing happening with negotiations on other
 20 interconnection arrangements where we find that
 21 ultimately that's what pick and choose is for. It's to
 22 even it all out.
 23 In this instance, pick and choose rules don't apply
 24 because it isn't an ongoing arrangement, but the equal
 25 treatment is still very important for the competitive

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1 marketplace.
 2 Q But my question is: If Qwest settles first with a
 3 company that has less bargaining power, either
 4 maliciously or just by dumb luck, why does the CLEC with
 5 the greater bargaining power lose out on its ability to
 6 negotiate a better deal for itself?
 7 A Well, they don't necessarily. I said both outcomes could
 8 happen. And the more powerful CLEC can potentially
 9 result in the 75 cents deal, and now Qwest has to go back
 10 and give that to the first guy.
 11 But we are talking about under your scenario the
 12 second CLEC was a lot bigger customer, and so maybe they
 13 aren't substantially situated anymore the same because
 14 maybe the volumes are different or something like that.
 15 Maybe there are other conditions that are different it
 16 sounds like in your hypothetical.
 17 Q So differences in volumes could -- even if two CLECs are
 18 in the same business, two paging CLECs, same basic
 19 interconnection structure, they are both on UNE-P or
 20 whatever, could their relative size make them no longer
 21 similarly situated for purposes in determine whether
 22 there was discrimination in settling?
 23 A Sometimes size does make a difference. For example, I
 24 looked at price discrimination between customers and
 25 found it wasn't relevant to look at the rate that a

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1 customer who only bought three lines got compared to a
 2 customer that bought a thousand lines, but there are
 3 volume differences.
 4 I was trying to give some leeway there for
 5 recognizing those differences somehow, and arguments can
 6 be put forth like that.
 7 Also I was talking a minute ago about the
 8 negotiating characteristics under 251, where we have
 9 often seen new, small companies come along and enter into
 10 an agreement with Qwest that may not have been the
 11 greatest one in the world, and then subsequently a much
 12 larger piranha comes along and gets a better deal, and
 13 guess what, the CLEC wants to opt in to that now and get
 14 that deal.
 15 Because we don't have an opt in provision operating
 16 here because of the lack of an ongoing obligation, what
 17 we are trying to do is achieve the same thing by having
 18 Qwest not discriminate.
 19 Q So you are essentially trying to replicate the 252(i) opt
 20 in mechanism by saying that if Qwest does not essentially
 21 allow that opt in affirmatively -- let me start again.
 22 Are you essentially trying to replicate the 252(i)
 23 opt in mechanism by saying that whenever Qwest settles,
 24 Qwest has the obligation to make the opt in available, as
 25 it were, on its own, whether the CLECs know about it or

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1 want it or not?
 2 A Can I take those one at a time?
 3 Q Please, take them however it makes sense for you to
 4 answer them.
 5 A First of all, Staff is not trying to replicate the
 6 Telecom Act on the State's side for something that's just
 7 simply minus an ongoing obligation. We are not trying to
 8 do that.
 9 What we are trying to do is to recommend an outcome
 10 that will be economically correct, and it will not entail
 11 more discrimination; it will stop discrimination. So
 12 what we are trying to do is work on an even playing
 13 field. The Act does that with its tools. Those are the
 14 outcomes, and we are looking for a similar outcome here
 15 but we are not trying to replicate the Act.
 16 Q How is it that -- I'm sorry. Were you finished?
 17 A Well, that was the first part of when you said us trying
 18 to do that. So then secondly, I guess the answer was
 19 yes, we are trying to get the same outcome though.
 20 And then you asked me about other CLECs or
 21 something.
 22 Q How is it that Qwest is supposed to know whether -- after
 23 it signs or agrees to settle a dispute with one CLEC, how
 24 is Qwest supposed to know what other CLECs and disputes
 25 are similarly situated for purposes of this

