

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

**CASE NO. TO-2005-0166**

**REBUTTAL TESTIMONY**

**OF**

**WILLIAM P. HUNT, III**

**ON BEHALF OF LEVEL 3 COMMUNICATIONS, LLC**

**Exhibit \_\_\_\_ (SBC Nevada response to Level 3 Data Request No. 1-24)**

**SBC NEVADA'S RESPONSES TO LEVEL 3 FIRST SET OF DATA REQUESTS**  
**DOCKET NO. 04-5032**  
**PAGE 25 OF 60**

Data Request No: Level 3 - 24

Requester: Steven Tackes

Respondent: Sofia Jones

Received: June 17, 2004

Reference: transit traffic

Date Responded: July 9, 2004

**Question:** In what states does SBC transit traffic to CLECs and/or other carriers?

- a. For those states in which SBC transits traffic between carriers interconnected with SBC, what rates apply?
- b. Please state whether each of the above listed rates are based on TELRIC or wholesale negotiations?
- c. Does SBC rate transiting based upon tariffs filed with any state public utility commissions or the FCC?

**Response:** Subject to and without waiving its general and specific objections, SBC Nevada provides the following responses: SBC is currently providing transiting services to CLECs in all 13 states.

- a. The table below includes the information requested for SBC Nevada.
- b. The table below includes the information requested for SBC Nevada.
- c. The table below includes the information requested for SBC Nevada.

Transit Rates assessed (varies by contract):

	Transit Tandem Transport		
Per MOU	0.0012530	Negotiated	No Tariff
Per Call	0.0026420	Negotiated	No Tariff
	Transit Tandem Common Transport		
Per MOU	0.0006100	Negotiated	No Tariff
Per MOU	0.0005760	Negotiated	No Tariff
	Transit Tandem Switching		
Per MOU	0.0012610	TELRIC	No Tariff
Per Call	0.0026580	TELRIC	No Tariff
	Transiting		
Per MOU	0.0060000	Negotiated	No Tariff
Per MOU	0.0089800	TELRIC	No Tariff

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**Exhibit \_\_\_\_ (SBC Nevada response to Level 3 Data Request No. 1-25)**

**SBC NEVADA'S RESPONSES TO LEVEL 3 FIRST SET OF DATA REQUESTS**  
**DOCKET NO. 04-5032**  
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Data Request No: Level 3 - 26  
Requester: Steven Tackes  
Respondent: Philip Bowie

Received: June 17, 2004  
Reference: cost of originating a call  
Date Responded: July 9, 2004

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**Question:** Please state whether it is SBC's position that its costs of originating a call to a Level 3 customer differ based upon the physical location of the Level 3 customer. For purposes of this question, please assume that the same point of interconnection is used to exchange all traffic with Level 3. If SBC responds to the above question with anything other than an unequivocal "No," please provide all cost studies and other documentation in your possession supporting your position and/or relating to an analysis of SBC's purported costs.

**Response:** Subject to and without waiving its general and specific objections, SBC Nevada states that assuming it is originating two identical calls over the same SBC Nevada facilities from the same originating location, and further assuming that it transports those two calls to a single point of interconnection with Level 3, the costs incurred by SBC Nevada to originate those two calls would not differ based on the physical location of the two Level 3 customers.

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**Exhibit \_\_\_\_ (SBC Nevada response to Level 3 Data Request Nos. 1-31 and 1-33)**

**SBC NEVADA'S RESPONSES TO LEVEL 3 FIRST SET OF DATA REQUESTS**  
**DOCKET NO. 04-5032**  
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Data Request No: Level 3 - 31  
Requester: Steven Tackes  
Respondent: Richelle Barker

Received: June 17, 2004  
Reference: FX rates and billing  
Date Responded: July 9, 2004

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**Question:** Please explain whether SBC rates, bills, and accounts for traffic originated or terminated to SBC's FX customers as local calls, and provide all documentation supporting your answer.

**Response:** Subject to and without waiving its general and specific objections, SBC Nevada states that it does not bill the CLEC reciprocal compensation for traffic terminated to SBC Nevada's FX customers based on contractual agreements with the CLECs. For wireless carriers, traffic destined for SBC Nevada's FX customers may be billed. This question is not related to ILEC intraLATA toll compensation.

