

Exhibit No. _____
Issue: _____
Witness: R. Matthew Kohly
Type of Exhibit: Direct
Sponsoring Party: Socket Telecom, LLC
Case No.: TO-2006-0299
Date: March 21, 2006

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

**PETITION OF SOCKET TELECOM, LLC)
FOR COMPULSORY ARBITRATION OF)
INTERCONNECTION AGREEMENTS WITH) CASE NO. TO-2006-0299
CENTURYTEL OF MISSOURI, LLC AND)
SPECTRA COMMUNICATIONS, LLC)
PURSUANT TO SECTION 252(b)(1) OF THE)
TELECOMMUNICATIONS ACT OF 1996)**

**DIRECT TESTIMONY OF
R. MATTHEW KOHLY ON BEHALF OF
SOCKET TELECOM, LLC**

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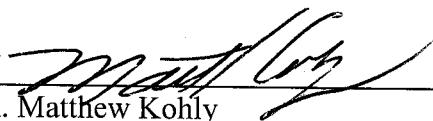
March 21, 2006

STATE OF MISSOURI)
)
COUNTY OF BOONE)

SS.

VERIFICATION

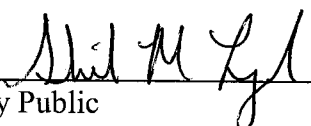
R. Matthew Kohly, being first duly sworn, deposes and say that he is the witness who sponsors the accompanying testimony entitled "Direct Testimony"; that said testimony was prepared by him and under his direction and supervision; that if inquiries were made as to the fact in said testimony and schedule, he would respond as therein set forth; and that the aforesaid testimony is true and correct to the best of his knowledge, information and belief.



R. Matthew Kohly

On this 8/15th day of March, 2006, before me, a Notary Public, personally appeared R. Matthew Kohly, and being first duly sworn upon his oath stated that he is over twenty-one years, sound of mind and by Socket Holdings Corporation and assigned to work for Socket Telecom, LLC, he signed the foregoing document as an employee of by Socket Holdings Corporation and assigned to work for Socket Telecom, LLC, and the facts contained therein are true and correct according to the best of his information, knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year above-written.



Notary Public

My Commission Expires:

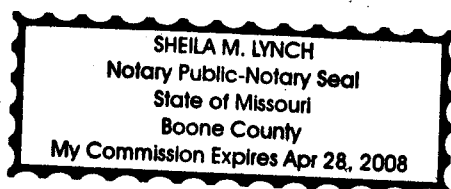


TABLE OF CONTENTS

INTRODUCTION AND QUALIFICATIONS	1
BACKGROUND INFORMATION	3
ARTICLE II – DEFINITIONS	21
Issue 2: Should the Agreement contain a definition of an accepted term that describes the means of communication between CenturyTel and Socket?.....	21
Issue 6: Can CenturyTel avoid its obligation to provide currently available services at parity by shifting the ability to provide those services to an affiliate?.....	22
Issue 14: Should the definition of Information Access Services, and consequently, Information Access Traffic be consistent with existing industry and regulatory standards?.....	27
Issue 15: Should the definition of “ISP Traffic” follow the way the term is defined in the FCC’s <i>ISP Remand Order</i> ?.....	31
Issue 16: Should the ICA include a definition of “IntraLATA Toll Traffic”?.....	32
Issue 34: Which Party’s’ Definition of Dedicated Transport is appropriate?	34
ARTICLE III – GENERAL PROVISIONS	37
Issue 2: Should the payment due date be 45 calendar days or 20 business days from the bill date?	37
Issue 6: Should changes in standard practice be governed by the process proposed by Socket?	41
Issue 9: Should the Agreement contain an obligation and a process for CenturyTel to communicate official information to Socket?.....	44
Issue 10: Should the Agreement contain provisions for credits in the event of an outage?	47
Issue 11: Should the Agreement contain service parity standards?	48
Issue 12: Should CenturyTel be required to designate a point of contact for Socket to work with in order to implement this Agreement?	50
ARTICLE V – INTERCONNECTION	54
Issue 5A: What methods and procedures should be included	

in the ICA to ensure interconnection arrangements are established and augmented efficiently?	54
Issue 8: Which Party’s language should be adopted regarding indirect interconnection?.....	61
Issue 9: Should interconnection facilities compensation be based on each Party taking responsibility for bringing its facilities to the POI.....	63
Issue 10: What Language should the ICA include regarding Inter-carrier compensation for transport and termination of traffic?	66
Issue 11: What are the appropriate rates, terms and conditions for compensation for transit traffic?	69
Issue 15: Should the Parties be required to mutually agree to establish one IP in each CenturyTel local calling area?	72
Issue 17: How should expenses be divided for trunking facilities on each Party’s side of a POI?	72
Issue 20: Should this Article recognize that terminating carriers may rely on terminating records for billing the originating carrier?	73
Issue 21: Should service ordering, provisioning, and maintenance standards be included in the ICA?	75
Issue 24: In the event one carrier is unable to provide meet-point billing data, should that carrier be held liable for the amount of unbillable charges?	78
Issue 25: Should each Party be required to pass calling party number (CPN) information to the other party?	81
Issue 31: Should Socket’s proposed language regarding the exchange of enhanced/information services traffic be included in the agreement?.....	81
Issue 32: How should the ICA define the term “Foreign Exchange”?.....	84
Issue 33: How should the ICA define “Local Interconnection Traffic”?.....	86
Issue 34: Which Party’s definition of “Virtual NXX Traffic” is most appropriate for the ICA?	88
ARTICLE VI – RESALE	89
Issue 7: Should the avoided cost discount applicable to resold services generally apply to Nonrecurring Charges?	89

Issue 14: Should CenturyTel notify Socket in advance of changes in terms and conditions of resold services that will impact Socket’s resold services?	91
Issue 23: Should CenturyTel be required to provide pre-order, ordering, and maintenance functionality consistent with the provisions included in the ICA?	93
Issue 34: What resale rates should be included in the ICA?	95
ARTICLE VII – UNEs	100
Issue 13B: With respect to orders to convert other services, e.g., special access to UNE and vice versa, if CenturyTel has not developed an automated ordering process, should electronic service order charges nonetheless apply?.....	100
Issue 22: If CenturyTel asserts that it cannot provision a UNE, should it provide a full explanation of why it cannot do so and, if the reason is lack of facilities, should it be required to submit a construction plan for expanding its facilities?	101
Issue 29: Should this Article include a provision that addresses the right and obligations of both Socket and CenturyTel with respect to self-certification?.....	104
Issue 35: Should this Article include a provision that imposes a cap of 10 on the number unbundled DS1 dedicated transport circuits that Socket may obtain on each route where DS1 dedicated transport is available under the FCC rules?.....	105
ARTICLE XV – PERFORMANCE MEASURES	109
ATTACHMENT: Exhibit A - Socket’s amended proposed contract language regarding intercarrier compensation.	

**DIRECT TESTIMONY OF
MATTHEW KOHLY ON BEHALF OF
SOCKET TELECOM, LLC**

INTRODUCTION

Q. Please state your name and address.

A. My name is R. Matthew Kohly. My business address is 1005 Cherry Street, Suite 104, Columbia, MO 65201.

Q. By whom are you employed and what are your responsibilities?

A. I am employed by Socket Holdings Corporation and am assigned to work for Socket Telecom, LLC (“Socket”) as Director – Telecommunications Carrier and Government Relations. In this position, I am responsible for Socket’s relationship with other telecommunications carriers as well as regulatory issues. In addition, I work closely with Socket’s operational units to implement the provisions of the many contracts that Socket operates under. In this capacity, I also interact with the local and county 911 agencies to obtain approval of Socket’s 911 operating plans.

Q. Please describe your educational background.

A. I have completed a Master of Science in Agricultural Economics from the University of Missouri – Columbia, as well as a Bachelor of Science in Business Administration also from the University of Missouri.

Q. What is your prior work experience?

A. Prior to joining Socket, I was employed by AT&T Corporation since 1998 in its Law and Government Affairs Department as State Director. In that position I was

1 responsible for the development and implementation of AT&T's regulatory and
2 legislative policies and activities in Missouri. My responsibilities also included providing
3 support for AT&T's entries into various segments of the local exchange market. I also
4 participated in regulatory proceedings, including arbitration proceedings dealing with
5 local interconnection, costing, universal service, access charges, and Section 271
6 compliance.

7 Prior to that, I was employed by Sprint/United Management Corporation as a
8 Manager, State Regulatory Affairs. My duties included the development of Sprint
9 Communications Company L.P.'s regulatory policy focusing on issues surrounding
10 competitive market entry, such as TELRIC costing of unbundled network elements,
11 universal service, access charges, and 271 proceedings.

12 Prior to that I was employed at the Missouri Public Service Commission as a
13 Regulatory Economist in the Telecommunications Department and, later, on the
14 Commission's Advisory Staff. While in the Telecommunications Department, I assisted
15 in developing Staff's position on issues related to costing, local interconnection and
16 resale, universal service and tariff issues. While serving on the Arbitration Advisory
17 Staff, I advised the Commission on issues arising from mediation and arbitration
18 proceedings filed pursuant to the 1996 Federal Telecommunications Act ("Act" or
19 "TA96").

20 Through prior employment, I have experience as a statistical analyst, SAS
21 programmer, cost accountant, instructor, and research assistant.

22 **Q. Have you previously testified before State Public Utility Commissions?**

1 A. Yes. I have filed written testimony and/or testified before the Missouri Public
2 Service Commission, Montana Public Service Commission, Oklahoma Corporation
3 Commission and the Telecommunications Regulatory Board of Puerto Rico.

4
5 **BACKGROUND INFORMATION**

6 **Q. Can you describe the company that you are representing?**

7
8 A. Socket is a relatively small, facilities-based competitive local exchange carrier
9 and interexchange carrier. At present Socket operates in exchanges served by SBC,
10 CenturyTel, and Sprint providing voice and data services to small and medium-sized
11 business customers primarily in the rural areas of the state. In providing these services,
12 Socket uses its own switching and transport facilities as well as transport facilities and
13 loops leased from other companies. Socket is currently researching and testing products
14 and services that will allow it to expand into the residential market.

15 **Q. Can you elaborate on Socket's service territory?**

16 A. Yes. Socket is currently providing voice services in every LATA in Missouri.
17 With respect to the two CenturyTel ILECs in Missouri, Socket Telecom has voice
18 customers in CenturyTel exchanges in the Westphalia and St. Louis LATAs.
19 Interconnection Traffic, including voice traffic, is exchanged between Socket and
20 CenturyTel in these two LATAs via a direct interconnection. In the Springfield LATA,
21 Socket and CenturyTel are indirectly interconnected and are able to exchange
22 interconnection traffic, including voice traffic. In late 2004, Socket had discussions with
23 CenturyTel to establish a direct interconnection with CenturyTel in the Branson and

1 surrounding exchanges. At that time, CenturyTel indicated that it did not have sufficient
2 capacity to support interconnection or collocation, but Socket remains interested in the
3 Branson area.

4 **Q. Can you provide some background on the CenturyTel entities that are Parties to**
5 **this arbitration?**

6 A. Yes. The two CenturyTel entities are Spectra Communications Group, LLC d/b/a
7 CenturyTel (“CenturyTel – Spectra”) and CenturyTel of Missouri, LLC (“CenturyTel -
8 Missouri”) collectively referred to as CenturyTel Operating Companies (“CTOC” or
9 “CenturyTel”). Each is a wholly owned subsidiary of CenturyTel, Inc. Each entity
10 obtained its franchise territory by purchasing assets from GTE Midwest, Inc. and later
11 Verizon Midwest, Inc. in two separate transactions. Together, their franchise territory
12 represents the territory originally served by GTE Midwest, Inc. Collectively, these
13 entities serve nearly a half-million access lines in Missouri. Their franchise territory
14 includes three of the fastest growing areas in Missouri – St. Charles County and
15 surrounding counties, the Columbia and surrounding exchanges in Boone County in mid-
16 Missouri, and the Branson area in southwest Missouri. The CenturyTel entities represent
17 the second largest local exchange carrier in Missouri and, in terms of access lines, they
18 are nearly twice as large as the next largest local exchange company, which is Sprint.

19 At the operational level, there is no distinction between CenturyTel – Spectra and
20 CenturyTel - Missouri as the two companies are run as a single entity. As the
21 Commission found in Case No. CO-2005-0066, both are managed by CenturyTel Service
22 Group, another subsidiary of CenturyTel, Inc., that provides management, accounting,

1 customer service, and billing services for CenturyTel's operating entities, including
2 CenturyTel - Spectra and CenturyTel - Missouri.¹ Consistent with this practice, in
3 correspondence related to obtaining new agreements for CenturyTel – Missouri and
4 CenturyTel – Spectra, Guy Miller represented that, “CenturyTel Service Group, on behalf
5 of the CenturyTel Operating Companies in Missouri, is pleased to work with Socket on a
6 new agreement.”²

7 **Q. Will you provide some background information on the transaction that led to**
8 **Spectra Communications Group, LLC d/b/a CenturyTel obtaining its franchise**
9 **territory?**

10 A. Spectra Communications Group d/b/a CenturyTel obtained its franchise territory
11 in Missouri by purchasing 107 exchanges from GTE Midwest, Inc. in 2000. The
12 transaction was financed largely by funds provided by CenturyTel, Inc, acting as both an
13 equity owner and a debt holder.

14 As part of the approval of that transaction, the Commission specifically indicated
15 that its approval was conditioned upon several conditions agreed to by GTE Midwest and
16 Spectra and set out in a Joint Recommendation – in effect a non-unanimous stipulation

¹ Case No. CO-2005-0066, *In the Matter of the Confirmation of Adoption of an Interconnection Agreement CenturyTel of Missouri, LLC d/b/a CenturyTel and Spectra Communications Group, LLC, d/b/a CenturyTel by Socket Telecom, LLC*, Report and Order, found at <http://www.psc.mo.gov/orders/2004/1214566.htm>

² E-mail from Guy Miller, Subject: RE: Amendment, sent August 5, 2005, 4:55 PM. At this time, CenturyTel Service Group represented that a single agreement would cover both CenturyTel - Missouri and CenturyTel - Spectra.

1 and agreement – signed by GTE Midwest and Spectra and filed in the merger case.³ One
2 of the conditions described in that Joint Recommendation concerned interconnection
3 agreements and provided in part as follows:

4 Spectra agrees to make every effort to negotiate new interconnection
5 agreements with all competitive local exchange companies (CLECs) who
6 currently have interconnection agreements with GTE and who desire to
7 have interconnection with Spectra. Where it is feasible, Spectra will enter
8 into agreements which have the same rates, terms and conditions as those
9 agreements previously negotiated with GTE.⁴

10
11 Since the initial transaction, CenturyTel, Inc. has purchased additional equity in Spectra
12 and Spectra is now a wholly owned subsidiary of CenturyTel Inc.⁵

13 **Q. Will you provide some background information on the transaction that led to**
14 **CenturyTel Missouri, LLC obtaining its franchise territory?**

15 A. Yes. Similarly to Spectra, CenturyTel of Missouri, LLC (CenturyTel Missouri)
16 obtained its franchise territory from GTE Midwest, Inc. d/b/a Verizon Midwest, Inc. by
17 purchasing 96 exchanges. These 96 exchanges represented the remainder of the
18 territories served by GTE Midwest, Inc.

19 In its Report and Order approving CenturyTel of Missouri's purchase of the
20 remaining 96 GTE exchanges, the Commission conditioned its approval upon the
21 following:

³ TM-2000-182, Case No. TM-2000-182, *Joint Application of GTE Midwest Incorporated (GTE) and Spectra Communications Group LLC (Spectra) for authority to transfer part of GTE's franchise, facilities or system to Spectra; and authority for Spectra to borrow an amount not to exceed \$250,000,000*, Report and Order (April 4, 2000), found at <http://www.psc.mo.gov/orders/2000/04040182.htm>

⁴ TM-2000-182, Joint Recommendation at 5 (Jan. 6, 2000).

⁵ Case No. CO-2005-0066, *In the Matter of the Confirmation of Adoption of an Interconnection Agreement CenturyTel of Missouri, LLC d/b/a CenturyTel and Spectra Communications Group, LLC, d/b/a CenturyTel by Socket Telecom, LLC.*, Transcript at 56-62, 79-80 and Exhibits 6, 8, 11, 17 and 33.

1 CenturyTel shall use the same rates, terms and conditions of service as
2 Verizon on the date of the closing of the transaction. CenturyTel shall, in
3 good faith, negotiate interconnection agreements with all carriers who
4 currently have interconnection agreements with Verizon and who desire to
5 interconnect with CenturyTel. Where technically feasible, the new
6 agreement will have the same rates, terms and conditions as did the
7 agreement with Verizon. These agreements will differ from the Verizon
8 agreements only with respect to technical differences to reflect the way
9 CenturyTel interfaces with the interconnecting carrier. In cases in which
10 services are being provided under these interconnection agreements,
11 CenturyTel will cooperate with the interconnecting carriers to secure
12 expeditious approval of a replacement interconnection agreement and to
13 ensure continuity of service for their customers. CenturyTel shall provide
14 local interconnection services as set out in the interconnection agreement
15 between Verizon and Intervenor AT&T, and adopted by Intervenor
16 Fidelity, for a period of one year following the closing of the proposed
17 transaction. Any interconnection agreement not replaced within one year
18 shall continue in force on a month-to-month basis until replaced.⁶

19
20 In addition, CenturyTel further stipulated that, “In any proceeding concerning the
21 technical infeasibility or unreasonableness of a particular provision of the Interconnection
22 Agreement, the burden is on CenturyTel to prove such assertion.”⁷ Further CenturyTel
23 committed to providing a web-based system to automate the process of interacting with
24 CLECs and estimated that system would be available within nine months of the expected
25 close date.⁸ This will be discussed in more detail in the discussion surrounding
26 Article XIII – OSS and other related issues.

⁶ TM-2002-232, *In the Matter of the Joint Application of GTE Midwest, Inc. d/b/a Verizon Midwest and CenturyTel of Missouri, LLC for 1) Authority to Transfer and Acquire Part of Verizon Midwest's Franchise, Facilities, and System Located in the State of Missouri, 2) For Issuance of Certificate of Authority to CenturyTel of Missouri, LLC 3) To Designate CenturyTel of Missouri, LLC as Subject to Regulation as a Price Cap Company; and 4) To Designate CenturyTel of Missouri, LLC as a Telecommunications Carrier Eligible to Receive Federal Universal Service Support*, Report and Order, found at <http://www.psc.mo.gov/orders/2002/05212232.htm>

⁷ *Id.*, Non-unanimous Stipulation and Agreement at 5.

⁸ *Id.*, Direct Testimony of Kenneth M. Matzdorff at 15-16.

1 **Q. Can you please describe the procedural history of the interconnection agreement**
2 **that was recently terminated by CenturyTel - Missouri?**

3 A. Socket originally adopted an interconnection agreement between AT&T
4 Communications of the Southwest, Inc. and GTE Midwest, Inc. in June 2002.⁹ When
5 CenturyTel purchased its exchanges from Verizon, it assumed the obligations set forth in
6 that agreement. This was recently recognized by the Commission as follows:

7 The obligations set forth in the AT&T/GTE agreement were transferred to
8 CenturyTel when it purchased the 96 exchanges from Verizon. Section
9 23.4 of the GTE/AT&T interconnection agreement, entitled Binding
10 Effect, provides that “[T]his agreement shall be binding on and inure to
11 the benefit of the respective successors and permitted assigns of the
12 Parties.” Socket adopted the rates, terms, and conditions of the
13 GTE/AT&T interconnection agreement in May of 2002, including the
14 quoted binding effect provision. That means that when CenturyTel of
15 Missouri purchased the exchanges operated by GTE, it became a
16 successor of GTE for purposes of the interconnection agreement that now
17 existed between GTE and Socket. Thus, CenturyTel of Missouri was
18 bound by the terms of what was now the GTE/Socket interconnection
19 agreement, regardless of the stipulation and agreement by which the
20 Commission approved CenturyTel of Missouri’s purchase of the 96 GTE
21 exchanges.¹⁰
22

23 This makes it clear that CenturyTel-Missouri was and still is required to meet all
24 obligations set forth in the Agreement adopted by Socket.

25 **Q. In the process of obtaining regulatory approval, CenturyTel entered into several**
26 **stipulations that modified its obligations under the various interconnection**

⁹ Case No. TK-2002-1085, *In the Matter of the Adoption of the GTE/AT&T Communications of the Southwest, Inc., Interconnection Agreement by Socket Telecom, LLC, Pursuant to Section 252(i) of the Telecommunications Act of 1996*, Order Recognizing Adoption of Interconnection Agreement (June 27, 2002).

¹⁰ Case No. CO-2005-0066, Report and Order, Dec. 14, 2004, found at <http://www.psc.mo.gov/orders/2004/1214566.htm>.

1 **agreements. Did the terms of those stipulations apply to the Agreement between**
2 **Socket and CenturyTel?**

3 A. No. CenturyTel did not enter into such a stipulation with Socket. As a result,
4 CenturyTel was obligated to fulfill all of the obligations set forth in the Interconnection
5 Agreement between Socket and CenturyTel. To the extent there any doubt on that
6 matter, the previous quote from the Commission's Report and Order makes it abundantly
7 clear.

8 **Q. Can you please explain the current interconnection arrangement between Socket**
9 **and CenturyTel – Spectra?**

10 A. Previously, Socket requested that the Commission affirm that the Interconnection
11 Agreement between Socket and CenturyTel Missouri also applied between Socket and
12 CenturyTel – Spectra. The Commission denied Socket's request and found that Socket
13 did not have an interconnection agreement with CenturyTel – Spectra. In order to settle
14 ongoing litigation between Socket and CenturyTel – Spectra, Socket filed an interim
15 interconnection agreement arrangement with CenturyTel – Spectra that adopted all but
16 certain specified provisions of the AT&T-GTE interconnection agreement that had been
17 previously adopted by Socket in Case No. TK-2002-1085 as the interconnection
18 agreement between Socket and CenturyTel - Missouri. In general, the agreement with
19 CenturyTel – Spectra permits Socket to interconnect with Spectra but does not permit
20 Socket to purchase or lease UNEs or resell CenturyTel – Spectra services. The inability
21 to purchase UNEs or engage in resale was at CenturyTel – Spectra's insistence.