1 A Right.
 2 Q If I were to ask you that same question, could you
 3 identify any CLEC that actually suffered discrimination,
 4 and I were to ask you that question as to the rest of the
 5 Exhibit B agreements, would your answer be the same?
 6 A One, second, please.
 7 Q Yes. Take your time.
 8 A I just want to review my testimony and the exhibits
 9 necessary real quickly to refresh my memory.
 10 Whenever I get kind of any and all kind of
 11 questions, I like to just double check that I do agree
 12 specifically.
 13 Q That's fine. Take your time.
 14 A I believe that's true, because if I had any other
 15 specific information I definitely would have provided it.
 16 I wanted to, but I didn't have it, so I think that's
 17 true.
 18 Q Okay. All right. We marked earlier today, and I still
 19 haven't shown you Exhibit K to your deposition. Do you
 20 recognize that document?
 21 A Yes. That's the MCI settlement agreement that was filed
 22 Friday, I think.
 23 Q Now we talked earlier today about a number of the
 24 agreements encompassed in this settlement, correct?
 25 A Yes, we have. There were several MCI agreements.

1 MR. NAZARIAN: That's not what I
 2 asked. I asked if he believes the settlement is in the
 3 public interest.
 4 THE WITNESS: Yes.
 5 Q (By Mr. Nazarian) Do you believe the ELI and FairPoint
 6 settlements which assessed penalties totaling \$1,000 per
 7 agreement are in the public interest?
 8 A Yes.
 9 Q What factors lead you to believe that for these three
 10 carriers, penalties on a per agreement rather than per
 11 day basis are in the public interest?
 12 MR. SWANSON: Objection. Calls for a
 13 confidential settlement and attorney work product
 14 information. And in fact is irrelevant as a settlement,
 15 and I instruct the witness not to answer it.
 16 Q (By Mr. Nazarian) Do you believe -- let me ask it this
 17 way.
 18 I believe you testified last week, Mr. Wilson, that
 19 you thought that all carriers who failed to fulfill the
 20 filing obligation should be penalized equally for that
 21 failure. Do you remember that?
 22 A Yes.
 23 Q And when you gave that testimony, MCI was one of the
 24 carriers that was supposed to be penalized equally with
 25 Qwest, correct?

1 Q And as to each of those agreements, your testimony was
 2 that the violations of the filing requirement that grew
 3 out of MCI's failure to file were just as severe as any
 4 other failure to file, right?
 5 A Yes, that's been my testimony.
 6 Q Now we were -- when we were talking last week, Staff's
 7 recommendation when asked as to penalties that should be
 8 assessed for the MCI agreement was \$1,000 per agreement,
 9 per day, per cause of action, right?
 10 A That's the maximum penalty allowed by law, yes.
 11 Q And then you were applying that in response to questions
 12 from Ms. Endejan and from me, you applied that standard
 13 to all the MCI agreements when you testified last week,
 14 correct?
 15 A Yes.
 16 Q Now in the meantime, Staff has entered into a settlement
 17 with MCI in which its assessing penalties of \$1500 per
 18 agreement, correct?
 19 A Yes.
 20 Q Do you believe that this settlement is in the public
 21 interest for the people of the state of Washington?
 22 MR. SWANSON: Objection. Calls for a
 23 confidential settlement and attorney work product
 24 information in terms of what decisions went into making
 25 the settlement.

1 MR. SWANSON: Objection. Asked and
 2 answered.
 3 THE WITNESS: Yes.
 4 Q (By Mr. Nazarian) Why is it now in the public interest
 5 to penalize MCI on a per agreement basis?
 6 MR. SWANSON: Objection again. Calls
 7 for attorney work product, confidential settlement
 8 information, and what factors went into a particular
 9 settlement, and is in fact irrelevant.
 10 MR. NAZARIAN: Are you instructing
 11 the witness not to answer?
 12 MR. SWANSON: I'm instructing the
 13 witness not to answer. I apologize.
 14 Q (By Mr. Nazarian) Regardless of the change in position
 15 from last week, tell me why you think, Mr. Wilson, it's
 16 in the public interest to fine some carriers on a per
 17 agreement basis as opposed to a per day basis?
 18 MR. SWANSON: Objection again. Calls
 19 for a confidential settlement. You are talking about a
 20 specific problem and there is generally three
 21 settlements, which I believe your question goes to the
 22 factors that go into putting a settlement together and
 23 entering into a particular settlement.
 24 I instruct the witness not to answer that question.
 25 I'm sorry, court reporter, for speaking so fast. I