**SBC NEVADA'S RESPONSES TO LEVEL 3 FIRST SET OF DATA REQUESTS**  
**DOCKET NO. 04-5032**  
**PAGE 34 OF 60**

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Data Request No: Level 3 - 33

Requester: Steven Tackes

Respondent: Richelle Barker

Received: June 17, 2004

Reference: reciprocal compensation on FX,  
FX-Like service

Date Responded: July 9, 2004

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**Question:** Has SBC ever billed or received reciprocal compensation or other terminating compensation for calls received from an incumbent LEC or any CLECs for termination to SBC's FX or FX-like customers? Please explain your answer, including but not limited to a) the dates upon which you first began billing incumbent LECs or CLECs for such compensation; b) the amount of compensation received from incumbent LECs and CLECs; and c) describe any changes you may have made to your billing policies with respect to calls terminating to your FX or FX-like customers.

**Response:** Subject to and without waiving its general and specific objections, SBC Nevada states that SBC Nevada does not bill reciprocal compensation to the CLECs for traffic terminated to SBC Nevada's FX customers. In the West region, billing system changes were implemented to remove this type of traffic from billing. Prior to implementation of these billing system changes, this traffic was billed.

For ILEC intraLATA toll compensation SBC Nevada relies on the summarized originating IntraLATA Toll records sent by the ILECs for the purpose of billing terminating switched access. Accordingly, if an ILEC were to include FX messages in the summarized originating records provided to SBC Nevada, SBC Nevada would bill the ILEC for terminating switched access.

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**Exhibit \_\_\_\_ (SBC Nevada response to Level 3 Data Request No. 1-32)**



**SBC NEVADA'S RESPONSES TO LEVEL 3 FIRST SET OF DATA REQUESTS**  
**DOCKET NO. 04-5032**  
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Data Request No: Level 3 - 32  
Requester: Steven Tackes  
Respondent: Richelle Barker

Received: June 17, 2004  
Reference: Billing for FX, FX-Like Service  
Date Responded: July 9, 2004

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**Question:** Please state whether SBC has ever billed or demanded payment of access charges from an incumbent LEC for calls originated by SBC's end user to an incumbent LEC's FX or FX-Like customer.

**Response:** Subject to and without waiving its general and specific objections, SBC Nevada states that it does not bill switched access charges to an incumbent LEC under any scenario referred to in item #32.

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REBUTTAL TESTIMONY  
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**Exhibit \_\_\_\_ (Level 3/SBC Second Amendment to ICA)**

***Further Amendment to Amendment to Level 3 Contracts  
Superseding Certain Compensation, Interconnection and Trunking Provisions***

SBC Communications, Inc. (SBC) owned ILECs Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company d/b/a Ameritech Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company d/b/a SBC Pacific Bell Telephone Company, The Southern New England Telephone Company (a Connecticut corporation) and Southwestern Bell Telephone Company<sup>1</sup>, and Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin and any of its future affiliates or subsidiaries which are the Incumbent Local Exchange Carrier ("ILECs") and Level 3 Communications, LLC ("Level 3") (collectively, the "Parties"), in order to amend and modify any affected provisions of their Interconnection Agreement with SBC-13STATE ("Original Agreement"), as amended by the Amendment to Level 3 Contracts Superseding Certain Compensation, Interconnection and Trunking Provisions ("Amendment"), hereby execute this Further Amendment ("Further Amendment") (collectively referred to as "Agreement"). Except as otherwise defined herein, capitalized terms in this Further Amendment will have the meaning ascribed to them in the Agreement.

**1.0 DEFINITIONS**

1.1 SBC Communications, Inc. (SBC) means the holding company which owns the following ILECs: Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company d/b/a Ameritech Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company d/b/a SBC Pacific Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone Company, L.P. d/b/a Southwestern Bell Telephone Company, and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin.

1.2 As used herein, SBC-13STATE means the applicable above listed ILECs doing business in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.

1.3 As used herein, NEVADA means the applicable above listed ILEC doing business in Nevada.

1.4 As used herein, PACIFIC means the applicable above listed ILEC doing business in California.

1.5 As used herein, SBC-AMERITECH means the applicable above listed ILEC(s) doing business in Illinois, Indiana, Michigan, Ohio and Wisconsin.

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<sup>1</sup> On December 30, 2001, Southwestern Bell Telephone Company (a Missouri corporation) was merged with and into Southwestern Bell Texas, Inc. (a Texas corporation) and, pursuant to Texas law, was converted to Southwestern Bell Telephone, L.P., a Texas limited partnership, doing business as Southwestern Bell Telephone Company ("SWBT").

1.6 As used herein, SBC-SWBT means the applicable above named ILEC(s) doing business in Arkansas, Kansas, Missouri, Oklahoma and Texas.

