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Issue(s): Article V: Interconnection and Intercarrier Compensation Issues 5A, 7, 8, 11-14, 18, 20, 21, 24, 26, 29, 31; Article XIII: OSS Issue 1; and Article XII: Number Portability Issue 2
Witness: Guy E. Miller, III
Type of Exhibit: Direct Testimony
Sponsoring Party: CenturyTel of Missouri, LLC and Spectra Communications Group, LLC d/b/a CenturyTel
Case No.: TO-2006-0299
Date Testimony Prepared: March 21, 2006

DIRECT TESTIMONY

OF

GUY E. MILLER, III

ON BEHALF OF CENTURYTEL OF MISSOURI, LLC AND SPECTRA COMMUNICATIONS GROUP, LLC d/b/a CENTURYTEL

CASE NO. TO-2006-0299

Exhibit No. C
Case No(s). TO-2006-0299
Date 4-11-06 Rt

OF THE STATE OF MISSOURI

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

STATE OF LOUISIANA

PARISH OF OUACHITA

AFFIDAVIT OF GUY E. MILLER

I, Guy E. Miller, of lawful age and being duly sworn, state:

1. My name is Guy E. Miller. I am presently Director - Carrier Relations Strategy and Policy for CenturyTel Service Group, LLP.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Guy E. Miller

Subscribed and sworn to before this 20th day of March, 2006.

Notary Public

My Commission expires: At Death

Gary Maxwell Cox
Louisiana Bar Roll No. 27419
Notary Public, Ouachita Parish, Louisiana
My Commission is for Life

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ISSUES

DIRECT TESTIMONY OF GUY E. MILLER, III

ON BEHALF OF CENTURYTEL OF MISSOURI, LLC AND SPECTRA COMMUNICATIONS GROUP, LLC d/b/a CENTURYTEL

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Guy E. Miller, III. My business address is 100 CenturyTel Drive, Monroe, LA 71203.

Q. ON WHOSE BEHALF ARE YOU SUBMITTING DIRECT TESTIMONY?

A. I am submitting direct testimony on behalf of CenturyTel of Missouri, LLC and Spectra Communications Group, LLC, collectively referred to herein as "CenturyTel."

I. Background

Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?

A. I am currently employed by CenturyTel Service Group as Director- Carrier Relations Strategy and Policy. I have held this position since December 5, 2005.

Q. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR-CARRIER RELATIONS STRATEGY AND POLICY?

A. I am responsible for evaluating, developing, and implementing the policies and positions that govern all the official interactions between personnel representing the CenturyTel regulated telephone companies and competitive carriers or other potential wholesale customers. In addition, I am responsible for evaluating, developing, and implementing CenturyTel's regulatory positions on intercarrier issues. For example, I have evaluated and recommended revisions to proposed elements of intercarrier compensation reform. I also prepared policy and process recommendations for mitigating phantom traffic and I served as the rural LEC lead negotiator for working out transiting issues with BellSouth.

Q. WHAT POSITION DID YOU HOLD BEFORE BECOMING DIRECTOR-CARRIER RELATIONS STRATEGY AND POLICY?

A. From September 10, 2002 to December 4, 2005, I was Director-Carrier Relations for CenturyTel Service Group.

Q. WHAT WERE YOUR RESPONSIBILITIES AS DIRECTOR-CARRIER RELATIONS?

A. I was responsible for overseeing all of CenturyTel's activity related to its obligations under Sections 251 and 252 of the federal Telecommunications Act of 1996 (47 U.S.C. §§ 251, 252), including ensuring compliance with those statutes. This also meant I was responsible for oversight of all interconnection agreement negotiations and for all operations performed under those agreements.

Q. PLEASE DESCRIBE YOUR EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY BEFORE BECOMING DIRECTOR-CARRIER RELATIONS.

A. I have worked in the telecommunications industry in various capacities for approximately 28 years. I started in 1978 as a Customer Services Supervisor for Southwestern Bell Telephone Company. I was primarily responsible for managing the Business Customer Service operations for a specified geographic part of Houston, Texas. In 1980, I became a Customer Services Manager in the Business Education and Analysis workgroup. I analyzed large business customer equipment configurations and telecommunications needs and made recommendations for improved efficiency and for resolving business needs. In 1981, I entered the Southwestern Bell sales organization, first as an Account Executive serving the Publishing and Media industries then as an Account Executive II serving national accounts in the petrochemical industry.

In 1984, I transferred to a start-up affiliated equipment sales company, Southwestern Bell Telecommunications, as a National Accounts Manager. I was responsible for telecommunications equipment sales to national petrochemical and engineering companies. This company promoted me to Corporate Manager- Training

Programs in 1985 and asked me to develop and deliver sales and management training as well as direct all technical training efforts. In 1986, the responsibility for developing and administering benefit programs and for specific staffing issues was added to my duties.

In 1987, I was recruited into another new affiliated company, Southwestern Bell Gateway Services, as the Regional Sales Director for Strategic and Tactical plans and methods. This company was a pre-Internet information provider and I developed and implemented the plans for the marketing and advertising of the information services and for the development of services content to meet consumer needs and expectations. I also managed government and community relations and marketing and sales support issues.

In 1989, I returned to Southwestern Bell Telephone as the Market Manager for the competitive carrier market segment and, eventually, the Market Planner for the market segment. From 1989 until 1995, I developed strategic, tactical and business plans to service the CLEC, wireless, IXC, ESP/ISP and cable industries. I also developed new products for this market segment and established specialized customer service and sales support programs.

In 1995, I was recruited to MFS Telecom, a competitive access provider, where I served as the Director- Marketing for MFS's private line and collocation services. For a short time in 1996, I worked on contract as the Vice President- Sales and Marketing for Quantum Software Solutions- a start up provider of call center software. Then, from late 1996 until September, 2002, I worked for Intermedia Communications, a competitive local exchange carrier. For most of this time, I was a Senior Director in product marketing. I managed and developed dedicated and switched transport and collocation products for the wholesale business segment, which included carriers, ISPs, large

enterprise business and government. In 2001, Intermedia was purchased by WorldCom. At that time, I began serving in an interim dual role as the Intermedia executive in charge of Carrier and ISP Sales Support and also as Intermedia's Vice President for Industry Policy. In this latter role, I oversaw the integration of Intermedia's regulatory and carrier relations activities into the WorldCom business model. I left WorldCom in late 2002 and, as previously mentioned, joined CenturyTel in September of that year.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY STATE COMMISSION?

A. Yes. In April, 2005, I testified before the Alabama Public Service Commission regarding a dispute with a CLEC concerning billing and collocation issues. I also testified before the Texas Public Utility Commission in 1992 on the matter of a national media company demanding an N11 code for its use in providing information to subscribers.

I have also been involved in the preparation and delivery of written testimony related to several FCC proposed rulemakings during 2003 through 2006. These rulemakings have included wireless local number portability, virtual NXX, phantom traffic, intercarrier compensation reform and 911/E911 services for VoIP providers. This is my first time testifying before the Missouri Public Service Commission.

II.
Purpose of Testimony

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. In my testimony, I will address certain disputes between the parties relating to disputed issues concerning interconnection (Article V), intercarrier compensation (Article V), number portability (Article XII), and OSS (Article XIII). The purpose of my testimony is to show how, across the board, CenturyTel proposes contract language that best serves the regulatory and economic interests of the FTA in a context that best provides for true

facilities-based competition. I will also demonstrate that Socket's demands are unreasonable, in some cases infeasible, and in many respects impose undue burdens, cost and otherwise, on CenturyTel that are inappropriate.

As I discuss the disputes, I will also show that Socket's proposed text is in many respects utterly disingenuous and patently results-oriented in so far as Socket swings back and forth between broad, open language and narrow, restrictive language solely to set up the most favorable conditions for Socket to exercise unilateral control over CenturyTel's network management and operations, impede CenturyTel's rights under law, and to mitigate any change of law that Socket may not like. To this end, Socket also ignores industry practice by attempting to limit the parties' ability to discuss and agree on the best approach where such discussion and agreement is appropriate.

Finally, I will show that Socket consistently and inappropriately attempts to transplant AT&T Missouri terms, conditions, and obligations to CenturyTel, completely ignoring the very relevant fact that, as Dr. Avera shows, the two local telephone companies do not have identical or even similar markets, market concentration, customer density, resources, capabilities and networks.

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. In the next section, I address certain disputed issues relating to interconnection and intercarrier compensation that arise in Article V. In that section, I discuss the disputed issues sequentially. After this, based on my first hand knowledge of the timing and complexity of electronic OSS systems development by the major national carriers, I testify to the critical issue of OSS implementation. Then, in section V of my testimony, I discuss some of the differences between CenturyTel and AT&T that preclude simply

"cutting-and-pasting" AT&T-oriented language and obligations and attempting to apply those provisions to CenturyTel. Finally, I turn to the number portability issues in Article XII in section VI of my testimony, explaining why the Commission should adopt CenturyTel's proposals.

III.
Article V Disputed Issues

Q. WITH RESPECT TO THE PARTIES' DISPUTES IN ARTICLE V, ARE YOU ADDRESSING ALL ASPECTS OF ALL ISSUES THAT REMAIN IN DISPUTE BETWEEN THE PARTIES?

A. No, I am not. I am generally addressing those issues dealing primarily with interconnection matters, as well as providing testimony on network and interconnection concerns underlying certain of the parties' intercarrier compensation disputes. CenturyTel witness Calvin Simshaw will address the intercarrier compensation disputes more fully, as well as discussing in detail certain disputes between the parties relating to points of interconnection ("POIs").

ISSUE 5(A) - What methods and procedures should be included in the ICA to ensure interconnection arrangements are established and augmented efficiently?

Q. WHAT IS THE PARTIES' BASIC DISPUTE IN ISSUE 5(A)?

A. From CenturyTel's perspective, this dispute primarily concerns Socket's attempt to impose onerous burdens on CenturyTel while retaining unilateral and virtually unlimited authority, discretion and decision-making by Socket as to engineering work to be required, information to be obtained, and facilities to be provided. In contrast to Socket's demands, CenturyTel offers to work with Socket as to the establishment or augmentation of interconnection arrangements, agrees to provide, consistent with the FTA, certain

technical information to facilitate interconnection, and proposes mutual cooperation and agreement in the deployment of interconnection facilities.

Q. WHAT REQUIREMENT DOES SOCKET PROPOSE FOR INTERCONNECTION ESTABLISHMENT AND AUGMENTATION?

A. In this issue regarding the methods and procedures for establishing and augmenting interconnection arrangements, Socket generally makes three unreasonable demands that the Commission should reject. First, Socket demands that CenturyTel assign and designate a person to oversee and serve as the coordinator for any new interconnection or augmentation project. This person is to be knowledgeable in all processes and procedures for all departments and must be available to Socket at any time during business hours to answer questions or otherwise serve Socket's needs during the project. Socket, in other words, seems to treat CenturyTel's workforce as a UNE in itself, purporting to "unbundle" a CenturyTel engineer for Socket's use, but at no cost.

Second, Socket then goes further to require CenturyTel to provide detailed and unlimited information, including proprietary information, about its network upon request. While CenturyTel provides certain technical information, as required by law, Socket's demands are excessive, without limit, and grossly unreasonable.

Third, disregarding CenturyTel's legitimate network concerns, Socket would require it to provide whatever interconnection facilities Socket demands, regardless of any forecasts, traffic utilization projections, or any demonstrated need for the facilities. Indeed, Socket would not give CenturyTel a voice in the decision but would require CenturyTel to install the facilities regardless of any CenturyTel concerns. Although Socket would allow CenturyTel to initiate a dispute if there is an undemonstrated need

for facilities, Socket would obligate CenturyTel to first install the facilities anyway during the course of such a dispute.

Q. WHAT IS CENTURYTEL'S RESPONSE TO SOCKET'S DEMANDS?

A. It is apparent on their face, as well as upon further critical scrutiny, that each of Socket's demands are inappropriate, both under Section 251 and as an operational matter. Under Section 251 of the FTA, for example, Socket's demands are inappropriate because Socket is ignoring the FCC's instruction in ¶ 203 of the First Report and Order that each carrier must retain responsibility for the management, control, and performance of its own network. Similarly, Socket's demands critically ignore significant operational issues and problems that would arise. For example, permitting CenturyTel to reconcile the obligation to provide facilities for Socket's unforecasted and/or unjustified demands against justified CenturyTel or other carrier needs for any existing spare facilities, even if adequate spare facilities exist, operational issues would necessarily arise with respect to the prioritization and allocation of personnel to meet Socket's request vs. meeting other carrier requests. And, of course, if the Commission accedes to Socket's demands, UNE rates across the board must also be revisited to ensure that CenturyTel is, consistent with the law, recovering its costs (particularly those new costs that would arise due to Socket's instant demands). That, however, should not be an issue here because the Commission should reject Socket's proposed contract language and instead adopt CenturyTel's reasonable proposal. Among other things, Socket's proposed contract language imposes undue burdens on CenturyTel, unnecessarily and inappropriately interferes with CenturyTel's management and operation of its network contrary to the FCC's guidance, and seeks beyond parity treatment.

Q. WHY DO YOU SAY THE COMMISSION SHOULD REJECT SOCKET'S PROPOSED CONTRACT LANGUAGE?

A. I have generally articulated CenturyTel's basic concerns above, but that high level discussion does not comprehensively speak to the range of problems and issues arising from Socket's demands. In addition to the above, there are at least five reasons the Commission should reject Socket's demands in Issue 5(A). I will address them in turn.

(a) Socket seeks treatment that is beyond parity.

Q. BEYOND THE ABOVE DISCUSSION, WHAT IS THE FIRST ADDITIONAL REASON THE COMMISSION SHOULD REJECT SOCKET'S DEMANDS?

A. In its language, Socket demands, but is not entitled to, special treatment above and beyond what CenturyTel does for itself or for any other CLEC. Socket's proposed language would require CenturyTel to assign and designate a special, unique project coordinator to run the Socket project from beginning to end but CenturyTel does not do this for itself, for its retail customers or for its other wholesale customers. Instead, as each project arises, CenturyTel selects appropriate project personnel from an available team of subject matter experts. These personnel coordinate network projects within individual areas of expertise and with an escalation capability in each area to address unforeseen issues. Perhaps due to its excessive reliance on contract language that it has with AT&T Missouri, Socket demands special, super-parity treatment by, for example, requiring project coordination mirroring that purportedly provided by AT&T Missouri. That AT&T Missouri may have certain capabilities or offers certain services is irrelevant here, as will be explained more fully later in my testimony and in the testimony of Dr. Avera. CenturyTel's obligations under § 251(c) (2) are parity-based, meaning it must provide required elements and services in a manner "that is at least equal in quality to that provided . . . to itself or to any subsidiary, affiliate, or any other party to which the carrier

provides interconnection." Neither the Telecom Act nor any FCC order requires CenturyTel to satisfy its statutory obligations in a manner "that is at least equal in quality to that provided" by AT&T Missouri or any other RBOC. CenturyTel must provide elements, services, and functionalities on a parity basis and that is what CenturyTel proposes with its contract language, thereby fulfilling its parity obligations. Socket's demands are clearly for special, superior treatment.

(b) Socket attempts to impose inapplicable AT&T-based commitments on CenturyTel.

Q, WHAT IS THE SECOND ADDITIONAL REASON THE COMMISSION SHOULD REJECT SOCKET'S DEMANDS?

A. In addition to Socket's demand for treatment that is better than parity, Socket also inappropriately relies on what appear to be AT&T-oriented commitments and obligations.

Q, WHY IS IT INAPPROPRIATE TO IMPOSE THOSE AT&T MISSOURI-BASED OBLIGATIONS OR COMMITMENTS?

A. Independent of the parity issue, Socket's attempt to impose AT&T Missouri-oriented obligations on CenturyTel is improper and must not be granted. CenturyTel is not AT&T Missouri and the Commission should not adopt contract language as if it were. Socket, for example, presumes that CenturyTel has an AT&T-like organization, structure and type of trained personnel. In fact, that is not the case. CenturyTel does not have personnel currently in place to support Socket's or any other carrier's request for an end-to-end project coordinator. Indeed, business circumstances and a number of industry-specific factors recently forced CenturyTel to lay off 275 employees, which is approximately 4% of its workforce. CenturyTel is not AT&T and does not have AT&T's resources, nor presumably does Socket have the level of business in CenturyTel territory

that it does in AT&T territory. Instead, CenturyTel is a non-RBOC ILEC serving relatively smaller communities in Missouri. In summation, CenturyTel is much smaller than AT&T, operates on a different size and scale, operates a substantially different network, has different economies of scale and scope, serves geographic areas with much less population density, and has fundamentally different operations, procedures, mechanisms, and capabilities. On this point, Dr. Avera's testimony is unequivocal that the critical and fundamental differences between CenturyTel and other RBOCs like AT&T Missouri, from both a regulatory and an economic perspective, require that CenturyTel be treated differently.

This proceeding is about developing an interconnection agreement for Socket and CenturyTel, it is not about replacing the M2A for AT&T. Socket is improperly trying to compel CenturyTel to mirror AT&T's operations and offerings. That the Commission may have approved language as to AT&T in an entirely different context is irrelevant to resolution of this dispute between Socket and CenturyTel.

