Exhibit No. _____
Issue: _____
Witness: Steven E. Turner
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Sponsoring Party: Socket Telecom, LLC
Case No. TO-2006-0299
Date: March 24, 2006

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

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

(REVISED)
REDACTED DIRECT TESTIMONY OF

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I. BACKGROUND AND EDUCATION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Steven E. Turner. My business address is Kaleo Consulting, 2031 Gold Leaf Parkway, Canton, Georgia 30114.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I own and direct my own telecommunications and financial consulting firm, Kaleo Consulting.

Q. PLEASE DESCRIBE YOUR EDUCATION BACKGROUND.

A. I hold a Bachelor of Science degree in Electrical Engineering from Auburn University in Auburn, Alabama. I also hold a Masters of Business Administration in Finance from Georgia State University in Atlanta, Georgia.

Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.

A. From 1986 through 1987, I was a Research Engineer for General Electric in its Advanced Technologies Department developing high-speed graphics simulators. In 1987, I joined AT&T[1] and, during my career there, held a variety of engineering, operations, and management positions. These positions covered the switching, transport, and signaling disciplines within AT&T. From 1995 until 1997, I worked in the Local Infrastructure and Access Management organization within AT&T. In this organization, I gained familiarity with many of the regulatory issues surrounding AT&T's local market entry, including issues concerning the unbundling of incumbent local exchange company

[1] In this section of my testimony describing my work experience, when I use the name "AT&T", I am referring to the AT&T entity prior to its merger with SBC.

(incumbent) networks. I was on the AT&T team that negotiated with Southwestern Bell Telephone Company concerning unbundled network element definitions and methods of interconnection. A copy of my resume is provided as Schedule SET-1.

Q. HAVE YOU PREVIOUSLY TESTIFIED OR FILED TESTIMONY BEFORE A PUBLIC UTILITY OR PUBLIC SERVICE COMMISSION?

A. I have testified or filed testimony before the commissions in the states of Alabama, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Washington, and Wisconsin. Additionally, I have filed testimony before the Federal Communications Commission ("FCC").

II. PURPOSE AND SUMMARY OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I am testifying on behalf of Socket Telecom, Inc. ("Socket Telecom") regarding several issues in its arbitration with Century Telecom, Inc. ("CenturyTel"). Specifically, my testimony will address the following issues: (1) Performance Measures; (2) DSL; (3) Ordering, Provisioning, and Maintenance OSS; (4) Interconnection; (5) Rates and Charges; and (6) Number Portability. The testimony that I present at this time is Direct Testimony. As such, my testimony will focus on the language and approach used by Socket Telecom to develop its positions as conveyed to CenturyTel. In other words, my testimony will not preemptively rebut CenturyTel regarding its positions on these matters until its testimony in the proceeding has also been filed. The only exception to this will

be when it is necessary to define the scope of the dispute between Socket Telecom and CenturyTel with regards to the exchange of disputed positions through the DPL process.

III. PERFORMANCE MEASURES (ARTICLE XV: DPL ISSUE NO. 1)

Q. WHAT IS THE STATEMENT OF THE DPL ISSUE FOR THIS PARTICULAR CONCERN IN YOUR TESTIMONY?

A. The DPL states the issue as follows:

> Socket Issue:
>
> Should the Agreement contain an Article addressing Performance Measures and Provisioning Intervals issues?
>
> CenturyTel Issue:
>
> What Performance Measures should the Agreement contain?

Q. WHAT POSITION HAS SOCKET TELECOM TAKEN ON THIS ISSUE?

A. Socket Telecom has sought to maintain, at least at a general level, a situation that already exists in the interconnection agreement between Socket Telecom and CenturyTel. Specifically, the current interconnection agreement based on the prior Verizon interconnection agreement with AT&T obligates CenturyTel to adhere to performance metrics that are set forth in that Agreement. In other words, Socket Telecom has simply attempted to retain, in principle, the use of Performance Measures as a means to ensure that the service provided to Socket Telecom is done so in such a way that it is nondiscriminatory towards Socket Telecom.

Q. HAS CENTURYTEL BEEN WILLING TO COMPLY WITH THE EXISTING LANGUAGE IN THE INTERCONNECTION AGREEMENT BASED ON THE VERIZON AGREEMENT?

A. No. To date, CenturyTel has refused to calculate its performance consistent with the requirements of the existing interconnection agreement. Socket Telecom believes that it

is entitled to interconnection that is at least equal in quality to that provided by CenturyTel to itself or any other interconnecting party as well as any other obligations falling within the Federal Telecommunications Act in §251(c). As such, Socket Telecom has simply sought in this arbitrated interconnection agreement to maintain a reasonable level of Performance Measurements so as to ensure that reasonable performance is being provided to Socket Telecom.

Q. CAN YOU BRIEFLY DESCRIBE THE APPROACH THAT YOU HAVE USED WITH REGARDS TO PROSPECTIVE PERFORMANCE MEASURES?

A. Yes. CenturyTel has consistently made the point that it is in no position to monitor its performance with respect to Performance Measurements. Specifically, CenturyTel states, among other things, the following in the CenturyTel Preliminary Position for the DPL: "… Socket proposes PMs that are unnecessary and would impose substantial costs on CenturyTel both in terms of compliance and in establishing monitoring and reporting systems/operations." As such, Socket Telecom has taken the position that, because of the importance of nondiscriminatory access to interconnection, Socket Telecom would take on the responsibility and cost for the tracking of performance with respect to the Performance Measures.

Specifically, Socket Telecom reviewed two key sources for the Performance Measures that Socket Telecom believed would be important: (1) the existing interconnection agreement between Socket Telecom and CenturyTel that is based on the prior interconnection agreement with Verizon; and (2) the Performance Measures attachment that the Commission approved as reasonable and appropriate in Case No. TO-2005-0336 related to the SBC-Missouri interconnection agreements. Socket Telecom did

not take all of these Performance Measures. Instead, Socket Telecom selected those Performance Measures that would be pertinent to interconnection operations with a company such as CenturyTel. Moreover, only those Performance Measures that Socket Telecom believes are most pertinent to its operations as a telecommunications provider in Missouri have been retained. The resulting list of Performance Measures that Socket Telecom proposes contains measures that this Commission should already be familiar with based on its experience with Verizon and SBC, but is limited to just those situations that relate to the companies involved in this interconnection: CenturyTel and Socket Telecom.

Q. YOU INDICATED THAT SOCKET TELECOM'S APPROACH RELIEVES CENTURYTEL OF MANY OF THE COSTS THAT IT COMPLAINS ABOUT. COULD YOU EXPLAIN THE BASIS FOR THIS ASSERTION?

A. Yes. It is my understanding from reviewing the DPL CenturyTel Preliminary Position and discussing the issue with Socket Telecom personnel that CenturyTel has consistently held the position that it does not have the ability to measure performance and provide the types of information that Socket Telecom is seeking. At a fundamental level, this is particularly concerning in that the ability to measure performance is paramount to knowing whether nondiscriminatory treatment is being provided to Socket Telecom. That said, however, Socket Telecom proposes that it be responsible for measuring the performance of CenturyTel with regards to the Performance Measurements identified in Article XV. Socket Telecom would be responsible for the cost of tracking these measurements and providing them to CenturyTel as the need arose. In this way,

CenturyTel would not be liable for "establishing monitoring and reporting systems/operations" which appears to be one of its primary concerns.

Q. DO YOU BELIEVE THAT THIS APPROACH REPRESENTS AN "IDEAL" SITUATION?

A. Absolutely not. Performance Measures should be ascertaining whether CenturyTel is providing nondiscriminatory service between CLECs and between its own retail operations and the CLECs. The approach that Socket Telecom has proposed is a compromise from this point. Socket Telecom would not track CenturyTel's performance for other CLECs or in CenturyTel's retail operations. Socket Telecom would simply be interested in whether CenturyTel consistently met critical performance metrics that were identified in the Performance Measurements Article XV. At least in this way, the most critical aspect of Performance Measurements – knowing whether the performance between CenturyTel and Socket Telecom is consistent with the requirements of the interconnection agreement – would be tracked. The Commission should recognize, however, that this approach is a compromise from the nondiscriminatory measurements that are routinely performed by other incumbents such as SBC and Verizon.

Q. IS IT NOT TRUE THAT THIS APPROACH ALSO RELIEVES CENTURYTEL OF MUCH OF ITS COST RESPONSIBILITY FOR PERFORMANCE MEASUREMENTS?

A. Yes. Socket Telecom will take on the cost and responsibility of tracking the measurements. The only point at which cost will become of consideration for CenturyTel is when CenturyTel fails to meet the performance requirements set out in Socket's Performance Measurements and must correct its performance.

Q. CENTURYTEL MAKES MANY CLAIMS REGARDING WHETHER IT IS LEGALLY REQUIRED TO PROVIDE PERFORMANCE MEASUREMENTS. COULD YOU PLEASE COMMENT ON ITS POSITION?

A. Yes. I believe it is quite straightforward that CenturyTel is responsible for meeting specific performance requirements and providing Performance Measurements. First, it is important to note that CenturyTel obtained its operating territory in Missouri through an acquisition of 96 exchanges from Verizon (specifically GTE Midwest, Inc. d/b/a Verizon Midwest, Inc.). In its Report and Order approving CenturyTel's purchase of the 96 Verizon exchanges, the Commission conditioned its approval on the following:

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

[2] TM-2002-232, *In the Matter of the Joint Application of GTE Midwest, Inc. d/b/a Verizon Midwest and CenturyTel of Missouri, LLC for 1) Authority to Transfer and Acquire Part of Verizon Midwest's Franchise, Facilities, and System Located in the State of Missouri, 2) For Issuance of Certificate of Authority to CenturyTel of Missouri, LLC 3) To Designate CenturyTel of Missouri,* (continued)

It is quite clear in reading this conditional language for the acquisition of the Verizon exchanges that CenturyTel was to use the "same rates, terms and conditions of service as Verizon." This would clearly have included the terms and conditions related to the Performance Measurements section of the interconnection agreement between Socket Telecom and Verizon. Moreover, the language above indicates that there could be a difference from the existing Verizon interconnection agreement "only with respect to technical differences to reflect the way CenturyTel interfaces with the interconnecting carrier." Performance Measurements can be modified to reflect differences in how CLECs would interface to CenturyTel as opposed to Verizon. However, Performance Measurements would not be completely eliminated as CenturyTel is effectively proposing.