22 **Q. Did Socket enter into a similar arrangement with CenturyTel - Missouri?**

1 A. Yes. Socket amended its existing interconnection agreement with CenturyTel –
2 Missouri. The amendment addressed interconnection arrangements.

3 **Q. If Socket already had an interconnection agreement, why did Socket enter into an**
4 **arrangement similar to the Socket and CenturyTel - Spectra arrangement?**

5 A. For several reasons. First, CenturyTel was refusing to recognize that Socket's
6 existing interconnection agreement permitted a single point of interconnection within
7 each LATA and was insisting that Socket interconnect in each local calling area.
8 CenturyTel was also refusing to establish those additional interconnections under the
9 interconnection agreement on the grounds that the traffic was not local (as that term is
10 defined by CenturyTel). Instead, CenturyTel was ignoring the interconnection agreement
11 and insisting that Socket establish the interconnection in each local calling area by
12 leasing facilities from CenturyTel's special access tariffs. As a result, Socket was
13 economically unable to expand its service territory with CenturyTel's franchise territory.

14 Finally, CenturyTel had been billing Socket special access channel termination
15 charges on each DS3 facility that Socket had brought into CenturyTel's central offices for
16 purposes of establishing interconnection under the Act for both Columbia and
17 Wentzville. CenturyTel's stated basis for this was that Socket was required to
18 interconnect at CenturyTel's switch (not just the central office) and the only way for
19 Socket to reach the switch was to pay CenturyTel special access channel termination
20 charges. This is approximately \$2,200 per month for each DS3. CenturyTel was
21 applying this charge even when Socket had facilities located in the CenturyTel central
22 office. Each month Socket disputed these charges but CenturyTel never responded.

1 CenturyTel's practice had been going on for over a year and the disputed amounts were
2 growing. In order to settle these issues and be able to expand its service territory, Socket
3 amended its interconnection agreement. One of the factors that went into this decision
4 was the fact that this arbitration was nearing and the arrangement could be corrected then.

5 **Q. Can you provide some background on what led to the filing of this arbitration?**

6 A. On March 24, 2005, I sent CenturyTel a proposal to update our existing
7 interconnection agreement to comply with the provisions of the Triennial Review
8 Remand Order¹¹ issued by the Federal Communications Commission ("FCC") on
9 February 4, 2005. After several months passed with no progress, I informed CenturyTel
10 that if Socket and CenturyTel were unable to agree to appropriate changes, Socket would
11 submit that matter to the Commission for resolution pursuant to 4 CSR 240-36 –
12 Alternative Dispute Resolution Procedural Rules Governing Filings Made Pursuant to the
13 Telecommunications Act of 1996. I also informed CenturyTel that in accordance with
14 those rules, Socket would be required to submit any dispute to the Commission between
15 August 4, 2005 and August 29, 2005. I received a response indicating that CenturyTel
16 would try to find time to review the document and prepare a response. On July 29, 2005,
17 I received a letter from Guy Miller indicating that CenturyTel had decided to terminate
18 the Interconnection Agreement with Socket rather than respond to Socket's proposal
19 regarding the amendment. Mr. Miller's letter also indicated that CenturyTel was then

¹¹ *In the Matter of Unbundled Access to Network Elements*, WC Docket No. 04-313, *Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket No. 01-338 (rel. Feb. 4, 2005) ("TRRO")

1 beginning a process of terminating and replacing all remaining acquired Verizon
2 agreements with all competitive carriers in the State of Missouri.

3 Following CenturyTel's notice of termination of the Interconnection Agreement, I
4 sent CenturyTel – Missouri and CenturyTel – Spectra a formal request to negotiate a new
5 interconnection agreement on August 9, 2005. Once the Parties negotiated an acceptable
6 non-disclosure agreement, the Parties began weekly contract negotiation sessions,
7 starting on September 20, 2005. Initially, CenturyTel sent Socket a generic
8 interconnection agreement to negotiate from. Later, CenturyTel sent Socket the
9 Interconnection Agreement and Addendums between CenturyTel – Missouri and CD
10 Telecommunications, Inc and suggested the Parties use that as the starting point for
11 negotiations.

12 **Q. Why did CenturyTel send you an interconnection agreement with “addendums”?**

13 A. During negotiations, CenturyTel's lead negotiator indicated that CenturyTel
14 preferred to negotiate an agreement with very general terms and then clarify or modify
15 the agreement through the addendums. CenturyTel indicated this preference was based
16 upon its position that the addendums were not necessarily adoptable by other parties.
17 The use of addendums is something that other ILECs do not use and was not preferred by
18 Socket. As a result, Socket tried to use the CD Telecom Agreement as a starting point
19 but was not willing to use addendums to modify or enhance the terms of the agreement.

20 **Q. Do you have any general comments on the agreements originally proposed by**
21 **CenturyTel?**

1 A. Yes. In general, it was lacking in detail and was inconsistent with FCC rules, past
2 PSC decisions, and other agreements that Socket has either negotiated or arbitrated and
3 was not even Missouri-specific. For example, it had no provisions relating to MCA areas
4 or the exchange of MCA traffic.

5 As will be explained in more detail, it was extremely limited in that it only
6 focused on the exchange of local traffic, as that term is narrowly defined by CenturyTel.
7 Any interconnection established under the Act necessarily involves the exchange of other
8 types of traffic. The agreement also required any combination of UNEs to follow a bona-
9 fide request process before CenturyTel would agree to provide the combination. This
10 was completely unacceptable, as Socket had been seeking specific types of UNE
11 combinations for over a year.

12 Finally, many rate elements simply were listed as “TBD” or To Be Determined”
13 so there was not even a comprehensive set of rates to discuss. During negotiations, it
14 became apparent that CenturyTel’s proposed rates were not even supported by any cost
15 studies. For these and other reasons, the draft agreement provided by CenturyTel was not
16 a suitable starting point in many instances.

17 **Q. Can you summarize the negotiations?**

18 A. Yes. I acted as the lead negotiator for Socket. As indicated in our Petition for
19 Arbitration, Socket personnel made themselves available for all of the weekly scheduled
20 calls, as well as responding to any email queries or other telephone calls concerning
21 specific contract language.

1 CenturyTel's lead negotiator either cancelled or failed to attend at least 11 of the
2 18 sessions held between September 20, 2005 and January 10, 2006. On several
3 occasions, I requested additional information via e-mail or during conversations. Those
4 requests were often ignored.

5 This general lack of negotiations as well as the very limited nature of
6 CenturyTel's proposal forced Socket to have to develop many sections of the Agreement
7 on its own and submit those to CenturyTel. In many instances, Socket did not know
8 CenturyTel's position prior to filing the Petition and only learned of that position when
9 CenturyTel filed its response on February 7, 2006, or in the subsequent negotiations.

10 At the Initial Arbitration Meeting, CenturyTel began seeking additional time to
11 conduct negotiations. Socket agreed to some additional time and the Parties have worked
12 to reduce the number of issues. Issues were being settled even while testimony was being
13 drafted. As a result, testimony may appear on an issue that was settled just as it was
14 being filed.

15 **Q. CenturyTel's Response to Socket's Petition for Arbitration claims that Socket**
16 **intentionally waited for CenturyTel's lead negotiator to leave for vacation before**
17 **submitting proposed contract language (See Response to Socket's Petition for**
18 **Arbitration, pg. 4). Is that correct?**

19 **A.** No. I was unaware that CenturyTel's lead negotiator was leaving for a three-
20 week vacation. CenturyTel simply ignored its duty to negotiate in good faith, which
21 forced Socket to bear the burden of preparing proposed contract language. I provided it

1 to CenturyTel as soon as the contract language was developed. That task was made
2 harder by CenturyTel's failure to attend negotiation sessions.

3 Throughout its response, CenturyTel claims that it did not have adequate time to
4 respond to Socket's proposals. I disagree. For example, one of the arguments that
5 CenturyTel makes in response to Socket's proposed language regarding Article VI -
6 Resale is that, "Socket has proposed new contract provisions governing Resale late in the
7 negotiation cycle, and CenturyTel has not had adequate time to address, respond to or
8 resolve through negotiations many of the issues and/or concerns expressed by Socket in
9 its proposed terms." I provided the contract language to CenturyTel's lead negotiator on
10 November 16, 2005, almost two months before Socket filed its Petition and almost three
11 months before CenturyTel filed its response. I believe CenturyTel should have had
12 sufficient time to review the proposed contract language and provide a response.

13 **Q. In its Response to Socket's Petition for Arbitration as well as its DPL position on**
14 **several issues, CenturyTel suggests that the Commission be mindful that**
15 **CenturyTel is a small rural company. Do you have a response?**

16 **A.** CenturyTel is not some small rural carrier that is only engaged in providing local
17 service to a small number of customers. In reality, CenturyTel Inc. is a large corporation
18 that has taken every advantage that the Act allowed. Certainly, when CenturyTel
19 acquired its Missouri ILEC franchises, it never once represented that it was a small, rural
20 company that could not provide the same quality of services that Verizon provided or that
21 it was unable to meet its obligations under the Act.

1 According to representations made to this Commission when it acquired the
2 Missouri properties from Verizon, CenturyTel is the 7th largest local exchange carrier in
3 the nation, trades on the New York Stock Exchange, and operates telephone properties in
4 21 states.¹² CenturyTel now operates in 26 states. As of February 22, 2006, CenturyTel,
5 Inc. had a total market capitalization of \$4.5 billion and generated a free-cash flow of
6 \$463 million in 2005. According to documents filed with the Securities Exchange
7 Commission, CenturyTel, Inc. represents that it and its subsidiaries operate as an
8 integrated communications company engaged in providing local exchange, long distance,
9 Internet access and broadband services to customers in 26 states.¹³ Ninety-five percent of
10 its access lines are in 12 states.¹⁴ Missouri is its second largest state in terms of ILEC
11 access lines representing nearly 20% of CenturyTel's total ILEC access lines. Its long
12 distance affiliate provides long distance to nearly 50% of the total access lines served by
13 the incumbent local exchange companies.¹⁵ CenturyTel provides video services over its
14 local exchange network in other states and seems intent on doing so in Missouri as well
15 given its support for Senate Bill 816, which is the legislation proposed in Missouri that
16 would allow CenturyTel to obtain a statewide video franchise

17 In addition to the ILEC network and operations, another CenturyTel affiliate
18 operates as a wholesale transport provider in Missouri and other states. CenturyTel

¹² Case No. TM-2002-232, Direct Testimony of Kenneth M. Matzdorff.

¹³ CenturyTel, Inc. Form 10-K, Third Quarter, 2005, found at
<http://www.sec.gov/Archives/edgar/data/18926/000001892605000092/subfile.txt>.

¹⁴ <http://www.centurytel.com/about/companyProfile/index.cfm>.

¹⁵ CenturyTel, Inc. 2004 Annual Report, at 17.

1 Fiber II d/b/a LightCore provides wholesale and retail fiber transport services, claiming
2 to have a very extensive network with over 10,000 route miles of fiber across 15 states,
3 including Missouri.¹⁶ In Missouri alone, LightCore reports that it has points of presence
4 (POP) in 43 incumbent local exchange carrier central offices, 35 of which are central
5 offices owned by a CenturyTel ILEC entity.¹⁷ An additional affiliate, CenturyTel
6 Solutions, LLC is certificated as a competitive local exchange carrier in Missouri. Both
7 carriers adopted an interconnection agreement with Southwestern Bell Telephone, L.P.
8 d/b/a SBC Missouri (SBC) that was reached through the recent arbitration proceedings
9 between SBC and numerous CLECs. That agreement is nearly identical to the
10 interconnection agreement between SBC and Socket.

11 **Q. Do you have any comments on the broad range of services provided by CenturyTel,**
12 **Inc. through its various affiliates?**

13 A. While CenturyTel complains about the burden of meeting its obligations of
14 complying with the Telecommunications Act of 1996, it is important to remember that
15 CenturyTel, Inc. has benefited tremendously from the passage of the Act. It was the Act
16 that allowed CenturyTel, Inc. to expand from simply being a traditional local exchange
17 carrier into a corporation that operates as an interexchange carrier, an Internet Service
18 Provider, including providing high-speed DSL services, a competitive carrier operating in
19 territories served by other local carriers, and video service provider, as well as continuing
20 to operate as a traditional local exchange carrier.

¹⁶ http://www.lightcore.net/company_au.php.

¹⁷ The fact that a CenturyTel affiliate that is classified as a competitive carrier appears to manage CTOC's ILEC interoffice network raises concerns that will be more fully addressed later.

1 At the state level, the ILEC entities have directly benefited from competition in
2 the local market as both entities were able to move from traditional rate of return
3 regulation to price cap regulation as a result of a competitor entering their local franchise
4 areas. More recently both entities received competitive classification and been freed
5 from any rate regulation for business and residential services in a number of exchanges.
6 CenturyTel's ILEC entities are currently seeking additional concessions from the
7 Missouri legislature through legislation that would allow them to seek a waiver to not
8 decrease rates as a result of downward adjustments to the CPI-TS as is currently required
9 by Missouri statutes. As a whole, CenturyTel has benefited greatly from the passage of
10 the Act and those benefits should not be ignored as CenturyTel complains of the burdens
11 imposed by the Act and current FCC rules.

12 **Q. Can you provide a very broad overview of the Interconnection Agreement that**
13 **Socket is seeking through this Arbitration?**

14 A. Yes. Socket is seeking an agreement that is generally consistent with the
15 interconnection agreements under which Socket operates with other carriers in Missouri.
16 These agreements provide for access to UNEs and combinations of UNEs, similar
17 interconnection arrangements, established processes and procedures for establishing
18 interconnection arrangements, automated ordering and maintenance systems and
19 established provisioning intervals. All of these are necessary in order for Socket to have
20 a meaningful opportunity to compete.

21 Socket generally worked from the AT&T – GTE Agreement where possible.
22 Where disputes had arisen over the interpretation of that agreement or changes in law

1 necessitated it, Socket looked to other agreements. Where items were in dispute during
2 the negotiations or Socket was unsure of CenturyTel's position on particular issues,
3 Socket looked to the recent arbitration with SBC and tried to match its position with the
4 decisions of the Arbitrator and Commission. For example, the entire Article addressing
5 Unbundled Network Elements is based upon the SBC agreement (without the Section 271
6 provisions) and contains the decisions from the Arbitrator and the Commission, including
7 both the "wins" and the "losses." Socket took a similar approach on many of the other
8 sections as well.

9 In addition, Socket and CenturyTel have had long-running disputes about the
10 appropriate interpretation of various statutes and regulatory decisions. These disputes
11 have impacted Socket's ability to operate. In order to minimize these disputes, Socket
12 has tried to present a document that specifies each Party's obligations as they stand today
13 and proposes a definitive process that specifically addresses when those obligations
14 change.

15 **Q. In its Response to Socket's Petition For Arbitration, CenturyTel complains that this**
16 **Agreement is similar to the interconnection agreements with SBC Missouri. Do you**
17 **have a response?**

18 The fact that this agreement contains provisions that are similar to those found in
19 the Socket – SBC ICA does not make this an unreasonable agreement that is unfairly
20 being forced upon it as CenturyTel claims. First, it does not contain any Section 271
21 obligations so CenturyTel is not being asked to go beyond what the law and FCC rules
22 require for non-RBOC companies.

1 The SBC agreement is the most recently arbitrated agreement in Missouri and
2 contains the latest Missouri PSC decisions. It seemed logical to Socket that if the
3 Commission were forced to decide an issue, the outcome would be the same as the one
4 from the SBC arbitration unless one Party was able to present a different set of facts and
5 prove the decision was inapplicable.

6 As these are the most recently arbitrated agreements and are being used today,
7 these agreements should also have the presumption of commercial reasonableness. This
8 view is supported by the fact that two CenturyTel affiliates are presently operating under
9 at least one version of the agreement that resulted from recent arbitrations, indeed one
10 that is very similar to the agreement that Socket Telecom is operating under with SBC.

11 Finally, CenturyTel's own failure to negotiate forced Socket to look at alternative
12 contract language. Contracts that were consistent with CenturyTel's prior commitments
13 and contracts that contained the most current FCC and state PSC decisions seemed to be
14 the most logical place to start.

15 **Q. Also in its Response, CenturyTel complains that Socket failed to identify specific**
16 **issues and instead, showed entire Articles as being in dispute. Do you have a**
17 **response to that?**

18 **A.** Yes. Those entire Articles were in dispute, either because CenturyTel opposed
19 the entire subject matter contained in the Article or CenturyTel never provided any
20 meaningful response. As a result, Socket developed the contract language and sent it to
21 CenturyTel. With no response from CenturyTel to identify the specific terms that

1 CenturyTel found objectionable, Socket identified the issue as specifically as it could.
2 Any lack of specificity is CenturyTel's own fault.

3 **Q. Can you explain why obtaining a new Interconnection Agreement in a timely**
4 **manner is so important to Socket Telecom?**

5 A. Socket needs an updated interconnection agreement that clearly sets forth each
6 Party's rights and obligations as soon as possible. This is necessary so that Socket may
7 meet current customer needs as well as expand its service territory and service offerings.
8 For example, CenturyTel's refusal to provide UNE combinations has restricted Socket's
9 ability to serve throughout the Columbia exchange or CenturyTel's other exchanges in
10 this LATA without resorting to extremely costly special access facilities.

11 In addition, recent FCC rulings will likely impact the manner in which the Socket
12 entities provide xDSL services to customers. An FCC decision that takes effect this fall
13 may eliminate certain CenturyTel obligations that currently allow Socket's Internet
14 affiliate to provide xDSL services. Socket Telecom is intently working on a solution that
15 will minimize the impact of that decision and this agreement is key to that.

16
17 **ARTICLE II – DEFINITIONS**

18
19 **Issue 2: Should the Agreement contain a definition of an accepted term that**
20 **describes the means of communication between CenturyTel and Socket?**

21
22 **CenturyTel Alternative Issue Statement: Should the parties ICA include a**
23 **definition of "Accessible Letter"?**
24

25 **Q. Can you explain this issue?**
26

1 A. Yes. In Article III, Issue 9, Socket is proposing a process for CenturyTel to
2 follow in order to communicate necessary information to Socket, using what Socket is
3 calling an “Accessible Letter” as the primary means of communication. That process is
4 in dispute. However, the dispute does not have to do with the actual definition of an
5 Accessible Letter being proposed in this Issue. Socket suggests that if its language
6 prevails in Article III, Issue 9, this definition be included. If Socket’s language does not
7 prevail in Article III, Issue 9, this definition does not need to be included in the
8 Agreement. This is consistent with CenturyTel’s stated position in the DPL.

9 I will address the issue of the process in Article III, Issue 9, later in my direct
10 testimony.

11
12 **Issue 6: Can CenturyTel avoid its obligation to provide currently available**
13 **services at parity by shifting the ability to provide those services to an**
14 **affiliate?**

15
16 **CenturyTel Alternative Issue Statement: Should the parties’ ICA extend**
17 **obligations to CenturyTel affiliates?**
18

19 **Q. Can you explain the issue?**

20 A. Yes. Based upon Socket’s understanding and experience with CenturyTel, a
21 significant portion of CenturyTel’s interoffice transport network is provided by its
22 affiliate, CenturyTel Fiber II d/b/a LightCore. In Missouri, LightCore reports that it has
23 points of presence (POP) in 43 incumbent local exchange carrier central offices, 35 of
24 which are central offices owned by CenturyTel’s ILEC entities. CenturyTel is also the
25 only ILEC that Socket has interconnected with that has ever claimed that it lacked

1 sufficient capacity to support interconnection. Based upon representations made in other
2 cases pending before the Commission, it seems that CenturyTel makes this claim with
3 other carriers as well.¹⁸

4 Also, when CenturyTel has added capacity in the past, CenturyTel seems to add
5 very little capacity such as a DS1 or DS3 at a time. It would not be economical for
6 CenturyTel to add capacity in those low quantities if they were actually constructing
7 outside network facilities. During discussions with CenturyTel regarding interconnection
8 and capacity issues, CenturyTel has indicated that it would be acquiring additional
9 capacity from LightCore. Based upon this, it appears that CenturyTel is practicing a “just
10 in time” inventory practice with respect to its interoffice network. While there might be
11 valid reasons for doing that, it also creates the ability to avoid fulfilling interconnection
12 and unbundling obligations by holding network assets in an affiliate’s name rather than in
13 the ILEC’s name.¹⁹ The Arbitrator should also realize that the relationship between

¹⁸ Case TC-2006-0068, *FullTel, Inc., Complainant, v. CenturyTel of Missouri, LLC, Respondent*, ORDER DIRECTING FILING, November 23, 2005 where the Commission required the Parties to file a pleading addressing CenturyTel’s claims that it is unable to handle the volume of traffic Fulltel intends to deliver. Specifically, the Commission’s Order Directing Filing stated, “Additionally, the Commission is aware that CenturyTel has made the argument that it is not able to handle the volume of traffic FullTel intends to deliver. The Commission will require the parties to also indicate whether CenturyTel’s statement stems from technical infeasibility or network inefficiency.”

¹⁹ This also creates the incentive for the combined corporation to artificially inflate costs to the regulated entity by increasing the rates the regulated entity pays to the unregulated affiliate in order to shift money from the regulated entity to the unregulated affiliate. As noted in the Direct Testimony of Janis E. Fischer in Case No TC-2006-0184, *PSC Staff, Complainant, v. New Florence Telephone Company, Respondent*, at 9, “An affiliate that provides goods and services to a regulated utility has an incentive to charge prices above the market rate to increase revenues. The regulated utility can recover its costs from its captive customers. If allowed, these captive regulated utility customers could pay higher costs for goods or services provided by the affiliate than from a third party vendor through rates. Captive regulated utility customers cannot easily choose another service provider for a lower price or better service.” In addition to increasing costs to captive customers, this incentive would also apply to subsidy

1 LightCore and CenturyTel is rather unique and Socket has not encountered similar
2 relationships with either of the SBC or Sprint ILEC entities and competitive affiliates
3 operating in the ILEC's respective region.