1.7 As used herein, SNET means the applicable above listed ILEC doing business in Connecticut.

1.8 "Proposed Network" means the network of Interconnection facilities that Level 3 would need to obtain between the Point(s) of Interconnection ("POIs") physically existing on December 1, 2001 and the POIs that would have been established to meet the requirements under the Amendment. Subject to Section 3.4.2, the capacity of the Proposed Network will be equal to the capacity of the facilities provided by SBC-13STATE in place on December 1, 2001 for Level 3's Interconnection trunks.

1.9 "Existing Network" means SBC-13STATE's network of Interconnection facilities used by SBC-13STATE and Level 3 as of December 1, 2001 to interconnect between the POIs existing on December 1, 2001 and SBC-13STATE central offices served by those POIs, which network must be modified by Level 3 in order to meet the POI requirements under the Amendment.

## **2.0 SCOPE OF AGREEMENT**

This Further Amendment is intended to amend the Original Agreement and the Amendment in order to clarify certain interconnection requirements as specifically set forth herein. This Further Amendment amends the existing Agreement and any future interconnection agreements between SBC-13STATE and Level 3 through May 31, 2003, whether negotiated, arbitrated, or arrived at through the exercise of Section 252(i) "Most Favored Nation" rights. The rates, terms, and conditions of the current Agreement and any such future interconnection agreements are amended only to the extent expressly set forth herein, and all rights and obligations on each Party as set forth in the current Agreement or any future interconnection agreements that are not expressly modified or not expressly varied herein shall continue in effect without regard to this Further Amendment. Any inconsistencies between the provisions of this Further Amendment and other provisions of the current Agreement or future interconnection agreements will be governed by the provisions of this Further Amendment unless it is specifically and expressly superseded by the Parties by a future amendment.

## **3.0 AMENDMENT REGARDING INTERCONNECTION PROVISIONS**

3.1 The Parties recognize that Level 3 and SBC-13STATE had an Existing Network of Interconnection facilities in place prior to December 1, 2001 in portions of certain states (excluding Texas, Arkansas, Kansas, Missouri, Nevada, Oklahoma, Wisconsin, and Ohio) in which SBC-13STATE is the ILEC. Where such an Existing Network of Interconnection facilities was in place as of December 1, 2001, the Parties recognize and agree that migration of such facilities to the POIs contemplated in the Amendment may not be the most efficient means of managing the Interconnection architecture.

3.2 Where the Parties had such an Existing Network of Interconnection facilities in place, the Parties agree that for that Existing Network, Level 3 will be permitted to continue to utilize in all respects that Existing Network rather than physically migrating those facilities to the POI requirements under the Amendment. However, Level 3's financial responsibility shall be calculated as if the facilities to the POIs required under the Amendment had been put into place in accordance with the calculation in Section 3.4 below.

3.3 In determining this financial responsibility, the Parties have identified and mutually agreed upon the facilities that would have comprised the Proposed Network (including the number of DS1 circuits and the mileage for those circuits), and that Level 3's financial responsibility for interconnection under this Further Amendment shall be calculated based upon the prices for the Proposed Network to reach each POI required under the Amendment.

3.4 The Parties agree that Level 3 shall pay SBC-13STATE monthly recurring charges for the Existing Network (circuits and mileage) used in order to reach the POIs required under the Amendment based on the following calculation relating to the Proposed Network:

- (i) Calculate the monthly recurring charges for the Proposed Network at SBC-13STATE's special access tariff rates applicable in each state ("Proposed Network Equivalent Charges"); and
- (ii) Calculate a per circuit rate and per mile rate for the Existing Network by dividing the Proposed Network Equivalent Charges by the number of circuits and miles in the Existing Network and retaining a fixed ratio of per circuit cost to per mile cost that existed prior to this Further Amendment.

3.4.1. The Parties agree that by utilizing this calculation based on the Existing Network and the Proposed Network, the rates are to be applied to the Existing Network as per the rate schedule in Attachment A in order to reach the required POIs (and not for the network beyond such POIs). The Parties acknowledge and agree that there are no rates to be calculated or applied under this Section (nor is there any true-up to be conducted under Section 3.6) for the states of Texas, Arkansas, Kansas, Missouri, Nevada, Oklahoma, Wisconsin, and Ohio because (i) Level 3 had no trunks prior to December 1, 2001, (ii) the POIs in those states did not have to be modified to meet the POI requirements in the Amendment, and/or (iii) Level 3 has elected not to utilize this Further Amendment for POIs in those states. For purposes of clarification, any trunks and facilities that did not need to be modified by Level 3 in order to meet the POI requirements under the Amendment or that did not exist prior to December 1, 2001 are not part of the Proposed Network or the Existing Network and are not subject to this Further Amendment in any respect.