Q. HAS SOCKET TELECOM INTRODUCED CHANGES TO REFLECT THE DIFFERENCES WITH INTERCONNECTING WITH CENTURYTEL?

A. Yes. As alluded to above, CenturyTel has simply not complied with the existing terms and conditions in the Verizon interconnection agreement as it pertains to Performance Measurements. Moreover, CenturyTel does not appear to have as robust an operating environment as did Verizon with respect to performance metrics generally. As such, the approach that Socket Telecom proposes, as already described above, reflects the differences in interconnecting with CenturyTel as opposed to Verizon. However, there is

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LLC as Subject to Regulation as a Price Cap Company; and 4) To Designate CenturyTel of Missouri, LLC as a Telecommunications Carrier Eligible to Receive Federal Universal Service Support, Report and Order, http://www.psc.mo.gov/orders/2002/05212232.htm.

no reason to eliminate Performance Measurements entirely. In short, the Commission, in lieu of any alternative from CenturyTel should utilize the Article XV proposed by Socket Telecom in this proceeding.

IV. XDSL (ARTICLE XVIII: DPL ISSUE NOS. 2-4, 6, 9-11)

Q. AT A HIGH LEVEL, COULD YOU EXPLAIN TO THE COMMISSION THE APPROACH THAT WAS USED BY SOCKET TELECOM TO DEVELOP THE DSL LANGUAGE THAT IS INCORPORATED INTO ITS PROPOSAL?

A. Yes. As the Commission is well aware, this Commission has considered the issues related to the provisioning of unbundled DSL-related elements at great length in Missouri in the process of examining SBC's Section 271 Compliance and subsequent dockets, specifically TO-2001-439 (*Determination of Prices, Terms, and Conditions for Southwestern Bell Telephone Company to Offer Conditioning for xDSL-Capable Loops as Identified in Case No. TO-99-227*). Specifically, the language that has been incorporated into Socket Telecom's proposed interconnection language with CenturyTel is based upon language this Commission already approved in Case No. TO-2001-439 and from language approved in the recent arbitration between Socket Telecom and SBC-Missouri for use in the Missouri 271 Successor Interconnection Agreement (M2A Successor Agreement).

Socket Telecom chose to go this route – selecting previous Commission-approved language – related to DSL because so much detailed work has already been performed by the Commission. Abandoning this work with respect to CenturyTel does not make sense because the same technology that works for DSL with SBC or Verizon copper also works with CenturyTel as well.

A. NON-STANDARD XDSL-BASED TECHNOLOGY (ARTICLE XVIII: DPL ISSUE NOS. 2-3)

Q. CAN YOU ADDRESS SOME OF THE SPECIFIC ISSUES THAT CONTINUE TO BE IN DISPUTE BETWEEN CENTURYTEL AND SOCKET TELECOM?

A. Yes. The first issue that continues to be open is Article XVIII: DSL Issue No. 2: "Should the Article contain definitions applicable to the Article and the provisioning of xDSL services?" This issue statement is in partial dispute.

One section of disputed language is Socket Telecom's proposal for Section 2.7:

> A "non-standard xDSL-based technology" is a loop technology that is not presumed acceptable for deployment under Section 2.6 of this Article. Deployment of non-standard xDSL-based technologies is allowed and encouraged by this Agreement.

CenturyTel's position is that this language should not be allowed at all – language that the Commission has already incorporated into the M2A Agreement. Specifically, the CenturyTel Preliminary Position as found in the DPL notes the following:

> CenturyTel should not be required to allow Socket to deploy unproven, non-standard xDSL technologies on CenturyTel's network. Doing so would increase the potential for network interference and degradation of voice and other services, ultimately putting the services that CenturyTel provides to its own customers at risk.

Q. COULD YOU PLEASE RESPOND TO CENTURYTEL'S CONCERNS?

A. Yes. *First*, the reason that this type of language was initially incorporated into the DSL section is because there is so much development occurring in the area of DSL with respect to the types of technologies that can be used to deploy DSL-type services. As such, there is practical concern for limiting what one might consider "standard" DSL services in that this definition can be very flexible over time. As such, the proposed

language that Socket Telecom has put forward provides a very general definition of "presumed acceptable for deployment" DSL service (which is also based on the contract language originally approved by the Commission in TO-2001-439 and offered as an amendment to the M2A Agreement and to which CenturyTel takes no exception). However, Socket Telecom would also seek to include the language that continues to be in the SBC Missouri Successor Agreement with Socket Telecom that permits the introduction of "non-standard" technologies as such technologies become available in the telecommunications industry.

Second, the language that Socket Telecom puts forward is not devoid of the countervailing requirements to protect CenturyTel's (or Socket Telecom's) network. Specifically, there are Liability provisions that place all of the cost burdens of using a non-standard DSL technology on the party (either CenturyTel or Socket Telecom) that incorporates the non-standard DSL technology into the network. There is similar Indemnification language in the proposed language as well.

Q. WITH RESPECT TO ARTICLE XVIII: DPL ISSUE NO. 2, ARE THERE ANY OTHER DISPUTES?

A. Yes. There are two. *First*, precisely the same issue as discussed above also extends to Section 3.3 where Socket Telecom proposes the use of the phrase "or a non-standard xDSL technology" as part of the definition. For the same reasons as already discussed above, CenturyTel takes issue with this proposed language.

Second, there is a slightly different dispute in this same DPL issue where CenturyTel wishes to include the following phrase in the definition for Section 2.2: "CenturyTel will not be required to remove load coils on any copper loop in excess of

18,000 feet in length." If the Commission will review the language in the M2A Replacement xDSL Appendix, the Commission will note that there is nothing like this language or a reference to 18,000 feet anywhere in the Appendix. The reality, as I have already noted above, is that DSL technology is changing rapidly and presently there are xDSL options that will allow for service beyond 18,000 feet. The bottom line is that the Commission does not presently have this restriction in the M2A Replacement Agreement. There is no reason to incorporate this limitation into the interconnection agreement with CenturyTel.

Q. COULD YOU PLEASE DISCUSS THE DISPUTES RELATED TO ARTICLE XVIII: DPL ISSUE NO. 3?

A. The dispute that exists for this DPL issue is precisely the same as that already discussed above related to the "or a non-standard xDSL technology" language. Depending on how the Commission resolves this language above, the change should be made here in a similar manner to Section 3.3 of Article xDSL.

B. XDSL SERVICE ISSUES (ARTICLE XVIII: DPL ISSUE NO. 4)

Q. COULD YOU PLEASE DISCUSS THE DISPUTES RELATED TO ARTICLE XVIII: DPL ISSUE NO. 4?

A. There are several. DPL Issue No. 4 addresses "provisions governing unbundled xDSL loop and xDSL subloop offerings." The first issue in this area is found in Section 4.4 of Article xDSL. The disputed language is represented in the bolded language below which Socket Telecom proposes and which CenturyTel opposes:

> In the event that CenturyTel rejects a request by Socket for an xDSL Loop or xDSL Subloop, including, but not limited to denial due to fiber, DLC, or DAML facility issues, CenturyTel will disclose to Socket information with respect to the number of loops

> using advanced services technology within the binder and type of technology deployed on those loops or sub-loops, including the specific reason for the denial, **within 48 hours of the denial. In no event shall the denial be based on loop length. If there is any dispute between the Parties with respect to this Section, CenturyTel will not deny the loop (subject to Section 3.4 above), but will continue to provision loops until the dispute is resolved in accordance with the Dispute Resolution procedures set forth in this Agreement.**

Q. IS THIS DISPUTED LANGUAGE THE SAME AS WHAT IS CONTAINED IN THE M2A SUCCESSOR AGREEMENT?

A. Yes. This is precisely the language that is included in that agreement. We are not seeking anything different from what the Commission has already reviewed and approved.

Q. WHAT LANGUAGE IS CENTURYTEL OFFERING INSTEAD?

A. *First*, instead of offering a specific timeframe in which to notify Socket Telecom of the denial of Socket Telecom's order and provide information on the reason for the denial, CenturyTel offers to do so "within a reasonable time of the denial." It is important to recognize the context in which this denial is occurring. Socket Telecom has a customer to which it is attempting to provide DSL service. Socket Telecom places an order with CenturyTel for access to an xDSL loop or subloop while the customer is continuing to wait for service. CenturyTel then wants this Commission to accept its best efforts to provide information regarding a denial of service within a "reasonable" timeframe. It is simply not practical when a customer is waiting on service (and Socket Telecom is waiting to determine whether it can provide service to the customer or not) to have to wait for CenturyTel's (Socket Telecom's competitor) best efforts to provide the information in a "reasonable" timeframe. In a business process such as this, the

Commission should retain the interval that it has already established for DSL services with SBC – the information regarding the rejection of access to the loop and the reason for that rejection will be provided within 48 hours.

Second, CenturyTel seeks to dramatically alter the remedy that is provided for in the M2A Successor Agreement when there is a dispute between CLEC and the incumbent with regards to the denial of service. Socket Telecom again seeks the language that the Commission has already reviewed and approved:

> If there is any dispute between the Parties with respect to this Section, CenturyTel will not deny the loop (subject to Section 3.4 above), but will continue to provision loops until the dispute is resolved in accordance with the Dispute Resolution procedures set forth in this Agreement.

However, CenturyTel offers the following alternative language:

> If there is any dispute between the Parties with respect to this Section, the Parties may invoke the Dispute Resolution procedures set forth in this Agreement.

Once again, CenturyTel has fallen squarely in the corner against the consumer in the State of Missouri. Obviously, the language that has been incorporated into the M2A Successor Agreement is established so that the provision of service to the end user customer is accomplished as seamlessly as possible from the customer's viewpoint. This Commission intended that the fact that there may be a dispute over access to a loop for DSL service between the CLEC and the incumbent should not be played out to the detriment of the customer. Requiring the customer to wait for service until the completion of a Dispute Resolution procedure with CenturyTel would clearly be to the detriment of the customer. As such, the language in the M2A Successor Agreement

makes clear that subject to Section 3.4, the provision of the service should continue. Section 3.4 protects CenturyTel against Socket Telecom's "deployment of [a] specific loop technology [that] will significantly degrade the performance of other advanced services or traditional voice band services in accordance with FCC orders." Moreover, Section 3.4 is not in dispute between Socket Telecom and CenturyTel. As such, given that the Commission's reviewed and approved language protecting CenturyTel exists in the proposed CenturyTel-Socket Telecom interconnection agreement, it is only reasonable that the Commission require that its focus on the needs of the customer of DSL service likewise be maintained in the contract. Socket Telecom's proposed language, which is entirely consistent with the Commission's prior approval of this language in the M2A Successor Agreement, should be incorporated into the CenturyTel-Socket Telecom interconnection agreement.