Q. AS OPPOSED TO AT&T MISSOURI, WOULD SOCKET'S PROPOSAL CAUSE CENTURYTEL ANY UNDUE BURDEN?

A. Absolutely. Requiring dedicated, unbundled staff to uniquely tend to Socket projects, for example, imposes an extreme burden on CenturyTel in terms of both staffing and financial resources. Socket's demands, moreover, impose undue economic burdens.

(c) Socket's demands are economically infeasible/unreasonable.

Q. ARE YOU SUGGESTING THAT ECONOMIC FEASIBILITY IS THE THIRD REASON THE COMMISSION SHOULD REJECT SOCKET'S INTERCONNECTION METHODS DEMANDS IN ISSUE 5(A)?

A. Yes. While Socket's demands may be technically feasible (CenturyTel can, at a substantial cost and burden, provide the dedicated personnel, detailed technical

information, and facilities), they are unreasonable and infeasible from an economic perspective.

Q, PLEASE EXPLAIN HOW SOCKET'S DEMANDS ARE NOT ECONOMICALLY FEASIBLE.

A, Certainly. The potentially substantial capital and expense outlay required to accommodate Socket's demands for a dedicated coordinator and for the installation of facilities without limitation, for example, would render satisfying those demands economically infeasible. Not to mention the substantial time and expense that it would necessarily take to establish new procedures to suit Socket's unique requests. And because other CLECs may adopt the interconnection agreement resulting from this proceeding, CenturyTel would effectively be obligated to incur these burdens with respect to every adopting CLEC in Missouri, no matter how small that CLEC and its business may be. Providing a trained, dedicated coordinator for Socket's benefit, for example, could cost CenturyTel as much as $60-70,000 per year in weighted personnel costs and the same amount for each other adopting CLEC. Meeting the unlimited facilities obligations that Socket wants to impose is an order of magnitude even higher. Socket's demands are excessive and fail to incorporate any mechanism for CenturyTel cost recovery or even reasonable up front cost control/limitation.

(d) Socket demands excessive, unlimited technical information that is not necessary or appropriate.

Q. PLEASE EXPLAIN THE FOURTH REASON THE COMMISSION SHOULD REJECT SOCKET'S DEMANDS.

A. In its proposed contract language, Socket unreasonably demands that CenturyTel provide excessive, detailed technical information that is neither necessary for Socket to establish interconnection nor is appropriate under the law. Independent of the burdens associated

with providing that information, as well as concerns with releasing this sensitive material, Socket is not entitled to the unlimited scope of information demanded.

Q, CAN YOU SUMMARIZE SOCKET'S REQUEST FOR NETWORK INFORMATION?

A. Yes. In addition to the concerns that I have previously related, Socket's proposed contract language is overly broad, ambiguous, fails to specify the scope of information at issue, and would impose obligations on CenturyTel far beyond anything required by the Telecom Act. In particular, in its proposed section 2.3, Socket includes a very broad obligation to provide, without any apparent limitation, "technical information about CenturyTel's network facilities in sufficient detail to allow Socket to achieve interconnection." As written, the language implies that Socket can request all manner of detailed network information, including proprietary information, and unilaterally determine if the provided information is sufficient, leaving CenturyTel obligated to provide further unlimited information if Socket thinks the information initially provided is not sufficient. Socket's language far exceeds CenturyTel's obligation under 47 CFR, Part 51.305 and 321, as well as the First Report and Order. Not surprisingly, Socket also ignores the Part 51.305 obligation that Socket has to compensate CenturyTel for efforts on Socket's behalf just as CenturyTel bears costs for the exact same efforts done on its own behalf. In addition, the ambiguity concerning the scope of information subject to the contract provision could lead to future disputes between the parties as to what information and what level of detail CenturyTel is obligated to provide. Socket's network information proposal, accordingly, is problematic on several levels, including: (a) unlimited in scope, (b) Socket unilaterally determines whether provided information is "sufficient," (c) language ambiguity gives rise to future disputes before the Commission,

and (d) Socket provides no mechanism for CenturyTel cost recovery (which alone mandates rejection of the Socket language).

Q, BUT DOESN'T CENTURYTEL HAVE AN OBLIGATION TO PROVIDE NETWORK INFORMATION TO SOCKET FOR INTERCONNECTION PURPOSES?

A. Yes, of course. As I understand it, the obligation is defined in 47 CFR § 51.305(g): "An incumbent LEC shall provide to a requesting telecommunications carrier technical information about the incumbent LEC's network facilities sufficient to allow the requesting carrier to achieve interconnection consistent with the requirements of this section." This language implies that the ILEC will determine what is sufficient information in accordance with the specific requirements that are set forth in applicable law. Sufficient technical information is not, contrary to Socket's proposal, unlimited technical information. Instead of reproducing this citation verbatim, Socket has cleverly rearranged the words to give it an implication that does not exist in the original (i.e., that Socket makes the unilateral determination of how much information is sufficient). Further, Socket's language ignores the FCC's clarification in Paragraph 205 of the First Report and Order that "incumbent LECs have a duty to make available to requesting carriers *general information* indicating the *location and technical characteristics* of incumbent LEC network facilities." (Emphasis added.) This clarification not only limits the required information to that which is general in nature but also to only the location and technical characteristics of facilities. This is in contrast to a current data request from Socket which requires CenturyTel to identify the provider of leased facilities, the routes of these leased facilities and the size of these facilities. None of the requested information is necessary for Socket's interconnection needs. In short, Socket's determination of "sufficient information" exceeds that of applicable law.

For obvious reasons, including network integrity, safety, and security, CenturyTel does not release unlimited information about network capacity or facilities to a customer or competitor. Tellingly, Socket cites no authority or analysis supporting its demands for unspecified, wide ranging information. Also, much of CenturyTel's interswitch network does consist of leased facilities. CenturyTel would not know what capacity is available for future use or what external requests have been made for the leased facility. Moreover, CenturyTel is not in a position to provide detailed information pertaining to those leased facilities that belong to another carrier and, in fact, is prohibited from doing so pursuant to contractual confidentiality clauses.

Finally, Socket's language does not reflect the engineering realities of a network where capacity availability at any given point in time does not guarantee capacity availability at a later date when a CLEC actually places an order. Normal circuit orders that will impact capacity are worked all the time.

(e) Socket's demand for unilateral decision-making as to interconnection facilities is unreasonable and economically infeasible.

Q. PLEASE EXPLAIN THE FIFTH REASON THE COMMISSION SHOULD DENY SOCKET'S PROPOSED CONTRACT LANGUAGE FOR ISSUE 5(A).

A. Similar to its proposal with respect to network information, Socket would retain unilateral decision-making authority and demands the unlimited ability to order interconnection facilities without any showing of necessity or propriety. Under that proposal, CenturyTel has no choice but to provision whatever interconnection facilities Socket requests (any disputes cannot be raised until after the facilities are actually provisioned). Socket's demand in this respect is unreasonable and economically infeasible, imposing onerous network and cost burdens on CenturyTel.

Q. WHAT IS SOCKET'S POSITION REGARDING THE PROVISIONING OF INTERCONNECTION FACILITIES?

A. Socket's proposed language in sections 2.5.1 and 2.5.2 would give Socket the unilateral right to determine the need and the size of all facilities without CenturyTel's concurrence or input. Basically, Socket would be allowed to order interconnection facilities without any limitation and CenturyTel would be required in every instance to provision the facilities before any formal opportunity to provide input or object to the requested facilities.

Q. IS IT REASONABLE FOR CENTURYTEL TO DELAY OR REFUSE TO PROCESS SOCKET REQUESTS FOR INTERCONNECTION FACILITIES THAT ARE NOT JUSTIFIED BY ANY DEMAND STUDY OR VALID PROJECTIONS?

A. Yes, of course it is. Socket's proposed language fails to recognize engineering and network realities. First, as drafted Socket's proposed language is overly broad and unduly burdensome, failing to provide CenturyTel with adequate protection against requests that may jeopardize network integrity or result in customer-affecting facilities-exhaust. For example, CenturyTel had a situation in rural Missouri approximately a year ago in which a CLEC requested 800 additional unforecasted trunks. Providing such a quantity in a rural area is problematic enough in itself, but the requested routing to a third party tandem would also have resulted in consumer EAS and toll calls getting blocked due to tandem traffic handing limitations. Second, the contract language ignores that CenturyTel itself may have legitimate existing demand need for the facilities. CenturyTel, after all, must manage its network to serve both its retail and its wholesale customers. As such, it should be entitled to request and review traffic studies to validate need and manage its operations. Socket's demand, accordingly, unnecessarily and inappropriately interferes with CenturyTel's management and operation of its network for

all customers alike, both retail and wholesale. Socket fails to offer any compelling reason for vesting it with unilateral authority to require provisioning facilities for it to the detriment and at the expense of service to others.

Also, because other CLECs may adopt the interconnection agreement resulting from this proceeding, CenturyTel would effectively be obligated to tie up or build facilities for all adopting CLECs regardless of the CLECs' actual traffic need. Socket's language, therefore, could impose substantial personnel and network costs upwards of several hundred thousands of dollars per year for Socket and several millions of dollars per year for all adopting CLECs, not to mention operational and customer-affecting issues with the network itself due to the CLECs' requests. Taken to its logical conclusion, adoption of Socket's language could result in a CenturyTel obligation to provide all requested interconnection facilities to all requesting CLECs regardless of need, propriety, impact on the network, and detrimental impact to other users of the network. Socket fails to recognize the network realities underlying CenturyTel's proposals and the significant harm its demands may impose.

Q. YOU SAY SOCKET'S DEMANDS COULD IMPOSE COSTS ON CENTURYTEL OF SEVERAL HUNDRED THOUSANDS OF DOLLARS PER YEAR FOR SOCKET ALONE AND SEVERAL MILLIONS OF DOLLARS PER YEAR FOR ALL ADOPTING CLECS. CAN YOU PROVIDE A MORE PRECISE ESTIMATE?

A. Unfortunately, no. While it is a virtual certainty that CenturyTel would be subject to such exorbitant costs under Socket's proposal, there is no way to be more specific without actual facilities orders. To arrive at the estimate, CenturyTel looked at similar situations where CLECs have requested facilities that are not needed or have been stranded due to a CLEC not meeting its business plan forecasts and extrapolated that data. Independent of the negative ramifications on the network and its

management/operation, complying with the language Socket proposes would undoubtedly be extremely costly for CenturyTel.

Q. DOES THIS COST SAY ANYTHING ABOUT THE ECONOMIC FEASIBILITY OF SOCKET'S PROPOSED TERMS?

A. Yes. Hundreds of thousands to millions of dollars per year in potential new costs does not pass any reasonable economic feasibility sanity test. This is especially true when one considers the ease with which those costs may be avoided—by requiring mutual discussion and coordination up front regarding anticipated traffic and facilities requirements. And in addition to the economic feasibility concern, I believe there may be an anti-competitive element to these terms as well.

Q. WHAT DO YOU MEAN?

A. If the Commission adopts Socket's terms, Socket and other MFNing CLECs would recognize that CenturyTel must provide all requested interconnection facilities to all requesting CLECs regardless of need, propriety, impact on the network, and detrimental impact to other users of the network, and that CenturyTel would incur several hundred thousands to several millions of dollars per year in new costs. Knowing that, there may be an incentive for competitors to make such unnecessary requests of CenturyTel in order to gain a competitive advantage by degrading CenturyTel's service and consuming its capital to the exclusion of capital expenditures focused on its own customers. Allowing competitors to have a unilateral ability to materially degrade a company's quality of service and to inflict costs all for personal competitive gain is anti-competitive.

Q. IS THERE NO IMPACT TO SOCKET OR OTHER COMPETITORS IF SUCH UNNECESSARY REQUESTS WERE MADE? WOULD THEY NOT INCUR COSTS AS WELL?

A. Not under Socket's proposed language. And not in a situation where each party is responsible for its own costs to the POI and where there are no checks and balances to ensure that the facilities are justified and that the other party is, in fact, actually provisioning mirroring facilities of its own. CenturyTel could be obligated to provide or build facilities to a POI and there is nothing in Socket's proposed terms to compel the requesting CLEC to also incur any costs to provision matching facilities.

Q. WHAT ABOUT THE PROVISION OF ARTICLE III, § 12.6 WHICH ALLOWS CENTURYTEL TO ASSESS A STRANDED PLANT OR DISCONTINUED SERVICE ORDER CHARGE FOR CAPACITY FORECASTED AND ORDERED BY SOCKET, BUT THEN NOT USED BY SOCKET?

A. I don't believe that provision would mitigate the anticompetitive potential of Socket's proposed language. Section 12.6 does state that CenturyTel must be able to demonstrate that it built the plant based on Socket's order as well as demonstrate the charge is based upon costs incurred as a result of Socket order. What 12.6 does not say is what time frame Socket has to actually put the facility to use before CenturyTel can declare it to be stranded. Socket can claim that it is "in the process of developing traffic to put on the facility" or that it "has plans to roll out services in the market but could not do so until the facility was in place." While I have no knowledge of Socket making such specific claims in the past, other CLECs have made such claims to me regarding their interconnection facilities. So right away, a dispute arises and CenturyTel must incur even more costs by filing a complaint with the commission and following through the complaint process. Again, with no specific standard to use in the determination of stranding, CenturyTel has no guaranteed successful outcome in a stranding complaint and Socket or any other CLEC or CLECs could run up huge interconnection costs CenturyTel without incurring like costs on their side of the POI.

Q. ARE YOU AWARE OR ANY PRECEDENT WHERE OTHER ILECS LEGITIMATELY DENIED REQUESTED CLEC INTERCONNECTION FACILITIES?

A. Yes, an RBOC denied several facilities orders that I placed when I worked for a CLEC.

Q. CAN YOU RELATE THE CIRCUMSTANCES OF THOSE ORDERS AND THE DENIALS?

A. Certainly. As I earlier testified, prior to joining CenturyTel, I held a wholesale marketing position with Intermedia Communications. In that position, I was responsible for the ISP market and for products such as PRIs that were purchased by ISPs. As Intermedia completed and implemented its annual revenue budgets, orders were placed with RBOCs such as BellSouth and SBC for interconnection facilities to equal the PRI forecasts for specific local markets. Several times during my employment with Intermedia, an RBOC would deny the order, stating that Intermedia had not yet used the existing capacity nor had any fill rate projection to use the capacity within six months to a year.

Q. SO HOW DID YOU ADDRESS THESE SITUATIONS?

A. Because the ILEC denied the orders and Intermedia could not justify the additional facilities based on anything other than sales projections, we negotiated with the ILEC for Intermedia to monitor the fill rate growth of the existing facilities with the ILEC's commitment to implement the additional facilities request once the existing facilities either reached an 80% fill rate or a steady fill rate growth curve demonstrated that the existing facilities would be filled within six months.

Q. WAS THIS A REASONABLE COMPROMISE?

A. Yes, to the extent that it protected the ILEC from unnecessary costs and from facilities exhaust and provided Intermedia with any needed capacity in ample time to meet actual traffic demand, it was a reasonable solution for both parties.

Q. ARE THERE NO CIRCUMSTANCES UNDER WHICH SOCKET CAN OBTAIN FACILITIES IF CENTURYTEL DOES NOT AGREE THE FACILITIES ARE JUSTIFIED?

A. Of course there are circumstances. Despite the problems that I have illustrated, as long as Socket pays for any requested unjustified capacity, including any construction costs needed to augment facilities for Socket's sole benefit, then CenturyTel will provide the facilities. Section 252(d)(1), requires a CLEC to bear the cost of that interconnection, including a reasonable profit. Pursuant to that provision of law, CenturyTel has no obligation to provide or construct facilities without adequate compensation and should not be required to do so under circumstances that may critically impair network management and operation.

Q. YOU SAY SOCKET SHOULD PAY FOR THE FACILITIES THEN MENTIONED CONSTRUCTION COSTS. WHAT ABOUT RECURRING COSTS?

A. Socket should pay for all costs associated with unjustified facilities, both recurring and non-recurring. In other words, Socket can purchase any unjustified facilities that it wants without question pursuant to an order for tariffed services. If Socket actually begins to fill these facilities with traffic at some future point, then the facilities can readily be converted from tariffed services to interconnection facilities and whatever terms apply to interconnection facility costs will begin to take effect. In this manner, Socket can immediately obtain its desired facilities while CenturyTel simultaneously avoids the substantial cost and network implications associated with providing unjustified interconnection facilities.

Q. IS THERE ANY PRECEDENT IN MISSOURI FOR THIS TYPE OF APPROACH?

A. Yes. A few years ago, there was another CLEC in Missouri with a business model similar to that stated by Socket (i.e., an ISP moving to a CLEC serving ISPs moving to a CLEC that would provide local service). This CLEC required interconnection facilities from CenturyTel. Then the CLEC came back a year later with a request for a massive increase in interconnection facilities, requesting approximately 800 trunks in just one location as I recall. Investigation proved that the original facilities were never used for the provision of telecommunication service to the public for a fee as defined by Federal regulation. The facilities were solely used for the provision of the so-called CLEC's own Internet service. CenturyTel informed this ISP CLEC that until the original facilities were actually used for Section 251 telecommunications traffic, CenturyTel could not install more facilities at its own cost. Since the ISP CLEC admitted that it had no current public telecommunications offering but was "planning to have one," the ISP CLEC was offered the option of buying dedicated facilities out of the tariff for its ISP business and CenturyTel would convert these as needed to interconnection facilities once the CLEC actually started providing local telecommunications service to the public. The CLEC did agree to purchase the requested facilities under the terms of the applicable tariff.