4 If Socket's language is not adopted, CenturyTel would be able to avoid its
5 unbundling and interconnection obligations by having its wholly owned subsidiary
6 construct and maintain its network assets.

7 **Q. Would Socket be able to obtain dedicated transport facilities directly from**
8 **LightCore as well?**

9 A. There is no guarantee that LightCore would provide them. There is also no
10 guarantee what rates LightCore would charge to provide them. Beyond that, the
11 limitations on how UNEs can be used would prevent Socket from combining
12 CenturyTel's loops with LightCore's transport facilities. Socket's intent is to use
13 Extended Enhanced Loops (EEL), which is a combination of UNE loops and dedicated
14 interoffice transport, to reach distant customers. Socket may only order standalone UNE
15 loops in central offices where Socket has a collocation facility established under
16 Section 251(c)(6).

17 As an example, assume that Socket has a collocation facility in CenturyTel's
18 Wentzville central office and wants to serve a customer located in the Troy exchange,
19 which is also a CenturyTel exchange, via a DS1 EEL. Socket would order a DS1 EEL
20 from the customer premise in Troy back to its collocation facility in Wentzville.

programs where a regulated company's receipt of subsidies is based upon the costs reported by the regulated company.

CenturyTel would have to process that order unless facilities were not Currently Available.

With LightCore managing CenturyTel's interoffice network and providing facilities only when CenturyTel needs the facilities for its own use, CenturyTel the ILEC would be able to deny Socket's order on the grounds that it lacked facilities. But when CenturyTel needs facilities for its own use, it could easily secure them from LightCore. Thus, by having its interoffice facilities managed by an affiliate, CenturyTel would be able to avoid its unbundling obligations.

Q. To show how extensive LightCore's Interoffice Network is in CenturyTel's ILEC franchise territory, can you provide a list of CenturyTel end offices where LightCore has facilities?

A. Yes. LightCore represents that it is has Network Points of Presence (POPs) in the following CenturyTel end offices

Augusta	Aurora	Avilla	Branson	Cabool
Cassville	Columbia	Cuba	Edgar Springs	Hawk Point
Hermann	Highlandville	Houston	Kimberling City	Ladonia
Leasburg	Licking	Marshfield	Monroe City	Moscow Mills
Mountain Grove	Mount Vernon	New Melle	Norwood	O'Fallon
Perry	Reeds Springs	Sarcoixie	Sparta	St. James
Troy	Truxton	Warrenton	Wentzville	Wright City

From this list, you can see that many of these POPs are in relatively small end offices, ten of which are remote end offices. Most of these POPs are not in tandem offices where you

1 might expect to have interexchange fiber carriers with network facilities. These small
2 and numerous POPs stand in sharp contrast to LightCore's remaining eight central office
3 POPs in Missouri, which tend to be in large central offices that are also tandems located
4 in large metropolitan areas such as Kansas City (1 office), Springfield (1 office),
5 St. Louis (3 offices) or Sprint's tandems in Rolla and Jefferson City. The remaining POP
6 is the Sprint exchange of Lebanon.

7 I think the very extensive network within the ILEC franchise territory combined
8 with CenturyTel's own practices described above makes it evident that CenturyTel's
9 ILEC entities are relying upon their competitive affiliate to provide and manage
10 significant portions of their interoffice network.

11 **Q. In the example that you gave, couldn't Socket provide the equivalent of an EEL**
12 **simply by leasing transport from LightCore and combining that with loops from**
13 **CenturyTel?**

14 **A.** No. Even if you assume that LightCore will provide the requested facilities to
15 Socket at an economical rate, the restrictions on UNEs would still prevent that. UNE
16 loops may only be ordered back to a Section 251(c)(6) collocation facility. LightCore
17 does not have Section 251(c)(6) collocation facilities but instead has IXC space and
18 power arrangements. UNEs cannot be ordered back to these arrangements.

19 In the Troy example, Socket would not have a collocation facility in Troy and
20 would not be able to order a UNE loop in Troy. Thus, CenturyTel would avoid its
21 obligation to provide EEL combinations. The only way that Socket would be able to get
22 around this would be to collocate in Troy. That unnecessarily increases Socket's costs

1 and defeats the entire purposes of the EEL UNE combination. As such, that is not a
2 reasonable option.

3 **Q. Has the Commission previously addressed affiliate concerns similar to the ones**
4 **Socket is raising?**

5 A. While not in the context of an arbitration, the Commission has previously
6 recognized that there is the potential for abuse when a competitive local exchange carrier
7 operates in the exchanges of an affiliated ILEC, and did address the very concern that I
8 am raising in Case No. TO-97-269, *In the Matter of the Application of Sprint*
9 *Communications Company L.P. for a Certificate of Service Authority to Provide Basic*
10 *Local Telecommunications Service and Local Exchange Telecommunications Service*. In
11 order to eliminate that potential for abuse, the affiliated ILEC stipulated and the CLEC's
12 certificate was conditioned upon the ILEC offering UNEs or resale throughout its service
13 territory regardless of whether the underlying facilities were provided by the ILEC
14 (Sprint Missouri, Inc.) or the competitive affiliate (Sprint Communications Company,
15 LP). That case is directly on point in this matter and Socket's proposed language is
16 consistent with that decision.

17 **Q. Is this issue about forcing 251 obligations onto a competitive carrier as CenturyTel's**
18 **statement of the issue implies?**

19 A. No it is not. Socket's language simply requires CenturyTel, the ILEC, to provide
20 UNEs where facilities are "Currently Available" within in its ILEC territory at the same
21 terms, prices, and conditions as it receives for itself, regardless of whether CenturyTel's
22 ILEC entity or CenturyTel's competitive affiliate provides the underlying facilities .

1
2 **Issue 14: Should the definition of Information Access Services, and consequently,**
3 **Information Access Traffic be consistent with existing industry and**
4 **regulatory standards?**

5
6 **CenturyTel's alternative issue statement: How should the ICA define "Information**
7 **Access" and "Information Access Traffic"?**
8

9 **Q. Can you explain Socket's proposed definition of Information Access Traffic?**

10 A. Socket's proposed definition is simple, straightforward and simply recognizes
11 Information Access Services are specialized exchange telecommunications services that
12 are purchased by providers of information services. These services include services
13 purchased by ISPs out of local business tariffs.

14 **Q. Why is Socket opposed to CenturyTel's proposed language?**
15

16 In short, CenturyTel's definition is incorrect and problematic. In addition,
17 CenturyTel tries to address disputes over interconnection and compensation issues
18 through definitions rather than in a straightforward manner. That is inappropriate.

19 First to the problematic part, CenturyTel's proposed definition of Information
20 Access Traffic states that it shall be defined in accordance with a series of FCC decisions
21 and goes on to list them. Each of these FCC decisions is subject to interpretation and
22 only adds confusion when included in a definition as both Socket and CenturyTel have
23 wildly different interpretations of these decisions. This drags in unnecessary confusion,
24 uncertainty, and increased likelihood for future conflicts of this definition. References to
25 the extraneous documents should be not included in this definition.

1 On the erroneous piece, CenturyTel's proposed definition of Information Access
2 Traffic seeks to limit Information Access Traffic as being only ISP-bound Traffic. In
3 addition to ISPs, other types of information service providers purchase Information
4 Access Services. Even more limiting, CenturyTel proposes to include only calls from
5 end users that terminate to an ISP within the same CenturyTel exchange or common
6 mandatory local calling area, e.g., EAS, mandatory Extended Local Calling Area (which
7 is not defined), or other like types of mandatory expanded local calling scopes. This
8 raises a host of problems.

9 First, the FCC has determined that calls to an ISP never terminate at the ISP's
10 location. In determining the jurisdiction over ISP traffic, the FCC performed an end-to-
11 end analysis of ISP calls and concluded that the call did not, in fact, terminate at the ISP's
12 server. As the FCC stated in the *ISP Remand Order*,

13 Applying this "end-to-end" analysis, the Commission determined that
14 Internet communications originate with the ISP's end-user customer and
15 continue beyond the local ISP server to websites or other servers and
16 routers that are often located outside of the state. The Commission found,
17 therefore, that ISP-bound traffic is not local because it does not
18 "originate[] and terminate[] within a local area." Instead, it is
19 jurisdictionally mixed and largely interstate, and, for that reason, the
20 Commission found that the reciprocal compensation obligations of
21 section 251(b)(5) do not apply to this traffic.²⁰

22
23 That finding was not overturned by the federal court decision that reversed and remanded
24 certain portion of the FCC's previous determinations regarding ISP traffic. As the FCC
25 noted in the *ISP Remand Order*:

²⁰ *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and CC Docket No. 99-68, Intercarrier Compensation for ISP-Bound Traffic*, CC Docket No. 96-98, Order on Remand and Report and Order at ¶ 14 (April 27, 2001) ("*ISP Remand Order*").

1 In its opinion remanding this proceeding, the court appeared to
2 acknowledge that the end-to-end analysis was appropriate for determining
3 the scope of the Commission's jurisdiction under section 201, stating that
4 "[t]here is no dispute that the Commission has historically been justified in
5 relying on this method when determining whether a particular
6 communication is jurisdictionally interstate."²¹
7

8 Indeed, that was and is currently the basis for the FCC asserting jurisdiction over all ISP
9 traffic. Since the FCC has determined – in the Order that remains the law of the land –
10 that calls do not terminate to ISPs, CenturyTel's definition is erroneous. If that definition
11 were applied, it would include zero calls to an ISP as calls do not terminate to an ISP.

12 Even if that major failing is ignored, it is inappropriate to attempt to limit the
13 definition of Information Access Traffic only to calls that are originated by end users and
14 pass through an ISP located within the same mandatory local calling area. While there
15 are major differences about interconnection and compensation obligations between
16 Socket and CenturyTel, those issues should not be addressed by adopting cramped and
17 nonsensical definitions. It is obvious that a call to an ISP is "ISP traffic" regardless of
18 where the ISP is located. That is still a call to an ISP and it still constitutes Information
19 Access Traffic.

20 Finally, CenturyTel's proposed definition includes only a subset of the definition
21 of Local Traffic that the Parties agreed to in Article II, Issue 19. For example, it would
22 not even include calls to an ISP where an end-user has purchased optional MCA service
23 and is using that service to reach an ISP located outside of the customer's mandatory
24 calling area as that is an optional expanded calling plan. Under CenturyTel's proposals

²¹ *Id.* at ¶ 53.

1 here and elsewhere, this agreement would not permit the exchange of that type of traffic.
2 That is contrary to the Commission's previous finding that "So long as the existing bill-
3 and-keep intercompany compensation method is maintained, MCA subscribers may use
4 MCA service for purposes of accessing the Internet."²²

5
6 **Issue 15: Should the definition of "ISP Traffic" follow the way the term is defined**
7 **in the FCC's *ISP Remand Order*?**
8

9 **Q. Can you explain this issue?**

10 A. Yes. As this interconnection agreement addresses issues about ISP traffic, the
11 term ISP needs to be defined. Socket is proposing the following definition.

12 "Internet Service Provider" (ISP) is an Enhanced Service Provider that
13 may also utilize LEC services to provide their customers with access to the
14 Internet.

15
16 This sentence comes directly from *ISP Remand Order*, ¶ 11.²³ It is also a very
17 straightforward and simple definition of an ISP. There is no dispute between the Parties
18 over whether an ISP is an Enhanced Service Provider. As a factual matter, an ISP may
19 utilize LEC services to provide their services. Both CenturyTel and Socket provide
20 services to ISPs. Those ISPs will then provide their customers with access to the
21 Internet. Socket's proposed definition clearly captures those facts.

22 On the other hand, CenturyTel is proposing the following definition -

²² Case No. TO-99-483, *Investigation for the purpose of clarifying and determining certain aspects surrounding the provisioning of Metropolitan Calling Area (MCA) service after implementation of the Telecommunications Act of 1996*, Report and Order (Updated Sept. 7, 2000), found at <http://www.psc.mo.gov/orders/2000/09079483.html>.

²³ *ISP Remand Order* at ¶ 11.

Internet Service Provider (ISP) is an Enhanced Service Provider that provides Internet Services, and is defined in paragraph 341 of the FCC's First Report and Order in CC Docket NO. 97-158

As mentioned earlier, CenturyTel's proposed definition acknowledges that ISPs are Enhanced Service Providers so that is not in dispute. Unfortunately, CenturyTel's proposed definition unnecessarily references an extraneous document and tries to frame the definition of an ISP in a context preferred by CenturyTel in that they quote an FCC decision that says ISPs use incumbent LEC facilities to originate and terminate interstate calls. Using this paragraph to define ISPs fails to recognize that ISPs are permitted to purchase exchange services out of LEC's local tariffs. That is unneeded and inappropriate.

Issue 16: Should the ICA include a definition of "IntraLATA Toll Traffic"?

CenturyTel's Alternative Issue Statement: How should the parties' ICA define "IntraLATA Toll Traffic"?

Q. What definition is Socket proposing for IntraLATA Toll Traffic?

A. Socket is proposing the following definition -

1.68 "IntraLATA Toll Traffic" is defined as traffic between one calling area and another local calling area within the same LATA where the IntraLATA toll provider assesses a separate retail charge for originating this type of traffic.

The dispute between the Parties is over Socket's proposed language "where the IntraLATA toll provider assesses a separate retail charge for originating this type of traffic." Socket is adding this additional language into the definition to be consistent with the federal definition of telephone toll service, which is "telephone service between

1 stations in different exchange areas for which there is made a separate charge not
2 included in contracts with subscribers for exchange service.” *See* 47 U.S.C. § 153(48).
3 This basically means that in addition to any access payments between carriers, there is
4 also an additional charge to the end user. As IntraLATA toll traffic is a subset of
5 Telephone Toll traffic, the definitions should be consistent.

6 **Q. Does Socket’s proposed language restrict either Party’s ability to offer bundles of**
7 **service or flat-rated toll products?**

8 A. No it does not. Either Party is free to price its toll service in any manner it
9 chooses. It is also consistent with the Commission’s rules regarding disconnection for
10 non-payment. Even when a carrier offers a bundled option, it can only disconnect the
11 local service for non-payment of local service. Assuming that CenturyTel is following
12 the Commission’s rules, CenturyTel already assesses separate charges for IntraLATA toll
13 even when it provides the service as part of flat-rated bundle.

14 **Q. Is CenturyTel’s proposed definition consistent with the federal definition of**
15 **telephone toll service?**

16 A. No. CenturyTel’s proposal identifies “intraLATA toll” traffic as any traffic
17 “between one CenturyTel local calling area and another CenturyTel local calling area or
18 that of another LEC within the same LATA.” This definition ignores the federal rule’s
19 emphasis on the “separate charge” that is made for calls between exchanges. The
20 CenturyTel definition would inappropriately characterize certain types of traffic as
21 “intraLATA,” and therefore subject to access charges. The “separate charge” part of the

1 definition clarifies that only those calls that actually constitute *toll service* should be
2 included.

3 **Q. What would be the consequence of expanding the intraLATA toll definition in the**
4 **way CenturyTel has proposed?**

5 A If the intraLATA toll definition is not tied to the federal telephone toll service
6 definition, it could create anomalies in the way calls are rated. Calls are typically rated as
7 “local” or “intraLATA toll” based on the NPA/NXX code associated with the call. As
8 the FCC explained:

9 It is standard industry practice for telecommunications carriers to compare
10 the NPA/NXX codes of the calling and called party to determine the
11 proper rating of a call. As a general matter, a call is rated as local if the
12 called number is assigned to a rate center within the local calling area of
13 the originating rate center. If the called number is assigned to a rate center
14 outside the local calling area of the originating rate center, it is rated as a
15 toll call. These local calling areas are established or approved by state
16 commissions.²⁴

17
18 Therefore, the definition of intraLATA toll should not force traffic that is rated “local”
19 based on properly assigned NPA/NXX codes to be converted for compensation purposes
20 into “intraLATA toll” traffic. This would be inconsistent both with the way the FCC has
21 found most carriers rate their calls (by NPA/NXX code) and with the definition of
22 “telephone toll service” in the federal regulations.

23
24 **Issue 34: Which Party’s Definition of Dedicated Transport is appropriate?**
25

26 **Q. What is the primary difference between the two Parties’ definitions?**

²⁴ *Developing a Unified Inter-carrier Compensation Regime*, CC Docket No. 01-92, Further Notice of Proposed Rulemaking at ¶ 141 (rel. March 3, 2005) (footnotes omitted).

1 A. To cut to the chase, the primary difference is that Socket's definition would
2 include dedicated transport between a CenturyTel end office and a Spectra end office
3 (and vice versa) as well as between two CenturyTel end offices or between two Spectra
4 end offices. CenturyTel wants dedicated transport restricted to routes between only
5 CenturyTel end offices or between only Spectra end offices.

6 **Q. Do the two CenturyTel entities currently provide Dedicated Transport for**
7 **Interconnection Purposes between CenturyTel and Spectra end-offices?**

8 A. Yes, they do. This was previously recognized by the Commission in Case
9 No. CO-2005-0066, *In the Matter of the Confirmation of Adoption of an Interconnection*
10 *Agreement with CenturyTel of Missouri, LLC d/b/a CenturyTel and Spectra*
11 *Communications Group, LLC d/b/a CenturyTel by Socket Telecom, LLC*, where the
12 Commission found:

13 CenturyTel uses a single ordering system to handle orders from CLECs
14 for interconnection with CenturyTel of Missouri and Spectra. That
15 ordering system does not differentiate between CenturyTel of Missouri
16 and Spectra exchanges. CenturyTel began processing those orders,
17 without regard to whether the exchanges were served by CenturyTel of
18 Missouri or Spectra. In fact, in August 2004, CenturyTel "turned up"
19 interconnections with Socket in several exchanges served by Spectra.
20 More interconnections were activated in November 2004, just a day before
21 the hearing (Transcript, pg. 93, lines 11-13,). Socket is currently serving
22 customers in those exchanges using those interconnections and has passed
23 over 2 million minutes of traffic over those connections. (Transcript,
24 pg. 94, lines 9-13).

25
26 In order to stop doing this, CenturyTel would have to develop different ordering systems
27 and provisioning practices.

28 **Q. Why is this an important issue?**

1 A. This has a tremendous public policy impact. If Socket's language is not adopted,
2 Socket would not be able to order EELs between any CenturyTel – Missouri end office
3 and CenturyTel – Spectra end office. This would be despite the fact that these two
4 companies operate under the same name, operate as a single entity, have the same
5 owners, appear in the corporate annual report with no distinction, appear before the
6 legislature as a single entity, appear in this arbitration and every other case before the
7 Commission using the same counsel and witnesses. On the CLEC side, Socket deals with
8 the same people regardless of whether it is CenturyTel – Missouri or CenturyTel –
9 Spectra. For all practical purposes, these two companies are the same.

10 From a public policy standpoint, allowing these two companies to pretend that
11 they are two separate entities for purposes of unbundling and interconnection obligations
12 makes it clear than an ILEC would be able to reduce or eliminate its interconnection and
13 unbundling obligations by simply spinning off part of its ILEC franchise territory to a
14 different entity without changing any ownership or operating practices. This would be a
15 horrible precedent and one that would be detrimental to competition.

16 **Q. In a somewhat similar situation, has the FCC considered unbundling obligations in**
17 **the context of the total company rather than at the affiliate level?**

18 A. Yes. The FCC applied Section 251(f) at the holding company level rather at an
19 affiliate level. In doing so, the FCC recognized that applying that standard at the affiliate
20 level, "would permit almost any company, including Bell Atlantic, Ameritech, and GTE
21 affiliates, to take advantage of the suspension and modification provisions in
22 Section 251(f)(2). Such a conclusion would render the two percent limitation virtually

1 meaningless.”²⁵ Similarly, allowing an ILEC to avoid its unbundling obligations by
2 spinning off parts of the ILEC franchise to different affiliates would have the same
3 results.

4
5 **ARTICLE III - GENERAL PROVISIONS**
6

7
8 **Issue 2: Should the payment due date be 45 calendar days or 20 business days**
9 **from the bill date?**
10

11 **Q. Can you briefly describe this issue?**

12 A. Yes, this issue is in reference to the number of days that payment is due after the
13 bill date. Socket is proposing 45 days after the bill date while CenturyTel is proposing 20
14 business days after the bill date. Twenty business days equates to approximately 30 days.

15 **Q. Why is this an issue for Socket?**

16 A. This issue is important because Socket needs to have adequate time to review bills
17 from CenturyTel in order to verify that each bill is accurate before Socket should be
18 required to submit payment. The 45 days proposed by Socket would allow adequate
19 time. It would also be consistent with the decision on a nearly identical issue in the SBC
20 Arbitration.

21 First, it is important to realize that the bill date is not the same as the date that
22 Socket actually receives the bill. Socket recently compared the bill date to the date the
23 bill was received by Socket over a 7-month period. This comparison shows that the

²⁵ *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*,
CC Docket No. 96-98, First Report and Order at ¶ 1264 (1996) (“*Local Competition Order*”).

1 average difference between the bill date and the date received by Socket is over 13 days,
2 with the longest period being 19 days and the shortest being 10 days. Using February as
3 an example, under CenturyTel's proposal of 20 business days less the average number of
4 days until Socket receives the bill, Socket would only have 11 business days to review a
5 CenturyTel bill and get a payment to CenturyTel. That is not an adequate period of time
6 to conduct a thorough review, prepare billing disputes, recalculate the appropriate amount
7 to pay and actually remit payment.

8 Secondly, these bills are not standard retail bills that only require a cursory
9 review. Socket receives thirteen separate bills from CenturyTel each month in two
10 separate formats. Some of these bills are 40 pages long with numerous line items. Each
11 line item requires comparisons to rates in interconnection agreements as well as orders to
12 verify the item being billed matches the item that was ordered and provisioned.
13 CenturyTel also regularly back bills charges for circuits that were provisioned several
14 months prior to the billing month. This requires additional auditing of the in-service date,
15 the services ordered as well as a review of prior bills to make sure the circuit has not been
16 previously billed. Additionally, some of the bills do not even contain Circuit Numbers,
17 which makes it even harder to compare what was actually ordered to what is being billed.
18 This auditing is a manual process that requires a significant amount of labor and time.