Q. IS THERE ANY OTHER CONTESTED LANGUAGE RELATED TO ARTICLE XVIII: DPL ISSUE NO. 4?

A. There are two additional sections in the xDSL Article (Section 4.5 and Section 4.6) that Socket Telecom has proposed that CenturyTel has sought to have eliminated. As with all of the sections discussed to this point, these sections exist in the M2A Successor Agreement. Socket Telecom believes that it is only reasonable that they should be incorporated into the CenturyTel-Socket Telecom interconnection agreement given the careful consideration of DSL provisioning issues that this Commission has already conducted.

In these particular sections, the specific language at issue again addresses the introduction of new xDSL technology into the loop network. As with the prior

discussions of this issue, this Commission recognized that new technologies are routinely being developed for DSL and the language of the interconnection agreement should not thwart the deployment of this new technology by either the incumbent or the CLEC. Consistent with the discussion prior to this point in the xDSL Article regarding the introduction of new DSL technology, this language should be allowed as well. As previously described, there is sufficient Liability and Indemnification language already included in the proposed agreement that will sufficiently protect whichever party might be harmed if problematic DSL technology is deployed in the loop network.

C. LINE CONDITIONING (ARTICLE XVIII: DPL ISSUE NO. 6)

Q. WHAT IS LINE CONDITIONING?

A. Line Conditioning (or as it is referred to in the xDSL Article as just "Conditioning) is the removal by CenturyTel of load coils, bridged tap, and/or repeaters on an xDSL Loop or xDSL Subloop. Conditioning is necessary in that DSL services will not operate properly if load coils, excessive bridged tap, and/or repeaters appear on the loop.

Q. WHAT IS THE STATUS OF THE DISPUTE WITH REGARDS TO LINE CONDITIONING?

A. Quite simply, virtually every section of the xDSL Article that deals with this issue is presently in dispute with CenturyTel. It will be necessary to briefly walk through the sections and the specific issues that arise.

First, the initial issue is a straightforward one with regards to Section 6.1. As has been discussed previously, CenturyTel wishes to limit the conditioning of loops or subloops to those that are less than 18,000 feet in length. As noted earlier, there is nothing in the existing M2A Successor Agreement that limits the conditioning of xDSL

capable loops or subloops to 18,000 feet in length. For example, with RADSL technology today, loops longer than 18,000 feet can be provisioned with DSL technology – albeit with a lower transmission speed. The bottom line is that DSL technology is changing rapidly and there should not be hard limits on the extent to which xDSL options are allowed to be provisioned. This limitation does not exist in the M2A Successor Agreement, which is the basis for the language in the xDSL Article. The limitation should not be carried into the CenturyTel-Socket Telecom interconnection agreement.

Q. WHAT IS THE NEXT ISSUE WITH LINE CONDITIONING?

A. *Second*, there is a significant dispute regarding the applicability of the rates that this Commission has previously determined for Line Conditioning. Unfortunately, the explanation of this dispute is somewhat complicated.

In Missouri Case No. TO-2001-439, the Commission undertook the process of developing rates for DSL Line Conditioning. Ultimately, the Commission selected an approach that averaged the removal of excessive bridged tap and all load coils and repeaters across all loops up to 17,500 feet in length.[3] If the CLEC wished to remove non-excessive bridged tap, there were separate nonrecurring rates identified for this activity. Moreover, if the CLEC believed that it needed to have bridged tap or repeaters removed for loops longer than 17,500 feet, there were separate nonrecurring rates for these activities. However, for the vast majority of situations affecting DSL, the approach selected by the Missouri Commission set a nonrecurring rate of $8.41 for Line

Conditioning regardless of whether the particular loop required Line Conditioning or not. The important point here is that the cut-off point for the application of the averaged Line Conditioning rate of $8.41 is at 17,500 feet.

When the M2A Successor Agreement process was occurring in Missouri, the language in the xDSL Appendix was not modified to retain the reference to the 17,500-foot cutoff as to the application of the averaged Line Conditioning charge. Instead, a 12,000-foot cutoff was introduced. However, and this is particularly important, it is not as if this cutoff was completely missing from the M2A Successor Agreement. The Pricing Appendix to the M2A Successor Agreement still clearly denotes the application of the $8.41 charge for Line Conditioning for loops less than 17,500 feet.[4] Moreover, the other nonrecurring charges for non-excessive bridged tap and the removal of bridged tap, repeaters, and load coils on loops longer than 17,500 feet are also all clearly identified. The bottom line is that the language in the xDSL Appendix reflects an error in that it does not reference the 17,500-foot cut-off point. Nonetheless, the Pricing Appendix and the Order in Case No. TO-2001-439 both make clear that the application of the $8.41 nonrecurring charge is for all loops less than 17,500 feet in length.

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[3] Case No. TO-2001-439, *Determination of Prices, Terms, and Conditions for Southwestern Bell Telephone Company to Offer Conditioning for xDSL-Capable as Identified in Case No. TO-99-227*, Report and Order, March 1, 2002, http://www.psc.mo.gov/orders/2002/02281439.htm.

[4] M2A Successor Agreement, Attachment 6 – UNE Pricing Schedule, pp. 1-2.

Q. HAS SOCKET TELECOM ATTEMPTED TO PROVIDE THIS EXPLANATION OF THE FACTS REGARDING THE 17,500-FOOT CUT-OFF POINT TO CENTURYTEL PERSONNEL?

A. Yes. CenturyTel's response has been to simply make light of the difficulty that Socket Telecom will have in attempting to explain the regulatory history to the Missouri Commission in testimony. However, I believe that the Commission will be able to reconstruct through the Order in Case No. TO-2001-439 and through a simple review of the rate sheet from the M2A Successor Agreement between SBC and Socket Telecom the facts that lead one to recognize that the appropriate cut-off point is at 17,500 feet.

Q. TO WHICH SECTIONS OF THE XDSL ARTICLE DOES THIS ISSUE PARTICULARLY RELATE?

A. Section 6.2.1 and Section 6.2.2 both suffer from this issue. CenturyTel's proposed language for Section 6.2.2 also suffers from the defect of reflecting a maximum applicable distance of 18,000 feet for DSL that CenturyTel seeks to incorporate throughout the agreement. This issue has been previously discussed and will not be repeated here again.

Q. ARE THERE ANY OTHER ISSUES RELATED TO LINE CONDITIONING?

A. Yes. *Third*, there is a dispute related to Section 6.6 regarding the provision dealing with when Socket Telecom needs "additional conditioning for the removal of excessive bridged tap, load coils and/or repeaters" on the loop or subloop. The language that Socket Telecom proposed is precisely that which already exists in the M2A Successor Agreement. Specifically, in this instance, the CLEC would not pay any additional service order charges as the CLEC would have already paid the service order charge with the initial order for the xDSL capable loop or subloop. Moreover, there is already

language identified in Sections 6.2 and 6.3 which govern the applicability of additional conditioning charges.

Q. WHAT THEN IS THE DISPUTE WITH CENTURYTEL?

A. Quite simply, notwithstanding the fact that the language of the M2A Successor Agreement precludes the charging of a second service order charge for the additional conditioning, CenturyTel has inserted language that would require that a separate service order charge always be applicable. Further, notwithstanding that Sections 6.2 and 6.3 govern the applicability of conditioning charges, CenturyTel has sought to add language that "additional … conditioning charges may apply." The reality is that Sections 6.2 and 6.3 already govern whether additional conditioning charges apply. There is no reason for there to be a separate new phrase added to the language that the Commission has already reviewed incorporating the additional charges. The bottom line is that the Commission should simply retain the language that it has already reviewed and approved for use in the provisioning of DSL services.

Q. WHAT IS THE FINAL ISSUE RELATED TO LINE CONDITIONING?

A. *Fourth*, there is a dispute related to CenturyTel's insistence that a new phrase be added to Section 6.7: "Socket, at its sole option, may request shielded cross-connects for central office wiring <u>subject to applicable charges</u>." (The underlined text represents the new and disputed language.) This language does not exist in the M2A Successor Agreement. Moreover, it is actually more of a rate issue than it is a terms and conditions issue as CenturyTel has framed the issue here.

Q. HOW IS THIS JUST A RATE ISSUE?

A. Socket Telecom has no objection to paying for shielded cross-connects. In the M2A Successor Agreement there are specific rates for shielded and non-shielded cross-connects identified. As such, Socket Telecom's payment for the use of the shielded cross-connects is not contingent on the new language that CenturyTel seeks.

The problem, however, is that presently there is no shielded cross-connects rate element in CenturyTel's rate schedule. Instead, CenturyTel only provides for a 2-Wire Cross-Connect generally whether it is shielded or not. The rate for this cross-connect is $1.55. In the M2A Successor Agreement both the shielded and non-shielded cross-connects rates are significantly lower than this, with the shielded cross-connect for SBC being $0.80.

The real issue that Socket Telecom has with the language CenturyTel is proposing is that the language already contained in the parties' agreement explicitly requires the payment of "applicable charges" for a shielded cross-connect. Given that CenturyTel has not provided a rate for this element, the risk exists that CenturyTel would deny or delay access to this element based on an assertion that no rate exists. Under the existing language, which Socket Telecom proposes to retain, CenturyTel would have to provide the shielded cross-connect (with or without a specific rate element) and could charge the generic cross-connect element of $1.55. But it would not be able to preclude access to the element given that it has not provided a rate.

The bottom line is that this is a rate issue and no change in language is needed. If CenturyTel wishes to have a unique rate element for shielded cross-connects, it can make

such a proposal and provide a relevant cost study. At present, it has not proposed a rate or provided a cost study. As such, there is certainly no reason to insert the new language that CenturyTel proposes.