Q. WAS THAT REASONABLE AND SUPPORTED BY APPLICABLE LAW?

A. Yes. Although I am not a lawyer, based on my understanding, applicable law does not permit interconnection to be obtained for the sole purpose of providing ISP service. First, Part 51.305(b) prohibits the use of interconnection solely for the purpose of originating or terminating a carrier's own interexchange service. ISP traffic is, of course, interexchange in nature pursuant to the FCC's finding in its ISP Remand Order. Also, in the 51.5 definition of a telecommunications carrier it states that the definition includes providers "to the extent they are acting as telecommunications carriers, companies that provide

both telecommunications and information services." Taken in the context of the definition's appearance in Part 51, this means that if a provider is not offering telecommunications services but only information (i.e. ISP) services, the provider is not entitled to interconnection. I would stipulate that this also reasonably means that a provider could offer both types of services and get interconnection for the telecommunications services that are an input to the Internet access services, so long as those services are offered on a common carrier basis. In addition, merely providing telecommunications services in one market is no basis for obtaining interconnection for non-telecommunications services in another market. Socket is not permitted under law to obtain "interconnection" in lieu of special or switched access or their substitutes for use in markets where Socket does not provide common carriage services (the "substitute" is an ESP Exemption business retail service, such as a PRI).

Q. SO A CLEC SHOULD PROVIDE TELECOMMUNICATIONS SERVICES IN A MARKET BEFORE OR AT LEAST SIMULTANEOUSLY WITH THE PROVISION OF ISP SERVICES IN ORDER TO QUALIFY FOR INTERCONNECTION?

A. Yes, that is what the definitions and regulations in Part 51 appear to say.

Q. IS THERE ANY OTHER REASON WHY SOCKET SHOULD NOT BE GRANTED THE UNILATERAL RIGHT TO DETERMINE THE NEED AND THE SIZE OF ALL FACILITIES WITHOUT CENTURYTEL'S CONCURRENCE OR INPUT?

A. Yes. In making its demands, Socket also ignores the relevant FCC finding in paragraph 203 of the First Report and Order: "We also conclude, however, that legitimate threats to network reliability and security must be considered in evaluating the technical feasibility of interconnection or access to incumbent LEC networks. Negative network reliability effects are necessarily contrary to a finding of technical feasibility. Each carrier must be able to retain responsibility for the management, control, and performance of its own

network." The FCC's guidance there speaks directly to critical concerns raised by Socket's proposed language.

Q. WITH RESPECT TO THE PARTIES' COMPETING LANGUAGE PROPOSALS IN ISSUE 5(A), WHY IS CENTURYTEL'S PROPOSAL MORE REASONABLE THAN SOCKET'S?

A. Instead of erecting cumbersome and rigid detailed processes, CenturyTel proposes simple and straightforward contract language essentially stating that the Parties will follow industry standard guidelines, that CenturyTel will provide Socket with necessary technical information to facilitate interconnection, and that the parties will collaboratively work together with respect to provisioning and deployment of appropriate facilities. In each respect, CenturyTel's proposal is reasonable, completely satisfies its obligations under the Telecom Act, and accommodates Socket's legitimate interconnection-related needs.

Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?

A. Looking at the implications of Socket's demands vis-à-vis CenturyTel's reasonable proposal that is consistent with its statutory and regulatory obligations, as well as critical operational concerns, it becomes readily apparent that the Commission should adopt CenturyTel's proposed contract language and reject Socket's demands.

ISSUE 7- Which party's language should be adopted regarding network interconnection?

Q. WITH RESPECT TO THE PARTIES' DISPUTES IN ISSUE 7, ARE YOU ADDRESSING ALL ASPECTS OF ALL ISSUES THAT REMAIN IN DISPUTE BETWEEN THE PARTIES?

A. No, I am not. CenturyTel witness Cal Simshaw is providing detailed testimony discussing the parties' specific disputes relating to Socket's POI demands and explaining

CenturyTel's proposals in that respect. I am testifying on two non-POI issues related to Socket's proposed language?

Q. WHICH IS THE FIRST ISSUE THAT YOU ARE ADDRESSING?

A. I am addressing Socket's proposed language in 6.2.

Q. WHAT IS THE GIST OF SOCKET'S PROPOSED LANGUAGE IN 6.2?

A. Socket proposes language essentially subjecting the routing and exchange of 911 traffic to the terms of Article V and treating it as an interconnection service that is covered by this section as well as by Article XI.

Q. WHY IS THIS A PROBLEM?

A. There are several reasons why Socket's proposed language is inappropriate. First, of course, the exchange and routing of 911 traffic between the parties is not an interconnection service. Rather, 911 is a separate transport service that CenturyTel provides on behalf of specific Missouri Counties. Socket's end users do not exchange calls with CenturyTel but rather their 911 calls are directed to the appropriate County PSAP over specific 911 trunks established for that exclusive purpose. CenturyTel only provides transport to the PSAPs and related database services pursuant to direction from the Counties. It would, therefore, be improper to attempt to transform 911 traffic into interconnection services subject to the many and varied provisions of Article V. Second, from a practical and operational standpoint, Socket's proposal may create undue problems with respect to managing the parties' relationship. Since 911 traffic is subject to the agreed-to provisions of Article XI, making that traffic separately subject to Article V provisions is a recipe for confusion, ambiguity and dispute.

Q. WHAT IS IN ARTICLE XI?

A. Generally, Article XI is specifically dedicated to 911 and includes all terms specific to 911 including the pricing of facilities. As such, It is inappropriate to reference Article V terms as also applicable to 911. This establishes a potential for future dispute between the parties based upon conflicting applicable terms.

Q. IS ARTICLE XI IN DISPUTE?

A. No. I understand the parties have completely agreed to all provisions in Article XI.

Q. WHAT LANGUAGE SHOULD APPEAR IN ARTICLE V FOR THIS DISPUTE?

A. Especially in light of the parties' complete agreement on all terms relating to 911 in Article XI, Article V should remain silent on 911. Alternatively, it would be acceptable to simply state that the terms for 911 are contained in Article XI.

Q. DO YOU HAVE ANY OTHER CONCERN WITH SOCKET'S PROPOSED LANGUAGE IN THE SECTIONS COVERED BY ISSUE 7?

A. Yes. Socket's proposed language in Section 6 is unnecessary and potentially problematic in terms of undue specificity that is better left to the parties' ongoing discussions and which may preclude inherently necessary flexibility in network operations and management. Socket's proposal, unlike CenturyTel's, inappropriately attempts to dictate the actual technical aspects of interconnection that are best left to a joint meeting between the parties where actual network and physical parameters specific to a location are evaluated. Socket's inserted technical aspects may not be possible or appropriate in all locations and may present operational and practical difficulties. For example, Socket's language establishes POIs with such great specificity that there is no ability to adapt the POI location to specific technical and geographic differences between separate CenturyTel offices and facilities. CenturyTel proposes similar language in 4.1 that should address Socket's concerns.

Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?

A. Looking at the potential for future dispute and the inflexibility of Socket's demands vis-à-vis CenturyTel's reasonable proposal that is consistent with its statutory and regulatory obligations, as well as critical operational concerns, the Commission should adopt CenturyTel's proposed network interconnection contract language and reject Socket's demands.

ISSUE 8- Which party's language should be adopted regarding indirect interconnection?

Q. WHAT IS THE PARTIES' DISPUTE IN ISSUE 8?

A. Basically, the dispute concerns whether Socket should have the ubiquitous, unilateral authority to establish indirect interconnection with CenturyTel without any limitation or conditions. While CenturyTel acknowledges Socket's right and ability to interconnect indirectly, the decision to establish indirect interconnection should be a coordinated one involving both parties and there should be contractual provisions requiring the establishment of direct interconnection when it becomes economically advisable to do so. With its proposed language, CenturyTel simply seeks a cooperative endeavor in creating the interconnection arrangement and some limitation on Socket's unilateral authority.

Q. WHAT IS INDIRECT INTERCONNECTION?

A. Direct interconnection is the linking of both carriers' networks directly to each other for the mutual exchange of Section 251(b) (5) traffic with no intermediary. Indirect interconnection, on the other hand, is the linking of the two carriers through a third party carrier.

There are a number of key points to be understood regarding indirect interconnection.

- Indirect interconnection involves a third party carrier acting as a transit provider between the two interconnecting parties.
- None of the Section 251(b) (5) traffic between the two interconnecting carriers originates or terminates on the transit carrier's network.
- Any reciprocal compensation charges for terminating Section 251(b) (5) traffic between the two interconnecting carriers is paid by the originating carrier, not the transiting carrier providing the transit service for indirect interconnection between the two parties.
- A carrier may interconnect indirectly provided that carrier can find a third party willing to provide such transit.
- There is no regulatory obligation on the part of any carrier to provide third party transit on behalf of another carrier.
- Any transit agreement should be mutually negotiated.

Q. PLEASE EXPLAIN IN GENERAL TERMS WHEN IT IS ADVISABLE FOR CARRIERS TO ESTABLISH INDIRECT INTERCONNECTION RATHER THAN DIRECT INTERCONNECTION.

A. The primary reason for carriers to consider indirect interconnection is when the volume of the traffic to be exchanged between them is de minimis and does not warrant direct interconnection. In other words, the cost of the transiting fees paid to the third party carrier are less than the cost of a direct facility. Typically this is at the DS-1 level of traffic or less.

Q. WHY WOULD A CLEC DESIRE INDIRECT INTERCONNECTION IF THE TRAFFIC IS AT A VOLUME GREATER THAN DS- 1?

A. Generally, a CLEC would not desire indirect interconnection if its own traffic is at a DS-1 level or greater. Simple cost economics would dictate that decision. Typically when a CLEC refuses direct connection it is because the CLEC's share of the traffic is low enough that the CLEC does not want to incur any costs for its share of a direct interconnection. This occurs primarily with ISPs that have CLEC status or with CLECs that only serve ISPS. In such a case, the traffic is one-way from the ILEC to the CLEC

so the CLEC has no economic incentive to implement direct interconnection and every competitive incentive to force the ILEC to incur unnecessary costs.

Q. DOES CENTURYTEL OPPOSE INDIRECT INTERCONNECTION?

A. Not at all. Contrary to Socket's apparent assumption, CenturyTel does not propose refusing or "restricting" indirect interconnection. Precisely to the contrary, CenturyTel actually favors indirect interconnection unless there is sufficient traffic volume to justify direct interconnection. As I just testified, once the parties exchange traffic in the neighborhood of a DS-1 level of traffic, economics and network concerns justify establishing direct interconnection between the carriers. CenturyTel recognizes that the CLEC may choose direct or indirect interconnection under the Act. Instead of precluding indirect interconnection, however, CenturyTel's proposal simply follows the industry norm and provides for direct interconnection when it is to both parties' economic advantage to do so. As I previously related, at the DS-1 level of traffic, the cost of the facility becomes less than the cost of paying third party transiting fees.

Problematically, however, Socket's approach would give it the unilateral ability to refuse direct connection even when such an approach would make economic sense for CenturyTel and when CenturyTel is willing to bear those costs. A prior study of a similar type of CLEC showed a potential of $40,000 per month, almost a half million dollars per year, in transiting costs to CenturyTel for each LATA-wide indirect connection to a single ISP-CLEC. Rather than opposing indirect interconnection as Socket asserts, CenturyTel merely wants to retain the ability to establish direct interconnection when it becomes appropriate to do so. Socket should not retain the unilateral authority to effectively veto a direct interconnection arrangement. In short, Socket's concerns are

misguided, and CenturyTel's proposed language is not only consistent with the law, but also best serves public policy and economic considerations.

Q. ARE THERE ANY OTHER PROBLEMS WITH SOCKET'S INDIRECT INTERCONNECTION LANGUAGE?

A. Yes, viewing Socket's unrestricted language in context with its other proposed terms, it becomes apparent that Socket is attempting to unduly expand the scope of the parties' agreement beyond the exchange of local traffic. Interconnection agreements under Sections 251 and 252 apply to local interconnection, and are not intended to supplant access arrangements. In numerous of its proposed provisions, however, Socket attempts to expand the agreement so it would supplant access arrangements, which is prohibited by the Communications Act, and would promote arbitrage and risk increases in so-called phantom traffic. Section 252 agreements, of course, should not be vehicles for arbitrage or for circumventing other restrictions/charges on non-local traffic.

For example, Socket's attempt in Article II to include local and non-local in the definition of "indirect" traffic, and its failure to separate the two types of traffic here, suggests an attempt, inconsistent with the Telecom Act, to supplant access arrangements. Indirect connections can be used for local and indirect connections can be used for non-local, but the traffic must be separated and/or identified and jurisdictionalized to permit appropriate recovery of costs pursuant to access tariffs.

Q. HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?

A. The Commission should reject Socket's demand for unilateral authority to dictate the terms and manner of interconnection. CenturyTel's proposal, on the other hand, recognizes the right to interconnect directly or indirectly, but provides that the parties will jointly determine the propriety of indirect interconnection. As such, CenturyTel's

proposed contract language is eminently reasonable, is consistent with applicable law, and should be adopted by the Commission.

ISSUE 11- What are the appropriate rates, terms and conditions for compensation for transit traffic?

Q. WHAT IS TRANSIT TRAFFIC?

A. Transit traffic is telecommunications traffic between originating and terminating carriers that is transported between the originating and terminating carriers over the network of a third party carrier. Transit traffic is neither originated nor terminated on the third party carrier's network. For example, a wireless carrier may not have sufficient volume of traffic between its customers and CenturyTel's customers in Potosi, Missouri to justify a direct connection to the CenturyTel end office in Potosi. In this example, the wireless carrier and CenturyTel would agree to exchange this de minimis traffic through AT&T Missouri via the connections that CenturyTel separately has with the AT&T tandem that serves the CenturyTel Potosi end office.

Q. PLEASE SUMMARIZE THE PARTIES' DISPUTE REGARDING TRANSIT TRAFFIC?

A. The parties' transit traffic dispute appears to be twofold. First, whereas Socket's proposed contract language requires the transit provider to handle billing issues, CenturyTel proposes following the industry standard of requiring the originating carrier to enter into an arrangement with the terminating carrier to bill the originating carrier for termination of transit traffic. As such, the parties first dispute the appropriate apportionment of compensation responsibilities. Since the originating carrier derives the benefit from the transit traffic arrangement, it makes sense to hold that carrier initially responsible for compensating the terminating carrier. This is why this arrangement is the industry standard norm. Second, Socket apparently opposes CenturyTel's proposal that

the parties establish their own agreements with third-party providers. At this point, the basis for Socket's opposition is unclear, but having such agreements is important to ensure proper compensation, passage of CPN, and equitable apportionment of responsibility.

Q. WHAT CONCERNS DO YOU HAVE WITH SOCKET'S PROPOSALS FOR THE APPROPRIATE RATES, TERMS AND CONDITIONS FOR COMPENSATION FOR TRANSIT TRAFFIC?

A. Socket's proposed contract language suffers from several deficiencies. First, Socket inappropriately attempts to impose inapplicable AT&T Missouri-oriented obligations on CenturyTel by proposing contract language from the successor interconnection agreement to the M2A. Indeed, Socket's primary justification for its proposal in the Parties' Joint DPL was that Socket's proposal "is consistent with prior Commission precedent, as reflected most recently in Docket No. TO-2005-0336." As explained above and addressed in more detail below in my testimony, not only is that not a sufficient justification, but given the many substantial and critical differences between AT&T and CenturyTel, relying so heavily on AT&T-oriented provisions renders those provisions suspect here. Without establishing their applicability to CenturyTel, which Socket never endeavors to do, the Commission should disregard AT&T-specific provisions proffered by Socket. Second, Socket ignores FCC precedent providing that the transiting carrier may bill the terminating carrier, and the terminating carrier may bill the originating carrier for any transiting charges it had to pay. This compensation structure, which CenturyTel proposes, provides appropriate incentives for the parties to enter into direct interconnection arrangements where it is economically sensible for them to do so. CenturyTel's proposal best comports with prevailing law, as well as the operational and economic realities of transiting arrangements.

Q. CAN YOU PROVIDE FURTHER EXPLANATION OF THOSE OPERATIONAL AND ECONOMIC REALITIES?

A. Yes, I can. As I related in my indirect interconnection testimony, the primary reason for carriers to transit traffic is when the volume of the traffic to be exchanged is de minimis and does not warrant direct interconnection. In other words, the cost of the transiting fees paid to the third party carrier are less than the cost of a direct facility. Typically this is at the DS-1 level of traffic.

A CLEC would certainly not choose to transit its own traffic if the transiting cost was greater than the cost of a direct DS-1 connection. However, the CLEC has no incentive to permit direct connection when the transiting traffic is primarily or completely one-way from the ILEC to the CLEC.

From an operational standpoint, there are still network considerations with transiting traffic; they are just not network considerations that are specifically related to the CLEC. CenturyTel, for example, obviously needs to maintain sufficient trunks to the third party tandem provider to address all of the traffic that goes both to that provider and to any carriers that are indirectly connected to CenturyTel via that tandem provider. Complicating the matter, most RBOC tandem providers refuse to mix their traffic and CLEC traffic on the same trunks and require separate trunk groups. This incrementally increases CenturyTel's network costs. Finally, it is easier for arbitrage and phantom traffic to occur with transiting traffic because CenturyTel has no control over the traffic that is sent to it via a transiting arrangement. CLEC traffic can be sent to CenturyTel without the CLEC having the required interconnection agreement with CenturyTel. And because transiting trunks are local trunks, interexchange traffic can be illegally sent via this method and would appear to CenturyTel as local traffic.