19 Third, CenturyTel's bills are consistently plagued with errors, requiring extensive
20 auditing followed by billing disputes. If Socket disputes the charges before the due date,
21 Socket is not required to pay the disputed charges. If Socket is unable to file a bill
22 dispute prior to the due date, Socket is required to pay the disputed amounts and later

1 obtain a refund. Socket should not be required to pay disputed amounts because of an
2 inappropriately short time period from the date received to the due date.

3 **Q. Can you provide an example of the types of errors that Socket has experienced?**

4 A. Charges erroneously placed on Socket's wholesale bill range from incorrect rates
5 for wholesale items purchased by Socket to charges for wholesale services not ordered by
6 Socket. For example, there have been numerous occasions where CenturyTel assessed
7 Socket incorrect Service Order charges or assessed retail taxes. Socket disputes each of
8 these charges in one month only to have the next month's bill have the same errors.

9 Throughout the end of 2004 and most of the 2005, CenturyTel assessed hundreds
10 of thousands of dollars in special access fees for interconnection facilities. Each month,
11 Socket disputed these charges. However, CenturyTel never responded to Socket's billing
12 disputes and continued to erroneously bill Socket. It was not until November of 2005
13 that these disputes were resolved. This settlement involved 112 separate adjustments to
14 multiple bills. Each individual adjustment involved multiple charges, each of which had
15 to be audited and additional billings disputes had to be prepared where the settlement was
16 not calculated correctly.

17 In another instance, CenturyTel signed a stipulation agreeing not to assess Socket
18 certain 911 related charges. Unfortunately, CenturyTel's billing practices did not change
19 and it continued to assess those charges and even threatened disconnection if Socket did
20 not pay. CenturyTel's first attempt at billing these 911 related charges did not even have
21 the correct rates from its Missouri tariff.

1 CenturyTel has a practice of cramming third-party retail charges onto Socket's
2 wholesale bill. The "services" that have been billed on Socket Telecom's wholesale bill
3 have included such things as Enhanced Billing Services on behalf of Better Business Org,
4 Matchmaker services, YP Directory Services on behalf of OAN Services, Inc. and
5 Privacy Plus services. While there may possibly be valid reasons for these charges to
6 appear on a retail bill, there is absolutely no valid reason that these types of charges
7 should appear on Socket's wholesale bill. Socket has yet to receive an explanation of
8 why they do. Each of these errors requires review and submission of a billing dispute
9 form and a recalculation of the amount owed before Socket should be required to submit
10 payment.

11 Because of the length of time it takes to actually receive the bills, the complexity
12 of the bills, and the numerous errors, Socket needs to have at least 45 days from the bill
13 date to complete this work. Because of the length of time between the bill date and the
14 date Socket actually receives the bill, this equates to approximately 30 calendar days.

15 **Q. You previously mentioned that 45 days was consistent with the decision issued in**
16 **Case No. TO-2005-0336. Can you elaborate?**

17 **A.** Yes. In that case, the issue was first presented to the Arbitrator as to whether the
18 30-day payment interval should start from the bill date (the due date printed on the bill)
19 or the date the CLEC actually receives the bills. SBC contended that the effect of making

1 the 30-day time period begin from the date the CLEC received the bill had the same
2 effect as making the due date 45 days from the bill due date.²⁶

3 In reaching a decision on this issue, the Arbitrator reviewed similar evidence
4 provided by the CLEC Coalition concerning delays in receipt, complexity of bills, and
5 likelihood of error, and found:

6 The evidence shows that SBC's bills are actually rendered a significant
7 interval after the so-called issue date, leaving the CLECs an inadequate
8 period of time within which to audit the bills and remit payment. For this
9 reason, the Arbitrator agrees with the CLEC Coalition that the payment
10 due date should be 30 days from the day on which SBC's invoice or bill is
11 *actually* received, as in the current M2A.²⁷

12
13 The evidence put forth by Socket supports a similar finding in this Arbitration as well.
14 However, in this case, in order to avoid disputes over the date the CLEC received the bill,
15 Socket is proposing the due date be 45 days from the bill date which would provide the
16 same review period as the 30 days from receipt approved in the SBC arbitration.

17
18 **Issue 6: Should changes in standard practice be governed by the process proposed**
19 **by Socket?**
20

21 **Q. Can you describe this issue?**

22 A. Yes. There are two areas in dispute within this issue. The first area is whether
23 Socket has an affirmative obligation to look at CenturyTel's website to find out if and
24 when CenturyTel will be changing a standard practice or procedure or whether

²⁶ Case No. TO-2005-0336, *Southwestern Bell Telephone, L.P., d/b/a SBC Missouri's Petition for Compulsory Arbitration of Unresolved Issues for a Successor Agreement to the Missouri 271 Agreement ("M2A")*, Final Arbitrator's Report, I(A), General Terms Conditions, at 25.

²⁷ *Id.* at 29.

1 CenturyTel is required to provide notice to Socket when it changes an operating practice
2 or standard procedure.

3 The second area is the degree to which the Parties may work together to
4 implement the change. CenturyTel proposes to provide Socket with a person that Socket
5 may contact to obtain clarification. Socket proposes that either Party may request the
6 assignment of project team resources for implementation of the change. Socket's
7 language is necessary to ensure the Parties work together, when necessary, to implement
8 the changes correctly and efficiently. Simply posting a change on a website and
9 providing the name of someone to call with questions is not a reasonable option.

10 **Q. Can you describe the changes in standard practice that are covered by these**
11 **provisions?**

12 A. Yes. These are changes in practices related to Network Maintenance and
13 Network Management, as well as changes that result from implementing this Agreement.
14 Specifically, as set out Section 54.4, these are changes that affect the transmission and
15 routing of services using UNEs or resold services as well as other changes that affect the
16 interoperability of the UNEs and each Party's network. These are not usual day-to-day
17 operational issues but instead represent changes as to how CenturyTel manages its
18 network and changes as to how the Parties interact. An example would be if CenturyTel
19 were going to provide a different mechanism for ordering unbundled network elements or
20 if CenturyTel were going to expand the footprint of the MCA within its exchanges as
21 SBC Missouri recently did. As these changes will also impact the manner in which
22 Socket operates, Socket needs to have notice of these changes. Socket also needs to be

1 able to ensure the new practice is implemented in a manner that does not adversely affect
2 Socket's operating procedures. To do that, Socket needs to be able to request these
3 changes be implemented jointly with resources dedicated to the project.

4 CenturyTel proposes only to post the information on its website and to identify a
5 person that Socket may contact for clarification. That simply does not go far enough.

6 **Q. Is Socket trying to limit CenturyTel's ability to manage or upgrade its network?**

7 A. Not at all. That is specifically addressed in Section 54.4, which states that
8 nothing in this Agreement is intended to limit CenturyTel's ability to upgrade its
9 network.

10 **Q. Is this language similar to other language that Socket operates under?**

11 A. Yes. This language is very similar to the language that resulted from the SBC
12 Arbitration that is found in Section 41.3 of the General Terms and Conditions of the
13 SBC/Socket Telecom ICA.

14 **Q. Is there a difference?**

15 A. Yes. In the language referenced above, SBC provides such notice via e-mail to
16 CLEC designated contacts. I am proposing that CenturyTel provide this notice via e-mail
17 followed by registered mail to address CenturyTel's stated concerns regarding Notice
18 procedures involving only e-mail. CenturyTel complained that e-mail was not reliable,
19 could be lost, or could be falsified. As a result, the Parties agreed in Section 32.1 to a
20 Notice process that requires Notice via e-mail to be sent followed by a written notice sent
21 via mail.

22 **Q. What is the problem with CenturyTel's proposed language?**

1 A. The issue of whether CenturyTel is required to provide notice to Socket versus
2 Socket being required to find the information on CenturyTel's website is an underlying
3 dispute on several issues in this and other Articles. The first problem with CenturyTel's
4 proposal to post the information on its website is that it shifts the burden to Socket and
5 forces Socket to identify changes that will affect Socket. This will force Socket to
6 regularly check CenturyTel's website to try to find any changes that will affect Socket.
7 Shifting the burden to Socket is not reasonable. If CenturyTel is going to implement a
8 change in the manner in which it accepts UNE orders or if it changes the footprint of the
9 MCA, it should also have the obligation to inform Socket of those changes. Providing
10 notice via e-mail is an efficient means to communicate that information. Both SBC and
11 Sprint regularly provide Notices to Socket of these types of change.

12 With respect to the project team to implement the change, Socket sees that as an
13 alternative that would speed implementation of changes, ensure the implementation went
14 smoothly, and ultimately be less disruptive. CenturyTel's proposal to provide the name
15 of a person that Socket can contact for clarification does not go far enough to ensure that
16 happens.

17
18 **Issue 9: Should the Agreement contain an obligation and a process for**
19 **CenturyTel to communicate official information to Socket?**
20

21 **Q. Can you summarize this issue?**

22 A. Yes. Socket is proposing to include language that would require CenturyTel to
23 communicate official information to Socket via electronic mail on a regular basis.

1 Socket currently uses this process with both SBC and Sprint. This information is
2 necessary for Socket to be able to interact with CenturyTel. Electronic Mail is the most
3 efficient means of communicating this information. CenturyTel opposes Socket's
4 proposed language.

5 This is similar to the previous issue except that Socket envisions this to include
6 more day to day operational issues such as new products, elimination of existing
7 products, etc.

8 **Q. Can you provide some example of the type of information that should be**
9 **communicated to Socket via this process?**

10 A. Yes. This would include information about new retail telecommunications
11 services offered for resale, retail promotions, OSS changes and updates, as well as
12 industry changes. This information is critical for Socket to operate efficiently, be able to
13 offer current services, and compete effectively.

14 Socket is a reseller of CenturyTel products. As a reseller, Socket's wholesale rate
15 is based upon retail availability and retail rates. Socket needs to know in advance if the
16 retail products are going to change such as being grandfathered or phased out or if the
17 rate is going to change as that directly impacts Socket's wholesale cost.

18 Additionally, if CenturyTel were changing the way it operates such as introducing
19 the availability of electronic billing options, Socket's proposed process would be an
20 efficient means to communicate that information.

21 **Q. Would it be acceptable if CenturyTel would agree to post this type of information on**
22 **its website.**

1 A. No. Posting this information on the website would not be as efficient as it would
2 require CLEC personnel to monitor CenturyTel's website and continually check to see if
3 new information had been posted. This is unreasonable.

4 **Q. Are there analogous situations that should be considered?**

5 A. Consider this in the context of other commercial contracts or even customer
6 notice requirements that telecommunications companies are expected to provide. Socket
7 is merely seeking advance notice when there will be changes that will or may affect
8 Socket's operations. Every Socket commercial contract that I have reviewed with other
9 vendors contains similar provisions. CenturyTel is proposing to establish a system that
10 would require Socket to continually monitor CenturyTel's website to look for changes
11 that will or may affect Socket's operations. In essence, it is shifting the burden to Socket
12 and requiring Socket to seek out what changes made by CenturyTel will affect Socket.

13 In considering this issue, would the Arbitrator or the Commission find it
14 reasonable for a telecommunications company to increase rates or modify the terms of
15 service without advance notice and instead tell the customer to check the rates
16 periodically to see if they have changed? Certainly, Missouri statutes regarding customer
17 notice do not permit that.

18 **Q. What is the reason that CenturyTel provides for not wanting to e-mail these notices**
19 **to Socket?**

20 A. CenturyTel asserts that its current systems do not allow CenturyTel to send these
21 types of notices via e-mail.

22 **Q. Is that a reasonable excuse?**

1 A. No. CenturyTel's basic approach to Socket has been to shoehorn Socket into its
2 existing systems and if that does not work, CenturyTel just says it cannot do it. That is
3 not a legitimate excuse. CenturyTel does not require its own network personnel to check
4 a website to see if there will be planned outages that will or may affect operations.
5 Instead, Socket understands that CenturyTel itself uses an e-mail system for its own
6 operations. Socket should be treated no differently.

7
8 **Issue 10: Should the Agreement contain provisions for credits in the event of an**
9 **outage?**
10

11 **Q. Can you summarize this issue?**

12 A. Socket is proposing contract language that would require CenturyTel to provide
13 service credits that would apply in the event there was a network or other outage that
14 resulted in Socket not receiving the services it had purchased from CenturyTel. Socket's
15 proposed language makes it clear that the service credits do not apply if Socket, Socket's
16 agents, or Socket's customers caused the outage.

17 **Q. Why is Socket making this proposal?**

18 A. In a normal commercial context, a customer would not expect to pay for
19 something it did not receive. Indeed, if a Socket retail customer experiences an outage,
20 that customer is credited for the time it is without service; this is a standard commercial
21 practice. In fact, CenturyTel's own intrastate access tariff at § 2.4.4 offers a credit
22 allowance for service interruptions. There is no reason that CenturyTel should not be
23 required to offer such credits under this Agreement as well.

1 **Q. Was this issue addressed in the recent arbitration involving SBC?**

2 A. Yes, it was. In Docket No. TO-2005-0336, the Commission considered a similar
3 issue and ruled that SBC must provide credits for service interruptions.²⁸ Socket's
4 proposed language is taken from the contract language that resulted from that decision.
5 Such a ruling is appropriate here as well.

6
7 **Issue 11: Should the Agreement contain service parity standards?**
8

9 **Q. Can you summarize this issue?**

10 A. Yes. Socket is proposing contract language that would define the term "parity" as
11 it pertains to services. The second part of Socket's proposed language references the
12 Provisioning Intervals and Performance Measures that Socket is proposing in Article X.

13 **Q. What is the source of Socket's proposed language?**

14 A. Socket's proposed language was taken directly from the Interconnection
15 Agreement that Socket and CenturyTel are currently operating under, which is the AT&T
16 – GTE Interconnection Agreement filed in Case No. TO-97-63. In the arbitration case
17 that led to the AT&T – GTE Interconnection Agreement, the Commission found that
18 GTE must provide services that are equal in quality to those it provides itself and that the
19 contract should contain such provisions.²⁹ That requirement should continue to be
20 memorialized in the next Agreement between Socket and CenturyTel.

²⁸ *Id.* at 48-49.

²⁹ Case No. TO-97-63, *In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of the 1996 to Establish an*

1 **Q. Why should the term “Parity” be defined as Socket proposes?**

2 A. While the concept of parity seems straightforward and self-evident, the term is
3 still open to interpretation. In order to avoid future conflicts, the room for interpretation
4 needs to be eliminated.

5 At times during negotiations, CenturyTel represented that its parity obligation
6 meant it was required to provide facilities and services to Socket only to the degree it
7 provided those facilities and services to its own retail customers. Applied to OSS, this
8 meant that CenturyTel was not required to provide Socket with a real time pre-order
9 system since it did not provide that system to its retail customers. CenturyTel made this
10 claim despite the fact that its own retail operations have access to and use real-time
11 preorder systems when taking orders from its own retail customers. Consequently,
12 CenturyTel’s position is nonsensical.

13 At other times, CenturyTel tried to define its obligations to provide services and
14 facilities at parity as meaning CenturyTel must provide services and facilities to all
15 CLECs equally, irrespective of how CenturyTel provides such services to itself. This
16 basically equates to saying that it is acceptable to discriminate towards CLECs as long
17 as all CLECs are discriminated against equally. This was also referred to as the “It is OK
18 to beat your children, as long as you beat them all equally” standard. That is not the
19 parity standard envisioned by the Act.

Interconnection Agreement Between AT&T Communications of the Southwest, Inc. and GTE Midwest Incorporated, Arbitration Order at 31-32 (Dec. 10, 1996).

1 Socket's proposed definition is consistent with FCC rules because it recognizes
2 that ILECs are obligated to provide services and facilities equal in quality to those it
3 provides to itself. For example, see §51.305(a)(3) that applies to interconnection,
4 § 51.311 that applies to unbundled network elements, and § 51.603(b) that applies to
5 services available for resale. Each rule requires the ILEC to provide the relevant
6 services, facilities, or functions at a level of quality that is equal to that which the
7 incumbent LEC provides itself, a subsidiary, an affiliate, or any other party.

8 **Q. What is the flaw in CenturyTel's proposed language?**

9 A. CenturyTel's language does not specifically commit to providing services and
10 facilities at parity nor does it define "Parity." While CenturyTel's language does commit
11 to meeting any service standard imposed by the Missouri Public Service Commission, the
12 arbitrator should be aware that the Missouri Public Service Commission has no quality of
13 service standards or service standards that apply to the wholesale relationship between
14 CLECs and ILECs. CenturyTel is fully aware of this and is basically proposing to give
15 Socket the sleeves from its vest.

16
17 **Issue 12: Should CenturyTel be required to designate a point of contact for Socket**
18 **to work with in order to implement this Agreement?**
19

20 **Q. Can you summarize this issue?**

21 A. Yes. Socket is proposing contract language that would require CenturyTel to
22 designate a single point of contact for Socket to work with to implement and operate
23 under this agreement. That single point of contact must be knowledgeable of

1 CenturyTel's processes and procedures for establishing interconnection, providing UNEs,
2 and services available for resale, resolving disputes and the other functions that will be
3 necessary to operate under this agreement. On March 9, 2006, Socket made a counter
4 proposal to resolve this issue. Socket is now proposing that language, which CenturyTel
5 opposes. That language is:

6 **Upon the effective date of this agreement and throughout its term,**
7 **CenturyTel shall have a designated person or designated persons**
8 **serve as a central point of contact for Socket to function as an account**
9 **manager that will work with Socket to implement and operate under**
10 **the provisions of this agreement. CenturyTel shall keep Socket**
11 **informed as to the identity and contact information for the designated**
12 **person or persons. The designated person or persons shall be**
13 **knowledgeable of CenturyTel's processes and procedures for**
14 **establishing interconnection, providing UNEs and services available**
15 **for resale, resolving billing and other disputes as well as other**
16 **functions necessary to implement and operate under this agreement.**
17 **The designated person or persons shall not have any retail job**
18 **responsibilities. Socket shall use the contact and escalation list**
19 **information from the Guide under Section 53.1 for routine day-to-day**
20 **operations and related problems, but will be able to use the**
21 **designated central point of contact for purposes of dealing with issues**
22 **that are beyond the scope of routine day-to-day operations.**
23

24 **Q. Why is Socket making this proposal?**

25 A. Socket truly believes that having a knowledgeable and accountable single point of
26 contact will make the relationship between Socket and CenturyTel more productive, less
27 prone to misunderstandings, and ultimately fewer disputes.

28 From Socket's experience, many of CenturyTel's processes and procedures
29 appear to be undefined with little or no accountability to follow through on commitments.
30 Both Sprint and SBC provide a single point of contact that interacts with Socket. In

1 commercial relationships with other carriers, Socket typically has a single point of
2 contact that acts as an interface.

3 **Q. What makes you believe that a knowledgeable and accountable single point of**
4 **contact will make the relationship between Socket and CenturyTel more productive,**
5 **less prone to misunderstandings, and ultimately result in fewer disputes?**

6 A. That belief is based upon Socket's relationship with CenturyTel as compared to
7 the relationship between Socket and SBC or Sprint. For example, Socket has established
8 as well as removed many points of interconnection with SBC, Sprint, and CenturyTel.
9 With SBC and Sprint, there is a single point of contact who facilitates the necessary
10 network planning meetings, makes sure the necessary people understand the
11 interconnection arrangement, understands each Party's obligation to place or provision
12 orders, as well as perform other functions necessary to facilitate establishing the
13 interconnection in a defined time period. The result is less confusion and ultimately, the
14 tasks are completed in a timely manner. While Socket has established points of
15 interconnection with CenturyTel, the process with CenturyTel is still largely unknown to
16 Socket. As required by CenturyTel, Socket has submitted trunk forecasts and placed
17 orders only to later be told the forecast was not approved and, therefore, Socket's orders
18 could not be completed. In other instances, Socket's orders have been delayed while
19 CenturyTel's ordering group seeks "regulatory approval,"³⁰ or experienced other delays.

³⁰ In one instance, the person who grants "regulatory approval" was on vacation so the order just sat until the person returned.

1 It is expected that a single point of contact would know the proper procedures and the
2 delays would not be experienced.

3 Going forward, I expect that there will be operational issues and changes as the
4 Interconnection Agreement that results from this arbitration is implemented. As a result,
5 there will need to be new processes established and existing processes modified. For
6 example, Socket will need to know how to place orders for UNE combinations. Based
7 upon Socket's experience, that can best be facilitated by a single point of contact.

8 **Q. What is CenturyTel's position on this issue?**

9 A. CenturyTel is opposed to Socket's contract language. CenturyTel's preference is
10 for Socket to contact its CLEC Service Center and interface with whoever answers the
11 phone. This is problematic for several reasons. First, there is no guarantee that Socket
12 will reach a person that will be able to assist Socket. Based upon our experience, the
13 CLEC Service Center representatives typically interface with resellers and are not
14 knowledgeable of processes and procedures associated with facility-based carriers.

15 Additionally, CenturyTel's CLEC Service Center is not in a position to address
16 changing policies and procedures. Socket recently encountered problems when
17 CenturyTel changed its position and began requiring customer specific Letters of
18 Authority (LOAs) rather than permitting the use of Blanket LOAs that Socket had been
19 operating under.³¹ Socket raised this issue with the CLEC Service Center and the
20 response that I received was that this was CenturyTel's policy. That is an adequate

³¹ This change was implemented with no advance notice to Socket and impacted Socket's operations immediately. In the end, CenturyTel changed its policy back and began letting Socket operate under the blanket LOA.

1 response if this group is only going to implement policies and procedures. However,
2 CenturyTel also needs to have someone with the authority and responsibility to address
3 and explain the processes and policies, not just implement what they are told.

4 **Q. Does this have to be a single person?**

5 A. No. Socket is willing to deal with several different people but still needs a central
6 place to go to get issues addressed in a timely fashion. Socket would also expect that
7 when a single point of contact takes a three-week vacation, CenturyTel provide someone
8 to fill this function during that time.

9
10 **ARTICLE V – INTERCONNECTION**

11
12 **Issue 5A: What methods and procedures should be included in the ICA to ensure**
13 **interconnection arrangements are established and augmented efficiently?**

14
15 **Q. Please summarize this issue.**

16 A. Yes. This section sets forth each Party's responsibilities in fulfilling
17 interconnection requests. Socket's goal is to make the process proceed as smoothly as
18 possible. CenturyTel generally opposes Socket's approach and adds unnecessary,
19 unneeded, and unlawful conditions for establishing interconnection. This issue has
20 several subparts and each must be looked at. Socket witness Steve Turner will also
21 address part of this issue.