3.4.2. The Parties further agree upon the following with respect to the foregoing calculation: (i) that no Channel Termination charges are to be included in the calculation set forth in this section; (ii) that no nonrecurring charges will apply,

(iii) that the per-circuit and per-mile rates identified in Attachment A shall apply only to lease of Interconnection facilities that would have been put into place if Level 3 had migrated to the POI requirements set forth in the Amendment, and (iv) that Level 3 shall only be financially responsible with respect to each POI for the Interconnection trunks, facilities, and equipment on Level 3's side of each such POI in the Proposed Network as calculated herein. Level 3 will have the option to disconnect portions of the Existing Network on a per circuit basis, and thereby reduce the monthly recurring charges under this Further Amendment in accordance with the amount of capacity disconnected, and without any termination liability for DS0, DS1, and DS3 facilities in the Existing Network. Where Level 3 requests disconnection of a portion or all of the Existing Network, SBC-13STATE will use commercially reasonable efforts to disconnect the requested capacity within a reasonable and nondiscriminatory time frame. If Level 3 requires more capacity to reach a POI required under the Amendment than is available in the Existing Network, Level 3 must obtain such additional capacity in accordance with the terms and conditions (including POI requirements) set forth in the Amendment, rather than utilizing the Proposed Network arrangement under this Further Amendment.

3.4.3 The Parties acknowledge and agree that the above-referenced rates are specific to Level 3 and this Further Amendment. In the event that any CLEC ("Requesting CLEC") seeks to obtain any provisions contained in this Further Amendment or like provisions, the Parties understand and agree that it would be necessary to calculate rates specific to such Requesting CLEC based on the Requesting CLEC's Existing Network and Proposed Network and the formula set forth in this Section.

3.5 The rates identified in Section 3.4 shall be considered effective as of December 1, 2001.

3.6 In addition, SBC-13STATE will conduct a true-up for each State based on the difference between: (a) what Level 3 paid with respect to all Existing Network facilities in each State from December 1, 2001 to the date that SBC-13STATE presents the invoice for the charges calculated pursuant to this Further Amendment; and (b) what the charges would have been (as calculated pursuant to Section 3.4) had the Proposed Network been implemented for that State on December 1, 2001. SBC-13STATE will use commercially reasonable efforts to present the invoice with respect to this true-up (showing either a bill or credit, as applicable) as promptly as possible after the calculation set forth in Section 3.4 has been completed and this Further Amendment is executed by both Parties. Any Requesting CLEC seeking to adopt this Further Amendment or like provisions would be required to have its own true-up calculated based upon the States in which it had its own Existing Network and Proposed Network.

3.7 The calculation of financial responsibility set forth in this Section 3 shall only apply to the Existing Network in the SBC-13STATE region; all POIs in other areas where there is no Existing Network are to be established pursuant to the terms of the Amendment. The Parties further agree that payment by Level 3 pursuant to this Section 3

shall satisfy its applicable requirements to establish and pay for equipment, trunks, and facilities used to establish POIs in those portions of SBC-13STATE's serving area where there is an Existing Network. Furthermore, if Level 3 should subsequently disconnect any facilities and/or trunks in the Existing Network, no charges for each such facility and/or trunk shall apply after the completion of such facility and/or trunk disconnection. The terms and conditions including financial responsibility for any new facilities and/or trunks shall be pursuant to the Amendment.

#### 4.0 MISCELLANEOUS

4.1 This Further Amendment is the joint work product of the Parties, and has been negotiated by the Parties and their respective counsel. It shall be fairly interpreted in accordance with its terms, and in the event of any ambiguities, no inferences shall be drawn against either Party.

4.2 The headings of certain sections of this Further Amendment are for convenience of reference only, and shall in no way define, modify, or restrict the meaning or interpretation of this Further Amendment.

4.3 This Further Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall constitute one and the same instrument.

4.4 The Parties further acknowledge and agree that each rate, term and condition in this Further Amendment is consideration for, a condition of and legitimately related to every other rate, term and condition in or referred to in this Further Amendment and the Agreement itself. The Parties further acknowledge and agree that the rates, terms, and conditions set forth in this Further Amendment are non-severable from each other, or from the Agreement.

4.5 This Further Amendment shall not modify or extend the Effective Date or Term of the existing Agreement or any Amendment thereto, but rather, this Further Amendment shall be coterminous with Amendment to Level 3 Contracts Superseding Certain Compensation, Interconnection and Trunking Provisions.