Unlike CenturyTel, AT&T likely does not share the same concerns with transit traffic. Transiting is not an economic or operational issue of the same nature or magnitude for AT&T. AT&T is also the tandem owner in virtually all cases within its local network and would not find itself transiting any traffic to Socket beyond a de minimis level. AT&T, therefore, would not care about any transiting obligations or any operational issues associated with the transiting network. Hence AT&T had no incentive to arbitrate this point and Socket's inappropriate language found its way in to its agreement with Socket. CenturyTel, however, does have substantial financial and operational reasons to care about transiting and therefore wants the transiting language in the agreement to follow the industry standard norms.

Q. CAN YOU SUMMARIZE THE KEY TERMS CENTURYTEL PROPOSES IN THE TRANSITING LANGUAGE?

A. Yes. The key points include the following:

- The originating Party will compensate the Tandem Party for each minute of non-MCA originated Tandem switched traffic which terminates to a third party.
- The applicable rate for this charge is the Tandem Transiting charge identified in the agreement.
- The originating Party assumes responsibility for compensation to the company that terminates the call.
- Compensation to third parties terminating traffic on either Party's behalf shall be covered by specific arrangements between the originating Party and the terminating third party.
- Where the Transit Provider is sent CPN by the originating carrier, the Transit Provider will send the original and true CPN to the terminating Party pursuant to the Missouri Enhanced Records Exchange Rule.
- The Parties agree to enter into their own agreements with third-party providers.
- In the event that Socket sends traffic through CenturyTel's network to a third-party provider with whom Socket does not have a traffic interexchange agreement, then Socket agrees to indemnify CenturyTel for any termination charges rendered by a third-party provider for such traffic.
- CenturyTel will not provide Tandem Transit Traffic Service for Tandem Transit Traffic to be delivered to a Socket, ILEC, CMRS carrier, or other LEC, if the

volume of Tandem Transit Traffic to be delivered to that carrier exceeds one (1) DS-1 level volume of calls.

- Socket shall pay CenturyTel for non-MCA Transit Service that Socket originates at the rate specified, plus any additional charges or costs the receiving Socket, ILEC, CMRS carrier, or other LEC imposes or levies on CenturyTel for the delivery or termination of such traffic, including any Switched Exchange Access charges.
- Consistent with the Commission's decision in Case No. TO-92-306 and Case No. TO-99-483, neither party shall assess transit charges on any MCA transit traffic.
- The Parties agree to enter into their own agreements with third-party providers.

Q. ARE THERE ANY OTHER CONCERNS WITH SOCKET'S PROPOSED LANGUAGE?

A. Yes. Here as elsewhere, rather than referencing applicable statutes, regulations or other applicable law, Socket attempts to impose obligations on CenturyTel by paraphrasing the legal obligations. This is problematic for at least two reasons. First, paraphrasing legal obligations may result in subtle modifications that have a critical impact on the parties' rights and responsibilities. Instead of inadvertently—or intentionally—modifying legal obligations through paraphrase, the better contractual approach would be to simply reference the obligation or include it verbatim. Second, Socket's paraphrase of legal obligations is problematic because it may interfere with change of law. Applicable law of regulation may change during the term of this agreement. Socket may be attempting to bind CenturyTel to terms that are favorable to Socket and prevent CenturyTel from easily incorporating changes of law into the agreement.

Q. BUT DOESN'T APPLICABLE CHANGE OF LAW AUTOMATICALLY APPLY TO AGREEMENTS?

A. Although the contract contains change of law provisions, they are not automatically applicable, instead requiring a period of negotiations, and the process may be complicated. As the Commission examines this issue, it is important to take all of Socket's proposed language in context. In other terms, Socket attempts to stifle the

incorporation of change of law by requiring the parties to reach agreement on change of law terms before they can be incorporated. Socket then could draw incorporation out for a lengthy time if it so chooses. This one issue is just one of many where citing law or regulation better serves the intent of the later regulatory change- to both parties benefit equally.

Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?

A. Consistent with applicable law and the reasonable apportionment of costs and obligations with respect to transit traffic, the Commission should adopt CenturyTel's proposed contract language.

ISSUE 12- Should the parties agree to trunking, forecasting, availability of facilities, and requirements prior to exchanging traffic?

Q. PLEASE EXPLAIN THE PARTIES' DISPUTE IN ISSUE 12?

A. At bottom, the dispute concerns the level of coordination and agreement between the parties before exchanging traffic. Whereas Socket limits the parties' coordination to merely "discussing" issues like trunking and forecasting, CenturyTel provides that the parties will meet and agree on trunking, forecasting of traffic, availability of facilities, and other requirements. In that manner, the parties closely coordinate at the initial stage to preclude problems down the line, including facilities exhaust, call blockage, added construction costs, and the like. Rather than run into problems that may impact the quality of service the parties render to their end users over interconnected facilities, advance coordination and agreement is appropriate.

Q. IN THE JOINT DPL, SOCKET CHARACTERIZES THE ISSUE AS "SHOULD THE INTERCONNECTION BE DESIGNED TO PROMOTE NETWORK EFFICIENCY AND NON-DISCRIMINATION." IS THAT A REASONABLE STATEMENT OF THE ISSUE?

A. Absolutely not. Presumably, neither party advocates either network inefficiency or discrimination - certainly CenturyTel does not. Rather, Socket's issue statement appears to be a rhetorical effort to create false innuendos implying that without its proposed language, nothing prevents CenturyTel from being inefficient and discriminatory. That is obviously not the case, as even a cursory review of the proposed contract language reveals. If anything, CenturyTel's proposal fosters greater efficiency and non-discrimination by working closely with CLECs up front to avoid or at least minimize potential network-related problems going-forward.

CenturyTel naturally recognizes that it is subject to certain nondiscrimination and parity-based obligations. Socket's proposed contract language in the first paragraph of section 11.1 is therefore unnecessary, cumbersome, and mere surplusage.

Stipulating that Socket's proposed contract language in the first paragraph of section 11.1 is unnecessary, cumbersome, and mere surplusage, CenturyTel would have no objection to keeping such language if it were made mutual and Socket agreed not to impose and restrictions upon CenturyTel that it did not impose upon its own traffic.

Q. IN ITS PRELIMINARY POSITION STATEMENT IN THE JOINT DPL, SOCKET ARGUES THAT AGREEMENT IS NOT NECESSARY BEFORE THE PARTIES EXCHANGE TRAFFIC. DO YOU HAVE A RESPONSE TO THAT ARGUMENT?

A. Yes, I do. First, it is notable that in asserting that agreement is not necessary, Socket fails to offer any support or analysis. Further, it is worth observing that elsewhere Socket insists on voluminous contractual provisions detailing many aspects of ordering and provisioning that are external to all of CenturyTel's existing interconnection agreements- e.g., issues 5, 6, 14 and 21. Second, to properly manage the network, ensure adequate processes and procedures are in place, and minimize network or customer disruption, the

parties should discuss and arrive at agreement on traffic expectations. Such a requirement, for example, would have curtailed much of the dispute relating to the case I noted earlier in my testimony wherein a CLEC sought 800 additional unforecasted trunks and the requested routing to a third party tandem would have resulted in consumer EAS and toll calls getting blocked due to tandem traffic handing limitations. Socket's language inappropriately ignores these valid network-based concerns regarding traffic forecasts and facilities availability. Socket's language does not reflect the engineering realities of a network where a forecast at any given point in time does not guarantee capacity when a CLEC actually places an order. Providing network capacity to a POI where CenturyTel has not agreed on trunking, forecasting and availability could present a problem as normal circuit orders that will impact capacity are worked all the time. Arriving at agreement would also minimize the potential for future disputes between the parties.

CenturyTel's proposed contract language, to the contrary, provides the best mechanism for cooperatively planning, managing, and operating the network as the parties interconnect to exchange traffic.

Q. HOW SHOULD THE COMMISSION ADJUDICATE THIS ISSUE?

A. To minimize potential problems once the parties exchange traffic, the Commission should adopt CenturyTel's proposed contract language, providing for close up front cooperation and agreement on critical issues impacting the Parties' going-forward relationship.

ISSUE 13- Where available, should there be a preference for two-way trunks?

Q. WHAT IS THE PARTIES' DISPUTE?

A. Although both parties agree that, where available, two-way trunking is generally preferable, Socket proposes overly broad and unreasonable language that fails to take into account instances in which two-way trunking is not appropriate and precludes cooperation and coordination between the parties as to the implementation of two-way or one-way trunking. The dispute, then, primarily concerns Socket's effort to retain unilateral authority over trunking arrangements.

Q. PLEASE EXPLAIN THE DIFFERENCE BETWEEN ONE-WAY AND TWO-WAY TRUNKS.

A. Certainly. As the name implies, one-way trunks are used to transmit traffic only in the direction of an originating party to a terminating party. Two-way trunks, on the other hand, are capable of transmitting traffic in either direction.

Q. CAN YOU PLEASE DISCUSS THE NETWORK ISSUES A CARRIER MAY CONSIDER IN DETERMINING WHETHER TO DEPLOY ONE-WAY OR TWO-WAY TRUNKS?

A. Yes. Two-way trunks are usually the most efficient way to handle traffic because it entails the deployment of fewer facilities to handle traffic and is therefore more economically preferable. In addition, two way trunks may provide for a greater traffic fill factor if the traffic in each direction peaks at different times of the day. This also could reduce the number of trunks needed. However, carriers must sometimes deploy one way trunks to be used as local interconnection trunks for certain switch platforms due to technical issues, such as software packages that may not have been purchased or due to billing system issues. Other factors to consider are agreement terms that determine which carrier is responsible for paying for the facilities and to what extent. Also, deployment decisions are, at least in part, determined by the anticipated traffic volumes in each direction and what types of traffic are sent over the trunks, as well as whether two way

trunks can be used for arbitrage purposes if no technical and legal protections are in place to prevent such misuse.

Q. SINCE THE PARTIES AGREE THAT TWO-WAY TRUNKS ARE GENERALLY PREFERABLE, ARE THERE ANY PROBLEMS WITH SOCKET'S PROPOSED LANGUAGE.

A. Yes, although CenturyTel certainly agrees that two way trunks are preferable and should generally be used where available, Socket's proposed language is overly broad and unduly restrictive. While two-way trunking may be economically preferable in many or most instances, it is not appropriate in all cases. For example, in paragraph 219 of the First Report and Order, the FCC concludes that two way trunking must be accommodated "where a carrier requesting interconnection pursuant to section 251(c)(2) does not carry a sufficient amount of traffic to justify separate one-way trunks." This FCC conclusion implies that one-way trunks may be acceptable based upon traffic volume alone. Therefore, it is appropriate for the parties to cooperatively coordinate their deployment of trunking arrangements. Without proper discussion and limitation, there are some two-way trunking situations that could set up conditions that permit arbitrage and the potential for phantom traffic. For example, over the past three years, it has been widely reported in industry press that some CLECs have been caught improperly passing non-local VoIP or IXC traffic over local trunks. For technical and/or practical reasons, the traffic over local trunks cannot always be jurisidictionalized by origination of individual calls. The establishment of two-way trunking, without any need for agreement or demand justification as Socket has proposed and I have previously discussed, could permit non-local traffic to be passed to CenturyTel as if it were local traffic.

Moreover, even if two-way trunking is technically available, the parties should not be compelled to use two-way trunking unless they both agree to do so. As a result of

these concerns, CenturyTel's proposed language is more reasonable by affording the parties additional flexibility to manage their relationships as necessary on an ongoing basis. Whereas Socket demands the unilateral ability to dictate the terms of the parties' trunking arrangements, CenturyTel proposes language allowing the parties to work cooperatively to coordinate the trunking arrangement that will work best under the case-by-case circumstances presented.

Q. ARE THERE ANY OTHER PROBLEMS WITH SOCKET'S BROAD LANGUAGE?

A. Yes, taken in the context of Socket's proposed language on the POI, the broad language herein could be interpreted to improperly shift costs to CenturyTel for which Socket should reasonably remain responsible. The Intercarrier Compensation Reform underway at the federal level currently contemplates that ILECs' obligations would stop at the exchange boundary, but Socket's proposal would impose cost and other obligations on CenturyTel beyond its exchange boundary. For example, in Socket's view CenturyTel should be providing two way trunks from all CenturyTel calling areas to a single location in a LATA vs. providing the trunks to designated points within each discrete CenturyTel local calling area. Expanding CenturyTel's cost and other obligations in that manner is unreasonable.

Beyond the industry-developed recommendations that are expected to provide that CenturyTel's obligations do not extend past its exchange boundary, there is ample legal precedent suggesting that a CLEC should be responsible for costs beyond the local calling area boundary. Several courts, for example, have acknowledged that the cost of transporting traffic can be a relevant consideration in deciding whether the POI is "technically feasible" under Section 251(c)(2)(B) or whether the interconnection rate is

"just and reasonable" under Section 252(d)(1) of the Act. To that end, one court noted that "To the extent, however, that WorldCom's decision on interconnection points [i.e., choosing a single POI that is distant from Verizon's facilities] may prove more expensive to Verizon, the PUC should consider shifting costs to WorldCom." MCI v. Bell Atl.-Penn., 271 F.3d 491, 518 (3rd Cir. 2001). In arriving at that decision, the court cited paragraph 209 of the FCC's original Local Competition Order. Similarly, the Ninth Circuit recognized that the ILEC might be entitled to additional compensation under Section 252(d) (1) of the Act, and the state should have considered shifting some of the costs of hauling traffic to the distant POI onto the CLEC- in that case AT&T. US West v. Jennings, 304 F.3d 950, 961 (9th Cir. 2002). In short, Socket should be responsible for those costs it would otherwise impose on CenturyTel that are beyond its reasonable burden with the exchange. CenturyTel witness Cal Simshaw goes into greater detail on this topic.

Q. OTHER THAN THE UNILATERAL, UNDULY RESTRICTIVE NATURE OF SOCKET'S PROPOSAL AND THE IMPROPER COST SHIFTING YOU DISCUSS, DO YOU HAVE ANY OTHER SERIOUS CONCERN WITH SOCKET'S LANGUAGE?

A. Yes. Similar to my discussion above, Socket is again attempting to unduly expand the scope of this interconnection agreement well beyond the exchange of local traffic. With its proposed language for trunking, Socket would impermissibly expand the scope of the parties' ICA beyond the exchange of local traffic. Socket's own preliminary position statement states that Socket intends for these two-way trunks to be used for traffic that may originate or terminate outside of the local calling area such as FX, transiting and ISP-bound. Importantly, elsewhere in its proposed language, Socket declares VNXX traffic terminated to ISPs, regardless of geographic location, to be acceptably treated as

local traffic. Even more tellingly, setting aside the dispute the Parties have on the definition of local, it remains unclear why Socket is objecting to CenturyTel's position that local interconnection trunks are to be used for the delivery of local traffic unless Socket may be contemplating using such trunks to deliver non-local traffic as if it were local in nature. Agreements under sections 251 & 252, however, apply to local interconnection, and are not intended to supplant access arrangements. In numerous provisions, however, Socket attempts to expand the agreement so it would supplant access arrangements- which is prohibited by the Communications Act and would promote arbitrage and risk increases in so-called phantom traffic. Section 252 agreements, of course, should not be vehicles for arbitrage or for circumventing other restrictions/charges on non-local traffic.

Q. HOW SHOULD THE COMMISSION RULE ON ISSUE 13?

A. The Commission should adopt CenturyTel's proposed language, which recognizes that although two-way trunks are generally preferable, that is not universally the case and the parties should work together cooperatively—rather than vesting unilateral authority in one party—to establish mutually agreeable trunking arrangements.

ISSUE 14- What trunking requirements should the Agreement contain?

Q. PLEASE SUMMARIZE THE PARTIES' DISPUTE HERE.

A. Certainly. The issue here is whether it is appropriate, as Socket demands, for all traffic of whatever jurisdictional nature to be routed over the same two-way trunks, regardless of type, origin or ultimate destination. Because allowing such mingling of traffic types over the same two-way trunks fosters arbitrage opportunities, may give rise to phantom traffic, makes proper jurisdictionalization of traffic difficult, and detrimentally impacts

intercarrier compensation and other costs, CenturyTel proposes contract language that segregates local and non-local traffic on different trunks.

Q. PLEASE DESCRIBE SOCKET'S PROPOSED TRUNKING REQUIREMENTS?

A. With the only possible exception of PIC'd toll traffic, Socket would have the parties exchange virtually every other kind of traffic imaginable over the same two-way trunks. In doing so, Socket's proposed contract language would unilaterally supplant CenturyTel's network management and operations, and may present problems with phantom traffic, access charge avoidance, and circumvention of other obligations. On its face, Socket's proposal attempts to dictate the types of trunks that will be used, mixes inappropriate types of traffic on the same trunks, and imposes obligations upon CenturyTel that are not imposed by applicable law in Part 51 or elsewhere. Such specific, rigorous requirements unduly impede the ability to flexibly address fluid, unique circumstances that may arise. For example, Socket proposes including non-PIC'd/non-equal access intraLATA on the same facility that carries all the forms of local traffic. Originating access would be due to CenturyTel for these calls if CenturyTel is not the default toll carrier, but toll calls could not be identified and measured by CenturyTel on the local trunks. Instead, Socket would be paying originating intrastate access via a Percent Local Use method and would have every incentive to keep the PLU as high as possible to avoid paying appropriate access charges. Conversely, if the intraLATA toll calls were directed to toll trunks, as CenturyTel proposes, the toll MOUs could be measured and accurately billed.