22 **Q. Will you please describe Socket's proposed language in Section 2.1?**

23 A. Socket's proposed Section 2.1 sets forth an obligation to have CenturyTel appoint
24 a knowledgeable point of contact to coordinate the establishment of new or additional

1 points of interconnection. This is important, as Socket's experience has been that many
2 different departments within an ILEC are usually needed to complete the project. This
3 coordination is most efficiently handled by a central point of contact within the company.
4 Absent this, Socket will be left to determine which departments need to be involved and
5 to coordinate this effort without CenturyTel's involvement in the process.

6 Some ILECs use an account manager to act as the primary point of contact for
7 regular contacts between the companies and to coordinate the process of establishing a
8 point of interconnection. In order to settle an issue in Article III, Socket agreed to
9 CenturyTel's position that CenturyTel would not have to appoint an account manager
10 who would act as an overall single point of contact for Socket. This makes the role of a
11 single point of contact to establish interconnection all the more important since there will
12 not be an "account manager" handling the regular interaction between Socket and
13 CenturyTel. In our dealings with both Sprint and SBC, the use of a single point of
14 contact for interconnection issues makes completing the project much easier, much faster,
15 and more efficient.

16 While the contract language does not require Socket to have a similar person
17 coordinate the project, Socket's normal procedures require such a person. Socket is
18 willing to make this obligation reciprocal.

19 **Q. What is your concern with CenturyTel's section 2.1?**

20 CenturyTel opposes Socket's language and instead proposes to provide escalation
21 lists instead of a single point of contact. The whole point of Socket's language is to avoid
22 having problems that need to be escalated by having one person to coordinate the project.

1 CenturyTel seems intent on having the Parties operate in a crisis management mode. In
2 addition, CenturyTel's proposal requires Socket to coordinate the project within
3 CenturyTel's business units.

4 **Q. Will you explain Socket's proposed language in Section 2.3?**

5 A. Section 2.3 requires CenturyTel to provide information about its network facilities
6 so that Socket may establish interconnection. Socket needs to know, among other things,
7 information about whether the interconnection will require one-way or two-way trunking,
8 whether its proposed POI is technically feasible, and whether CenturyTel has sufficient
9 capacity to support the requested interconnection. When the FCC addressed this issue, it
10 concluded that,

11 Further, incumbent LECs have a duty to make available to requesting
12 carriers general information indicating the location and technical
13 characteristics of incumbent LEC network facilities. Without access to
14 such information, competing carriers would be unable to make rational
15 network deployment decisions and could be forced to make inefficient use
16 of their own and incumbent LEC facilities, with anticompetitive effects.³²

17
18 Socket's proposed language is taken straight from the FCC's rule that addressed these
19 concerns. That rule is § 51.305(g), which states,

20 An incumbent LEC shall provide to a requesting telecommunications
21 carrier technical information about the incumbent LEC's network facilities
22 sufficient to allow the requesting carrier to achieve interconnection
23 consistent with the requirements of this section.

24
25 Socket's proposed language matches that rule almost exactly.

26 **Q. Is there any credibility to CenturyTel's proposed limitation that the information**
27 **provided be non-proprietary?**

³² Local Competition Order at ¶ 205.

1 A. No. It is already anticipated that the Parties will exchange information that either
2 Party may consider to be proprietary. Article III addresses this concern and provides
3 safeguards to prevent the disclosure of proprietary information. Also, the Arbitrator
4 should note the FCC's rule does not have any such restriction.

5 **Q. What is your concern about CenturyTel's proposed language?**

6 CenturyTel's proposed 2.3 imposes limits on the information that CenturyTel will
7 provide and goes on to require trunk group sizes to be mutually agreed upon based upon
8 traffic studies and availability of facilities. The FCC rules contain no such limitations.
9 Socket is extremely leery of any contract provision that requires mutual agreement with
10 CenturyTel as that is just another means for CenturyTel to refuse to interconnect. If the
11 proposed interconnection is being requested for Socket to enter a new market where it
12 does not presently have any customers, there will not be traffic studies as no traffic will
13 have been exchanged.

14 CenturyTel further proposes to require Socket to compensate CenturyTel through
15 an engineering charge if Socket decides not to follow through with the interconnection
16 for whatever reason. That is unreasonable, especially when CenturyTel's language is
17 considered in its entirety. Under CenturyTel's proposed language, Socket could propose
18 to interconnect at what it believes to be a technically feasible location. CenturyTel could
19 attempt to refuse that interconnection on the grounds that it was not technically feasible,
20 or delay the interconnection on the grounds that there are no traffic studies to warrant the
21 interconnection or that CenturyTel does not have sufficient facilities, and then try to

1 charge Socket an engineering fee for saying “no” to Socket’s interconnection request.
2 That is unreasonable.

3 **Q. Please explain Socket’s proposed language in Section 2.4**

4 **A.** Socket’s proposed Section 2.4 establishes a reporting process in the event
5 CenturyTel asserts that it does not have sufficient capacity to support the requested
6 interconnection. In the event that CenturyTel makes that assertion, Socket’s language
7 requires CenturyTel to explain the reason for the lack of capacity, to identify the amount
8 of capacity that CenturyTel is holding for its own use, and submit a construction plan for
9 acquiring or constructing additional capacity. Socket’s language also requires
10 CenturyTel to submit this plan to the Manager of the Telecommunications Department at
11 the Commission.

12 On several occasions, CenturyTel has refused to establish interconnection
13 arrangements on the grounds that it lacked the capacity. That is something that other
14 carriers with whom Socket interconnects have never done and, therefore, raises concerns
15 that Socket believes should be addressed in its new interconnection agreement with
16 CenturyTel. Socket’s language simply requires CenturyTel to provide the details about
17 why it cannot meet the request to establish a POI, provide information about whether
18 CenturyTel is retaining a reasonable amount of facilities for its own use, and indicate
19 when it will have the requested capacity. Requiring CenturyTel to provide a report to the
20 Manager of the Telecommunications Department of the PSC Staff is consistent with
21 §51.305(e), which requires CenturyTel to demonstrate that any denial is based upon the
22 fact that interconnection at that point is not technically feasible.

1 **Q. Does a lack of facilities mean that proposed interconnection is technically infeasible?**

2 A. Absolutely not. The FCC's rules regarding interconnection as well as the FCC's
3 definition of "technically feasible" make it very clear that a lack of capacity does not
4 mean the requested interconnection is not technically infeasible. My hope is that if
5 CenturyTel has to make the regulators aware that it is refusing to interconnect, it will
6 cease using this tactic in an attempt to discourage interconnection.

7 **Q. How does CenturyTel's proposed Section 2.4 compare to Socket's proposed**
8 **Section 2.4?**

9 CenturyTel's corresponding language agrees to provide a detailed reason why the
10 requested capacity does not exist but then goes on to require Socket to pay for the cost of
11 constructing facilities to provide additional capacity. The Parties have agreed to
12 language in the agreement in which each Party is financially responsible for facilities on
13 its side of the POI. Under CenturyTel's proposed language, Socket would be required to
14 pay the cost of building facilities on CenturyTel's side of the POI. By requiring Socket
15 to pay for facilities on its side of the POI, CenturyTel is effectively moving the POI or
16 placing economic restrictions on Socket's ability to choose the location of the POI. That
17 is contrary to federal rules as the FCC has clearly ruled that "Section 251, and our
18 implementation rules, require an incumbent LEC to allow a competitive LEC to

1 interconnect at any technically feasible point. This means that a competitive LEC has the
2 option to connect at only one technically feasible point in each LATA.”³³

3 **Q. Can you explain Socket’s proposed Section 2.5?**

4 A. Yes. Socket’s proposed language is in response to specific instances when
5 CenturyTel delayed fulfilling Socket’s orders for interconnection facilities. The stated
6 reason for the delay was because CenturyTel did not believe Socket needed the facilities.
7 In this instance, Socket had the opportunity to add a large customer that would require
8 additional interconnection facilities. Socket placed the orders only have them held
9 because CenturyTel did not believe Socket needed the additional capacity. Socket
10 believes this is unreasonable. Like CenturyTel, Socket has every incentive to use
11 network resources efficiently. CenturyTel should not be permitted to dictate what
12 interconnection facilities it will provide.

13 This problem is particularly exacerbated if Socket is required to interconnect in
14 every local exchange, as CenturyTel has proposed. In these instances, the capacities of
15 each interconnection are going to be smaller because the customer base being served is
16 smaller. In these instances, the addition of a single customer over a low capacity
17 interconnection can easily require additional facilities. Socket’s proposed Sections 2.5.1
18 and 2.5.2 attempt to address these situations.

19 **Q. What is the concern with CenturyTel’s Section 2.5?**

³³ *Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance*, CC Docket No. 00-65, Memorandum Opinion and Order at ¶ 78 (2000).

1 A. Like Section 2.4, it requires Socket to agree to pay for CenturyTel's
2 interconnection facilities on CenturyTel's side of the POI and is objectionable for the
3 same reasons as Section 2.4.

4 **Q. What is the issue on with Section 2.6.1?**

5 A. The dispute is over CenturyTel's proposed language that limits the applicability
6 of this section. CenturyTel's language requires Socket to comply with Sections 2.4 and
7 2.5. In the event Socket's proposed language in Sections 2.4 and 2.5 is chosen, this
8 reference is irrelevant as there are no compliance issues. In the event that CenturyTel's
9 proposed language in Sections 2.4 and 2.5 is approved, this reference would only give
10 Socket administrative order control (e.g., determination of trunk sizes) when Socket
11 agreed to pay for facilities on CenturyTel's side of the POI. That is contrary to the
12 provision to which the Parties have agreed that requires each Party to be financially
13 responsible for facilities on its side of the POI. CenturyTel's proposed language should
14 be rejected.

15
16 **Issue 8: Which Party's language should be adopted regarding indirect**
17 **interconnection?**
18

19 **Q. Will you identify the primary area of dispute?**
20

21 A. Yes. The primary area of dispute has to do with CenturyTel's language that seeks
22 to impose unlawful restrictions on when CenturyTel will permit indirect interconnection.
23 First, CenturyTel proposes to require mutual agreement before permitting indirect
24 interconnection. Second, CenturyTel proposes to limit indirect interconnection only to de

1 minimus amounts of Local Traffic. Third, it proposes to impose requirements regarding
2 when the indirect connection will be converted to a direct connection.

3 **Q. Can you please describe the requirements of Section 251(a) of the**
4 **Telecommunications Act as they relate to interconnection?**

5 A. Yes. Section 251(a) obligates all telecommunications carriers to interconnect
6 directly or indirectly with other telecommunications carriers to exchange traffic. Indirect
7 interconnection existed prior to the Telecommunications Act of 1996 when ILECs
8 indirectly interconnected with each other to exchange traffic among multiple carriers.
9 Currently, Socket and CenturyTel are indirectly interconnected in the Springfield MCA.
10 When a CenturyTel customer in the Ozark exchange places a call to a Socket customer
11 located in the Springfield exchange, that call will pass from CenturyTel's facilities to
12 SBC Missouri's facilities and then to Socket's facilities. Like ILECs, CLECs also have a
13 need for indirect interconnection in order to exchange traffic.

14 Pursuant to Section 251(a)(1), a telecommunications carrier has a duty to
15 indirectly interconnect with a CLEC that chooses such method of interconnection.
16 Moreover, under Section 251(c)(2)(B), the CLEC is permitted to interconnect at any
17 technically feasible point within the incumbent LEC's network. Thus, if the CLEC
18 chooses to interconnect via an indirect interconnection, that is the CLEC's choice as long
19 as the interconnection is technically feasible and within the incumbent LEC's network.

20 Furthermore, the Federal Act does not require the CLEC to request permission
21 from the ILEC such as is contemplated by CenturyTel's proposed mutual agreement
22 requirement nor does it permit the ILEC to impose obligations regarding when the CLEC

1 must convert to a direct connection such as those imposed by CenturyTel's Sections 7.2
2 and 7.3.

3 CenturyTel's proposed requirements to convert to a direct connection when traffic
4 exceeds a DS-1 is contrary to the requirements of the MCA plan which specifically
5 contemplates local MCA traffic being routed via an indirect interconnection between
6 LECs. The MCA plan does not set forth any provisions that would let one carrier dictate
7 when a direct connection would be made.

8
9 **Issue 9: Should interconnection facilities compensation be based on each Party**
10 **taking responsibility for bringing its facilities to the POI.**
11

12 **Q. Can you explain what is in dispute with this issue?**
13

14 A. Yes. The DPL has not been entirely clear on this particular issue. The Parties
15 have agreed to the language in 8.1 that makes it clear that each Party is financially
16 responsible for bring its facilities and trunks to the POI. The dispute is over Sections 8.2
17 and 8.3. Socket maintains that those two sections proposed by CenturyTel are
18 unnecessary and simply add nothing more than confusion.

19 **Q. Can you explain?**

20 A. Section 8.1 and other Sections being proposed by Socket in Article V make it
21 clear that each Party is responsible for bringing its facilities and trunks to the POI. It is
22 self-evident to Socket that this also means financially responsible. This is consistent with
23 the recent SBC Arbitration decision where the Arbitrator found that "[e]ach Party is

1 financially responsible for facilities on its side of the POI.”³⁴ Socket proposes its
2 language in Section 8.1 to make the Parties’ financial responsibility exceptionally clear as
3 the issue of financial responsibility for facilities has been a major source of dispute
4 between CenturyTel and Socket. CenturyTel’s language in 8.2 and 8.3 appear to be an
5 attempt to muddy the water on this issue.

6 **Q. Can you explain?**

7 Yes. CenturyTel’s proposed Section 8.2 states that when a POI is at a collocation,
8 Article XVI: Collocation terms will apply in addition to the terms of the Interconnection
9 Article. Article XVI is the Article addressing White Pages so CenturyTel’s reference is
10 incorrect. For purposes of testimony, I will assume that CenturyTel meant Article XVII:
11 Collocation. Socket believes the reference (correct or otherwise) is not necessary as the
12 terms found in Article XVII: Collocation stand on their own and do not need to be
13 incorporated into Article V. Socket does not believe this additional reference is
14 necessary.

15 In the past, CenturyTel has tried to distinguish a Point of Interconnection at a
16 collocation arrangement from a Point of Interconnection at another location within a
17 CenturyTel central office. At one time, CenturyTel took the position that it was entitled
18 to charge Socket one special access termination charge for connecting to the CenturyTel
19 switch if the POI was at a collocation and two special access channel termination charges
20 if the collocation was at a point besides a collocation arrangement. This was tied to
21 CenturyTel’s position that, regardless of what the interconnection agreement said, Socket

³⁴ Case No. TO-2005-0336, Final Arbitrator’s Report, Article V at 10.

1 was required to interconnect on CenturyTel's switch. In addition to not being consistent
2 with the interconnection agreement, this is also not consistent with the FCC's rules
3 regarding interconnection and not consistent with Socket's proposed language in this
4 Article. In an effort to avoid future disputes between the Parties, Socket objects to
5 unnecessary reference to Article XVII – Collocation.

6 **Q. What is your opposition to Section 8.3?**

7
8 A. Section 8.3 references an addendum to Socket's current ICA with CenturyTel and
9 apparently seeks to bring those terms and conditions into this Agreement and also apply
10 access charges rates to "non-incidental" local traffic.

11 The Background Information of my Direct Testimony explains why Socket
12 previously agreed to amend its Interconnection Agreement. The amendment was not
13 something Socket would have agreed upon if CenturyTel had not been refusing to
14 establish Points of Interconnection under our existing interconnection agreement. Socket
15 agreed to the amendment only to expedite its interconnection with CenturyTel.
16 Additionally, that amendment expires when the Agreement that is the subject of this
17 Arbitration becomes effective. Socket objects to that amendment (which will soon
18 expire) being brought into the contract by reference.

19 In addition, CenturyTel even seeks to modify the amendment by applying access
20 charges (presumably special access charges) to "incidental non-local traffic." CenturyTel
21 does not define incidental non-local traffic. Socket believes that the Interconnection
22 Facilities Compensation language should make it clear that each Party is responsible for

1 bringing its facilities and trunks to the POI and the other Party is responsible for facilities
2 and trunks on its side of the POI.

3
4 **Issue 10: What Language should the ICA include regarding Inter-carrier**
5 **compensation for transport and termination of traffic?**
6

7 **Q. Can you explain Socket's proposal for Inter-carrier compensation?**

8
9 A. Socket is proposing bill and keep for Section 251(b)(5) traffic, ISP traffic, and FX
10 traffic. Socket is not proposing to change compensation for traffic such as non-PIC'd
11 IntraLATA toll that is covered by an access tariff. The end result is that Socket's new
12 proposed language³⁵ creates a similar compensation scenario that Socket currently
13 operates under with both Sprint and SBC.

14 **Q. Does Socket's proposed language have a means to change from bill-and-keep to**
15 **another form of reciprocal compensation?**

16 A. Yes, it does. Any Party may initiate a traffic study no more than annually and if
17 either Party is terminating more than 60% of the total terminated minutes of Local
18 Interconnection Traffic, the Parties will negotiate a new compensation arrangement and
19 amend the interconnection agreement at that time. Socket included this provision since
20 CenturyTel's proposed language also had a provision for moving from Bill and Keep. As
21 will be addressed below, CenturyTel's proposed mechanism has additional conditions
22 beyond those proposed by Socket. Those additional conditions render it unlawful.

³⁵ Socket has amended its proposed language from that shown in its arbitration petition's contract language and DPL for this issue. The amended language is too lengthy to reproduce here, but is attached to this Direct Testimony as Exhibit A, and will appear in the final DPL.

1 **Q. What are your concerns with CenturyTel's proposed language?**

2
3 A. There are several. First, this Section of the ICA addresses compensation for
4 traffic that will be exchanged between the Parties. CenturyTel's proposed language
5 identifies the "Traffic to be Exchanged" and refers only to "Local Traffic" or "other
6 traffic the Parties agree to exchange." This creates two problems. First, the Parties will
7 exchange more than Local Traffic and CenturyTel's limitation here seems like an attempt
8 to re-argue numerous other issues that were addressed throughout this Article as well as
9 create conflict with provisions that both Parties have agreed upon. Secondly, CenturyTel
10 refers to future agreements to address other types of traffic. This is unacceptable as it
11 puts critical decisions off for another day. Socket cannot operate under those terms.

12 **Q. Do you have any concerns with CenturyTel's proposed compensation**
13 **arrangements?**

14 Yes. While CenturyTel starts with Bill and Keep (which is acceptable to Socket),
15 Section 9.2.2 of CenturyTel's proposed language proposes a mechanism to move to a
16 compensation arrangement based upon reciprocal compensation rates. CenturyTel's
17 language references an Appendix "A" for the rates but Socket has not yet seen that.
18 Based upon other representations made by CenturyTel, I will assume that those are the
19 rates set forth in the current ICA between Socket and CenturyTel.

20 Setting the rate issue aside, CenturyTel's proposed Section 9.2.2 is simply
21 unlawful. Pursuant to the *ISP Remand Order*, an ILEC is required to exchange all
22 Section 251(b)(5) traffic and Information Access Traffic at the same rates. Even if the
23 Arbitrator accepts CenturyTel's position that there is local ISP traffic and non-local ISP

1 traffic, it is unlawful for CenturyTel to insist that all ISP traffic be exchanged on a bill
2 and keep basis while receiving compensation on other Section 251(b)(5) traffic. As the
3 FCC stated,

4 It would be unwise as a policy matter, and patently unfair, to allow
5 incumbent LECs to benefit from reduced intercarrier compensation rates
6 for ISP-bound traffic, with respect to which they are net payors, while
7 permitting them to exchange traffic at state reciprocal compensation rates,
8 which are much higher than the caps we adopt here, when the traffic
9 imbalance is reversed. Because we are concerned about the superior
10 bargaining power of incumbent LECs, we will not allow them to “pick and
11 choose” intercarrier compensation regimes, depending on the nature of the
12 traffic exchanged with another carrier.³⁶
13

14 Based upon these concerns the FCC imposed a mirroring rule on ILECs. The mirroring
15 rule required that:

16 For those incumbent LECs that choose *not* to offer to exchange
17 section 251(b)(5) traffic subject to the same rate caps we adopt for ISP-
18 bound traffic, we order them to exchange ISP-bound traffic at the state-
19 approved or state-arbitrated reciprocal compensation rates reflected in
20 their contracts. This “mirroring” rule ensures that incumbent LECs will
21 pay the same rates for ISP-bound traffic that they receive for
22 section 251(b)(5) traffic.³⁷
23

24 CenturyTel has not adopted the FCC rate caps and must therefore exchange ISP bound
25 traffic at the same rates it receives for Section 251(b)(5) traffic. CenturyTel’s proposal to
26 utilize bill and keep for ISP bound traffic, while receiving reciprocal compensation at the
27 state-approved rates for other “Local Traffic” is clearly contrary to FCC rules.

28 **Q. Do you have any concerns with CenturyTel’s language with respect to VNXX**
29 **Traffic?**

³⁶ *ISP Remand Order* at ¶ 89.

³⁷ *Id.*

1 Yes. First VNXX Traffic is only a subset of FX Traffic. CenturyTel has yet to
2 address how the non-VNXX FX traffic will be exchanged between the Parties³⁸. With
3 respect to CenturyTel's proposed language addressing VNXX traffic, CenturyTel does
4 not agree that this traffic is "Local Traffic" but apparently agrees to exchange that traffic
5 on a bill and keep basis if Socket agrees to maintain the terms of the addendum
6 agreement between Socket and CenturyTel and even goes on to modify the addendum
7 agreement in a manner that is even more detrimental to Socket. As I explained earlier,
8 Socket has no desire to operate under the terms and conditions of the recently filed
9 Amendment to our existing Interconnection Connection with CenturyTel. Even worse,
10 CenturyTel's proposed contract language modifies that amendment to require Socket to
11 establish a POI at each CenturyTel end office. This modification is not acceptable to
12 Socket.