D. DSL SERVICE QUALITY AND MAINTENANCE (ARTICLE XVIII: DPL ISSUE NO. 9)

Q. ARE THERE ANY NEW ISSUES SPECIFICALLY RELATED TO THE AREA OF SERVICE QUALITY AND MAINTENANCE?

A. Article XVIII: DPL Issue No. 9 is specifically related to the subject of DSL Service Quality and Maintenance language in Article XVIII. However, the only issue in this portion of the article is tied to the earlier discussion of whether the cut-off point for the standard $8.41 DSL conditioning charge is 12,000 feet or 17,500 feet. The testimony that I have provided previously already addresses this specific matter and so I will not repeat it here. I will only address the unique aspect of the issue so that the Commission will have a more full understanding of the cut-off point application in this section of the article.

In this portion of the xDSL Article, the issue arises as to whether a Line and Station Transfer can be utilized to provide a CLEC (Socket Telecom in this instance) access to a DSL capable loop without the work processes associated with Line Conditioning. In layman's terms, a Line and Station Transfer is a situation where the incumbent LEC can simply provide an alternative loop to the CLEC such that service conditions are met that would not have been met with the prior loop. Line and Station Transfers are performed by the incumbent LEC to avoid more costly maintenance activities such as the removal of load coils, repeaters, and excessive bridged tap.

The issue here is that since Socket Telecom will have paid the standard $8.41 charge for Line Conditioning, the use of Line and Station Transfers in lieu of Line Conditioning should not be paid for by Socket Telecom up the distance in question. If the standard charge was developed with 17,500 feet in mind (as the Commission did in Case No. TO-2001-439) then the use of 17,500 feet as inserted by Socket Telecom should be selected. Alternatively, CenturyTel has inserted the use of 12,000 feet which is not based on any evaluation by this Commission but instead relies on the textual error that I discussed above. Ultimately, this determination should be made consistently with the cut-off determination discussed above.

E. SPECTRUM MANGEMENT (ARTICLE XVIII: DPL ISSUE NO. 10)

Q. WHAT IS THE NATURE OF THE DISPUTE REGARDING SPECTRUM MANAGEMENT IN THE DSL ARTICLE?

A. The M2A Successor Agreement contains two significant sections that effectively protect the CLEC against the possibility that SBC (now AT&T) would implement a Spectrum Management policy that would unfairly benefit SBC's provision of DSL services at the expense of the CLEC's ability to provision DSL services. Socket Telecom proposes to extend these same definitions into the xDSL Article in the CenturyTel-Socket Telecom interconnection agreement. Implementing this language in the CenturyTel-Socket Telecom interconnection agreement will prevent CenturyTel from allocating copper in its outside plant network in such a way that it has an advantage in deploying high-speed DSL services over the ability of the CLECs that purchase unbundled access to its network. These definitions are at the heart of the nondiscriminatory access provisions inherent in the Federal Telecommunications Act.

Q. COULD YOU IDENTIFY THESE TWO DEFINITIONS FOR THE COMMISSION?

A. Yes. The first is found in Article XVIII Section 10.2 and states as follows:

> CenturyTel shall not implement, impose or maintain any spectrum management, selective feeder separation, or binder group management program. CenturyTel may not segregate or reserve loop binder groups, pair ranges or pair complements exclusively for the provisioning of ADSL and/or POTS services to the exclusion of other xDSL technologies. CenturyTel may not segregate xDSL technologies into designated loop binder groups, pair ranges or pair complements without prior Commission review and approval. CenturyTel will not impose restrictions, on use of loop pairs for non-ADSL xDSL services, either through designations in the LFACS and LEAD databases or by the rules in LFACS limiting deployment of non-ADSL xDSL services to certain loop pair ranges. CenturyTel will not deny requests for loops or subloops based on spectrum management issues.

The second paragraph is found in Article XVIII Section 10.3 and states as follows:

> In the event that a loop technology without national industry standards for spectrum management is deployed, CenturyTel, Socket, other telecommunications providers, and the Commission shall jointly establish long-term competitively neutral spectral compatibility standards and spectrum management rules and practices so that all carriers know the rules for loop technology deployment. The standards, rules and practices shall be developed to maximize the deployment of new technologies within binder groups while minimizing interference, and shall be forward-looking and able to evolve over time to encourage innovation and deployment of advanced services. These standards are to be used until such time as national industry standards exist. To offer xDSL-based service consistent with mutually agreed-upon standards developed by the industry in conjunction with the Commission, or by the Commission in the absence of industry agreement, Socket may order local loops or subloops based on agreed-to performance characteristics. CenturyTel will assign the local loop or subloop consistent with the agreed-to spectrum management standards.

Q. WHAT ALTERNATIVE DOES CENTURYTEL OFFER TO THESE TWO DETAILED PARAGRAPHS?

A. To the first paragraph, CenturyTel proposes the following:

> With the exception of loops on which a known disturber is deployed, CenturyTel shall not designate, segregate or reserve particular loops or binder groups for use solely by any particular advanced services loop technology.

CenturyTel seeks to completely eliminate the second paragraph.

Q. COULD YOU BRIEFLY COMMENT ON CENTURYTEL'S PROPOSED LANGUAGE?

A. Notwithstanding that this language goes against the comprehensive approach of using DSL language that this Commission has already spent painstaking time in reviewing and approving, there are still significant problems with the language that CenturyTel proposes. Note that CenturyTel agrees to not "designate, segregate or reserve particular loops or binder groups for use solely by any particular advanced services loop technology." While not as specific as the language that the Commission has already approved, this is at least generally moving in the correct direction. However, there is a significant exception. CenturyTel does not offer this limited nondiscriminatory treatment to "loops on which a known disturber is deployed." Disturbers are generally considered to be load coils, repeaters, and bridged tap. As such, effectively this exception allows CenturyTel to treat any copper plant on which repeaters, load coils, or bridged tap already exist in such a way that it ***is*** treated in a discriminatory manner. In other words, all of the language that has appeared up to this point in the Article related to the removal of disturbers such that the loop plant can be permitted to provide high-speed DSL

services effectively becomes moot in that CenturyTel reserves the right with this language to discriminate in how this plant is provided to CLECs.

Q. WHAT THEN DO YOU RECOMMEND?

A. If the Commission wants to make the greatest opportunity for communities in the CenturyTel territory to receive advanced services such as DSL, the Commission needs to retain the M2A Successor Agreement language regarding access to unbundled loops and subloops. In short, for these paragraphs, the Commission should retain the language as proposed by Socket Telecom that comes from the M2A Successor Agreement.

Q. ARE THERE ANY OTHER ISSUES WITHIN THE SPECTRUM MANAGEMENT AREA?

A. Yes. There is an additional paragraph related to conforming equipment used for DSL applications to Commission or FCC standards when such standards become available. Again, this paragraph comes straight out of the M2A Successor Agreement. CenturyTel's approach is to simply eliminate this paragraph altogether. Given that this paragraph is only attempting to ensure that the use of equipment conforms to standards issued by the Commission or the FCC, it only seems reasonable that this language from the M2A Successor Agreement would be incorporated into the CenturyTel-Socket Telecom Interconnection Agreement.

F. PRICING (ARTICLE XVIII: DPL ISSUE NO. 11)

Q. COULD YOU PLEASE IDENTIFY THE DISPUTES IN THE PRICING SECTION OF ARTICLE XVIII?

A. There are two issues that the Commission needs to address. *First*, in Section 11.1, Socket Telecom proposed the following language:

> These rates are interim. Either Party may request that the Missouri Public Service Commission set permanent rates during the course of this Agreement.

The reason for this language is quite innocent in nature. The rates that Socket Telecom proposes for the xDSL Article are based on the determinations that the Commission made for SBC. As discussed previously, one of the main determinations that the Commission made was to average the cost of removing repeaters, load coils, and excessive bridged tap from loops across the entire loop population up to a length of 17,500 feet. Socket Telecom proposes that this rate structure be retained for CenturyTel. However, given that the distribution of loops may be materially different from that of SBC, Socket Telecom hoped that the fact that the rates would be interim subject to a permanent cost proceeding would permit CenturyTel to accept the rates and the rate structure. CenturyTel did neither. Moreover, CenturyTel did not propose its rates until very late in the process. As such, it may no longer be necessary for the Commission to retain this "interim" disclaimer.

Second, a paragraph is included in Section 11.2 of the xDSL Article that essentially states that CenturyTel will not give preferential access to itself for "clean" loops. "Clean" loops are those that do not have repeaters, load coils, and excessive bridged tap on them. Once again, this language is simply intended to protect Socket Telecom from potential discriminatory behavior on CenturyTel's part. Moreover, the language comes straight from the M2A Successor Agreement that the Commission has already reviewed and approved. In short, there is no reason for CenturyTel to insist on

removing language from its contract that simply keeps it from discriminating against Socket Telecom in the provision of DSL services.

V. ORDERING, PROVISIONING, AND MAINTENANCE OSS (ARTICLE XIII: DPL ISSUE NO. 1)

Q. COULD YOU BRIEFLY DESCRIBE THE NATURE OF THE OSS DISPUTE BETWEEN SOCKET TELECOM AND CENTURYTEL?

A. Yes. There is one dispute. Socket Telecom has drafted Article XIII: OSS and seeks to have the language in this article incorporated into the interconnection agreement between itself and CenturyTel. CenturyTel seeks to have no OSS section in the interconnection agreement at all.

Q. DOES SOCKET TELECOM HAVE A LEGAL RIGHT TO OSS AS DEFINED IN THIS PROPOSED ARTICLE?

A. Yes. The Federal Telecommunications Act in § 251(c) and the implementing rules established by the FCC require that CenturyTel offer efficient and effective provisioning of wholesale facilities. A critical part of this efficiency is to have electronic OSS established between itself and the CLECs with whom CenturyTel interfaces. The Article that Socket Telecom has written establishes reasonable terms and conditions governing the electronic interface between Socket Telecom and CenturyTel for ordering and provisioning systems.