Even more troubling, Socket's proposal may allow a CLEC to circumvent applicable law under 251(g) and Part 69, and to unlawfully circumvent access compensation when the interconnection facility is used for both local and non-local

traffic. For example, it is easier for arbitrage and phantom traffic to occur if CenturyTel has no agreement as to the types of traffic that is sent to it over trunks that are designed for local use only. For practical and economic reasons having to do with the volume of traffic, local trunks do not have the call detail recording capabilities of Feature Group D trunks. Interexchange traffic illegally sent via local trunks would appear to CenturyTel as local traffic. In addition to its own non-local traffic, a CLEC could front for third party traffic sent to CenturyTel without the third party having the required interconnection agreement with CenturyTel to permit appropriate compensation recovery. Indeed, there are documented cases in Missouri and elsewhere where CLEC local interconnection trunks were used to illegally terminate IXC traffic or interexchange VoIP traffic to ILECs. CenturyTel found such abuse in the Branson area and I recall that the former SBC filed complaints and even suits over IXCs terminating traffic as local instead of paying access. While there may be some incidental non-local traffic on local trunks, Socket must remain responsible for compensating CenturyTel for any such non-local traffic. The parties are better served by working out the trunking and traffic exchange details in a joint meeting.

Q. HOW SHOULD THE COMMISSION RULE ON ISSUE 14?

A. Recognizing the serious potential for phantom traffic, arbitrage, and access charge avoidance, the Commission should reject Socket's proposed contract language that would allow mingling all manner of traffic types without restriction on the same trunks. Instead, the parties should, as CenturyTel proposes, segregate local and non-local traffic.

ISSUE 18- Should CenturyTel's language regarding joint planning criteria that is already included in Article III be repeated in Article V?

Q. PLEASE SUMMARIZE THE DISPUTE.

A. Socket apparently opposes CenturyTel's proposed contract language in section 11.4 providing that the parties will jointly plan certain criteria relating to trunk planning. Consistent with several of the issues I have discussed above, it inures to the parties' collective benefit to coordinate in advance on certain matters that impact their relationship and, in particular, the management and operation of the network.

Q. WHAT LANGUAGE DOES CENTURYTEL PROPOSE?

A. In section 11.4 of Article V, CenturyTel proposes the following contract language, all of which Socket disputes:

> 11.4 Joint Trunk Planning Criteria.
>
> In order to facilitate sound and economical network planning and provisioning, the Parties agree to work cooperatively to establish appropriate (i) fill factors for trunks previously deployed for the Socket; (ii) compensation arrangements to reflect CenturyTel's and the Socket's proportionate use of the trunking; (iii) strand plant or special construction termination charge to Socket for not utilizing the ordered trunking; and (iv) to establish appropriate time frames to reflect whether the Socket ordered trunking is Currently Available.

Q. WHAT IS THE BASIS FOR SOCKET'S OPPOSITION TO THIS LANGUAGE ABOUT JOINT PLANNING CRITERIA?

A. To date, Socket has not articulated any substantive arguments regarding the language CenturyTel proposes. Instead, Socket contends that the joint planning criteria language in Article V is merely a repeat of what is in Article III.

Q. IS THAT TRUE?

A. No. Contrary to Socket's misleading assertions otherwise, the similar provisions that exist in Article III do not exhaustively address the substantive criteria at issue here. The

language in Article III does not completely cover all aspects of Joint Planning and the language in CenturyTel's agreement template is needed for clarification. Specifically, the language from Article III is as follows:

> Within thirty (30) calendar days from the effective date of this Agreement, or as soon after the effective date as practicable, the Parties agree to meet and develop joint planning and forecasting responsibilities which are applicable to local services, including Features, UNEs, number portability, interconnection services, Collocation, Poles, Conduits and Rights-of-Way (ROW). Failure of Socket to perform its obligations as specified in this Section 12 may delay processing of Socket service orders. Such responsibilities shall include but are not limited to the following:

12.1 The Parties will establish periodic reviews of significant network and technology plans and will notify one another no later than six (6) months in advance of changes that would impact either Party's provision of services.

12.2 Socket will furnish to CenturyTel, on a semi-annual basis, information that provides for state-wide two-year forecasts of order activity, in-service quantity forecasts, and facility/demand forecasts.

12.3 CenturyTel shall comment on a Socket forecast within 30 days of receipt. The Parties shall work diligently and cooperatively to resolve any issues that may arise from CenturyTel comments provided within 30 day of receipt concerning a forecast. However, CenturyTel's processing of Socket's services orders will not be delayed.

12.4 The Parties will develop joint forecasting responsibilities for traffic utilization over trunk groups and yearly forecasted trunk quantities as set forth in Article V.

12.5 Socket shall notify CenturyTel promptly of changes greater than twenty percent (20%) to current forecasts (increase or decrease) that generate a shift in the demand curve for the following forecasting period. Socket orders that exceed the capacity of the Socket's forecast shall only be filled by CenturyTel to the extent the requested capacity is Currently Available.

12.6 CenturyTel reserves the right to assess Socket a stranded plant or discontinued service order charge for capacity forecasted and ordered by Socket, but then not used by Socket, to the extent that CenturyTel can demonstrate that it built the plant based on Socket's order as well as demonstrate the charge is based upon costs incurred as a result of Socket order.

12.7 Consistent with Section 14 - Confidential Information, all forecasting information will be confidential and will be used for CenturyTel's network management or carrier service management only.

The above Article III language does not include the specific points contained in CenturyTel's Article V, § 11.4-

In order to facilitate sound and economical network planning and provisioning, the Parties agree to work cooperatively. to establish appropriate

(i) fill factors for trunks previously deployed for the Socket; (ii) compensation arrangements to reflect CenturyTel's and the Socket's proportionate use of the trunking; (iii) strand plant or special construction termination charge to Socket for not utilizing the ordered trunking; and (iv) to establish appropriate time frames to reflect whether the Socket ordered trunking is Currently Available.

As an alternative, if Socket prefers to move these clarifications to Article III, then CenturyTel would be willing to do so.

Q. CAN YOU EXPLAIN WHY CENTURYTEL HAS PROPOSED SECTION 11.4 REGARDING JOINT TRUNK PLANNING?

A. Absolutely. Advance joint coordination helps cut down on potential provisioning problems, makes sure the right facilities are provisioned, establishes specific charges and timeframes that apply to the provision of interconnection and puts some criteria in place that can be used for the invocation of an Article III, 12.6 stranded plant situation. On its face, the proposed language imposes equivalent, reciprocal obligations upon both Socket and CenturyTel.

Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE IN ISSUE 18?

A. Because it provides for joint planning and cooperation to maximize the parties' efforts, minimize problems and disputes, and develop efficient and economic arrangements, the Commission should adopt CenturyTel's proposed contract language.

ISSUE 20- Should this Article recognize that terminating carriers may rely on terminating records for billing the originating carrier?

Q. PLEASE DESCRIBE THE BASIC DISPUTE BETWEEN THE PARTIES.

A. Basically, the parties' primary dispute appears to center on the specific nature of the records the parties must exchange and the costs associated with exchanging those records. CenturyTel agrees that terminating carriers should rely on terminating records, but that is not the end of the matter. Unless the traffic is roughly balanced, the exchange of records should be compensated.

Q. WHAT LANGUAGE DOES CENTURYTEL PROPOSE?

A. In an effort to adhere to applicable law without unduly burdening the parties' Agreement, CenturyTel proposes the following:

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

Q. HAS SOCKET ACCEPTED THIS PROPOSED LANGUAGE?

A. No, it has not. Although Socket does not articulate any reason for opposing this language in the Joint DPL, it claims its proposal ensures the parties satisfy industry standards. Socket's proposed language, however, is unduly restrictive, overly detailed, may not accurately reflect the law or industry standards, and does not provide any mechanism for cost recovery.

Q. SOCKET ASSERTS THAT IT WANTS TO ENSURE THAT TERMINATING CARRIERS CAN RELY ON TERMINATING RECORDS FOR BILLING THE ORIGINATING CARRIER. HOW DO YOU RESPOND TO THAT CONCERN?

A. The principle is fine, but Socket's execution is fatally flawed.

Q. HOW SO?

A. Let me first be clear about CenturyTel's position. As I just stated, CenturyTel can agree with the basic premise of providing terminating records. In fact, CenturyTel has been lobbying the FCC for a rule requiring all carriers to provide accurate identifying information in the signaling and EMI records according to industry standards so carriers can accurately track and bill for traffic between networks. But Socket's proposed language fails in several respects. First, Socket's language would impose obligations on CenturyTel that exceed its obligations under the Telecom Act. For example, contrary to Socket's suggestion, there is no obligation that call detail records should be automatically provided in all instances upon request, at no charge. Rather, current law contemplates that a CLEC should compensate an ILEC for any and all work that the ILEC performs on its behalf. To the extent Socket's language would relieve it of any obligation to compensate CenturyTel for work done on Socket's behalf, it is inconsistent with the law and should be rejected. The starting point in all events should be cost recovery; whatever records that the parties exchange should be done at cost to the other party (unless, of course, the traffic is sufficiently balanced to negate cost concerns).

Second, Socket's purported rationale for its proposal (*i.e.*, that it wants to ensure terminating carriers can rely on terminating records) is belied by the plain language of the Missouri Enhanced Records Exchange Rule; 4 CSR 240, Chapter 29, which Socket disingenuously disregards. In pertinent part, that rule provides as follows:

> 4 CSR 240-29.080 USE OF TERMINATING RECORD CREATION FOR LEC-TO-LEC TELECOMMUNICATIONS TRAFFIC
>
> *PURPOSE: This rule establishes a system of terminating record creation between carriers for Local Exchange Carrier-to-Local Exchange Carrier (LEC-to-LEC) traffic.*
>
> (1) Terminating carriers may utilize information received from originating and/or transiting carriers to prepare category 11-01-XX records to generate accurate billing invoices for submission to originating carriers.

All such billing invoices submitted by terminating carriers shall be generated and based upon category 11-01-XX records and such records shall be made available to the originating carrier upon request at no charge. Originating carriers are required to compensate terminating carriers on the basis of such accurate invoices.

(2) A terminating carrier may identify the originating carrier that it bills based on the originating operating company number (OCN) associated with the originating caller identification number. Certain type I wireless interconnections may utilize blocks of fewer than one thousand (1,000) numbers; in such instances, wireless-originated calls may be attributed to wireline carriers. In the event that the terminating carrier, using the OCN identified in the local exchange routing guide, erroneously bills a carrier other than the originating carrier, then the carrier whose OCN was identified shall notify the terminating carrier, and the parties shall work jointly to identify the originating carrier.

(3) Nothing in section (1) above shall preclude two (2) carriers from mutually agreeing to exchange other types of billing records.

While espousing an ostensible need to "ensure[] that industry standards are met regarding the use of terminating switch records for the billing of intercarrier compensation" in the Joint DPL, Socket never explains why contract language incorporating the Missouri Enhance Record Exchange Rule, which specifically addresses the development and use of terminating records, is in any way insufficient or inconsistent with industry standards. Socket purports to create a number of specific, onerous obligations in its proposed agreement language when the simple fact is that both parties are bound by the Enhanced Record Exchange Rule. In the context of this dispute, the Enhanced Record Exchange Rule covers the traffic and records at issue and should not be trumped, modified or otherwise supplemented by Socket's proposed language.

Q. STIPULATING THAT BOTH PARTIES ARE BOUND BY THE RECORD EXCHANGE RULE, WOULDN'T THAT IMPLY THAT BOTH PARTIES WOULD MUTUALLY BE INCURRING COSTS AND THAT YOUR CONCERN ABOUT RECEIVING COMPENSATION FROM SOCKET MAY BE UNFOUNDED?

A. Absolutely not. The key here, as in so many "mutual" or "reciprocal" terms, is whether or not it really applies to both parties equally. In fact, given Socket's currently advertised business model, that of being an ISP or a CLEC serving ISPs, the flow of traffic will likely be one-way from CenturyTel to Socket. Therefore, CenturyTel will bear substantial costs on behalf of Socket and Socket will bear little or no costs on behalf of CenturyTel.

Q. ARE THERE ANY OTHER ISSUES WITH SOCKET'S PROPOSED LANGUAGE IN SECTION 12?

A. Yes. Socket's proposed language in section 12.3.3 purports to establish the jurisdiction of a call based upon the origination and termination caller identification, rather than the geographic originating and terminating points. This is a back door attempt to implement VNXX or roaming VoIP as local without specifically declaring them to be such. This agreement should not permit the assigned number to dictate the jurisdictional treatment of the call unless it is also tied to the geographic location or the origination point. CenturyTel witness Cal Simshaw is testifying further regarding VNXX. I plan to address VoIP later in this testimony.

Q. HOW DO YOU RECOMMEND THE COMMISSION RULE ON THIS ISSUE?

A. Consistent with applicable law (*i.e.*, Enhanced Record Exchange Rule) and industry standards, the Commission should adopt CenturyTel's proposed simple and straightforward contract language. Not only is Socket's proposal unnecessarily rigid and detailed, but in proclaiming a need for the exchange of terminating records it also disregards the plain language of the Enhanced Record Exchange Rule. In the end, with respect to recording and billing for local interconnection traffic, the parties' agreement

should simply incorporate the Enhanced Record Exchange Rule; no more is necessary or appropriate.

ISSUE 21- Should Service Ordering, Provisioning, and Maintenance standards be included in the ICA?

Q. PLEASE SUMMARIZE THE PARTIES' DISPUTE REGARDING THE INCLUSION OF ORDERING, PROVISIONING AND MAINTENANCE STANDARDS.

A. While CenturyTel agrees that certain ordering, provisioning and maintenance standards and procedures should be including in the parties' agreement, as demonstrated by the parties' wide ranging agreement to language in Article VIII: Ordering and Provisioning and Article IX: Maintenance, Socket apparently objects to CenturyTel also including certain procedures—not inconsistent with the Agreement—in its separate Service Guide. That objection, which has not been sufficiently or precisely explained thus far, is patently unreasonable. CenturyTel should obviously retain the ability to manage and operate its telecommunications business and not be limited to those procedures erected in the context of an interconnection agreement with a single CLEC.

Q. DOES SOCKET ATTEMPT TO INCLUDE SERVICE ORDERING, PROVISIONING, AND MAINTENANCE STANDARDS IN THE AGREEMENT?

A. Yes. In several places in the parties' agreement, Socket proposed provisions addressing these topics.

Q. IS CENTURYTEL UNIVERSALLY OPPOSED TO INCLUDING SUCH MATTERS IN THE AGREEMENT?

A. Absolutely not. As explained above, CenturyTel has agreed to a number of provisions relating to these matters. Indeed, the parties have agreed to almost the entirety of Article IX: Maintenance, and only dispute a few select provisions in Article VIII: Ordering and Provisioning. So long as the inclusion of these matters in the agreement does not

preclude CenturyTel from establishing and implementing additional, consistent methods and procedures outside of the agreement, CenturyTel does not oppose, in theory, including these topics in the agreement.

Q. WHAT LANGUAGE DOES CENTURYTEL PROPOSE THAT IS IN DISPUTE IN THIS ISSUE?

A, To preserve its ability to manage and operate its telecommunications business, CenturyTel proposes the following language, which Socket disputes in its entirety:

12.3 Service Ordering, Service Provisioning, and Billing.

Except as specifically provided otherwise in this Agreement, service ordering, provisioning, billing and maintenance for non-access services shall be governed by the CenturyTel Service Guide. CenturyTel will provide Socket with advance notice of changes to CenturyTel's procedures as stated in the Service Guide and Socket has the right to raise a valid dispute under the terms of this agreement if a change materially affects Socket's service.

If there is any variation in the terms of this agreement and the terms in CenturyTel's Service Guide, the terms of this agreement shall prevail.

Q. AS FAR AS YOU UNDERSTAND IT, WHY DOES SOCKET OPPOSE THIS LANGUAGE?

A. In the Joint DPL, Socket basically argues that it has proposed comprehensive provisions elsewhere in the agreement addressing ordering, provisioning and maintenance and that CenturyTel should not be allowed to exclude those matters from the agreement. Socket appears to take issue with including such matters in a service guide that is not enforceable and is completely in CenturyTel's control.

Q. HOW DO YOU RESPOND TO SOCKET'S STATED CONCERNS?

A, Socket's concerns are misplaced and its argument, based on factual inaccuracies, is fatally flawed. First, as I mentioned above, CenturyTel is not opposed to including ordering, provisioning, billing and maintenance matters in the agreement. It has, in fact, agreed to many such provisions in Articles VIII and IX. CenturyTel's position is not, as Socket appears to assume, that no such provisions should appear in the agreement. That

error alone undermines Socket's position on this issue—CenturyTel is not excluding those matters from the agreement. Second, CenturyTel's proposed contract language explicitly provides that the ordering, provisioning, billing and maintenance provisions in its Service Guide would only apply "[e]xcept as specifically provided otherwise in this Agreement." In other words, the Service Guide may act as a gap-filler, providing necessary procedures and mechanisms that are not otherwise set forth in the parties' agreement. Moreover, to alleviate any concerns Socket may still have, the final sentence of CenturyTel's proposed language unequivocally clarifies that the agreement trumps any contrary provisions in the Service Guide. Whatever is set forth in the agreement will control.