13
14 **Issue 11: What are the appropriate rates, terms and conditions for compensation**
15 **for transit traffic?**
16

17 **Q. Which Parties proposed language should the Arbitrator select?**

18
19 A. The arbitrator should select Socket's proposed language because Socket's
20 proposed rates, terms, and conditions recognize that providing transit service is a
21 Section 251 obligation and are consistent with the Missouri PSC's MCA requirements.
22 CenturyTel's proposed language does not.

³⁸ In 9.2.XX, CenturyTel's proposed language regarding FX Traffic simply states, "CenturyTel anticipates compromise language shortly."

1 Providing transit service is a Section 251 obligation. The Missouri Commission
2 has previously decided this issue.³⁹ That decision was reaffirmed in the recent
3 Arbitration involving SBC.⁴⁰ Because transit service is a Section 251(c) obligation, it
4 should be provided at TELRIC-based rates. That is also consistent with the decision in
5 the SBC M2A Successor Arbitration.⁴¹

6 **Q. How is Socket's proposed language consistent with the Commission's MCA**
7 **requirements?**

8 A. It requires that transit service be provided at no charge for MCA traffic.

9
10 **Q. How is Socket's proposed language consistent with Section 251(c)?**

11
12 A. Socket's proposed language requires CenturyTel to provide transit service for
13 non-MCA traffic at the TELRIC based rates set forth in Article VII, Schedule of Pricing.
14 On the other hand, CenturyTel's proposed rates refer to a Tandem Transit charge
15 identified in Appendix A. Because CenturyTel has not yet provided its proposed
16 Appendix A, Socket does not know what rates CenturyTel proposes.

17 The remainder of Socket's language is similar to the language found in Socket's
18 ICA with SBC. It requires the Transit Provider to pass the CPN, it indemnifies the
19 Tandem Provider for any unlawful charges that any terminating carrier imposes or levies
20 on the transiting Party for the delivery or termination of such traffic, and it does not

³⁹ Case No. TK-2005-0300, *Application of CharitonValley Communications Corporation, Inc. for Approval of an Interconnection Agreement with Southwestern Bell Telephone, L.P. d/b/a SBC Missouri pursuant to Section 252(e) of the Telecommunications Act of 1996*, Order Rejecting Interconnection Agreement (May 19, 2005).

⁴⁰ Case No. TO-2004-0336, Final Arbitrator's Report, Section 1(C) at 2 (June 21, 2005).

⁴¹ *Id.* at 6.

1 impose obligations on the terminating Party or the transit provider to function as a
2 clearinghouse.

3 **Q. What are your concerns with CenturyTel's proposed language?**

4
5 A. In addition to the rate issue above, CenturyTel seeks to impose unreasonable
6 restrictions upon Socket. First, it requires Socket to enter into agreements with the third-
7 party providers (Section 10.5 and 10.6.5). Socket will do that, where an agreement is
8 necessary. However, there are instances where that is unnecessary, such as MCA traffic
9 that is transited to third party. As that traffic is bill and keep, no agreement is necessary.

10 CenturyTel's proposed language in Section 10.6.2 limits transit traffic to an
11 amount of traffic below a DS1 level of calls. Imposing restrictions on when it will or will
12 not provide transit service is in violation of CenturyTel's Section 251(c)(2) obligations as
13 CenturyTel is required to permit Socket to interconnect with CenturyTel's network for
14 the purpose of exchanging traffic with other carriers who interconnect with CenturyTel's
15 network. Under CenturyTel's proposed limitation, CenturyTel would be permitted to
16 refuse to allow Socket to interconnect for that purpose. That is contrary to
17 Section 251(c)(2) which requires CenturyTel to provide interconnection within
18 CenturyTel's network at any technically feasible point. CenturyTel has yet to assert its
19 proposed DS1 level threshold means that the interconnection is not technically feasible at
20 volumes above a DS1.

21 Finally, CenturyTel's Section 10.6.3 requires Socket to pay, in addition to the
22 unspecified rate in Appendix A, any additional charges or costs imposed or levied upon
23 CenturyTel for the delivery or termination of traffic transited via CenturyTel. However,

1 the language imposes no requirement that CenturyTel dispute those charge in the event
2 they are inappropriate. As a third party, Socket would most likely not be in a position to
3 dispute those charges directly with the party imposing those charges upon CenturyTel.
4 Socket has already indemnified CenturyTel for charges imposed by a third party and
5 should not be exposed to additional financial risk that could be put upon it by CenturyTel.

6
7 **Issue 15: Should the Parties be required to mutually agree to establish one IP in**
8 **each CenturyTel local calling area?**
9

10 **Q. Can you summarize this issue?**

11
12 A. Yes. CenturyTel is simply restating its language that it is proposing in
13 Section 4.2. This language is objectionable for the same reasons as the other disputed
14 language. CenturyTel appears to be simply trying to get a second bite at the apple. In
15 addition, and more importantly, CenturyTel's proposed language is unlawful in that it is
16 entirely inconsistent with the FCC rules relating to Interconnection.

17 Rather than reargue the issue here, the Arbitrator should refer to Socket's position
18 and testimony on Issue 7.

19
20 **Issue 17: How should expenses be divided for trunking facilities on each Party's**
21 **side of a POI?**
22

23 **Q. Does Socket propose to revise its proposed language?**

24
25 A. Yes. Socket needs to revise its cross-reference. Socket's proposed language
26 should read as follows:

1 11.1.5 – Consistent with Section 8.1, Each party will be responsible for the
2 expenses associated with its own portion of the trunking on its own side of
3 the Point of Interconnection.
4

5 Socket will also include this revision in the Final Offers.
6

7 **Q. Does Socket believe this change will eliminate the dispute?**
8

9 A. That is certainly my hope as the fact that the cross-reference pointed to a section
10 that does not exist was pointed out to me during negotiations. Socket's correction now
11 references a section that is agreed upon by the Parties.

12 Section 8.1 states, "Each party is responsible for bringing its facilities and trunks
13 to the POI." The purpose of Socket's cross reference is to make sure these provisions are
14 interpreted consistently. From Socket's perspective, it needs to be clear that each Party is
15 responsible (including financially responsible) for its facilities and trunks on its side of
16 the POI.

17
18 **Issue 20: Should this Article recognize that terminating carriers may rely on**
19 **terminating records for billing the originating carrier?**
20

21 **Q. What is the purpose of Socket's language in this issue?**

22 A. Socket's language attempts to define how the Parties will generate bills and rate
23 calls for the exchange of Local Interconnection Traffic. Socket has revised its language
24 since the DPLs were filed. Socket's proposed language is

25 12.3 Recording and Billing for Local Interconnection Traffic
26 All recording and billing of Local Interconnection Traffic shall be in
27 compliance with the provisions of the Missouri Enhanced Records
28 Exchange Rule; 4 CSR 240, Chapter 29.
29

30 12.3.1- Intentionally Left Blank

12.3.2 – Intentionally Left Blank

12.3.3 - The terminating carrier will use the originating and terminating caller identification numbers or Automatic Number Identification as defined in 4 CSR 240, 29.020(4) to determine the jurisdiction of the call.

12.3.4 - Intentionally Left Blank

CenturyTel's proposed language remains only the language in 12.3.

Q. Why did Socket change its proposed language?

A. Socket recognizes it must adhere to the guidelines set forth in the PSC's Enhanced Records Exchange rules and did not want to appear as trying to avoid its obligations under those rules. Therefore, Socket believes that it is appropriate to include the entire rule. In addition, Socket still believes that it is necessary to define how the jurisdiction of the call will be determined, as that is not defined in the rule. That is the purpose of Socket's proposed language in Section 12.3.3.

Socket's language recognizes that throughout the industry, the jurisdiction of the call is determined by the originating and terminating NPA-NXX or ANI as that term is used in the PSC's Enhanced Records Exchange Rule. As the FCC explained:

It is standard industry practice for telecommunications carriers to compare the NPA/NXX codes of the calling and called party to determine the proper rating of a call. As a general matter, a call is rated as local if the called number is assigned to a rate center within the local calling area of the originating rate center. If the called number is assigned to a rate center outside the local calling area of the originating rate center, it is rated as a toll call. These local calling areas are established or approved by state commissions.⁴²

⁴² *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, Further Notice of Proposed Rulemaking at ¶ 141 (rel. March 3, 2005) (footnotes omitted).

1 Given that Socket's proposed process is the industry standard, Socket's additional
2 language should be included in the ICA.

3 **Q. Is this the method by which calls are rated today between Socket and CenturyTel?**

4 A. Yes it is, as well as with any other carrier that Socket's customers make call to or
5 receive calls from.

6 **Q. Is there an additional concern that the Arbitrator should consider?**

7 A. Yes. MCA calls are determined to be MCA calls or non-MCA calls based upon
8 the originating and terminating NPA-NXX. This method is consistent with Socket's
9 proposed language in 12.3.3. That is not just a standard practice throughout the industry
10 but it is also a requirement imposed by the Commission. This method of determining
11 whether calls are MCA calls was imposed because the Commission recognized that it
12 was the only reasonable means of identifying MCA calls from non-MCA customers⁴³.
13 Correctly identifying MCA customers from non-MCA customers is how the calls are
14 rated and obviously affects retail billing and intercompany compensation. Any departure
15 from using the industry's standard practice and Commission-imposed requirement will
16 potentially affect all customers within the MCA areas.

17
18 **Issue 21: Should service ordering, provisioning, and maintenance standards be**
19 **included in the ICA?**
20

21 **Q. Can you explain this issue?**

⁴³ Case No. TO-99-483, Case No. TO-99-483, *Investigation for the purpose of clarifying and determining certain aspects surrounding the provisioning of Metropolitan Calling Area (MCA) service after implementation of the Telecommunications Act of 1996* (Sept. 7, 2000), found at <http://www.psc.mo.gov/orders/2000/09079483.htm>

1 A. Certainly. In this Article and elsewhere, Socket has proposed defined processes
2 for establishing interconnection arrangements as well as Articles specific to Ordering,
3 Provisioning, and Maintenance. CenturyTel has generally opposed Socket's attempts to
4 add some degree of specificity and, instead, prefers to refer to its CLEC Service Guide.
5 In this Issue 21, Socket is not proposing any language and is only opposing the inclusion
6 of CenturyTel's language.

7 **Q. Can you explain your concerns with CenturyTel's proposed language?**

8 A. Yes. The first concern is that the reference to the CenturyTel Service Guide does
9 not even fit with the subject matter that is addressed in this Article. This Article
10 addresses Interconnection and Transport and Termination of Traffic. CenturyTel's
11 language is not even specific to Interconnection and, instead, refers to Ordering,
12 Provisioning, Billing and Maintenance for non-access services. This would include
13 resold services as well as UNEs, 911, xDSL, etc. CenturyTel and Socket have already
14 agreed to have specific Articles addressing many of these issues. As a result,
15 CenturyTel's language is unnecessary and only creates ambiguity.

16 CenturyTel's language also states that CenturyTel will provide Socket with
17 advance notice of changes to CenturyTel's procedures as stated in the service guide and
18 Socket has the right to raise a valid dispute if the change under the terms of this
19 agreement is a change materially affecting Socket's services. Socket and CenturyTel
20 have already agreed to change management procedures that are set out in Article III.
21 CenturyTel's language is unnecessary and only creates ambiguity.

22 **Q. Do you have additional concerns?**

1 A. Yes. CenturyTel's CLEC Service Guide is completely lacking in detail, is
2 incomplete, and outdated. It consists of 20 pages in total. CenturyTel represents that it is
3 intended to cover the details of establishing interconnection arrangements, ordering and
4 provisioning of interconnection facilities, UNEs, resold services, 911, and every other
5 aspect of entering the local markets. As much as I wish it were possible, all those
6 procedures cannot be properly addressed in only 20 pages.

7 The contacts listed in CenturyTel's CLEC Service Guide are outdated. For
8 example, it provides the name of the Support Supervisor – CLEC/Resale as LaCondra
9 Thompson. She left CenturyTel in May of 2005. The CLEC Service Guide devotes
10 seven pages to providing an example of a Customer Service Record. Unfortunately, the
11 example is from CenturyTel's old systems and is not even current. The CLEC Service
12 Guide does not even mention establishing interconnection or making 911 arrangements.
13 It has Installation Intervals that are not binding. Instead, the CLEC Service Guide states,
14 "Intervals given in this guide are very general. Please refer to the Resale or
15 Interconnection Agreement for more detail." Unfortunately, CenturyTel is proposing that
16 the Interconnection Agreement refer back to the CLEC Service Guide creating a circle of
17 non-binding intervals. Even worse, the intervals also do not include the additional two
18 days that CenturyTel adds to each order so that CenturyTel's CLEC Service Center can
19 retype all CLEC orders into CenturyTel's internal system. These additional two days
20 apply to all orders submitted via CenturyTel's web-based ordering system because those
21 electronic orders must be retyped just as if they were faxed or mailed to CenturyTel.

1 CenturyTel has promised on numerous occasions to update and expand the
2 CenturyTel Service Guide but it has not done so. In short, this document is completely
3 lacking and should not be referred to in the Interconnection Agreement as the source
4 document for Ordering, Provisioning, Maintenance and Repair and it certainly does not
5 belong in the Article dealing with Interconnection and Transport and Termination of
6 Traffic.

7
8 **Issue 24: In the event one carrier is unable to provide meet-point billing data,**
9 **should that carrier be held liable for the amount of unbillable charges?**
10

11 **Q. What is the purpose of Socket's proposed language?**

12
13 A. Socket proposes language that specifies that in the event a Party fails to provide
14 meet point billing data to the other Party, the Party that failed to deliver the data will be
15 liable for the amount of unbillable charges. Socket's proposed language is reciprocal and
16 applies to both Parties.

17 **Q. What is the source of Socket's proposed language?**

18 A. Socket's proposed language is taken directly from Section 2.6, Attachment 6,
19 Appendix C – Interconnection Billing and Recording found in the interconnection
20 agreement that Socket and CenturyTel are currently operating under, which is the AT&T
21 – GTE Interconnection Agreement.

22 **Q. Why is Socket proposing this language?**

23 A. To date, CenturyTel has been unable to produce the meet point billing data that is
24 necessary for Socket to properly identify and bill Interexchange Carriers (IXCs) that

1 terminate toll traffic to Socket via CenturyTel's access tandems. While Socket can use
2 its own recording to determine the quantity and jurisdiction of the calls it receives, Socket
3 is not receiving from CenturyTel the Carrier Identification Code ("CIC") associated with
4 those calls. The CIC is necessary for Socket to determine which interexchange carrier
5 ("IXC") to bill for terminating the call. As a result, Socket is unable to issue terminating
6 access bills for calls terminated by an IXC via CenturyTel's tandems.

7 This has been a problem since Socket began terminating toll traffic via
8 CenturyTel's access tandems. CenturyTel's access tandems are not capable of passing
9 the CIC on to Socket. That is not a problem if CenturyTel is able to capture the call
10 records for Socket. This is not extra work as CenturyTel also uses these same call
11 records for its own billing.

12 **Q. Has Socket tried to address this matter with CenturyTel?**

13 A. Yes. Socket's Director of Operations, Kurt Bruemmer, contacted CenturyTel in
14 October of 2004 to determine how Socket could get CABS records from CenturyTel. At
15 that time, we were told that CenturyTel did not have a process for producing CABS
16 records for CLECs such as Socket.

17 In November of 2004, we were given a contact on the operations side to work
18 with to develop a process. CenturyTel began doing some testing to see if CenturyTel
19 could identify Socket's records and said they should have something by December of
20 2004. Near the end of February of 2005, we were informed that CenturyTel was still
21 working on a program that would pull the call records for numbers assigned by Socket
22 (NPA-NXX codes assigned to Socket in the LERG and issued to Socket's customers).

1 Once that was done, CenturyTel indicated that it would begin working on a process for
2 pulling call records for ported numbers.

3 It became apparent to Socket that this project was given a low priority within
4 CenturyTel. At one point, we were told we would hear something in a couple of months
5 if nothing important came up.

6 Finally, on April 25, 2005, I sent CenturyTel a letter invoking Section 2.6,
7 Attachment 6, Appendix C – Interconnection Billing and Recording of our
8 interconnection agreement along with an invoice for CenturyTel to pay based upon our
9 recordings. CenturyTel paid that invoice and several others. Meanwhile during this time,
10 the person at CenturyTel who was working on this issue stopped working at CenturyTel.
11 Once he left CenturyTel, it is our understanding that all work on this project ceased. He
12 has since been re-hired and is, again, working on this project.

13 In short, we have been working to resolve this issue for almost a year and a half
14 and still do not have a process for regularly receiving call records from CenturyTel.

15 **Q. Why is this an important issue for Socket?**

16 A. Each month that Socket does not receive proper call records is a month that
17 Socket is unable to bill interexchange carriers for terminating calls to Socket's local
18 customers. This represents lost revenue to Socket.

19 As Socket subtends CenturyTel's tandems, we are reliant upon CenturyTel to
20 produce these records. As our main competitor, CenturyTel has no incentive to produce
21 call records that provide additional revenue to Socket. To date, CenturyTel has not

1 produced the necessary records. As a result, we have been and should be able to continue
2 to bill CenturyTel for the lost revenue.

3 **Q. In similar situations, do other tandem owners produce terminating call records?**

4 A. Yes. Both SBC and Sprint have established processes in place to provide call
5 records to CLECs, including Socket.

6 **Q. Is CenturyTel proposing any language on this issue?**

7 A. Not yet. The DPL says, "CenturyTel anticipates providing compromise language
8 shortly." Like the CABS records, we are still waiting on the proposed language.

9
10 **Issue 25: Should each Party be required to pass calling party number (CPN)**
11 **information to the other party?**
12

13 **Q. What is Socket's concern with CenturyTel's proposed language?**

14 A. Socket's proposed language requires each Party to transmit call detail information
15 to the other for each call being transited to or terminated on the other's network in
16 compliance with 4 CSR 240, Chapter 29. CenturyTel's corresponding language only
17 covers calls terminating on the other Party's network. CenturyTel's language further
18 attempts to create an exception of when it will pass CPN on transit traffic. 4 CSR 240-
19 29.040(2) contains no such exception. Socket is not willing to agree to CenturyTel's
20 proposed exception in this agreement.

21
22 **Issue 31: Should Socket's proposed language regarding the exchange of**
23 **enhanced/information services traffic be included in the agreement?**
24

25 **Q. What is the purpose of Socket's proposed language?**

1 A. Socket's proposal recognizes the growing importance of enhanced services traffic,
2 including VOIP. Socket's proposal would have the Parties carry such traffic for one
3 another over interconnection trunks, to ensure that customer traffic flow is not
4 interrupted. The proposal also creates a factoring approach to ensure that the Parties
5 account for (and properly compensate one another) for enhanced services traffic.
6 Moreover, the Socket proposal includes an audit provision that either CenturyTel or
7 Socket could use to protect its interests if either company believes enhanced services
8 traffic is not being accounted for properly.

9 **Q. What is the consequence of not including Socket's proposed language?**

10 A. If such language is not included, the Parties will not have a contractual method of
11 navigating the unsettled landscape regarding compensation for carrying VOIP and other
12 enhanced services traffic (collectively "IS Traffic"). Without definitive provisions in the
13 ICA, Socket is concerned that CenturyTel may attempt to refuse to interconnect for the
14 exchange of IS traffic, or may demand undue compensation for IS or other types of traffic
15 that it does exchange with Socket.

16 **Q. What is the source of Socket's proposed language?**

17 A. Socket's proposed language was taken directly from decisions made in recent
18 arbitrations between CLECs and SBC (Case No. TO-2005-0336) and is identical to the
19 language currently contained in Socket's Interconnection Agreement with SBC. This
20 same language was originally proposed by MCI Metro and chosen by the Arbitrator. In
21 selecting this language the Arbitrator noted:

1 MCI argues that its language should be adopted because it is consistent
2 with the FCC's pronouncements on enhanced service traffic. MCI does
3 not propose that "IP in the middle" traffic be counted as an enhanced
4 service in that the traffic undergoes no net protocol change. The IP-PSTN
5 traffic, on the other hand falls squarely within the "net protocol change"
6 portion of the FCC's multi-part enhanced service definition and is
7 therefore appropriately charged at reciprocal compensation rates instead of
8 switched access rates.⁴⁴

9
10 After the Arbitrator issued his report, Socket requested that the Commission rule that
11 MCI's language should be included in the Agreement between the CLEC Coalition (of
12 which Socket was a member) and SBC. In its Final Arbitration Order, the Commission
13 affirmed the Arbitrator's ruling and also ruled the language should be included in the
14 CLEC Coalition's Agreement as well.⁴⁵ In doing so, the Commission found;

15 [T]he Arbitrator held with respect to MCI RC Issue 15 that "[t]he IP-
16 PSTN traffic, on the other hand falls squarely within the 'net-protocol
17 change' portion of the FCC's multi-part enhanced service definition and is
18 therefore appropriately charged at reciprocal compensation rates instead of
19 switched access rates." The Commission agrees that this traffic should be
20 treated consistently and the Final Arbitrator's Report is thus modified to
21 provide that the Coalition's ICA will also provide that IP-PSTN traffic be
22 charged under the reciprocal compensation regime rather than be subject
23 to access charges.⁴⁶

24
25 Consistent with the Commission reasoning that traffic should be treated consistently in
26 the SBC/Socket ICA, the Agreement between Socket and CenturyTel should also treat
27 IP-PSTN traffic consistently.

28

⁴⁴ Case No. TO-2005-0336, Final Arbitrator's Report, Appendix VI Intercarrier Compensation (June 21, 2005).

⁴⁵ The Arbitrator should be aware that this same language is also included in the interconnection agreement adopted by CenturyTel's affiliate, LightCore, in Case No. TO-LK-2006-0095.

⁴⁶ Case No. TO-2005-0336, Arbitration Order at 16 (July 11, 2005).

Issue 32: How should the ICA define the term “Foreign Exchange”?

CenturyTel’s alternative Issue Statement: What definition, if any, should be included in the ICA for the term “Foreign Exchange” or “FX”?