4.6 EXCEPT AS MODIFIED HEREIN, ALL OTHER TERMS AND CONDITIONS OF THE EXISTING AGREEMENT SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT

4.7 In entering into this Further Amendment, the Parties acknowledge and agree that neither Party is waiving any of its rights, remedies or arguments with respect to any orders, decisions or proceedings and any remands thereof, including but not limited to its rights under the United States Supreme Court's opinion in *Verizon v. FCC*, 535 U.S. \_\_\_\_ (2002); the D.C. Circuit's decision in *United States Telecom Association, et. al v. FCC*, No. 00-101 (May 24, 2002); the FCC's Order *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, (FCC 99-370) (rel. November 24, 1999), including its Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000) in

CC Docket 96-98; or the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68 (the "ISP Intercarrier Compensation Order") (rel. April 27, 2001), which was remanded in *WorldCom, Inc. v. FCC*, No. 01-1218 (D.C. Cir. 2002). Rather, in entering into this Further Amendment, each Party fully reserves all of its rights, remedies and arguments with respect to any decisions, orders or proceedings, including but not limited to its right to dispute whether any UNEs and/or UNE combinations identified in the Agreement and this Further Amendment must be provided under Sections 251(c)(3) and 251(d) of the Act, and under this Agreement. In the event that the FCC, a state regulatory agency or a court of competent jurisdiction, in any proceeding finds, rules and/or otherwise orders that any of the UNEs and/or UNE combinations provided for under this Agreement and this Further Amendment do not meet the necessary and impair standards set forth in Section 251(d)(2) of the Act, it is SBC 13-STATE's position that the affected provision will be immediately invalidated, modified or stayed as required to effectuate the subject order upon written request of either Party. It is further SBC 13-STATE's position that in such event, the Parties shall have sixty (60) days from the effective date of the order to attempt to negotiate and arrive at an agreement on the appropriate conforming modifications required to the agreement. It is further SBC 13-STATE's position that, if the Parties are unable to agree upon the conforming modifications required within sixty (60) days from the effective date of the order, any disputes between the Parties concerning the interpretations of the actions required or the provisions affected by such order shall be handled under the Dispute Resolution Procedures set forth in this Agreement. In executing this Further Amendment, Level 3 does not intend to indicate its assent to any of SBC-13STATE's statements of position or other provisions set forth in this Section 4.7 by SBC-13STATE. It is further Level 3's position that nothing in this Section should be read to change, modify or vary in any respect the substantive terms of the Agreement. The Parties further acknowledge that they have executed an amendment superseding certain compensation, interconnection and trunking terms (referred to herein as the "Amendment"). Until the expiration of such Amendment, the Parties agreed not to exercise their intervening law rights for any reciprocal compensation, point of interconnection or trunking requirements that are subject to the Amendment. By executing this Further Amendment, neither Party waives any rights that it may have at the time of or that arise after the expiration of the Amendment or as to any other rights it may have at any time under the rates, terms and conditions in this Agreement (other than the rates, terms and conditions set forth in the Amendment), and each Party expressly reserves all of its rights, under the ISP Intercarrier Compensation Order, or any other regulatory, legislative or judicial action.

4.8 This Amendment shall be filed with and shall be subject to the approval of the Commission.



ATTACHMENT A

RATE SCHEDULE

State	Circuit Level	Per Circuit	Per Mile
California	DS1	\$ 22.52	\$ 1.28
Connecticut	DS1	\$ 50.15	\$ 2.85
Illinois	DS3	\$ 885.95	\$ 50.44
Indiana	DS3	\$1,193.67	\$ 67.96
Michigan	DS3	\$ 946.97	\$ 53.91
Texas*	DS3	*	*
Arkansas*	DS3	*	*
Kansas*	DS3	*	*
Missouri*	DS3	*	*
Nevada*	DS3	*	*
Oklahoma*	DS3	*	*
Wisconsin*	DS3	*	*
Ohio*	DS3	*	*

*\* The Parties acknowledge and agree that no rates need to be calculated for these States for the reasons set forth in Section 3.4 of this Further Amendment.*

**Level 3 Communications, LLC**

Signature: \_\_\_\_\_

Name: Kevin Paul  
(Print or Type)

Title: Vice President  
(Print or Type)

Date: 4/10/03

**Nevada Bell Telephone Company d/b/a SBC  
Nevada Bell Telephone Company by SBC  
Telecommunications, Inc., its authorized  
agent**

Signature: \_\_\_\_\_

Name: Mike Aulinbaur  
(Print or Type)

Title: <sup>For/</sup> President - Industry Markets

Date: 4-18-03