Moreover, independent of its flawed assumptions and error-based argument described above, Socket's position is unreasonable in attempting to undermine CenturyTel's right to establish its own processes and procedures for ordering, provisioning and billing in the operation and management of its business. Rather, Socket would dictate that CenturyTel accede to and change its processes and procedures to those uniquely contained in the agreement with Socket and only those in the agreement with Socket. Initially, such an approach is operationally infeasible; Socket would presume to impose the terms of its agreement on every other CLEC or business partner with which CenturyTel does business, utterly precluding CenturyTel from adopting or implementing any procedures that differ in any respect from those set forth in the Socket agreement. Because it has relationships with a number of parties, CenturyTel may develop many procedures addressing ordering, provisioning, billing, maintenance and similar issues as they relate to a number of different business partners. Socket's position would preclude

CenturyTel from implementing any such procedures unless they are identical to what is in the Socket agreement, notwithstanding the fact the CenturyTel's contract language provides that, with respect to Socket, the terms of its agreement will in all events prevail. Further, since ILECs must make all agreements available by adoption, the ILEC must also ensure that processes and procedures are internally consistent, consistent with industry standards, and consistently applied to all competitors. Socket would give any CLEC the unilateral right to dictate ILEC processes and procedures. CenturyTel's proposed contract language, to the contrary, preserves CenturyTel's ability to manage and operate its network with the flexibility it requires for valid business purposes and for compliance with its obligation to treat all competitors alike, all without conflicting in any way with the provisions that will be contained in the Socket agreement as to its relationship and operations with Socket. Giving a single CLEC the right to dictate ordering, provisioning and billing standards would foster administrative and operational chaos and would also eliminate any ability for an ILEC to meet its obligation to treat all competitors equally and manage its telecommunications business efficiently and effectively.

Q. AMONG OTHER THINGS, SOCKET APPEARS TO ASSUME THAT CENTURYTEL WILL CHANGE ITS PROCESSES AT ANY TIME IN A MANNER THAT WOULD BE HARMFUL OR, AT A MINIMUM, ADVERSELY IMPACT SOCKET'S PROCESS FOR DEALING WITH CENTURYTEL. IS THAT A VALID CONCERN?

A. No. CenturyTel understands that Socket should have advance notice of changes to CenturyTel's procedures and the ability to raise a valid dispute if a change materially affects Socket's service. As such, CenturyTel has provided for this notice and dispute process in its proposed language. In addition, of course, CenturyTel's language also

states that if there is any conflict between the agreement and the Service Guide, the agreement prevails.

Q. IS THAT A REASONABLE APPROACH TO SATISFYING SOCKET'S CONCERN?

A. Yes. Other than Socket's desire to improperly make CenturyTel conform to Socket-imposed processes, I do not believe that Socket can demonstrate any valid concern with CenturyTel's language.

Q. HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?

A. The Commission should adopt CenturyTel's proposed language, which allows it to operate its telecommunications business while also addressing Socket's concerns regarding the applicable provisions contained in the parties' agreement. While Socket will suffer no harm with the adoption of CenturyTel's proposed language, adopting Socket's position would potentially wreak havoc on CenturyTel's abilities.

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?

Q. WHAT IS THE PARTIES' DISPUTE IN ISSUE 24?

A. The crux of this dispute concerns the overly broad, unlimited nature of Socket's proposed language holding a tandem provider financially responsible for otherwise unbillable charges. While CenturyTel may not disagree in principle with the philosophy of holding carriers accountable for providing meet-point billing data, Socket's proposed language to that effect is unreasonable and inappropriate.

Q. WHY IS SOCKET'S PROPOSED LANGUAGE IMPROPER?

A. Basically, Socket's proposed language is overly broad in its application, and fails to include any timeframes for the provision of the underlying data or any

exceptions/limitations on its applicability. Under Socket's proposed language, CenturyTel, for example, is at a much greater risk than Socket in those locations where CenturyTel is the tandem provider with the majority of the recording responsibilities. As such, although Socket's proposed language appears mutual and to impose reciprocal obligation, that is misleading. Further, Socket's text is insufficient in that it provides no timeframes for the provision of data. At what point, then, does the default billing mechanism trigger? In other words, Socket's language may permit imposition of this default billing if meet-point billing data is not immediately provided, is not provided within one hour or within any other time period Socket may unilaterally decide. Without any such provision addressing the timeframe in which the information must be provided before triggering the default billing mechanism, Socket's proposed language is operationally infeasible and unduly problematic. Moreover, Socket's proposal also ignores that valid reasons for delay may exist, including processing issues or system upgrades outside of the normal monthly process. But Socket's proposed language affords of no exception or limitation for good cause. The proposed language is overly broad, permits of no exceptions or good cause excuse, and is unduly onerous in the penalty. Socket's proposal is not indicative of industry practice and imposes undue risks and burdens on CenturyTel.

Q. SO IF LANGUAGE WAS CRAFTED THAT PROVIDED FOR ACTS OF GOD AND OTHER FORCE MAJEURE EVENTS AND PROVIDED SOME RELIEF FOR NOTIFICATION OF SYSTEM UPGRADES OR PROCESSING PROBLEMS THAT MIGHT CAUSE REASONABLE DELAY IN PROCESSING BUT NOT LOSE RECORDS, THEN THIS SHOULD BE REASONABLE AND IN ACCORDANCE WITH NORMAL INDUSTRY PRACTICE?

A. Yes.

Q. HOW SHOULD THIS ISSUE BE RESOLVED?

A. Because of the significant practical and operational problems associated with ~~CenturyTel~~ Socket's proposed language, the Commission should reject that language.

ISSUE 26- Should each party be required to pass calling party number (CPN) information to the other party?

Q. WHAT IS CALLING PARTY NUMBER (CPN)?

A. As the name implies, Calling Party Number or CPN is the discrete 10-digit telephone number that is assigned to the end user location from which a call has been placed to the PSTN.

Q. IS IT IMPORTANT THAT CPN ACCOMPANY TRAFFIC?

A. Yes. Since CPN identifies the call origination location, CPN also identifies the carrier that provides service to the end user originating the call and also allow the call to be jurisdictionalized as local, intraLATA or interLATA and intrastate or interstate.

Q. SO CENTURYTEL AGREES THAT EACH PARTY SHOULD BE REQUIRED TO PASS CALL DETAIL INFORMATION FOR MEET POINT TRAFFIC?

A. Yes. As I previously mentioned, CenturyTel has been a leading advocate for requiring all carriers to pass complete and correct call information to help resolve the phantom traffic issue and properly jurisdictionalize traffic for intercarrier compensation purposes. In addition, I have already recognized the applicable law in Missouri, the Enhanced Record Exchange Rule.

Q. SO WHY IS THERE ANY DISPUTE BETWEEN SOCKET AND CENTURYTEL?

A. Good question. The parties seem to be in violent agreement. CenturyTel's primary concern with Socket's proposed language is in including transit traffic without any apparent limitation on the obligation to provide the specified call detail. Under the transit traffic scenario, only the call detail transmitted by a third party can be passed on to the terminating party by the transit provider. Nonetheless, Socket's language could be

interpreted as obligating CenturyTel to somehow obtain and pass complete call detail even if such detail is not sent to it from the originating party. Remember that the final agreement is adoptable by other competitors and other carriers may MFN into this agreement and attempt to prosecute CenturyTel for not complying with the terms as interpreted at face value.

Q. WHAT LANGUAGE HAS CENTURYTEL PROPOSED TO ADDRESS THIS ISSUE?

A. Consistent with industry standards and applicable law, as well as addressing the transit traffic concern outlined above, CenturyTel has proposed the following language:

> 16.2 Each Party will transmit call detail information to the other for each call being terminated on the other's network, including calls that transit to the other from third party carriers, in compliance with the provisions of the Missouri Enhanced Records Exchange Rule; 4 CSR 240, Chapter 29, except that the obligation regarding transiting traffic is limited only to the unaltered transmission of call detail information as provided by the call originator. For traffic that is not covered by that rule, each Party will include in the information transmitted to the other for each call being terminated on the other's network (where technically available to the transmitting party), the originating Calling Party Number (CPN). For all traffic originated on a Party's network including, without limitation, Switched Access Traffic, and wireless traffic, such Party shall provide CPN as defined in 47 C.F.R. § 64.1600(c) ("CPN"). Each Party to this Agreement will be responsible for passing on any CPN it receives from a third party for traffic delivered to the other Party. In addition, each Party agrees that it shall not strip, alter, modify, add, delete, change, or incorrectly assign any CPN. If either party identifies improper, incorrect, or fraudulent use of local exchange services (including, but not limited to PRI, ISDN and/or Smart Trunks), or identifies stripped, altered, modified, added, deleted, changed, and/or incorrectly assigned CPN, the Parties agree to cooperate with one another to investigate and take corrective action.

This proposed language addresses the overarching concern with passing CPN, is consistent with applicable law, and does not obligate the parties to pass call information in circumstances in which the originating carrier did not pass such information. Further, as far as I understand it, CenturyTel and Socket have also agreed to compliance with the

Enhanced Records Exchange Rule where it applies and CenturyTel agrees to Socket's text where the Enhanced Records Exchange Rule does not apply.

Q. SHOULD THE COMMISSION RULE ON THIS ISSUE?

A. Rejecting Socket's overly broad contract language that does not adequately address the parties' concerns, the Commission should adopt CenturyTel's proposed language set forth above.

ISSUE 29- Should Century Tel's proposed routing point limitations be included in the ICA

Q. WHAT IS A ROUTING POINT?

A. A Routing Point is an identified carrier destination that is used by the originating carrier to route calls to a specified NPA-NXX that belongs to the terminating carrier. A Routing Point is typically the terminating carrier's switch location but may be a carrier local POP where the actual switch is in a distant location. In addition, the Routing Point is used to calculate airline mileage for the distance-sensitive transport element charges of Switched Access Services

Q. WHAT IS THE HEART OF THE DISPUTE REGARDING ROUTING POINT DESIGNATION?

A. The parties' dispute primarily concerns what limitations, if any, are appropriate in designating routing points for intercarrier compensation purposes. Whereas Socket proposes broad language that provides no limit on its ability to designate routing points, CenturyTel proposes contract language designed to satisfy critical policy and operational concerns by geographically limiting where routing points may be designated.

Q. WHAT LANGUAGE DOES CENTURYTEL PROPOSE?

A. In an effort to permit Socket to reasonably designate routing points while maintaining certain necessary limitations on location, CenturyTel proposes the following language (Socket agrees to the first sentence):

16.6 Routing Points

Socket will also designate a Routing Point for each assigned NXX code. Socket may designate one location within each Rate Center as a Routing Point for the NPA/NXX associated with that Rate Center; alternatively, Socket may designate a single location within one Rate Center to serve as the Routing Point for all the NPA/NXXs associated with that Rate Center and with one or more other Rate Centers served by Socket within an existing CenturyTel Local Calling Area and LATA.

Q. WHY DOES SOCKET OPPOSE THIS LANGUAGE?

A. As best I can tell from the Joint DPL, the only basis for Socket's opposition is that CenturyTel's language limits Socket's options for designating routing points. But Socket never explains why it should be entitled to carte blanche decision-making as to the location of routing points and why any limitation at all is inappropriate. Moreover, Socket never takes issue with the specific limitation CenturyTel proposes; instead, Socket appears to oppose including any limitation whatsoever.

Q. WHY IS SOCKET'S LANGUAGE PROBLEMATIC?

A. With Socket's language, there is absolutely no limitation on where Socket may designate the routing point. Socket could, for example, designate a routing point at the North Pole if it so chooses. Were it to do so, Socket's proposed language sanctions such an absurd selection and does not afford CenturyTel an opportunity to dispute or otherwise challenge

Socket's selection. Nor would CenturyTel have any recourse for cost recovery purposes. If Socket's switch was actually located at the North Pole, then admittedly the North Pole would properly be the routing point. But where Socket's switch is not actually located at that point and where the routing point is artificially selected on an unreasonable basis, significant problems arise.

Q. WHAT DO YOU MEAN?

A. Consistent with my explanation of what a routing point is above, the parties have agreed in Article II that "[t]he Routing Point is used to calculate airline mileage for the distance-sensitive transport element charges of Switched Access Services." In other words, the cost of the facilities from the routing point to the Point of Interconnection. This definition could affect who pays for the facilities to the Routing Point if the Routing Point is designated as the POI. Socket's language would be less troublesome if it was revised to state that each party is responsible for providing facilities from their designated Routing Point to the POI. Additionally, the language regarding the POI should state that a POI must be established within the boundaries of CenturyTel's local exchange, typically the switch, when traffic exceeds the DS-1 threshold. If these terms are provided for in the agreement, then the routing point designation is no longer a problem.

Q. ARE YOU ALSO ADDRESSING THE POI ISSUE?

A. No, I am not. CenturyTel witness Cal Simshaw is providing testimony addressing the parties' disputes on the POI issue.

Q. HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?

A. Because Socket's proposal is unduly problematic and may improperly shift substantial costs on CenturyTel that should otherwise reasonably be attributed to Socket, the Commission should reject Socket's proposed language. Instead, the Commission should

adopt CenturyTel's proposal, which merely provides reasonable geographic limitations on Socket's ability to designate routing points for intercarrier compensation purposes.

ISSUE 31- Should Socket's proposed language regarding the exchange of enhanced/information services traffic be included in the agreement?

Q. WHAT IS THE NATURE OF THE PARTIES' DISPUTE HERE?

A. Because the FCC has not yet determined the appropriate treatment of VOIP traffic for intercarrier compensation purposes and because Socket's proposed contract language is problematic, CenturyTel opposes Socket's proposed section 17.0, addressing so-called "enhanced/information services traffic."

Q. SHOULD THE PARTIES' INTERCONNECTION AGREEMENT INCLUDE SOCKET'S PROPOSED LANGUAGE REGARDING THE EXCHANGE OF ENHANCED/INFORMATION SERVICES TRAFFIC?

A. Absolutely not. The parties' interconnection agreement should not purport to define enhanced/information services traffic, should not provide intercarrier compensation treatment that may contravene federal law, and in any event should not include the language Socket proposes. First, unlike Socket, CenturyTel does not propose language addressing exchange and compensation of enhanced/information services traffic because 251/252 interconnection agreements are meant for the exchange of local telecommunications traffic. Socket's proposal would have non-local traffic exchanged over the same facilities as local traffic, giving rise to concerns about possible phantom traffic and access charge avoidance. Second, Socket's proposed language is also full of ambiguity. It is not at all clear, for example, what it means for carriers to "exchange" information or enhanced services traffic, nor is it clear what rate applies. Third, the proposed language expressly vests Socket with unilateral authority to decide the mechanism by which the so-called "Percent Enhanced Usage" factor would be

determined, impacting whatever compensation regime applies to exchanged traffic subject to the provision. Fourth, Socket's proposed language improperly exempts traffic from access charges that may otherwise apply. The very last sentence of its language, for example, specifically provides that the compensation regime Socket is unilaterally creating applies "regardless of the locations of the calling and called parties, and regardless of the originating and terminating NPA/NXXs." In other words, the provision creates substantial arbitrage opportunities allowing carriers to completely circumvent applicable access charges by creative re-characterization of traffic.

Finally, Socket's proposed contract language is improper because Socket is attempting to improperly anticipate or eliminate the terms of future regulation in its favor. The FCC has preempted the VOIP issue and is still deciding under what circumstances VOIP traffic is considered telecommunications and when it is subject to access charges vs. recip comp vs. some other treatment. This not an issue to be unilaterally decided by Socket. Because of pending FCC proceedings addressing this critical issue, it is premature to include VOIP terms in the parties' interconnection agreement. The parties should instead wait until the FCC issues its VOIP regulations and then, if required, incorporate them into the agreement as a change of law.

Q. HOW SHOULD THE COMMISSION RESOLVE ISSUE 31?

A. The Commission should reject Socket's proposed language, which would create serious, far-reaching problems and erect new arbitrage opportunities allowing carriers to, among other things, avoid otherwise applicable access charges. Socket's effort in that regard cannot succeed.

IV. Article XIII Disputed Issues

Q. WITH RESPECT TO THE PARTIES' DISPUTES IN ARTICLE XIII: OSS, ARE YOU ADDRESSING ALL ASPECTS OF ALL ISSUES THAT REMAIN IN DISPUTE BETWEEN THE PARTIES?

A. No, I am not. CenturyTel witnesses Maxine Moreau and Carla Wilkes are providing detailed testimony discussing the parties' specific disputes relating to Socket's OSS demands and explaining CenturyTel's proposals in that respect. While they speak to specific disputed issues, I am generally addressing the appropriateness of requiring CenturyTel to provide an electronic OSS similar to that provided by AT&T-Missouri, and the implementation of any OSS to be developed and deployed as a result of this proceeding.

Q. DO YOU HAVE ANY OSS-RELATED BACKGROUND THAT WOULD ALLOW YOU TO TESTIFY ABOUT THE PROVISION OF OSS TO SOCKET AND, MORE SPECIFICALLY, OSS IMPLEMENTATION?

A. Yes. As I mentioned before, I was employed by AT&T's predecessor company, Southwestern Bell Corporation from 1978 until 1995. In the early 1990s, SBC assigned me to be the company representative to the newly created industry forum for the development of electronic OSS for access by external carriers, including primarily IXCs at that time.