Q. Can you explain what definition of “Foreign Exchange Service” Socket is proposing?

A. Yes. Socket is proposing the following definition:

“Foreign Exchange (FX)” services are service offerings of local exchange carriers that are purchased by customers, which allow such customers to obtain exchange service from a mandatory local calling area other than the mandatory local calling area where the customer is physically located. Examples of this type of service include, but are not limited to, Foreign Exchange Service, CENTREX CUSTOPAK with Foreign Exchange Telephone Service Option, and ISDN-PRI Out-of-Calling Scope (both Two-Way and Terminating Only).

Q. Why is Socket proposing to include this definition?

A. FX services are services provided by Socket and CenturyTel to their own end-users. FX service allows customers to obtain local service from an exchange other than the one where the customer is physically located. An example would be a business located in Centralia could purchase FX service for Columbia so that the customer would have a Columbia phone number and be able to make and receive calls just as if the customer were physically located in Columbia.

Both Socket and CenturyTel currently provide FX service. Foreign Exchange traffic has already been and will be exchanged between the Parties over the existing points of interconnection and, most likely, any future point of interconnection. When CenturyTel passes calls from the FX customer to Socket’s customers in Columbia, that

1 call will be passed over the existing interconnection facilities and will appear to Socket
2 that the call originated and terminated in Columbia. For that reason, Socket believes that
3 the interconnection agreement should address this type of service and the resulting traffic.
4 To do that properly, it should be defined.

5 **Q. What is this definition based upon?**

6
7 A. This definition is based upon the definition in the Socket – SBC Interconnection
8 Agreement. In addition, it is entirely consistent with the definition that CenturyTel uses
9 in its own Local and General Exchange Tariff, which defines Foreign Exchange Service
10 as, “Telephone exchange service furnished to a customer through a central office of an
11 exchange other than the exchange regularly serving the area in which the customer is
12 located.”⁴⁷ The service names included in Socket’s proposed definition are examples of
13 CenturyTel’s own retail services that include a foreign exchange service component.

14 Another aspect of this definition is that it does not distinguish between the
15 different manners in which FX service may be provisioned. Socket believes this is
16 important, as the functionality that the customer sees is the same regardless of how the
17 service is provisioned.

18 Using the example of Columbia and Centralia above, if the CenturyTel FX
19 customer placed a call to a Socket customer using the Columbia numbers assigned to that
20 customer, that call would appear to Socket as if the call originated and terminated in

⁴⁷ CenturyTel of Missouri, LLC PSC MO. NO. 1, GENERAL AND LOCAL EXCHANGE TARIFF, Section 3, Original Sheet 5.

1 Columbia and would be passed to Socket over the local interconnection trunks
2 contemplated by Agreement.

3 **Q. Is CenturyTel proposing a definition of its own?**

4 A. No. CenturyTel is not proposing to define this term.

5 **Q. Does this raise concerns?**

6 A. Yes, it does. FX service is a service that CenturyTel offers and provides today.
7 As CenturyTel provides this service today, it will originate and terminate calls from its
8 FX customers. When those customers call Socket's customers, those calls will need to be
9 exchanged between the Parties. This agreement needs to define the service and set forth
10 the manner in which that traffic will be exchanged and the associated compensation
11 arrangement.

12 **Q. How does Socket know that CenturyTel is currently providing FX service?**

13 A. CenturyTel's current Local and General Exchange Tariff contain several services
14 that include FX service. In the process of acquiring customers, Socket has encountered
15 several customers that were purchasing FX service from CenturyTel or purchasing FX
16 service from other local exchange carriers where the service was provided, in part, by
17 CenturyTel. In some instances, those customers have switched to Socket. In other
18 instances, they have not.

19
20 **Issue 33: How should the ICA define "Local Interconnection Traffic"?**
21

22 **Q. Will you explain the differences between each Party's position?**

1 A. Yes. The Parties are each defining Local Interconnection Traffic, which will
2 generally define the traffic to be exchanged between the Parties under this Agreement.
3 The primary difference is that in addition to the types of traffic the Parties have agreed to
4 include in this definition, Socket is also proposing to include Transit Traffic and Foreign
5 Exchange Traffic while CenturyTel is opposed to including these two categories of
6 traffic. In addition, CenturyTel proposes to only include ISP-bound traffic, omitting any
7 traffic from the Internet.

8 **Q. What is CenturyTel's basis for excluding these types of traffic?**

9 A. In CenturyTel's preliminary position statement on this issue, CenturyTel claims
10 that including these additional types of traffic will expand the Interconnection Agreement
11 beyond its Section 251 obligations. I disagree and believe that CenturyTel is simply
12 wrong.

13 With respect to Transit Traffic, the Missouri Commission has previously found
14 that providing Transit Service is a Section 251 obligation.⁴⁸ That decision was reaffirmed
15 in the recent Arbitration involving SBC.⁴⁹ Because Transit Service is a Section 251(c)
16 obligation, this Agreement should address the exchange of Transit Traffic. That is also
17 consistent with the decision in the SBC M2A Successor Arbitration.⁵⁰ I more fully

⁴⁸ Case No. TK-2005-0300, *Application of CharitonValley Communications Corporation, Inc. for Approval of an Interconnection Agreement with Southwestern Bell Telephone, L.P. d/b/a SBC Missouri pursuant to Section 252(e) of the Telecommunications Act of 1996*, Order Rejecting Interconnection Agreement (May 19, 2005).

⁴⁹ Case No. TO-2004-0336, Final Arbitrator's Report, Section 1(C) at 2 (June 21, 2005)

⁵⁰ *Id.* at 6.

1 addressed this issue in Article V, Issue 11 and refer the Arbitrator to that testimony as
2 well.

3 Similarly, Foreign Exchange or FX service is an Exchange Service that is sold
4 from Local and General Exchange Tariffs. CenturyTel offers several FX services from
5 its Local and General Exchange Tariff. CenturyTel has FX customers. Those customers
6 will generate FX traffic. This agreement needs to include provisions for the exchange of
7 this type of traffic. FX Traffic was discussed in more detail in Issue 32 so I would refer
8 the Arbitrator to that testimony as well.

9 **Q. Do Socket's interconnection agreements with other ILEC's have provisions for the**
10 **exchange of FX traffic?**

11 A. Yes. Socket's interconnection agreements with both Sprint and SBC address the
12 exchange of FX traffic. Both agreements use Bill and Keep as the compensation
13 mechanism for that traffic. CenturyTel is the only company that Socket has dealt with
14 that seeks to exclude FX traffic from interconnection agreements.

15
16 **Issue 34: Which Party's definition of "Virtual NXX Traffic" is most appropriate**
17 **for the ICA?**
18

19 **Q. What is Virtual NXX Service?**

20 A. Virtual NXX service is considered one means of providing Foreign Exchange
21 Service. Socket is proposing to define the term "Foreign Exchange Service" in Issue 32.
22 If the Arbitrator determines that Socket's proposed definition of Foreign Exchange
23 Service is appropriate, Socket does not believe the term "VNXX Traffic" even needs to

1 be contained in this Agreement. However, if the Arbitrator elects to include a definition
2 of VNXX Traffic, that definition should be Socket's proposed definition.

3 **Q. Can you explain why?**

4 A. Yes. FX service (including VNXX service) is provided by a local exchange
5 carrier to retail customers. That is captured accurately in Socket's proposed definition.
6 CenturyTel's proposed definition does not capture that accurately. In Article II, the
7 Parties agreed to define the term "Customer" as

8 1.13 Customer - Party receiving service from the other,
9 CenturyTel or Socket, depending on the context and which Party is
10 receiving the service from the other Party.
11

12 Therefore, CenturyTel's proposed definition is nonsensical and should be rejected.

13
14 **ARTICLE VI – RESALE**
15
16

17 **Issue 7: Should the avoided cost discount applicable to resold services generally**
18 **apply to Nonrecurring Charges?**
19

20 **Q. Can you explain what is at issue?**

21 A. The issue is whether the wholesale discount or avoided cost discount is applicable
22 to nonrecurring charges ("NRCs"). The Parties have settled the issues previously raised
23 by Socket related to what charges apply when an end user converts an existing service
24 from CenturyTel to Socket.

25 **Q. Should the resale discount apply to nonrecurring charges?**

26 A. Obviously, from Socket's perspective the answer is "Yes." These are tariffed
27 telecommunications services provided to retail customers. The current ICA between

1 Socket and CenturyTel applies the wholesale discount to NRCs. Given CenturyTel's
2 commitment when it acquired its exchanges from GTE Midwest/Verizon, discussed in
3 detail below, CenturyTel should not be permitted to increase rates, as this would do.

4 **Q. Do resale agreements that Socket has with other ILECs apply the resale discount to**
5 **nonrecurring charges?**

6 A. Yes. The agreements that Socket has with both SBC Missouri and Sprint apply
7 the wholesale discount to nonrecurring charges. Even CenturyTel's Preliminary Position
8 in its Response seems to concede a discount should be applied to nonrecurring charges
9 but then suggests that the avoided costs are different.

10 **Q. Has CenturyTel proposed a study that just looked at the avoided costs for**
11 **nonrecurring events?**

12 A. No.

13 **Q. If CenturyTel were to present such a study, what do you believe the outcome might**
14 **be?**

15 A. While I cannot say with certainty because I have not done such a study, it does
16 seem quite reasonable that such a study could certainly show an avoidable cost discount
17 for many nonrecurring activities that is even higher than the avoided cost discount
18 currently applicable to recurring charges for resold services. For example, CenturyTel's
19 service order charges would probably be almost 100% avoidable since it would be Socket
20 that was interacting with the customer. If CenturyTel's order entry process were
21 automated, as it should be, there would be almost no cost to CenturyTel when Socket
22 electronically submitted its orders. In fact, this Commission has previously assumed that

1 90% of customer service costs could be considered avoidable when it determined the
2 existing wholesale discount.⁵¹ CenturyTel should not be permitted to stop applying the
3 wholesale discount to nonrecurring charges by simply asserting there might be a different
4 amount of avoidable costs, especially when common sense and Commission precedent
5 indicates these activities might actually have a higher degree of avoidable costs.

6 **Q. Was this issue addressed in the Arbitration the led to the Agreement the Parties are**
7 **currently operating under?**

8 A. Yes. In Case No. TO-97-63, GTE (CenturyTel's predecessor) proposed not to
9 make a series of services including nonrecurring services available for resale. The
10 Commission rejected GTE's position and required GTE to make all services available for
11 resale and only specifically exempted promotions of less than 90 days from being
12 discounted.⁵² There is no reason to believe such a decision does not remain valid.

13
14 **Issue 14: Should CenturyTel notify Socket in advance of changes in terms and**
15 **conditions of resold services that will impact Socket's resold services?**
16

17 **Q. Can you explain this issue?**

18 A. This issue is comparable to Article III, Issue 9, but is specific to changes in resold
19 retail service. Under Socket's proposed contract language, CenturyTel will notify Socket
20 of any changes to retail services at least 45 days in advance of any changes. These
21 changes would include such items as rate changes, introduction of new services,
22 discontinuance of existing services, or promotions.

⁵¹ TO-97-63, Final Arbitration Order at 113 (Aug. 20, 1997).

⁵² TO-97-63, Arbitration Order at 23 (Dec. 10, 1996).

1 **Q. Why is such notification necessary?**

2 A. This provision will apply when Socket is reselling CenturyTel's services. As a
3 reseller, Socket needs to know if and when a service will be discontinued or modified so
4 that Socket may take the necessary operational steps to address that change. For
5 example, in the event that CenturyTel elects to discontinue a service or modify the terms
6 of an existing service, Socket will need to incorporate those changes into its own retail
7 offerings. This may require Socket to also file tariffs and contact its customers as well as
8 inform its sales representatives of the change. If CenturyTel proposes to increase a retail
9 rate, that will increase Socket's wholesale cost. Socket will need to decide whether to
10 keep its rates the same or increase rates. If Socket increases rates, it will need to file
11 tariffs and notify customers.

12 **Q. Does the existing ICA between Socket and CenturyTel (which is the AT&T – GTE**
13 **ICA) contain a similar obligation?**

14 A. Yes, it does. The terms of that agreement include the following obligation:

15 GTE will notify AT&T of proposed new retail services or modifications to
16 existing retail services forty-five (45) days prior to the expected date of
17 regulatory approval of the new or modified services. If new services or
18 modifications are introduced with less than forty-five (45) days notice to
19 the regulatory authority, GTE will notify AT&T at the same time it
20 determines to introduce the new or modified service. With respect to
21 changes in prices for existing retail services or related resale rates, GTE
22 will notify AT&T at the same time as GTE begins internal implementation
23 efforts (i.e., at least at the time that GTE's Product Management
24 Committee is notified of the proposed change) or obtains internal approval
25 to make the price change, whichever is sooner.⁵³
26

⁵³ Interconnection Agreement between AT&T Communications of the Southwest, Inc. and GTE Midwest Inc., Main Agreement, Section 25.6.

1 This is an obligation that CenturyTel assumed when it purchased the exchanges in
2 Missouri and is expected to fulfill. CenturyTel has never sought a waiver of this
3 obligation from the Missouri Public Service Commission. Neither has CenturyTel ever
4 publicly asserted that this obligation is technically infeasible or unreasonable in any
5 forum that I am aware of.

6 **Q. Was this same issue recently addressed in the arbitration involving SBC**
7 **(Case TO-2005-0336)?**

8 A. Yes. It was. In addressing this issue, the Arbitrator ruled:

9 The Arbitrator agrees with SBC that any tariff provision or tariff rate
10 incorporated into the ICA should automatically be updated as the
11 referenced tariff is changed. As SBC points out, that is the reason that the
12 ICA references certain tariffs. The Arbitrator further determines that the
13 *quid pro quo* for such automatic incorporation is prior notice to the CLECs
14 via the Accessible Letters process.⁵⁴
15

16 **Q. What is the “45 days” in Socket’s proposed language based upon?**

17 A. It is based upon the general requirement currently set forth in our existing
18 agreement. In order to avoid confusion and disputes, I felt the 45 day requirement was a
19 more definitive and verifiable deadline.

20
21 **Issue 23: Should CenturyTel be required to provide pre-order, ordering, and**
22 **maintenance functionality consistent with the provisions included in the**
23 **ICA?**

24
25 **CenturyTel’s Alternative Issue: Which Party’s provisions pertaining to pre-**
26 **ordering and ordering should be incorporated into the Agreement?**
27

28 **Q. Can you summarize this issue?**

⁵⁴ Case No. TO-2005-0336, Final Arbitrator’s Report, Section 1(A), at 14 (June 21, 2005).

1 A. As a result of recent negotiations, the disputes in this issue have been reduced to a
2 single dispute relating to three provisions of the proposed ICA. Those three provisions
3 are 11.2.2, 11.2.3, and 11.2.4, and the issue is the manner in which Socket receives notice
4 of work completion, notice of order rejects, and jeopardy notices. (Jeopardy notices are
5 issued when CenturyTel is in danger of missing or not meeting the Committed Due
6 Date.)

7 Socket proposes that, for each of these events, CenturyTel send the notice to
8 Socket via facsimile or e-mail with e-mail being the preferred method. On the other
9 hand, CenturyTel proposes to provide notice to Socket by placing a notice on its website
10 interface.

11 **Q. Why does Socket prefer e-mail?**

12 A. Socket believes that e-mail is the proper method of notification for several
13 reasons. E-mail is much easier for Socket's technicians to use as once the task is
14 complete, that technician will receive a notice and know whether the order was rejected,
15 completed or whether a jeopardy notice was issued. Under CenturyTel's proposed
16 process, Socket's technicians will be required to peruse a website to try to find
17 information about a particular order. Basically, it shifts the obligation for CenturyTel to
18 provide notice to Socket and requires Socket to try to find out the status of a particular
19 order. This is particularly problematic for jeopardy notices. Socket should not be
20 required to continually monitor a web page to find out whether a committed due date is
21 going to be met.

Issue 34: What resale rates should be included in the ICA?

Q. What resale rates are Socket proposing?

A. Socket is proposing the resale rates that are found in the current AT&T – GTE Interconnection Agreement that the Parties are currently operating under. That resale discount is 25.4%

Q. What is Socket’s justification for these rates?

A. There are several reasons why the Arbitrator should adopt Socket’s proposed wholesale discount and rates that apply to resale. First, Socket’s proposed wholesale discount and resale related rates are in the Interconnection Agreement that Socket and CenturyTel currently operate under. These rates were the result of a cost proceeding following an Arbitration proceeding between AT&T and GTE. In arriving at these rates, Commission’s Advisory Staff conducted an extensive cost study review and submitted those findings to the Commission. Based upon those findings, the Commission set these rates. As a result, the rates set by the Commission are compliant with FCC rules and should be retained.

Through their purchases from GTE/Verizon, each CenturyTel entity became a successor in interest. In gaining approval for each purchase, the CenturyTel entities made a number of commitments to the Commission. The approval to purchase these properties was based upon those commitments.

When CenturyTel – Spectra acquired its exchanges, one of the commitments it made was to “enter into agreements which have the same rates, terms and conditions as

1 those agreements previously negotiated with GTE.”⁵⁵ The only qualification on this
2 commitment was it was limited to “where feasible.” Similarly, when CenturyTel
3 Missouri acquired its properties from Verizon, CenturyTel made the following
4 commitment, “Where technically feasible, the new agreement will have the same rates,
5 terms and conditions as did the agreement with Verizon.”⁵⁶ CenturyTel further stipulated
6 that, “In any proceeding concerning the technical infeasibility or unreasonableness of a
7 particular provision of the Interconnection Agreement, the burden is on CenturyTel to
8 prove such assertion.”⁵⁷ CenturyTel’s proposal to reduce the wholesale discount (which
9 corresponds to a rate increase) and introduce numerous additional nonrecurring charges is
10 contrary to these commitments.

11 **Q. What rates is CenturyTel proposing?**

12 A. CenturyTel is proposing to reduce the wholesale discount and to introduce new
13 nonrecurring charges for resold services.

14 **Q. Has CenturyTel performed an Avoided Cost Discount study to support its proposed**
15 **wholesale discount?**

16 A. Apparently so. On January 5, 2006, Susan Smith e-mailed a summary page of an
17 Avoided Cost Discount to me for both CenturyTel – Missouri and CenturyTel – Spectra.
18 That summary page only identified the dollar amounts that CenturyTel considered
19 avoided for each cost category and the revenue base used to calculate the percentage

⁵⁵ Case No. TM-2000-182, Joint Recommendation at 6 (Jan. 23, 2000).

⁵⁶ TM-2002-232, Report and Order, found at <http://www.psc.mo.gov/orders/2002/05212232.htm>.

⁵⁷ *Id.*, Non-unanimous Stipulation and Agreement at 5.

1 discount. It did not have enough detail to determine what percentage of costs they
2 considered avoided for the various cost categories or how recent the data was. I
3 requested the backup information for this analysis and that was never provided during the
4 negotiations.

5 **Q. Has CenturyTel produced any cost studies to support its additional nonrecurring**
6 **charges.**

7 A. No. CenturyTel has produced absolutely no justification for the additional rate
8 elements and no cost justification for its proposed rates.

9 **Q. Has Socket sought to obtain copies of the wholesale discount analysis and cost**
10 **studies?**

11 A. During negotiations, I requested copies of cost studies, including resale analysis,
12 on several occasions. CenturyTel's final proposed rates and resale discounts were not
13 provided until January 5, 2006. While I received the summary of the resale discount
14 analysis on that same date, CenturyTel did not provide Socket with any cost studies to
15 support its proposed rates or the complete analysis performed to calculate the resale
16 discount. This includes no cost studies supporting the proposed rates related to resold
17 services contained in this Article.

18 After repeatedly requesting the cost studies informally and being ignored, Socket
19 sent CenturyTel data requests through the discovery process seeking this information.
20 On March 9, 2006, Socket received CenturyTel's discovery responses. One of the few
21 items they provided was a resale avoided cost discount analysis. But, as before, they did
22 not produce any cost studies for proposed rates set out in this Article. Unfortunately,

1 they also classified their resale cost analysis as “Confidential and Proprietary,” thereby
2 appearing to claim that the material fell within the Highly Confidential designation of the
3 Protective Order. Under the terms of the Protective Order, Socket personnel cannot
4 review Highly Confidential information. After business hours on March 15, 2006,
5 CenturyTel supplemented its DR responses with additional cost information, again
6 calling the material “Confidential and Proprietary.” Finally, on March 16, 2006, only
7 three working days before direct testimony was due, CenturyTel acknowledged that
8 “Confidential and Proprietary” only means “Proprietary.” However, because of
9 CenturyTel’s repeated delays in providing this information, as well as its erroneous
10 labeling on confidentiality, I have not been provided sufficient time to adequately review
11 the material provided and cannot fully discuss it in this testimony.

12 **Q. Despite the lack of information provided by CenturyTel, do you have an opinion as**
13 **to whether CenturyTel’s proposed rate structure make sense?**

14 A. Yes, I do have an opinion – which is that CenturyTel’s proposed rate structure
15 does not make sense. CenturyTel is proposing to charge Socket the full retail
16 nonrecurring charge for each resold service plus additional nonrecurring charges for these
17 same services such as Ordering and Provisioning, Coordinated Conversion, Hot Cut
18 Coordinated Conversion Charges, etc. There is no basis to assess full tariffed charges (or
19 even discounted tariffed charges) plus additional nonrecurring charges. If CenturyTel is
20 allowed to charge these rates, Socket would pay more than a retail customer pays when
21 ordering a service. CenturyTel’s proposed nonrecurring charges must be rejected. No
22 other carrier that Socket has an Interconnection Agreement with has such a rate structure.

1 **Q. Do you have a response to CenturyTel’s proposed nonrecurring charges for Pre-**
2 **Ordering?**

3 A. Yes. This is the charge that CenturyTel is proposing for providing a search for a
4 customer service record (CSR). This provides information about the services the
5 customer is currently receiving from CenturyTel, and is often necessary for Socket to
6 complete an accurate order.

7 I assume that the only way CenturyTel could even attempt to justify an \$11.69
8 charge for providing a Customer Record Search is that CenturyTel is basing its rate on a
9 manual process. This information should be provided through an automated OSS system.
10 Certainly, CenturyTel’s own representatives have this information at their fingertips
11 through CenturyTel’s own automated systems.