Q. DID NOT CENTURYTEL COMMIT TO PROVIDE ELECTRONIC OSS WHEN IT PURCHASED THE EXCHANGES FROM VERIZON IN MISSOURI?

A. Yes. When CenturyTel sought Commission approval for the transfer of exchanges from Verizon, CenturyTel filed sworn testimony stating that an automated electronic interface for CLECs was in development and the functionality would be available within nine

months of the close of the transaction. Specifically, Mr. Matzdorff testified as follows on behalf of CenturyTel:

> To date, the only deviation identified pertains to the electronic interface support system. To the extent that Verizon offers electronic interface to operations support system functions, CenturyTel will have to accomplish this interface via a call-in or paper transmission by the CLEC to a customer service representative. CenturyTel is working toward a web-based solution that should allow for automation to the interconnecting companies. We anticipate this functionality to be available within nine months of the expected close date of the transaction.[5]

Many more than nine months have passed since the closing of the transaction and CenturyTel has yet to provide this promised "web-based solution that should allow for automation to the interconnecting companies." CenturyTel's failure to comply with this commitment related to its acquisition of the Verizon exchanges directly affects end user customers in these exchanges in that it makes the provision of services involving interconnection between CenturyTel and CLECs more costly and inefficient than it would otherwise be with an electronic OSS between the companies. In short, CenturyTel should not be permitted to walk away from its previous promises and force CLECs to use more expensive and time-consuming manual systems for ordering and provisioning.

Q. WHAT DID SOCKET TELECOM USE AS THE FRAMEWORK FOR THE TERMS AND CONDITIONS CONTAINED IN ARTICLE XIII?

A. The Commission developed an OSS attachment for SBC Missouri as part of Case No. TO-2005-0336. Socket Telecom utilized the material in this attachment as a starting point for developing Article XIII for use with CenturyTel. However, Socket Telecom

modified the terms and conditions to reflect differences between CenturyTel's operations and those of SBC Missouri.

The bottom line is that it is essential that specific terms and conditions for electronic OSS should be incorporated into the interconnection agreement between CenturyTel and Socket Telecom. CenturyTel had committed to this Commission to make web-based electronic interfaces available to CLECs long before now. It has failed to meet that commitment. To address this shortcoming, Socket Telecom made a good-faith effort to develop terms and conditions for OSS based on work already performed by this Commission for SBC and to customize it to the circumstances for CenturyTel. Against this effort, CenturyTel has offered no alternative. CenturyTel cannot be permitted to continue operating in Missouri without establishing an electronic interface between itself and interconnecting CLECs.

VI. INTERCONNECTION (ARTICLE V: DPL ISSUE NOS. 5, 7, 12-15, 29)

A. ACCESS TO INTERCONNECTION (ARTICLE V: DPL ISSUE NO. 5)

Q. COULD YOU PLEASE IDENTIFY THE NATURE OF THIS INTERCONNECTION DISPUTE?

A. Yes. With interconnection, the FCC has generally recognized that there is a mutual benefit between the two interconnecting parties for achieving interconnection. The end users of the CLEC (and thereby the CLEC as well) benefit by having the ability to originate and terminate traffic to and from the end users of the incumbent LEC. In a

[5] Missouri Public Service Commission, Case No. TM-2002-232, Direct Testimony of Kenneth M. Matzdorff on behalf of CenturyTel of Missouri, LLC, February 21, 2002, pp. 15-16.

similar manner, the end users of the incumbent LEC (and thereby the incumbent LEC as well) benefit by having the ability to originate and terminate traffic to and from the end users of the CLEC. As such, it would be reasonable to anticipate that the interconnection agreement terms and conditions associated with establishing interconnection arrangements would reflect the mutually beneficial aspect of the relationship and not place an inequitable burden on one party of the other.

Q. CAN YOU PROVIDE AN EXAMPLE OF THIS APPROACH TO INTERCONNECTION IN AN FCC ORDER?

A. Absolutely. The FCC's *First Report and Order* provides just such a discussion with regards to interconnection arrangements as follows:

> Consistent with this view, other methods of technically feasible interconnection or access to incumbent LEC networks, such as meet point arrangements, in addition to virtual and physical collocation, must be available to new entrants upon request. Meet point arrangements (or mid-span meets), for example, are commonly used between neighboring LECs for the mutual exchange of traffic, and thus, in general, we believe such arrangements are technically feasible. *Further, although the creation of meet point arrangements may require some build out of facilities by the incumbent LEC, we believe that such arrangements are within the scope of the obligations imposed by Section 251(c)(2) and 251(c)(3).* In a meet point arrangement, the "point" of interconnection for purposes of sections 251(c)(2) and 251(c)(3) remains on "the local exchange carrier's network" (*e.g.*, main distribution frame, trunk-side of the switch), and *the limited build-out of facilities from that point may then constitute an accommodation of interconnection. In a meet point arrangement each party pays its portion of the costs to build out the facilities to the meet point.* … New entrants will request interconnection pursuant to section 251(c)(2) for the purpose of exchanging traffic with incumbent LECs. *In this situation, the incumbent and the new entrant are co-carriers and each gain value from the interconnection arrangement. Under these circumstances, it is*

> *reasonable to require each party to bear a reasonable portion of the economic costs of the arrangement.*[6]

While I recognize that this is a lengthy quote, there are several aspects of the FCC's thinking regarding interconnection that are important to note. *First*, the FCC sees that the "build out of facilities by the incumbent LEC … are within the scope of the obligations imposed by Section 251(c)(2)." In other words, CenturyTel should not automatically protest if it must provide for facilities to allow for interconnection between its network and that of Socket Telecom's.

Second, a "limited build-out of facilities … may then constitute an accommodation of interconnection" and it is not unreasonable to anticipate that "each party pays its portion of the costs to build out the facilities to the meet point." In other words, it is not unreasonable to expect that each party may have to bear some of its own costs to reach an interconnection point between the two networks. In the particular instances with CenturyTel, Socket Telecom is taking responsibility for the vast majority of the costs to extend to an interconnection point primarily through leasing facilities from other parties to extend Socket Telecom's reach within the CenturyTel wire center. However, a reasonable understanding of Section 251(c)(2) and CenturyTel's "accommodation of interconnection" requires that CenturyTel also bear its costs from its switch to the interconnection point that exists within its very own central office.

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[6] Before the Federal Communications Commission, FCC 96-325, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, CC Docket Nos. 96-98 and 95-185, Released: August 8, 1996, ¶553. (Emphasis added.) (Hereafter referred to as "*First Report and Order*.")

CenturyTel's approach to the interconnection language is to have Socket Telecom pay for all of the costs for interconnection on its side of the interconnection *and* to pay for all of the costs on CenturyTel's side of the interconnection arrangement as well. This is simply unjust and inconsistent with the parameters of interconnection.

Third, the FCC even identifies the principle behind why one should anticipate that both sides will bear some portion of the costs associated with interconnection:

> In this situation, the incumbent and the new entrant are co-carriers and each gain value from the interconnection arrangement. Under these circumstances, it is reasonable to require each party to bear a reasonable portion of the economic costs of the arrangement.

Given that CenturyTel and Socket Telecom both benefit (as do their customers as discussed above), it is only reasonable that both sides would "bear a reasonable portion of the economic costs of the arrangement."

Q. HOW DOES THIS TEXT THAT YOU HAVE REVIEWED FROM THE FCC'S *FIRST REPORT AND ORDER* RELATE TO THE ISSUE AT HAND?

A. In Article V Section 2.4, Socket Telecom has proposed the following language with the text in bold representing that which is contested:

> In the event that CenturyTel **asserts that it** does not have the capacity to support an Interconnection Arrangement requested by Socket, CenturyTel shall provide a detailed explanation of the reason such capacity does not exist, **identify any capacity that CenturyTel is reserving for its own use, and submit a construction plan for setting forth the timeline for adding the additional capacity. CenturyTel shall submit this plan to Socket and to the Manager of the Telecommunications Department at the Missouri Public Service Commission.**

In opposition to this language, CenturyTel offers the following competing language with the text underlined representing that which is contested:

> In the event that CenturyTel does not have the capacity to support an Interconnection Arrangement requested by Socket, CenturyTel shall provide a detailed explanation of the reason such capacity does not exist. Should Socket wish CenturyTel to construct capacity to meet Socket's needs, CenturyTel and Socket shall work together to establish a construction plan and Socket shall bear all costs associated with engineering and constructing such capacity.

Socket Telecom is routinely running into situations where CenturyTel is denying Socket Telecom with interconnection facilities. The language that Socket Telecom has incorporated into Article V addresses nondiscriminatory aspect of interconnection. Socket Telecom simply needs to know whether CenturyTel is reserving capacity for its own use and to provide a construction plan setting forth when additional capacity will be available so that CenturyTel has some reasonable opportunity to know when interconnection will be available. This information should be provided to the Missouri Public Service Commission in the event that dispute resolution procedures are required.

Further, Socket Telecom does not see the need for the language that CenturyTel has added requiring that Socket Telecom pay for all engineering and construction work to add the interconnection capacity within CenturyTel's network. Recalling the position outlined by the FCC, interconnection is mutually beneficial to the two companies interconnecting. As such, it is only appropriate to anticipate that each of the parties will bear a reasonable portion of the costs for interconnection. In the case of how Socket Telecom interconnects with CenturyTel, this would only require CenturyTel to equip its switches with trunk ports and extend these out with cabling to the interconnection point – a modest expenditure compared to that which Socket Telecom has incurred.

Q. ARE THERE OTHER TERMS AND CONDITIONS DISPUTES RELATED TO THIS SAME DPL ITEM?

A. Yes. There are two sections (Section 2.5.1 and Section 2.5.2) that relate to this same issue of ensuring that CenturyTel provides nondiscriminatory access to interconnection facilities. Section 2.5.1 simply notes the following: "Both parties agree that the addition of a single customer may cause a need for additional interconnection facilities and trunks." The context for this language proposal by Socket Telecom is that CenturyTel, in Section 2.5, is seeking to limit Socket Telecom's ability to increase interconnection facilities. The practical situation that Socket Telecom encounters is that with even a single large customer, Socket Telecom needs to know that CenturyTel will respond to a request for interconnection facilities in that a single customer can be sufficiently large that additional interconnection facilities are required. Socket Telecom simply needs CenturyTel to acknowledge this reality when evaluating interconnection facility requests.

The dispute regarding Section 2.5.2 is best evaluated by comparing Socket Telecom's language to that of CenturyTel for Section 2.5. The respective sections are provided below:

Socket Telecom Section 2.5.2

> In the event that CenturyTel believes Socket does not need the additional interconnection capacity, CenturyTel shall proceed with processing Socket's request and shall notify Socket of its concerns. At the request of CenturyTel, the parties shall meet to discuss the request for additional interconnection capacity. In the event the Parties are unable to resolve this dispute, CenturyTel make invoke the Dispute Resolution Provisions of this Agreement.