Q. WHAT WAS THIS FORUM AND WHEN WAS IT FORMED?

A. The name of the forum was the Electronic Communications Implementation Committee (ECIC). I believe that ECIC began its initial meetings sometime in 1992 and the forum became official and was officially named in the summer of 1993. Thereafter, the ECIC worked under the umbrella of the Alliance for Telecommunications Industry Solutions (ATIS), which is a U.S.-based organization committed to rapidly developing and promoting technical and operations standards for the communications and related information technologies industry worldwide.

Q. IS THE ECIC STILL A STANDING ATIS COMMITTEE?

A. Apparently not. In preparation for this testimony, I accessed the ATIS website. ECIC is no longer listed and is therefore apparently no longer an available resource to CenturyTel in developing and implementing OSS solutions. Among other things, the Commission should keep this in mind as it evaluates potential implementation requirements and timeframes.

Q. WHAT WAS THE PURPOSE OF THE ECIC?

A. The ECIC was created to negotiate industry consensus for the implementation of interfaces that would provide a level of interoperability between various telecommunications carriers' systems and to resolve implementation and operation issues that might subsequently arise. ECIC was instrumental in fostering the development of electronic OSS and in promoting its implementation among the major carriers.

Q. WHO PARTICIPATED ON THE ECIC?

A. The member companies were only the major regional or national carriers. These companies were the RBOCs, AT&T, MCI and the largest independents such as GTE and Sprint.

Q. DID CENTURYTEL OR ANY OTHER RURAL COMPANY PARTICIPATE?

A. No. Participation was only by the major carriers who possessed very sophisticated systems, available breadth of resources and the large order volumes to permit economies of scale and justification for the high costs involved in developing and implementing the electronic OSS under consideration.

Q. HOW WAS THE ECIC ORGANIZED?

A. The ECIC had nine subcommittees addressing various aspects of then-current and future electronic OSS implementations. The subcommittees were:

* Trouble Administration

* Primary Interexchange Carrier (PIC)/Customer Account Record Exchange (CARE)

* Security

* Connectivity

* Testing

* Data Reconciliation

* Change Management

* Steering Committee

* Electronic Access Ordering (EAO)

Q. WHAT WAS THE FUNCTION OF THE SUBCOMMITTEES?

A. The subcommittees were groups of subject matter experts whose job was to resolve the numerous issues that were identified or otherwise arose during the implementation of electronic OSS. The subcommittees were to arrive at industry wide consensus on the issues under their respective bailiwicks.

Q. ON WHICH SUBCOMMITTEE OR SUBCOMMITTEES DID YOU SERVE?

A. I was on the Steering Committee. At the time, I held a marketing job with SBC. In fact, I was the only marketing person in the ECIC- all other committee members were from their respective companies' technical systems departments.

Q. DID YOU PLAY AN ACTIVE ROLE IN THE DEVELOPMENT OF ELECTRONIC OSS SYSTEMS?

A. No, I did not have the necessary knowledge and expertise to provide technical guidance or advice on the specific standards and details involved with the electronic OSS solutions and issues under discussion.

Q. BUT YOU WERE A MEMBER OF THE IMPORTANT SUBCOMMITTEE THAT GUIDED THE OVERALL COMMITTEE'S EFFORT?

A. Yes, I was. In fact, the other committee members proposed me for the ECIC chair due to my ability to successfully negotiate consensus. SBC did not let me accept that position, however, since it would have required too much travel away from my regular duties.

A. Lack of Key Implementation Documents.

Q. DID ECIC PRODUCE DOCUMENTS AS THE SUBCOMMITTEES MET TO DISCUSS OSS ISSUES AND SOLUTIONS?

A. Yes.

Q. PLEASE DESCRIBE THE TYPE OF DOCUMENTS ECIC AND ITS SUBCOMMITTEES CREATED.

A. Certainly. The ultimate function of the ECIC was to produce technical "how to" documents that could be used to implement standardized electronic ordering, PIC/CARE and trouble reporting capabilities between carriers. Included in this documentation would be connectivity, security and testing standards and documentation on how to handle Data Reconciliation and Change Management.

Q. ARE ANY OF THOSE ECIC DOCUMENTS AVAILABLE TO CENTURYTEL?

A. Some documentation may be available for reference, but it does not appear that all critical documentation necessary to CenturyTel would be available to CenturyTel through ECIC. The ATIS website identifies a handful of archival documents for sale at prices ranging from $20 to $280 per document. I am not a systems expert, but it did not seem that the available documents covered all of the issues and requirements for implementing an electronic OSS.

Q. WHAT ISSUES AND REQUIREMENTS DID YOU NOTICE WERE MISSING FROM THE AVAILABLE DOCUMENTATION?

A. The documents that I did find included:

- Generic Interface Implementation Guidelines for Electronic Access Ordering (EAO),
- Interface model For Operations, Administration, Maintenance, and Provisioning (OAM&P),
- Interface requirements for the electronic exchange of PIC/CARE information,
- Technical specifications for the development, architecture, design, structure, and process flow of the Interactive Agent,
- A recommendation for the use of TCP/IP as a generic transport standard,
- The use of the TMN X-interface communicate information between telecommunication carriers,
- A recommendation for implementing security requirements between carrier Gateways, and
- The first in a series of interface requirements between OSS across jurisdictional boundaries.

Reviewing the above listings and considering the expected output from the subcommittees and CenturyTel's needs going forward, it appears that the following documentation may be missing-

- All documentation from the Data Reconciliation subcommittee,
- All documentation from the Change Management subcommittee,
- Implementation and testing documentation on trouble reporting,
- Implementation and testing documentation on PIC/CARE,
- Additional documentation on jurisdictional interface requirements,
- Additional documentation on connectivity, and
- Documentation on compartmentalizing data for security purposes.

Q. IS IT POSSIBLE THAT SUCH DOCUMENTATION DOES NOT EXIST?

A. Since I have not participated in the ECIC since 1995, I cannot speak with authority on what was actual produced since that time, only what the Steering Committee expected to be produced. Since some major national carriers do have electronic OSS systems in

place, however, logic tells me that the identified issues have been resolved and that documentation should exist.

Q. FOR CENTURYTEL TO DEVELOP AND IMPLEMENT ELECTRONIC OSS OF THE TYPE SOCKET DEMANDS IN THIS PROCEEDING, WHAT DOCUMENTS WOULD BE NECESSARY?

A. I am not a subject matter expert in OSS systems development so I cannot provide a complete and definitive list of required documents but at a minimum, I believe the starting point would be that CenturyTel would need to purchase the listed ATIS documents and also locate all of the industry-developed standards, implementation, testing and security documentation that appears to be missing from the ATIS website.

Q. ARE DOCUMENTS OF THAT TYPE AVAILABLE TO CENTURYTEL FROM ECIC OR ATIS?

A. It does not appear so.

Q. WHY DO YOU THINK THAT ALL NECESSARY DOCUMENTATION MAY NO LONGER BE AVAILABLE?

A. It appears that once the major participating carriers developed and implemented their solutions and had no further need for some of the original implementation documentation, similar to my old User Guides for the Microsoft DOS versions, they were no longer maintained or updated. There would obviously have been required ongoing OSS upgrades, of course, but that is 'business as usual" once the core system is deployed. All of the documentation likely exists somewhere, but it is not listed as available on the ATIS website and may not be available to CenturyTel to facilitate its development and implementation of new OSS of the sort Socket demands. Even if it is available, I am not sure that CenturyTel would be able to use the documentation to successfully implement electronic OSS.

Q. WHY DO YOU SAY THAT?

A. Remember that the ECIC members were all major national carriers who had the financial resources and demand volumes to justify very sophisticated OSS systems. Even without the electronic capabilities, the systems that I remember being used at SBC were far more sophisticated than CenturyTel's current systems. If the ECIC documentation only pertains to the implementation of electronic capabilities in sophisticated systems, then it will be less useful to CenturyTel since CenturyTel does not have the financial resources or the demand volumes to justify complete systems replacement to achieve parity with the RBOCs.

B. OSS Implementation Requires Industry Consistency.

Q. WHEN A COMPANY DEVELOPS AND IMPLEMENTS OSS, SHOULD IT DO SO ON A CARRIER-BY-CARRIER OR INDUSTRY WIDE BASIS?

A. Based on my ECIC experience, I would say OSS development and implementation should be industry-based rather than ad hoc based on specific carriers' unique demands. Indeed, ECIC addressed issues that convince me that ad hoc development would be inappropriate and problematic.

Q. CAN YOU TELL US A LITTLE ABOUT SOME OF THE ISSUES ECIC FACED THAT NEEDED RESOLUTION?

A. Yes, I can. The first hurdle was standards interpretation. Numerous interpretation issues arise when attempting to implement standards applying to multiple carriers in the industry. Many of these issues may not be discovered until after implementation is well underway. For this reason, the industry recognized the need to establish a forum to discuss, clarify and resolve the different interpretations of standards as well as to provide additional guidance to the industry when appropriate. The ECIC was formed to address and resolve such ambiguities.

Q. CAN YOU GIVE US AN EXAMPLE OF A STANDARDS INTERPRETATION ISSUE?

A. Yes. One example of a standards interpretation issue that ECIC wrestled with was the implementation of ANSI T1.227/228 for an electronic trouble administration application. Areas existed within the standards where the language could be interpreted differently by users based on their business practices, legacy OSSs, and gateway processing functionality. The ECIC found that not all corporate business practices could be incorporated in a generic object model intended for use across the whole industry. Ad hoc subcommittees were sometimes created within ECIC for the express purpose of interpreting ambiguous standards and reaching agreement on common functionality.

Q. WERE THERE ANY OTHER MAJOR ISSUES THAT ECIC ADDRESSED?

A. Yes. The security of customer and carrier data, specifically access control and authentication, was another area that required agreement between the implementing companies and additions to the standard to provide the needed functionality. The issues that ECIC had to address included the form of encryption to be used and the method of transmission for encrypted data between companies. These issues could be defined by establishing one or more standards but they could not be implemented on a practical basis without agreement on specifics, such as optional procedures or elements between the companies.

Other major issues included error handling and fault recovery. Defining a common set of error-handling procedures, for example, that could cover all expected protocol errors and that was acceptable to all companies was a major challenge within the ECIC.

The situation for fault recovery was even more challenging. No appropriate methodology existed that would allow the exchange of information over the standard interface with respect to anticipated outages and restoration of the various trouble administration subsystems. Fault recovery also involved data synchronization issues. It was imperative that system or connectivity failures ultimately resulted in synchronized data values upon restoration.

Q. THESE SOUND LIKE VERY COMPLICATED ISSUES. HOW DID THE ECIC ENSURE THAT THE ISSUES WERE RESOLVED OPERATIONALLY?

A. At the time I left the forum in mid-1995, I know that one of the means by which ECIC attempted to resolve these matters operationally was a uniform testing methodology to ensure interoperability across jurisdictions of different companies. The member companies possessed different policies, procedures, development methodologies and business strategies. We believed that many testing issues could not even be clearly identified until implementation was in progress. This unfortunately resulted in expenditure of even more time, money, and resources.

Q. HOW DOES YOUR KNOWLEDGE OF THE ECIC WORK PERTAIN TO CENTURYTEL'S OSS SITUATION?

A. The ECIC found that existing legacy systems limit the flexibility of a company to implement electronic OSS for an application without major modifications to systems and to existing methods and procedures. User training and user interaction with the systems also need to fit within the national OSS standards framework. Without the ECIC work, each pair of "intercommunicating" companies would have had to hammer out an agreement on how to actually implement the standards. This would have led to an extremely complicated maze of company-specific interfaces, each differing in greater or lesser degree from the others.

Q. SO FOR ANY POTENTIAL OSS TO BE TRULY USEFUL, CENTURYTEL WOULD NEED TO ENSURE THAT ITS OSS CONFORMS TO ECIC STANDARDS, WHATEVER THOSE MAY BE, AND NOT JUST THE CAPABILITIES REQUESTED BY SOCKET?

A. That is correct.

Q. SHOULD CENTURYTEL DEVELOP AND IMPLEMENT AN ELECTRONIC OSS DESIGNED SOLELY TO MEET SOCKET'S DEMANDS WITHOUT BEING CONSISTENT WITH BROADER INDUSTRY STANDARDS, PROCEDURES, AND OBJECTIVES?

A. No. Doing so, if possible, would increase overall costs in the long run, likely lead to errors or problems on implementation, and exacerbate potential problems upon interface with other carriers.

Q. BUT CENTURYTEL WOULD BE ABLE TO OBTAIN THE INDUSTRY STANDARDS FOR USE IN SUCH AN EFFORT?

A. Presumably yes but that is not the major issue. As I previously testified, the carriers participating in ECIC had very sophisticated systems, available breadth of resources and the large order volumes to permit economies of scale and to justify the high costs of development and implementation. Further, even those carriers had the legacy system problems that I noted in my previous testimony. Even with the standards available to it, CenturyTel would not find implementing an electronic OSS system an easy process; especially since the existing CenturyTel systems are not as sophisticated as the pre-automation RBOC systems.

Q. HOW LONG DID IT TAKE THE ECIC CARRIERS TO IMPLEMENT AN ELECTRONIC OSS?

A. I cannot speak to the specific timeframe for implementation, but I can state that the work began in 1992 and that to my knowledge no ECIC-participating carrier had electronic OSS developed by the time I left in mid-1995.

Q. SO, AT A MINIMUM, IT TOOK SEVERAL YEARS FOR EVEN THE LARGEST OF CARRIERS TO UPGRADE OR CONVERT THEIR LEGACY SYSTEMS TO ELECTRONIC OSS?

A. Yes, I believe that to be so.

Q. AND THESE CARRIERS BEGAN WORKING ON AND IMPLEMENTING OSS WELL BEFORE THE FCC'S 1997 IMPLEMENTATION OF THE 1996 FTA?

A. Yes.

Q. IF CARRIERS BEGAN IMPLEMENTING OSS PRIOR TO THE FTA, WOULD CLECS HAVE HAD TO BEAR ANY OF THE DEVELOPMENT AND IMPLEMENTATION COSTS IN THE FORM OF NON-RECURRING CHARGES FOR ORDERS PLACED VIA THE ELECTRONIC OSS?

A. Very little compared to the total cost in my estimation. The bulk of the OSS work would have been done and paid for by the RBOCs and major IXCs who were exchanging large volumes of orders with each other at that time. I believe that enhancing existing OSS to accommodate CLEC use would have been relatively less costly. I would believe that current CLEC NRCs are primarily based upon ongoing administrative and maintenance costs vs. development and implementation,

Q. BUT IF OSS WERE DEVELOPED AND IMPLEMENTED TODAY, WOULD ALL USERS, INCLUDING CLECS, NEED TO BEAR THE COSTS FOR A SYSTEM DESIGNED FOR THEIR USE?

A. Yes, ILEC cost recovery for work performed on the behalf of CLECs, including developing and implementing OSS, is a component of Federal regulation.

Q. COULD CENTURYTEL IMPLEMENT ELECTRONIC OSS AS DEMANDED BY SOCKET WITHIN 90 DAYS?

A. Absolutely not. Given the time it took for the RBOCs to implement electronic OSS, I don't see any way CenturyTel could implement what Socket is demanding in less that 24-36 months and at a cost in excess of $16M.

V. CenturyTel is Not AT&T

Q. WHY ARE YOU INCLUDING A SEPARATE SECTION OF TESTIMONY EXPLAINING THE OBVIOUS, THAT CENTURYTEL IS NOT AT&T?

A. Based on the large number of Socket contract language proposals that are primarily based on provisions in the AT&T successor ICA to the M2A, as well as Socket's repeated argument that its proposals are based on Commission precedent (*i.e.*, the M2A successor proceeding), it appears necessary to note that CenturyTel is a different company, operating in different areas with a different network and different operations. It is fundamentally inappropriate to simply extend AT&T-oriented obligations to CenturyTel without any showing that those specific obligations are equally applicable to CenturyTel—which Socket never does. In addition to my testimony, Dr. Avera similarly speaks to this fundamental distinction and addresses certain regulatory and economic principles that dictate treating CenturyTel differently from AT&T.

Q. IN WHAT WAYS IS CENTURYTEL DIFFERENT FROM AT&T?

A. Generally, among other things, CenturyTel differs from AT&T in size of the customer base, geographic density of the customer base, size of the employee base, finances, economy of scale, economy of scope, order volumes, systems deployed, level of automation, business strategies and policies, and actual processes and procedures.

Let me provide some examples of the disparity between the two companies. All individual legal entity CenturyTel subsidiary telephone companies combined have approximately 2.3 million access lines. In its 2005 year end report, AT&T states that it has 49 and a half million access lines. AT&T's subscriber base is therefore over 20 times greater than that of CenturyTel.

According to the US Census Bureau, there are at least eight urban areas in AT&T territory that individually have a greater population than the customer base of the

CenturyTel subsidiary companies' territories in all states combined. The largest of the AT&T urban areas by itself actually has five times the population of the total CenturyTel customer base.

To understand how population density affects the size and density of the AT&T and CenturyTel networks, visualize the St. Louis metropolitan area. Now take the population of metro St. Louis- which approximates the combined Century access line base- and spread it out across a territory greater than the states of Missouri, Illinois and Iowa combined. Now take the square mile territory of Missouri, Illinois and Iowa, break it up into county and multi-county sized chunks and spread those out across almost half the states in the continental United States. Now build one network for St. Louis and a different network to serve those lightly populated and widely separated chunks of land that are scattered across the country. Comparing those two networks provides an idea how CenturyTel compares to the smallest of AT&T's eight largest market areas.