12 When CenturyTel acquired these properties, CenturyTel committed to developing
13 a “web-based solution that should allow for automation to the interconnecting
14 companies” and further “anticipate[d] this functionality to be available within nine
15 months of the expected close date of transaction.”⁵⁸ Given CenturyTel’s commitment,
16 CenturyTel should not even be using a manual process for providing customer service
17 records four years later. It is absolutely egregious that CenturyTel is trying to charge
18 Socket higher rates for CenturyTel’s failure to fulfill its promises.

⁵⁸ Case TM-2002-232, Direct Testimony of Kenneth M. Matzdorff at 16 (Feb. 21, 2002).

ARTICLE VII – UNES

Issue 13B: With respect to orders to convert other services, e.g., special access to UNE and vice versa, if CenturyTel has not developed an automated ordering process, should electronic service order charges nonetheless apply?

Q. Can you explain Socket's position on this issue?

A. Yes. Electronic ordering processes are essential to CLECs to enable them to efficiently obtain the services they need from ILECs. Using electronic ordering processes speeds up the ordering process and improves the accuracy of provisioning, because the ILEC is not re-typing each and every order the CLEC submits to put the information into the ILEC's own systems. Improved speed and accuracy clearly benefits the CLEC and its end users as well. ILECs also can benefit from implementing electronic ordering processes because they reduce ILECs' costs, but competitive self interest on the part of the ILEC results in foot-dragging and delay. So long as the ILEC is able to pass on to its CLEC customers the costs of using a manual process, it has no or insufficient incentive to move to electronic ordering processes. In effect, the ILEC is rewarded for its inaction and failure to modernize. Electronic ordering is no longer the exception; instead it has become an accepted norm in the industry. Yet CenturyTel still requires CLECs to fax in orders that CenturyTel personnel then re-type, wasting time, creating error and increasing CLECs' costs.

1 The language Socket proposes in Section 2.18.4 removes the perverse incentive to
2 retain manual systems with respect to one class of service orders—namely, conversions
3 of existing wholesale services to UNEs and vice versa.

4 When the Arbitrator in Case No. TO-2005-0336 ruled on the issues related to
5 conversions, he found that, “SBC Missouri is expected to make conversions
6 ‘seamlessly’” and went on to conclude that, “As this requirement has existed since
7 August 2003, SBC is expected to have procedures in place to process conversion requests
8 as of the effective date of the agreement.”⁵⁹ Like SBC, CenturyTel should have
9 developed an efficient process for handling conversions and should not be rewarded
10 through high non-recurring charges for relying upon manual processes. If CenturyTel is
11 permitted to charge non-recurring charges based upon a manual process, it will have no
12 incentive to ever develop the automated system it promised to build years ago.⁶⁰

13
14 **Issue 22: If CenturyTel asserts that it cannot provision a UNE, should it provide a**
15 **full explanation of why it cannot do so and, if the reason is lack of**
16 **facilities, should it be required to submit a construction plan for**
17 **expanding its facilities?**
18

19 **Q. Why is Socket raising this issue?**

20 A. In the context of interconnection, CenturyTel has asserted that it lacked facilities
21 to permit Socket to interconnect on several occasions. As one example, Socket sought to
22 interconnect with CenturyTel in the Branson area in late 2004. During discussions,

⁵⁹ Case No. TO-2005-0336, Final Arbitrator’s Report, Section III, at 34 (June 21, 2005).

⁶⁰ See Case No. TM-2002-232, Direct Testimony of Kenneth M. Matzdorff, at 15-16 (committing CenturyTel to the near-term development of an automated solution).

1 CenturyTel claimed to have limited capacity in one exchange and no capacity in two
2 others. CenturyTel never specified whether the lack of capacity was transport capacity or
3 switch port capacity. Similar instances have arisen since that time. Based upon
4 Commission Orders in other proceedings, it appears that in the context of interconnection
5 CenturyTel has also asserted a lack of capacity to other carriers.⁶¹ No other carrier that
6 Socket interacts with has ever claimed a lack of capacity as reason for not being able to
7 interconnect. Because CenturyTel has never provided us any substantiation of its claim, I
8 believe it is either an excuse to not deal with CLEC customers or CenturyTel is reserving
9 *all* of its spare capacity for itself to serve its retail customers.

10 Socket is concerned that CenturyTel will use “no facilities” as a reason not to
11 provision UNEs that we order. In the event CenturyTel claims lack of facilities as a
12 reason to not provision UNEs, Socket’s language would require CenturyTel to report that,
13 to identify any capacity that CenturyTel is reserving for its own use, and to submit a
14 construction plan with a time plan for adding capacity.

15 **Q. If CenturyTel has not previously asserted a lack of facilities as a reason to not**
16 **provision UNEs, why is Socket concerned that it will begin to do so?**

⁶¹ See Case TC-2006-0068, *FullTel, Inc., Complainant, v. CenturyTel of Missouri, LLC, Respondent*, Order Directing Filing (Nov. 23, 2005), where the Commission required the Parties to file a pleading addressing CenturyTel’s claims that it is unable to handle the volume of traffic Fulltel intends to deliver. Specifically, the Commission’s Order Directing Filing stated, “Additionally, the Commission is aware that CenturyTel has made the argument that it is not able to handle the volume of traffic FullTel intends to deliver. The Commission will require the parties to also indicate whether CenturyTel’s statement stems from technical infeasibility or network inefficiency.”

1 A. Socket has very recently begun ordering EELs, which are combinations of UNE
2 loops and UNE dedicated transport.⁶² One type of order that CenturyTel rejected
3 claiming lack of facilities was Socket's order to lease interconnection facilities from
4 CenturyTel for interconnection purposes. As a result, Socket was unable to lease these
5 facilities. Therefore, Socket is concerned that, as it begins using more dedicated transport
6 circuits as EELs, CenturyTel will begin rejecting those orders asserting a lack of
7 capacity. Socket has no means to verify CenturyTel's assertion that it lacks capacity.
8 Furthermore, the FCC has specifically recognized that ILECs have refused to perform
9 routine network modifications to UNE loops and transport, and rejected CLECs' orders
10 for these services claiming that "no facilities" existed. The ILECs' claims of lack of
11 facilities caused the FCC to reiterate and clarify its rules regarding routine network
12 modifications to UNEs in the *TRO*.⁶³

13 **Q. Socket's language would require CenturyTel to provide a copy of an assertion it**
14 **makes to Socket that it lacked facilities and a copy of its plan to construct additional**
15 **facilities with the PSC's Manager of the Department of Telecommunications. Why**
16 **is that?**

⁶² CenturyTel agreed to provide this UNE combination as a condition of Socket agreeing to extend the arbitration window in this case. Socket's first order is currently being processed and has yet to be installed.

⁶³ *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket Nos. 01-338, 96-98, 98-147, Report and Order and Order on Remand and Further Notice of Proposed Rulemaking ("*TRO*"), ¶¶ 632-33.

1 A. The reasoning behind Socket's proposed language is that CenturyTel may be less
2 likely to claim a lack of facilities if it has to confirm that no facilities in fact exist and
3 report that to the PSC as well. Socket is not disputing that CenturyTel is entitled to
4 reserve some capacity for its own use, but our experience with CenturyTel raises a
5 legitimate concern that CenturyTel is not making available facilities that exist and are
6 spare, and that CenturyTel is not engaging in a reasonable expansion of its facilities.

7
8 **Issue 29: Should this Article include a provision that addresses the right and**
9 **obligations of both Socket and CenturyTel with respect to self-**
10 **certification?**
11

12 **Q. Has this issue been resolved?**
13

14 A. Yes, this issue has been resolved has been resolved between the Parties. Below is
15 the language on which Socket and CenturyTel agreed, dealing with self certification for
16 DS1 and DS3 loops. Similar language has been agreed to that deals with self-
17 certification for DS1 and DS3 transport.

18 4.7.2 Self-certification with respect to DS1 and DS3 loops
19

20 4.7.2.1 Socket shall undertake a reasonably diligent inquiry to determine
21 whether an order for a DS1 or DS3 UNE loop intended to be used to serve
22 a new customer (i.e. ordered on or after March 11, 2005 and, therefore, not
23 part of Socket's embedded customer base) satisfies the availability criteria
24 set forth in Section 4.7.1 and its subsections above prior to submitting its
25 order to CenturyTel. Exhibit A identifies the wire centers having met the
26 thresholds set forth in Section 4.7.1.1 and 4.7.1.2, and those Sections shall
27 apply. Additionally, CenturyTel will post a list on its provided website
28 identifying its wire centers that it asserts meets the thresholds set forth in
29 Section 4.7.1.1 and 4.7.1.2. (A) For situations where Exhibit A or
30 CenturyTel's posted list does not identify a wire center(s) relevant to
31 Socket's order for DS1 or DS3 UNE Loop(s), Socket shall self-certify, if
32 requested to do so by CenturyTel, that based on that reasonable inquiry it

1 is Socket's reasonable belief, to the best of its knowledge, that its order
2 satisfies the criteria in Section 4.7.1 and its subsections as to the particular
3 UNE(s) sought. (B) For situations where Exhibit A or CenturyTel's
4 posted list identifies such a wire center but Socket disputes that such wire
5 center(s) has met the applicable threshold criteria, Socket also shall self-
6 certify in the manner set forth immediately above. (If, pursuant to any
7 carrier's prior dispute, the Commission already has determined that a
8 particular CenturyTel wire center has met the applicable threshold, Socket
9 will not challenge CenturyTel's posting or designation of DS1 and/or DS3
10 loops in that wire center as having met the thresholds under Section
11 4.7.1.1 and 4.7.1.2.) In either situation (A) or (B), CenturyTel shall
12 provision the requested DS1 or DS3 loop in accordance with Socket's
13 order and within CenturyTel's standard ordering interval applicable to
14 such loops. CenturyTel shall have the right to contest any such orders
15 and/or Socket's ability to obtain a requested DS1 or DS3 UNE Loop only
16 after provisioning, by notifying Socket in writing of its dispute. If the
17 Parties are unable to resolve the dispute to both Parties' satisfaction within
18 30 days of CenturyTel's written dispute notice, either Party may initiate
19 binding arbitration pursuant to Section 18.3 of Article III without further
20 delay and otherwise exercise its rights under Section 18.0 of Article III. If
21 the Parties determine through informal dispute resolution, or if it is
22 otherwise determined in a legally binding way (i.e. the determination has
23 not been stayed pending appeal, if an appeal is being pursued) that Socket
24 was not entitled to the provisioned DS1 or DS3 UNE Loop, the rates paid
25 by Socket for the affected Loop shall be subject to true-up, and Socket
26 shall be required to transition from the UNE DS1 or DS3 Loop to an
27 alternative service/facility within 30 days of such determination. If Socket
28 does not transition the Loop within the 30 day period, then CenturyTel
29 may disconnect the loop or convert it to an analogous service.
30

31 **Issue 35: Should this Article include a provision that imposes a cap of 10 on the**
32 **number unbundled DS1 dedicated transport circuits that Socket may**
33 **obtain on each route where DS1 dedicated transport is available under**
34 **the FCC rules?**
35

36 **Q. What is the dispute regarding the DS1 Transport Cap?**

37 A. Socket recognizes that the FCC established a cap on the number of DS1 transport
38 circuits that a CLEC can obtain as § 251 UNEs in certain circumstances, i.e., on those

1 routes where CenturyTel is no longer required to provide DS3 transport on an unbundled
2 basis under § 251. However, CenturyTel does not recognize this limitation on the DS1
3 transport cap and instead assumes that the 10 circuit cap applies on all transport routes.

4 **Q. What is the basis for Socket's position on this issue?**

5
6 A. The FCC addresses the cap both in its new rules and in the text of the *TRRO*.
7 While the rule provision (51.319(e)(2)(ii)(B)) does not mention that the DS1 cap is
8 limited to those routes where DS3 transport is non-impaired, the related paragraph in the
9 body of the *TRRO* does. Specifically, paragraph 128 of the *TRRO* states as follows:

10 *Limitation on DS1 Transport. On routes for which we determine that*
11 *there is no unbundling obligation for DS3 transport, but for which*
12 *impairment exists for DS1 transport, we limit the number of DS1*
13 *transport circuits that each carrier may obtain on that route to*
14 *10 circuits.* This is consistent with the pricing efficiencies of aggregating
15 traffic. While a DS3 circuit is capable of carrying 28 uncompressed DS1
16 channels, the record reveals that it is efficient for a carrier to aggregate
17 traffic at approximately 10 DS1s. *When a carrier aggregates sufficient*
18 *traffic on DS1 facilities such that it effectively could use a DS3 facility,*
19 *we find that our DS3 impairment conclusions should apply.* (footnotes
20 omitted) (emphasis added)
21

22 Thus, the FCC in its Order is absolutely explicit: the limitation of 10 DS1 transport
23 circuits only applies on those particular routes where the ILEC no longer is obligated to
24 provide DS3 transport, i.e., on routes where there is no longer impairment for DS3
25 transport. Socket's view is that the FCC's rule must be read, interpreted and applied in a
26 manner that is consistent with that portion of the text of the *TRRO* that addresses the
27 issue. Paragraph 128 should not be ignored and must be given effect in the Parties'
28 interconnection agreement.

29 **Q. Please explain.**

1 A. The FCC's discussion in the *TRRO* repeatedly describes its perspective on when a
2 CLEC is impaired without access to the incumbent's network elements under § 251 and
3 when it can be expected to turn to other sources of facilities, including self-deployment.
4 From this perspective the FCC established certain thresholds that it concluded would
5 indicate that a CLEC is not impaired without access to high-capacity loops and transport,
6 and dark fiber transport.

7 **Q. Is the underlying rationale for DS1 transport cap evident from the FCC's discussion**
8 **of the issue?**

9 A. Yes. Paragraph 128 of the *TRRO* focuses on the cross-over point where it is
10 estimated to become economically efficient for a CLEC to switch from multiple DS1
11 transport circuits to a single DS3 transport circuit. While a DS3 circuit can carry 28 DS1
12 transport circuits, the FCC estimated that it is economically efficient for a CLEC to move
13 to a DS3 transport circuit at the 10 DS1 transport circuit level. In other words, the FCC
14 found that below the 10 DS1 circuit level, traffic aggregation is insufficient to justify a
15 DS3 transport facility. Conversely, at or above the 10 DS1 circuit level, traffic
16 aggregation is considered to be sufficient such that a single DS3 facility could be
17 substituted for the multiple DS1 circuits. It is evident from the Paragraph 128 discussion
18 that the FCC did not want CLECs to be able to use multiple DS1 transport circuits as a
19 method for subverting non-impairment findings for DS3 transport per the wire center
20 criteria.

21 For example, on a transport route where the wire center on one end is Tier 1 and
22 the other wire center is Tier 2, per the FCC's new rules, there is non-impairment for DS3

1 transport – i.e., the ILEC is no longer obligated to offer DS3 transport as a UNE. If a
2 CLEC has enough traffic to justify more than 10 DS1 transport circuits on that route, it
3 has enough traffic that it effectively is using DS1 transport as a substitute for a DS3
4 facility. In those circumstances, if the CLEC were permitted to obtain an unlimited
5 number of DS1 UNE transport circuits on that route, it could effectively obviate the
6 elimination of DS3 UNE transport on that route. It is clear that the FCC wanted to avoid
7 that result and so it restricted CLECs to 10 DS1 UNE transport circuits on those routes
8 where the ILEC no longer has an obligation to provide DS3 transport as a UNE, and the
9 FCC achieves that result by capping DS1 UNE transport on routes where DS3 UNE
10 transport is no longer available.

11 **Q. Is that rationale applicable on routes where DS3 transport remains available as a**
12 **UNE?**

13 A. No, it is not. On routes where DS3 transport remains available as a UNE, there is
14 no concern that a CLEC might obviate DS3 non-impairment via use of multiple DS1
15 UNE transport circuits. In other words, where either wire center is Tier 3, DS3 transport
16 remains available as a UNE so on those routes there is no opportunity for the CLEC to
17 subvert a DS3 non-impairment finding because there continues to be impairment for DS3
18 transport on that route. The regulatory purpose of the 10 DS1 transport cap is not
19 operative on those routes.

20 **Q. Was the issue of when the cap applied a disputed in issue the recent SBC**
21 **Arbitration, Case No. TO-2005-0336?**

1 A. Yes, it was. In resolving that dispute, the Arbitrator found in favor of the CLECs'
2 position and approved language nearly identical to the language Socket is proposing in
3 this case.⁶⁴ It seems particularly ironic that CenturyTel would be forcing Socket to
4 unnecessarily move from 10 DS1 Dedicated Transport circuits to a DS3 Dedicated
5 Transport facility when CenturyTel has complained in the past about lacking transport
6 capacity.

7
8 **ARTICLE XV – PERFORMANCE MEASURES**
9

10 **Q. What aspects of this Article are you going to address?**

11 A. Socket's witness, Steve Turner, addressed the reasons for Socket's position that
12 Performance Measures as set forth in this Article need to be part of the interconnection
13 agreement. Mr. Turner sets out Socket's proposal that it will perform the analysis of
14 CenturyTel's performance because CenturyTel heretofore refused to implement the
15 Performance Measurements in the current ICA with Socket and has objected to doing so
16 going forward based, in part, on the claim that it believes doing so will be too costly. I
17 will not reiterate that testimony here. I do, however, want to address other aspects of this
18 Article that should not be overlooked in the Commission's consideration of the single
19 issue that is posed in the DPL. Specifically, I will address the Implementation Team and
20 the Gap Closure Plan that are part of Article XV. I also want to address updating the

⁶⁴ Case No. TO-2005-0336, Final Arbitrator's Report, Attachment III.A Part 4, at 25 (June 21, 2005). The MPSC's decision on this issue was not appealed, and is therefore not subject to change by the courts in Missouri.

1 Performance Measures to match the Arbitration Decision and to describe recent changes
2 that occurred as a result of negotiations with CenturyTel.

3 **Q. What is the background behind and the purpose of the Implementation Team that**
4 **the Parties are to establish under Article XV?**

5 A. Socket recognizes that this Agreement cannot set out every aspect of the Parties'
6 operational undertakings that will be necessary to implement this Agreement. Therefore,
7 Socket is proposing that an Implementation Team be formed with representatives
8 appointed from each company and that the Team meet regularly to address operational
9 issues that arise between the companies. Socket's proposed contract language sets forth
10 the purpose and scope of the Implementation Team and I refer the Arbitrator and Staff to
11 the contract language rather than repeat it here.

12 **Q. What is Socket's proposal for an Implementation Team based upon?**

13 A. The interconnection contract that Socket and CenturyTel currently operate under
14 has provisions for an Implementation Team. I generally relied upon and retained that
15 contract language in developing Socket's proposed language.

16 **Q. If Socket's current contract already contains provisions for an Implementation**
17 **Team, why is one still necessary?**

18 A. The answer is two-fold. First, CenturyTel refused Socket's request that the
19 Parties establish the Implementation Team. The reason given to Socket by CenturyTel
20 personnel was that CenturyTel thought it unnecessary. I disagreed that that was the case,
21 but Socket was unable to persuade CenturyTel to change its position. Second, this new
22 Agreement will require that new procedures and processes be developed to implement its

1 terms. Socket strongly believes that communication and cooperation is essential to do
2 that smoothly and efficiently, and that both parties will benefit by working
3 collaboratively. Socket needs to be a part of that effort, rather than being left out of
4 CenturyTel's unilaterally developed processes and procedures. The Implementation
5 Team is Socket's proposed means for that to occur.

6 **Q. What is the purpose of the Gap Closure Plan?**

7 A. The Gap Closure Plan is intended to address situations where CenturyTel's
8 performance in delivering wholesale services on which Socket relies is failing to meet, on
9 a regular basis, the performance measures set forth in this Agreement. Performance
10 misses that occur occasionally will not trigger the Plan. The objective is to identify and
11 correct chronic performance misses. Thus, if CenturyTel fails to meet certain of the
12 performance measures for three Contract Months in a six-month period, CenturyTel must
13 thereafter submit to Socket a Gap Closure Plan. That plan will identify in specific terms
14 how CenturyTel will identify the cause behind its performance misses and how
15 CenturyTel will address the cause of the problem to correct that on-going performance
16 issue.

17 **Q. What is Socket's proposed Gap Closure Plan based upon?**

18 A. The interconnection Agreement that Socket and CenturyTel currently operate
19 under contains a similar Plan for identifying the cause of performance misses and
20 correcting the source of the problem.

21 **Q. Has the existing process been effective?**

1 A. That question is really impossible to answer because CenturyTel refused to
2 implement the Performance Measures set forth in our existing Interconnection
3 Agreement. Because the Performance Measures were never implemented, the Gap
4 Closure Plan was never implemented either. It is my belief, however, that a Gap Closure
5 Plan could be very effective in improving CenturyTel's performance. As the
6 Commission is aware, the original performance measures and remedy plan that were part
7 of the M2A required SBC to undertake a root cause analysis if its performance was below
8 parity or did not meet benchmarks for a number of consecutive months. SBC took this
9 obligation seriously and worked to identify the reasons why its performance was coming
10 up short and address those reasons. CLECs have seen very significant improvements in
11 SBC's performance on almost every measure.

12 **Q. You mentioned the potential need to update Socket's proposed Performance**
13 **Measurements. Why will that be necessary?**

14 A. Socket's proposed Performance Measures as of the date on which its Petition for
15 Arbitration was filed embodied the contract language contained in Socket's existing
16 Interconnection Agreement with CenturyTel. Since that time, the Parties have continued
17 to negotiate and numerous issues have been settled. Additionally, the Arbitrator will
18 obviously decide other disputed issues, the outcome of which will affect the Performance
19 Measures and it is likely that the specific measurements may have to be modified to
20 reflect the Arbitrator's decisions. Socket expects that, to the extent modifications are
21 necessary, they could be handled most efficiently if addressed cooperatively between the
22 Parties. The key dispute that the Arbitrator must decide is the threshold issue of whether

1 measurements are going to be included in the new interconnection agreement. Once that
2 key issue is decided, the Parties should be able to work collaboratively to resolve the
3 details of the Performance Measures themselves.

4 **Q. Does this conclude your Direct Testimony?**

5 **A. Yes.**