CenturyTel Section 2.5

> In the event that Socket is under utilizing its existing trunks and requests an augment, a joint meeting shall be held to discuss a resolution to Socket's request. Provided that Socket agrees to bear all costs associated with engineering and constructing requested excess capacity, CenturyTel shall not delay processing and fulfilling or refuse to process and fulfill Socket's requests for additional interconnection facilities or capacity because CenturyTel believes Socket does not need the additional interconnection capacity.

Q. COULD YOU DESCRIBE WHAT IS SIMILAR ABOUT THESE TWO COMPETING PROPOSALS?

A. Yes. Although the tone is different between the two sections, both sections are attempting to address a situation where CenturyTel believes that the interconnection facilities established between CenturyTel and Socket Telecom are potentially being underutilized. Socket Telecom agrees that language covering this potential situation should be incorporated into the interconnection agreement.

Q. COULD YOU DESCRIBE THE DIFFERENCES IN THESE TWO COMPETING PROPOSALS?

A. The differences are clear. *First*, Socket Telecom needs to avoid a situation where a dispute regarding the utilization of interconnection facilities may hold up the provisioning of an interconnection order. It is quite possible that the disputed interconnection arrangements are not even in the same switch for which Socket Telecom is seeking new interconnection facilities. However, given the customer-affecting nature of interconnection facilities, it would be highly detrimental to the development of competition in CenturyTel territory for CenturyTel to be able to unilaterally hold hostage the deployment of interconnection facilities if CenturyTel believes that at some point in its network there are facilities that are being underutilized by Socket Telecom.

Second, this issue has already been addressed, but CenturyTel continues to press its belief that Socket Telecom should be wholly responsible for the cost of interconnection facilities on both sides of the interconnection point. As quoted earlier, the FCC recognizes that interconnection facilities benefit both carriers and, therefore, both carriers should be responsible for pay for a reasonable portion of their own costs. The language that CenturyTel proposes requiring that Socket Telecom pay for all of the interconnection costs clearly violates this principle.

B. SINGLE POINT OF INTERFACE (ARTICLE V: DPL ISSUE NOS. 7, 15)

Q. COULD YOU IDENTIFY THE SECTION OF SOCKET TELECOM PROPOSED LANGUAGE THAT THIS PORTION OF YOUR TESTIMONY IS ADDRESSING?

A. Yes. This portion of my testimony will address Article V: Section 3 through Section 7. It also addresses a Section 11.1.3.1 that CenturyTel proposes later in Article V. I have characterized this section of my testimony as addressing the Single Point of Interface. Generally, these sections address network architecture issues related to interconnection or which the Single Point of Interconnection is the primary area of contention.

Q. IS THERE CORRESPONDING LANGUAGE OFFERED FOR THESE SAME SECTIONS IN THE PROPOSED LANGUAGE FROM CENTURYTEL?

A. Not exactly. The section numbers that CenturyTel proposes do not even remotely correspond with the section numbers for Socket Telecom. However, worse yet, while most of the contested issues that I have discussed to this point have had clearly offsetting competing language where the Commission could see the differences being proposed by the two sides, this interconnection language does not begin with a common base. It therefore does not have obvious side-by-side differences for the Commission to evaluate

and choose between. As a result, my analysis that I will provide deals with the conceptual differences between the two proposals as opposed to the detailed language differences.

Q. WHAT FORMED THE BASIS OF THE LANGUAGE THAT SOCKET TELECOM PROPOSES FOR INTERCONNECTION ARCHITECTURE ISSUES?

A. Socket Telecom relied on the existing interconnection language that this Commission has reviewed and approved that forms the basis of the M2A Successor Agreement. The Commission has participated in several arbitrations related to the content of that interconnection agreement including issues related to interconnection network architecture issues. As such, rather than starting with something the Commission might be less (or un-) familiar with, Socket Telecom started with the existing language in the M2A Successor Agreement.

Q. WHAT IS A POINT OF INTERCONNECTION?

A. A point of interconnection ("POI") is a physical location where one local exchange carrier's facilities physically interconnect with another local exchange carrier's facilities for the purpose of exchanging traffic.

Q. WHAT IS A SINGLE POINT OF INTERCONNECTION?

A. A Single Point of Interconnection ("SPOI") is a single point of interconnection within a LATA on CenturyTel's network that is established to interconnect CenturyTel's network and Socket Telecom's network for the exchange of traffic.

Q. HAS THE MISSOURI COMMISSION PREVIOUSLY DETERMINED THAT THE USE OF A SINGLE POI PER LATA IS APPROPRIATE?

A. Yes. This issue has been brought before the Commission previously.[7] The Commission's determination that a Single POI is appropriate is what was incorporated into M2A Successor Agreement.

Q. IS THERE ANYTHING IN THE FCC'S IMPLEMENTING RULES FOR THE FEDERAL TELECOMMUNICATIONS ACT THAT WOULD PROHIBIT THE USE OF A SINGLE POI?

A. No. The FCC's *First Report and Order* makes clear repeatedly that the CLEC can interconnect at any technically feasible point: "Section 251(c)(2) requires incumbent LECs to provide interconnection to any requesting telecommunications carrier at any technically feasible point."[8] A single point of interconnection within the LATA would meet this requirement. But perhaps an even stronger statement regarding interconnection is found in paragraph 209 of the same order:

> Section 251(c)(2) gives competing carriers the right to deliver traffic terminating on an incumbent LEC's network at any technically feasible point on that network, *rather than obligating such carriers to transport traffic to less convenient or efficient interconnection points*. Section 251(c)(2) *lowers barriers to competitive entry for carriers that have not deployed ubiquitous networks by permitting them to select the points in an incumbent LEC's network at which they wish to deliver traffic*.[9]

This statement makes it very clear that because CLECs – as new entrants – do not have ubiquitous networks, it is only reasonable to allow the CLEC to select where it believes it

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[7] Case No. TO-2005-0336, Final Arbitrator's Report, June 21, 2005, p. 6 and affirmed by the Commission in Final Arbitrator Order, July 11, 2005, p. 20.

[8] *First Report and Order*, ¶26.

[9] *First Report and Order*, ¶209.

most efficient to interconnect. The CLEC is not obligated to interconnect at "less convenient or efficient interconnection points" to the CLEC.

Q. DOES CENTURYTEL'S PROPOSED LANGUAGE REQUIRE MORE THAN A SINGLE POI PER LATA?

A. Yes. Section 4.2 of CenturyTel's proposed language states the following: "The Parties will mutually designate at least one POI on CenturyTel's network within each CenturyTel local calling area for the routing of Local Traffic." CenturyTel may have many different local calling areas within a LATA. CenturyTel's language requires that Socket Telecom physically interconnect its network into CenturyTel's network within every one of these local calling scopes. This requirement is incredibly inefficient requiring a new entrant – Socket Telecom – to establish facilities to all of the CenturyTel local calling areas when a single interface within the LATA would be sufficient for reaching all of the customers. Moreover, as already noted above, this requirement directly contradicts the requirement in paragraph 209 of the FCC's *First Report and Order* cited above. In short, the Commission must reject CenturyTel's interconnection requirements.

Q. IS THERE ANY OTHER ASPECT OF CENTURYTEL'S PROPOSED LANGUAGE THAT YOU BELIEVE IS PARTICULARLY IMPORTANT TO BRING TO THE COMMISSION'S ATTENTION?

A. Yes. While there are many sections that CenturyTel has proposed that are problematic, one other aspect in the section quoted above needs to be raised with the Commission. Specifically, CenturyTel's proposal limits the use of the point of interconnection to "the routing of *Local Traffic*." The POI is intended for the interconnection of traffic generally – not simply *Local Traffic*.

Q. WHAT RECOMMENDATION DO YOU MAKE TO THE COMMISSION ON THIS POINT?

A. I would encourage the Commission to rely on the detailed work that it has performed in the past on the interconnection issue with the SBC arbitrations that have been memorialized in the M2A Successor Agreement. At a principled level, the Commission was implementing the requirements of the Federal Telecommunications Act and the implementing regulations established by the FCC. There is no reason to believe for interconnection that the terms and conditions for the Point of Interconnection would be materially different between Socket Telecom's network interfacing with CenturyTel's network rather than SBC's network. In short, I would recommend that the Commission avoid the detailed parsing of the language that CenturyTel has proposed and instead rely on the M2A Successor Agreement language that Socket Telecom has proposed for this issue.

C. TRUNKING EFFICIENCY (ARTICLE V: DPL ISSUE NO. 12)

Q. COULD YOU PLEASE IDENTIFY WHAT THE NATURE OF THE INTERCONNECTION AGREEMENT DISPUTES ARE IN THIS AREA?

A. Yes. Fundamentally, there are two issues for the Commission to decide in this portion of Article V. *First*, Socket Telecom has proposed a paragraph in Section 11.1, to which CenturyTel objects entirely:

> Trunking Requirements: The interconnection of Socket and CenturyTel networks shall be designed to promote network efficiency. CenturyTel will not impose any restrictions on Socket that are not imposed on its own traffic with respect to trunking and routing options afforded to Socket.

The key part of this paragraph is to once again ensure nondiscriminatory treatment of Socket Telecom from a network traffic engineering standpoint. This is important in that the same opportunities for routing traffic through CenturyTel's network that are available to CenturyTel traffic should also be available to Socket Telecom traffic. Paragraph 173 of the *First Report and Order* summarizes the relevant aspects of the Federal Telecommunications Act with respect to interconnection:

> Section 251(c)(2) imposes upon incumbent LECs "the duty to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the local exchange carrier's network … for the transmission and routing of telephone exchange service and exchange access." Such interconnection must be: (1) provided by the incumbent LEC at "any technically feasible point within [its] network;" (2) "*at least equal in quality to that provided by the local exchange carrier to itself or … [to] any other party to which the carrier provides interconnection*;" and (3) provided on rates, terms, and conditions that are "just reasonable, and *nondiscriminatory*, in accordance with the terms and conditions of the agreement and the requirements of this section and section 252."[10]

The reality is that this first paragraph that Socket Telecom has introduced importantly notes the very requirements for interconnection that are at the center of the Federal Telecommunications Act. There should be no reason for CenturyTel to object to the presence of this language in the interconnection agreement.