Finally, a telling point that must be considered when evaluating the terms of an AT&T agreement is the business model that AT&T pursues and how that is diametrically opposed to CenturyTel's business model. Where CenturyTel does not own any wireless operations, AT&T owns the largest wireless business in the country. In its Yahoo subsidiary, AT&T also owns one of the largest national Internet operations. AT&T is also aggressively pursuing the cable business. Internet and cable operations are natural lead-ins to the provision of VoIP services.

Published comments by AT&T management and positions taken in AT&T regulatory filings all show that AT&T considers its landline telephone business to be a diminishing source of revenue with its primary business growth objectives focused in its

wireless, VoIP, Internet and cable operations. CenturyTel, on the other hand, considers its telephone operations to be its primary business and any affiliated lines of business are used in a supporting role.

With a fundamentally different business model critically focusing on different business plans, AT&T may be willing to accept terms that are less desirable to its traditional wireline telephone business if it can use those same terms to further its more important business objectives. The Commission, therefore, should look with a great deal of skepticism on AT&T agreement terms that are not a valid model to use for deciding agreement terms with independent telephone companies like CenturyTel.

Q. WHAT SHOULD THE COMMISSION DO WITH THIS INFORMATION?

A. As it approaches the disputed issues in this proceeding, the Commission should critically scrutinize Socket's AT&T-based proposals and reliance on the M2A successor proceeding as precedent, exercising due skepticism as to the applicability of those obligations to CenturyTel. While some AT&T obligations may appropriately apply to CenturyTel (e.g., general parity obligation, duty to provide certain UNEs), many will not (e.g., AT&T's OSS and Performance Measurements obligations, AT&T's underlying costs and TELRIC rates, etc.). The Commission should keep this in mind as it evaluates the parties' arguments.

VI. Article XII Disputed Issue – Number Portability

ISSUE NO. 2: Should the ica clearly specify that the parties are required to permit telephone numbers associated with remote call forwarding to be ported only when the number being forwarded is located in the same rate center?

Q. WHAT ISSUE(S) ARE IN DISPUTE BETWEEN THE PARTIES IN ARTICLE XII?

A. There is only one issue of dispute between the Parties in Article XII. That issue, Issue No. 2, relates to the number portability of Remote Call Forwarded telephone numbers.

Q. WHAT IS NUMBER PORTABILITY?

A. Number portability is the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another. In other words, when an end user switches from Socket to CenturyTel, that end user can retain its existing number and related local calling scope.

Q. WHAT IS REMOTE CALL FORWARDING?

A. With Remote Call Forwarding, the end user has no actual telephone or telephone equipment associated with the telephone number assigned to the end user. Rather, any call to the number terminates in the CenturyTel switch to which the number is assigned and then CenturyTel automatically forwards the call to the telephone number associated with a distant end user location specified by the customer. Like FX or VNXX, RCF is typically used by businesses that want to provide a local number for consumers to call without actually having a physical presence in the local area. With RCF, the customer pays for the local service, the RCF feature and for any applicable toll on all calls to the RCF'd number.

Q. WHAT IS THE BASIS OF THE PARTIES' DISPUTE IN ISSUE NO. 2?

A. Socket demands that CenturyTel port Remote Call Forwarded (RCF'd) numbers upon request. RCF customers are not usually local customers but rather customers whose physical location is somewhere outside of the local serving area and could be anywhere in the country. In effect, Socket demands that CenturyTel provide location portability– the porting of an existing number to a location outside the local serving area. Socket

further has stated that there is no technical reason why this cannot be done and also incorrectly states that there is no legal or policy reason why it should not be required.

Socket's demands are unreasonable; current local number portability regulations must be followed, which means the porting customer must remain at the same location and that location must be within the same local calling area.

Q. WHAT REQUIREMENT DOES CENTURYTEL PROPOSE TO INCORPORATE INTO THE ICA AS IT RELATES TO RCF.

A. CenturyTel offers to port RCF'd numbers so long as the number is forwarded to another number located in the same rate center—e.g., another local number or within the same "serving location." CenturyTel's proposed language in Article XII, Sec. 6.2.3 is as follows:

> Each Party shall permit telephone numbers associated with Remote Call Forwarding to be ported if the number if being forwarded to another number located in the same rate center.

Q. IS CENTURYTEL'S POSITION CONSISTENT WITH APPLICABLE LAW AND WITH PRONOUNCEMENTS BY THE FCC?

A. Yes, it is. I assume Socket will point out CenturyTel's duty under 47 U.S.C. § 251(b) (2) "to provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the Commission." However, that duty has been specifically clarified by the FCC. As an initial matter, the current number portability obligation specifically excludes attempts to change the serving location of the customer or to port numbers outside of the current local calling area. Contrary to Socket's assumption in its proposed language, the service must continue *at the same location and that location must be in the same local calling area.* In the FCC's 4th Report and Order, for example, the FCC concluded that existing landline customers may port their numbers to wireless

carriers that serve the same physical location provided that the ported numbers remain rated to the original local calling area.

Local number portability is not designed to allow consumers, including business consumers, to move a number geographically or to move to a different physical location and keep the same local telephone number. In Section 153(30) of the FTA, the definition of "number portability" clearly specifies that number portability applies to "the ability of users of telecommunications services to retain, *at the same location*, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another" (emphasis added).

Under Socket's proposal here, the RCF'd number would appear local, but it is not. The RCF'd number is a number in CenturyTel's switch and all calls to that number are being forwarded, typically via toll, to the actual customer location that is not located in CenturyTel's service area. As I previously stated, the ability of a consumer to keep a local number when moving to a new location or when moved out of the local calling area is called "location portability." To that end, the FCC stated in paragraph 182 of its First Report and Order that "[it] believe[s] ... that requiring service or location portability now would not be in the public interest" and that "the disadvantages of mandating location portability outweigh the benefits." In paragraph 181 of that same Order, the FCC further stated: "We decline at this time to require LECs to provide either service or location portability. ...The 1996 Act's requirement to provide number portability is limited to situations when users remain 'at the same location,' and 'switch from one telecommunications carrier to another,' and thus does not include service and location

portability." Thus, Socket's attempt to require CenturyTel to provide location portability via porting RCF'd numbers is inconsistent with the requirements of the FTA.

In summary, CenturyTel's position on this issue is consistent with federal law and FCC prouncements, while Socket's position is not.

Q. COULDN'T SOCKET ARGUE THAT THE CUSTOMER IS NOT CHANGING LOCATION BECAUSE CENTURYTEL IS RCF'ING THE NUMBER TO THE SAME PHYSICAL LOCATION THAT SOCKET WILL BE PROVIDING SERVICE?

A. That is a very misleading way to characterize the issue. As I stated above, with RCF, the actual location of the number for call termination is the CenturyTel switch, not any physical address where the customer is located. So, to be consistent with the FCC's requirements, CenturyTel should only port the number if it remains at the CenturyTel switch after the port. It is not technically feasible for Socket to port a number and have it remain at the CenturyTel switch.

Q. CAN YOU EXPLAIN WHY IT IS NOT TECHNICALLY FEASIBLE?

A. All numbers reside in the translations within local switches. Any specific number resides in the switch that is owned by the carrier that actually provides service to the end user. With normal local service, not RCF'd service, the switch routes all calls via the local network to the end user location associated with the number. When a number is ported, it is removed from the translations of original switch and installed in the translations of the switch that is owned by the porting carrier. The originating carrier then routes calls to the porting carrier's switch after dipping a database for the Location Routing Number assigned to the ported number by the porting carrier. As I previously testified, the legal end user physical location for a RCF'd number is the original switch. Therefore, in order to comply with current regulation, a ported RCF'd number would actually be routed right

back to the original switch for termination, Since the number has been removed from the translations in the original switch, completing calls to the original switch is not technically possible.

Q. IF SOCKET'S PROPOSED LANGUAGE IS ACCEPTED, WILL IT PLACE AN UNREASONABLE BURDEN ON CENTURYTEL?

A. Yes. Under Socket's proposal, CenturyTel would be required to incur the additional and unrecoverable cost of transporting local calls to the ported number to the RCF customer's location outside the call area served by CenturyTel's switch. The porting of these numbers to a customer physically located in another rate center would improperly shift the burden of additional costs to CenturyTel. Under Socket's proposal, local end users would call what they believe is a local number, and CenturyTel would be expected to carry that call as if it were local, ignoring the additional transport costs associated with out-of-area call termination. If the ported customer happens to be an ISP—and it is my understanding that many of Socket's customers are ISPs—then the transportation costs to CenturyTel would be excessive. As I previously testified, CenturyTel did an estimate of transporting a CLEC's ISP-bound traffic to a single point of connection per LATA in another state. For that one ISP CLEC, the estimate was almost a half million dollar per year per LATA in transiting charges.

Q. HOW WOULD YOU RESPOND TO SOCKET'S ALLEGATION THAT OTHER ILECS IN MISSOURI PERMIT THE PORTING OF RCF NUMBERS?

A. The fact that other ILECs may voluntarily agree to port RCF'd numbers does not make that agreement an obligation for CenturyTel. This Commission should not make it an obligation either given that there are no industry standards and processes to accommodate location porting.

Q. FROM A PUBLIC INTEREST AND/OR POLICY PERSPECTIVE, ARE THERE OTHER REASONS WHY THE COMMISSION SHOULD NOT REQUIRE CENTURYTEL TO PORT RCF NUMBERS?

A. Yes. In its First Report and Order, the FCC concluded "that requiring service or location portability now would not be in the public interest." (¶ 182). The FCC went on to identify the "many problems" posed by implementing location portability, problems that would be imposed upon CenturyTel if the Commission adopts Socket's position. Most of the parties responding to the FCC's NPRM on LNP agreed that implementation of location portability poses many problems. In the Order (¶ 176), the FCC lists these problems as:

(1) loss of geographic identity of one's telephone number;

(2) lack of industry consensus as to the proper geographic scope of location portability;

(3) substantial modification of billing systems and the consumer confusion regarding charges for calls;

(4) loss of the ability to use 7-digit dialing schemes;

(5) the need to restructure directory assistance and operator services;

(6) coordination of number assignments for both customer and network identification;

(7) network and switching modifications to handle a two-tiered numbering system;

(8) development and implementation of systems to replace 1+ as toll identification; and

(9) possible adverse impact on E911 services.

Q. CAN YOU BRIEFLY FURTHER DEFINE THE FCC'S LIST OF PROBLEMS?

A. In the Order (¶ 184), the FCC clarifies in its own words that its "chief concern is that users currently associate area codes with geographic areas and assume that the charges they incur will be in accordance with the calling rates to that area. Location portability would create consumer confusion and result in consumers inadvertently making, and being billed for, toll calls. Consumers would be forced to dial ten, rather than seven, digits to place local calls to locations beyond existing rate centers. In order to avoid this customer confusion, carriers, and ultimately consumers, would incur the additional costs of modifying carriers' billing systems, replacing 1+ as a toll indicator, and increasing the burden on directory, operator, and emergency services to accommodate 10-digit dialing and the loss of geographic identity. "

Continuing on (¶ 185), the FCC states "In addition to the disadvantages, the demand for location portability is currently unclear. There is no consensus on the preferred geographic scope of location portability. Also, users who strongly desire location portability can use non-geographic numbers by subscribing to a 500 or toll free number. Finally, whereas having to change numbers deters users from switching service providers, we believe that a customer's decision to move to a new residential or business location generally would not be influenced significantly by the availability of number portability. Therefore, location portability will not foster the development of competition to the same extent as service provider portability."

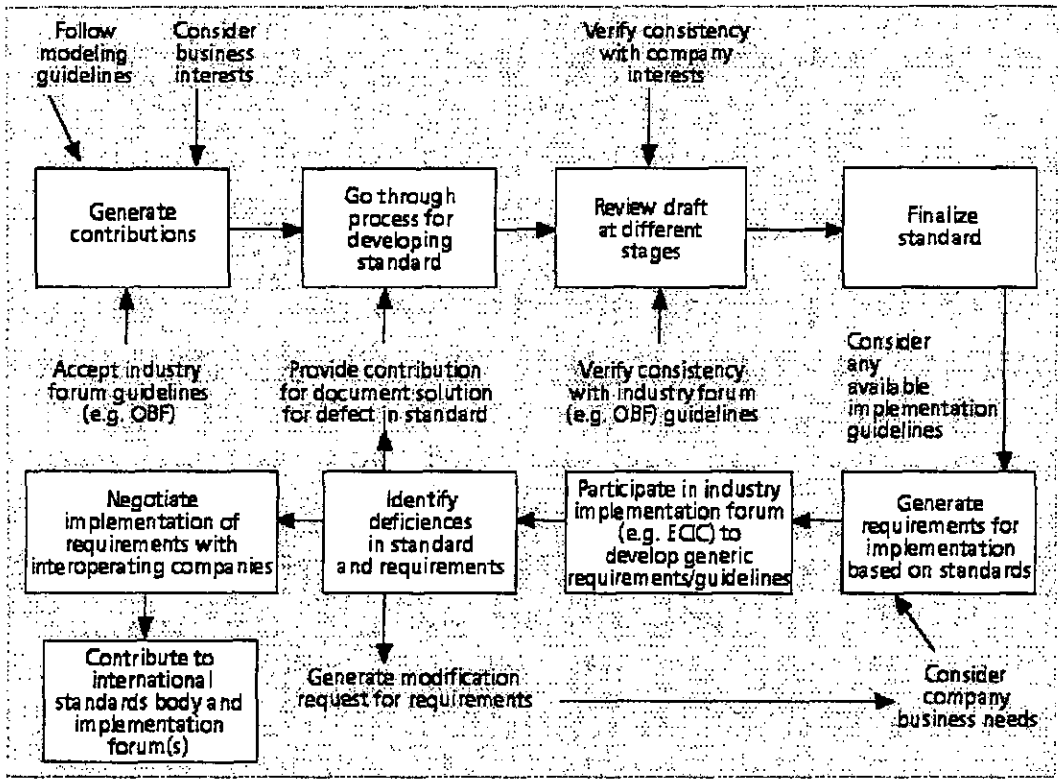
Q. ARE THESE LOCATION PORTABILITY ISSUES ITEMS THAT ARE APPROPRIATE FOR AN INTERCONNECTION AGREEMENT TO ADDRESS?

A. No. Some are issues for the FCC to address in rule making proceedings, while others are issues that need resolution through an industry standards process. It would be premature and inappropriate for these issues to be decided by carriers and addressed in an

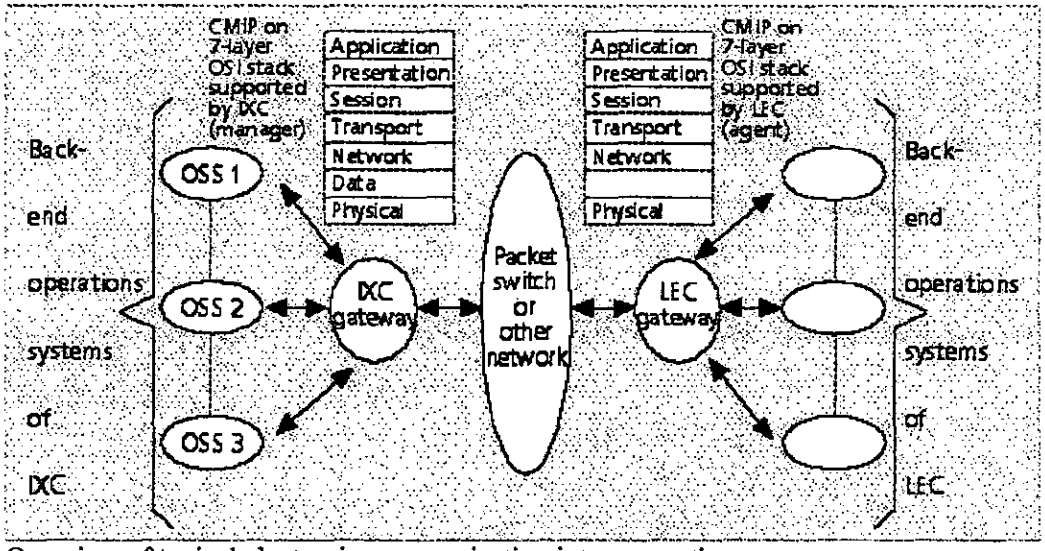
interconnection agreement, particularly since the FCC has stated that an ILEC's number portability obligations to do not require it to provide location portability, which is precisely what Socket's proposal would require.

Q. BEFORE CONCLUDING YOUR TESTIMONY, DO YOU HAVE ANY FINAL STATEMENTS OF A GENERAL NATURE REGARDING THE TERMS OF THIS INTERCONNECTION AGREEMENT?

A. Yes, I do. As I have related several times throughout my testimony, one of CenturyTel's overriding concerns is the ability of other CLECs to MFN into this agreement. To that end, any statement that Socket makes in its testimony to the effect that it does not interpret the language in a manner harmful to CenturyTel or it would not take advantage of CenturyTel in the way CenturyTel presents is irrelevant. However Socket may interpret language or whatever Socket may state on its own behalf is obviously not binding on any other MFN'ing CLEC. This Commission must take the agreement language at face value and consider the different contexts in which that language may be interpreted and used. This is exactly what I have done in my testimony.



Process flow for standards development



Overview of typical electronic communication interconnection

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Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.