Q. COULD YOU PLEASE IDENTIFY THE NATURE OF THE SECOND DISPUTE THAT YOU HAVE IN THIS AREA?

A. Yes. *Second*, there is what might appear to be a minor difference between Socket Telecom and CenturyTel in the language in the second paragraph of Section 11.1, but the

[10] *First Report and Order*, ¶173. (Emphasis added.)

difference is significant. Let me first quote the two definitions highlighting the different language:

> Socket Telecom Section 11.1
>
> In accordance with Article III, it will be necessary for the Parties to have met **and discussed** trunking, forecasting, availability and requirements in order for the Parties to begin exchange of traffic.
>
> CenturyTel Section 11.1
>
> In accordance with Article III, it will be necessary for the Parties to have met **and agreed on** trunking, forecasting, availability and requirements in order for the Parties to begin exchange of traffic.

Q. WHY IS THIS SMALL TURN OF PHRASE IMPORTANT?

A. The practical reality is that Socket Telecom is doing all that it can to work proactively with CenturyTel to provide trunking forecasts, availability, and requirements to CenturyTel so that the interconnection of Socket Telecom and CenturyTel's networks can occur efficiently. The problem is that when this information is provided to CenturyTel, to Socket Telecom's observation, nothing is happening. Even though the discussion is occurring, CenturyTel is never willing to make an affirmative commitment – *i.e.* an *agreement* – regarding the trunking. Thus, when Socket Telecom sends its trunking orders to CenturyTel they are being rejected due to not having an approved or agreed upon trunk forecast. Socket Telecom does not know what more that it can do than what it has already done. While I do not know whether it is conscious or not, CenturyTel has made it virtually impossible to work collaboratively with CenturyTel to establish trunking plans because it will never make a commitment coming out of the trunk planning meetings.

For this reason, Socket Telecom seeks to have the interconnection agreement language at least acknowledge that Socket Telecom must communicate with CenturyTel for it to allow for the exchange of traffic. However, given CenturyTel's behavior to present, it is unreasonable to require that an agreement on the trunk forecast will occur.

D. TWO-WAY TRUNK PREFERENCE (ARTICLE V: DPL ISSUE NO. 13)

Q. WHAT ARE TWO-WAY TRUNKS?

A. First of all, a trunk is a circuit that connects two switches together so that a communication path can be established. A two-way trunk is one that allows for the communication to be initiated from either direction. By contrast a one-way trunk is one that can have communication initiated from only one direction. In other words, with a two-way trunk, Switch A can call Switch B or Switch B can call Switch A over the same trunk. However, with a one-way trunk directed from Switch A towards Switch B, the trunk can only be used to call from Switch A to Switch B. The trunk cannot be used to initiate a call from Switch B towards Switch A.

Q. IS THE DETERMINATION OF TWO-WAY OR ONE-WAY TRUNKING INHERENT IN THE FACILITIES OR IS IT AN OPTION AT THE SWITCH?

A. This determination is an option at the switch.

Q. WHAT THEN IS THE DISPUTE OVER TWO-WAY TRUNKING FOR THIS DPL ISSUE?

A. CenturyTel wants to restrict access to two-way trunking to where it says two-way trunking will be available. Instead, because of the efficiencies of two-way trunking allowing for calling to be initiated in either direction over the same trunk, Socket Telecom wants the interconnection agreement language to explicitly note that if two-way

trunking is available, it will be used. Referencing back to the quotes from the FCC *First Report and Order* earlier, if a form of interconnection is technically feasible, it should be made available to the CLEC. In addition, 47 C.F.R. § 51.305(f) requires that, "[i]f technically feasible, an incumbent LEC shall provide two-way trunking upon request." Socket Telecom has simply incorporated these thoughts into the interconnection agreement to utilize two-way trunking where it is available. The use of this form of trunking should not be held hostage by CenturyTel's willingness to make it available or not even to where CenturyTel is already using two-way trunking.

Q. ARE THERE ANY OTHER ISSUES RELATED TO THIS SECTION OF ARTICLE V?

A. Yes. Once again, as I have already discussed earlier in this testimony, CenturyTel seeks to limit the use of trunks to the delivery of "Local Traffic." This attempt on CenturyTel's part is unprecedented. Under CenturyTel's definition and limitation, Socket Telecom would be prohibited from delivering, for example, ISP-Bound Traffic, FX Traffic, Transit Traffic, non-PIC'd IntraLATA toll traffic and other types of traffic that are commonly delivered over local interconnection trunks by other incumbent LECs in Missouri. As noted previously, CenturyTel's position is contrary to the Federal Telecommunications Act and the FCC's rules regarding incumbent LEC interconnection obligations.

E. SPECIFIC TRUNK LANGUAGE (ARTICLE V: DPL ISSUE NO. 14)

Q. THE LANGUAGE THAT SOCKET TELECOM HAS PROPOSED IS SIGNIFICANTLY MORE DETAILED REGARDING THE TRUNKING REQUIREMENTS THAN IS THE CENTURYTEL LANGUAGE. IS THIS THE MAIN SOURCE OF DISPUTE IN THIS SECTION?

A. Yes. CenturyTel effectively suggests a "just trust me" approach to how the trunking requirements will be established between its network and Socket Telecom's network. The language that Socket Telecom has incorporated into its proposal is taken from the trunking language that exists in the M2A Successor Agreement. In other words, this level of detail has proven to be useful in establishing interconnection between SBC and the numerous CLECs operating in its territory in Missouri. There is good reason to believe that incorporating this type of detail into the CenturyTel-Socket Telecom interconnection agreement would also be beneficial.

F. ROUTING POINTS (ARTICLE V: DPL ISSUE NO. 29)

Q. WHAT IS THE NATURE OF THE DISPUTE RELATED TO ROUTING POINTS?

A. The dispute related to routing points is very similar to the dispute discussed earlier related to the Single Point of Interconnection. CenturyTel's language is intended to require that Socket Telecom implement a routing point within each rate center rather than at the LATA level as discussed previously. Significantly, CenturyTel and Socket Telecom have reached agreement on the definition of a Routing Point:

> 1.108 Routing Point – Denotes a location that a LEC has designated on its network as the homing (routing) point for traffic that terminates to Exchange Services provided by the LEC that bears a certain NPA-NXX designation. The Routing Point is used to calculate airline mileage for the distance-sensitive transport element charges of Switched Access Services. Pursuant to

> Telcordia Technologies Practice BR795-100-100, the Routing Point may be an end office location, or a "LEC Corsortium Point of Interconnection." The Routing Point must be in the same LATA as the associated NPA-NXX.

Importantly, this definition does not preclude Socket Telecom from establishing a single routing point within the LATA so long as the "Routing Point must be in the same LATA as the associated NPA-NXX." The bottom line is that CenturyTel's language should be rejected as it is yet another attempt to undermine this Commission's prior determinations regarding interconnection that a single point of interconnection can be established within a LATA.

VII. RATES AND CHARGES (ARTICLE VII: DPL ISSUE NO. 1)

A. PRELIMINARY ASSESSMENT OF CENTURYTEL FILING

Q. COULD YOU PLEASE PROVIDE THE COMMISSION WITH A SUMMARY OF WHERE THE RATES AND CHARGES ISSUE FOR UNE ELEMENTS STANDS?

A. Yes. As has been discussed previously in this testimony, when CenturyTel acquired the Verizon exchanges in Missouri, CenturyTel agreed to abide by the contracts that existed between Verizon and CLECs for a period of time including the rates and charges incorporated in those contracts. For many of the important rate elements included in Article VII, CenturyTel and Socket Telecom are in agreement to continue using these same Verizon/AT&T-arbitrated UNE rates that CenturyTel agreed to offer when it took over operation of the Verizon service territories in Missouri.

Unfortunately, one area where CenturyTel has insisted on substantial changes has been in the area of nonrecurring charges. Instead of continuing to rely on the

nonrecurring charges based on the Verizon/AT&T-arbitrated UNE rates, CenturyTel instead proposes new extraordinarily high nonrecurring charges.

Q. HAS CENTURYTEL PRODUCED COST STUDIES FOR THESE NONRECURRING CHARGES?

A. No. CenturyTel has produced 19 cost studies that were provided to Socket Telecom on March 15, 2006. Incredibly, these cost studies were provided to Socket Telecom less than one week before our Direct Testimony in this proceeding was due. Socket Telecom has repeatedly sought to obtain any cost studies from CenturyTel upon which it would be basing rate proposals in this case as far back as January 2006 and even before that during negotiations. CenturyTel waited until six days before testimony was due to provide the cost studies.

Importantly, however, these cost studies were ***not*** for the extraordinarily high nonrecurring charges that CenturyTel has proposed in this case. As of the filing of this testimony, CenturyTel still has not offered any cost support for its nonrecurring charges.

Q. WHAT RATE ELEMENTS DO THE COST STUDIES COVER?

A. The 19 cost studies actually cover only four rate elements: (1) 2-Wire Analog Loop Recurring; (2) 4-Wire Analog Loop Recurring; (3) DS1 Entrance Facility (DS1 Channel Termination) Recurring; and (4) DS3 Entrance Facility (DS3 Channel Termination) Recurring.

Q. IS CENTURYTEL RELYING ON THESE COST STUDIES TO SUPPORT THE RATES THAT IT IS PROPOSING?

A. Again, amazingly no. CenturyTel provided 19 cost studies and is not relying or apparently sponsoring any of the results in its cost filing. Specifically, for the 2-Wire

Analog Loop and 4-Wire Analog Loop, CenturyTel is proposing to use the Verizon/AT&T-arbitration monthly recurring rates for these elements. Socket Telecom is in agreement on these rate elements. As such, 2-Wire Analog Loops will range from a low of $19.14 per month (Zone 4) to a high of $53.84 per month (Zone 1) and 4-Wire Analog Loops will range from a low of $29.60 per month (Zone 4) to a high of $93.37 per month (Zone 1).

However, just to provide the Commission with some sense of comparison, CenturyTel's cost studies for 2-Wire Analog Loops and 4-Wire Analog Loops do not even come close to these rates. First, CenturyTel did not perform cost studies by the four zones (Zone 1, Zone 2, Zone 3, and Zone 4) that presently appear in the interconnection agreement. ***CONFIDENTIAL ****************************** ************ ** ** ** ** ** ****************** END CONFIDENTIAL*** Perhaps we should be thankful that CenturyTel is not relying on its cost studies to set 2-Wire Analog Loop rates in Missouri. Certainly customers in CenturyTel's territory that want competitive choice should be thankful. However, I believe it is most telling that CenturyTel has produced cost studies that are so fundamentally inconsistent with the rates that were found to be cost-based when Verizon was operating these exchanges that the Commission should fundamentally

question whether there is anything believable about CenturyTel's cost studies whatsoever.

Q. ARE THE COST STUDY RATES FOR 4-WIRE ANALOG LOOPS ALSO SHOCKINGLY DIFFERENT FROM THE PROPOSED VERIZON/AT&T-ARBITRATED RATES?

A. Yes. ***CONFIDENTIAL**********

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END CONFIDENTIAL*

Q. YOU ALSO INDICATED THAT CENTURYTEL DEVELOPED RATES FOR DS1 AND DS3 ENTRANCE FACILITIES (CHANNEL TERMINATIONS). IS CENTURYTEL RELYING ON THESE COST STUDIES FOR ITS PROPOSED RATES?

A. It does not appear that CenturyTel is for several reasons. *First*, on page 1 of CenturyTel's Pricing Appendix, CenturyTel indicates that for the "Entrance Facility Charge" that one should see its "Intrastate Access Tariff." To be clear, this reference is contained in a section entitled "Rates and charges for Transport and Termination of Traffic." Typically, one does see rates for Entrance Facilities within a section related to transport and termination of traffic.

Second, CenturyTel has elements entitled CDT DS1, CDT DS3 Optical Interface, and CDT DS3 Electrical Interface which loosely could be related to DS1 and DS3 Entrance Facilities. However, there are at least three problems if CenturyTel relied on the DS1 and DS3 Entrance Facility cost studies for these three rate elements.

CONFIDENTIAL*******
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END CONFIDENTIAL* There is simply no correlation between the cost studies and this rate. *Three*, the structure for the CDT DS3 is between an Optical Interface and an Electrical Interface. This is simply not how the DS3 Entrance Facility cost study is structured for its outputs. The bottom line is that it does not appear that these cost studies would be the source for the CDT DS1, CDT DS3 Optical Interface, or CDT DS3 Electrical Interface rate elements.

Third, CenturyTel has elements entitled DS1 Loop and DS3 Loop which loosely could be related to DS1 and DS3 Entrance Facilities or DS1 and DS3 Channel Terminations. However, again there are at least two problems if CenturyTel relied on the DS1 and DS3 Entrance Facility cost studies for these two rate elements. ***CONFIDENTIAL ********** ********** **********

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***************END CONFIDENTIAL***** There is simply no correlation between the cost studies and this rate. The same is true for the DS3 Loop but in the opposite direction. CenturyTel is proposing a rate of $2,584.44 for a DS3 Loop. *****CONFIDENTIAL**********
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END CONFIDENTIAL*** As such, it is highly unlikely that on a weighted-averaged basis that the DS3 Loop rate would be supported by CenturyTel's cost study for a DS3 Entrance Facility.

Q. THE SITUATION YOU ARE DESCRIBING IS ONE WHERE CENTURYTEL PROVIDED YOU WITH 19 COST STUDIES, BUT THEY HAVE NO RELATIONSHIP TO THE RATES THAT CENTURYTEL IS SPONSING. IS THAT CORRECT?

A. Absolutely. There are numerous disputed nonrecurring charges for which CenturyTel provided no cost support. Moreover, for the 19 cost studies that CenturyTel did provide, CenturyTel is either relying on the existing Verizon/AT&T-arbitrated rates and its cost studies thus have no bearing. Alternatively, for the DS1 and DS3 Entrance Facility cost studies, there are no rate elements that are in the CenturyTel proposed Pricing Appendix

that appear to be based on these cost studies either. In short, CenturyTel's cost support is a complete mess.

Q. DID YOU REVIEW THE COST STUDIES THEMSELVES AT ALL?

A. Given the incredibly brief period of time available, I was only able to review the cost studies at a very high level. Primarily, I reviewed the cost studies to ascertain the rate elements that CenturyTel sponsored. I have discussed my findings in this regard already. I also reviewed the cost studies to see whether CenturyTel's cost support was comprehensive or not. For example, when performing recurring cost studies, one of the most important aspects of the cost development are the factors that are used to convert an investment in a particular element – *e.g.*, a 2-Wire Analog Loop – into a monthly recurring cost stream. These factors are based on the cost of equity, cost of debt, tax rates, depreciation rates, useful lives, expense factors, and many other components that ultimately define how a company recovers investment in its infrastructure. For these factors, CenturyTel provided absolutely no support. CenturyTel instead simply hard-coded the resulting final factors into its cost studies, but provided no support defining the cost of capital or any other related factor and how they were derived for use in the cost study. For example, there is absolutely no way that I could decipher to tell what cost of capital that CenturyTel used to develop its recurring rates. As the Commission knows from performing many cost study reviews, the cost of capital is a particularly important factor in developing any recurring rate. It is a complete mystery in the CenturyTel cost studies.

Q. DO YOU HAVE ANY SENSE AS TO THE MAGNITUDE OF THE COST OF CAPITAL OR OTHER FACTORS IN CENTURYTEL'S COST STUDIES?

A. Yes. While there are many factors that go into developing the factor that converts an investment into a monthly recurring cost, the overall magnitude of the factors in CenturyTel's cost studies are the highest that I have ever seen. I have reviewed cost studies across the country for every major incumbent LEC in every part of the country. I have never seen cost studies with factors as high as those proposed by CenturyTel.

Q. WHAT DO YOU RECOMMEND THAT THE COMMISSION DO WITH CENTURYTEL'S COST STUDIES AT THIS POINT?

A. This Commission has had a practice in the past of not evaluating cost studies during the compressed timeframes required for arbitrations under the Federal Telecommunications Act. This Commission has always taken the intervals required in the Federal Telecommunications Act seriously and honored these in making decisions regarding the terms and conditions for interconnection. However, this Commission has also taken the details involved in cost proceedings very seriously as well and separated these out into separate proceedings. I have personally participated in arbitrations as well as cost proceedings in Missouri and have seen the Commission's treatment of both to be true. That said, I would encourage the Commission to set aside the cost submissions made by CenturyTel at this time. They do not correlate with any rates that CenturyTel is sponsoring. They have not provided the material in sufficient time to provide for a meaningful review by the parties. Moreover, they have not provided cost studies corresponding to all of the contested rates in this arbitration. The bottom line is that

CenturyTel has not met its obligation to support its proposed rates and until it does so, the Commission should not rely on CenturyTel's proposals for rates in this arbitration.

B. SOCKET TELECOM'S ALTERNATIVE PROPOSAL

Q. IN LIGHT OF CENTURYTEL'S LACK OF SUPPORT AND FUNDAMENTAL INCONSISTENCY IN ITS COST STUDIES, HOW DO YOU RECOMMEND THAT THE COMMISSION PROCEED?

A. Socket Telecom has incorporated into its proposed Pricing Appendix an approach that relies on the work already performed by this Commission previously in cost proceedings in Missouri. For most recurring rates, Socket Telecom's proposal relies on the recurring rates that were established in the GTE/AT&T arbitration. In general, my understanding of CenturyTel's proposal as well relies on these rates.

For nonrecurring charges, the Socket Telecom proposal is based on the nonrecurring charges that this Commission established in the SBC cost proceedings.

Q. COULD YOU EXPLAIN WHY YOU RELIED ON SBC NONRECURRING COSTS?

A. Yes. The cost report in the GTE/AT&T arbitration states the following:

> GTE's TELRIC studies are based on actual costs, the cost associated with non-recurring events like hook-ups, trouble shooting and service calls are already built into the cost for the service at the historical experienced level. To the extent the level of events increases because of competition, the costs associated with that change would not be reflected in the TELRIC.[11]

Ultimately, GTE did not propose any NRC cost studies and the Missouri Commission did not set any nonrecurring rates beyond the $3.92 order charge. As such, Socket Telecom felt an obligation to propose some NRC rates. However, given the finding cited

previously, even this is a significant concession since under CenturyTel's acquisition commitments; CenturyTel is arguably not entitled to any increase in rates. The important point here is that the current GTE/AT&T-Arbitration based interconnection agreement between CenturyTel and Socket Telecom does not have any nonrecurring charges in it except for the $3.92 order charge. Socket Telecom is compromising by offering nonrecurring charges based on reviews performed previously by this Commission in the SBC cost proceedings.

Q. WHY DO YOU BELIEVE THAT SBC-BASED NONRECURRING CHARGES ARE APPROPRIATE FOR USE WITH CENTURYTEL?

A. I was the witness on behalf of AT&T, WorldCom, Birch Telecom, XO Communications, NuVox Communications, and McLeodUSA in the cost proceeding setting many of the nonrecurring charges for SBC.[12] In this proceeding, I provided restatements of approximately 37 nonrecurring cost studies filed by SBC.

Nonrecurring cost studies are fundamentally made up of four components: (1) a listing of tasks that must be performed for a particular nonrecurring activity; (2) the probability that the task will occur; (3) the amount of time that is incurred if the task occurs; and (4) the labor rate associated with the person performing the task. In my experience reviewing nonrecurring cost studies across the country, there is a great deal of

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[11] Case No. TO-97-63, Final Arbitration Order, August 20, 1997, Attachment B, p. 101.

[12] Missouri Case No. TO-2001-438, *In the Matter of the Determination of Prices, Terms, and Conditions of Certain Unbundled Network Elements*, Rebuttal Testimony of Steven E. Turner on behalf of AT&T Communications of the Southwest, Inc., WorldCom, Birch Telecom of Missouri, Inc., XO Missouri, Inc., NuVox Communications of Missouri, Inc., McLeodUSA Telecommunications, Inc., TCG Kansas City, Inc., and TCG of St. Louis, Inc., October 26, 2001.

similarity in the tasks that must be performed for any given activity within a central office such as provisioning an unbundled 2-Wire Analog Loop. Moreover, the efficiency of a technician (which relates to the amount of time required) at SBC, Verizon, BellSouth, or CenturyTel should not be fundamentally different for performing a cross-connect on a frame for a 2-Wire Analog Loop. I would also anticipate that the labor rates for personnel between SBC-Missouri and CenturyTel in Missouri would not be materially different. Nor would I anticipate that in an efficient, forward-looking environment which is required in a Total Element Long Run Incremental Cost Study (TELRIC) required by the FCC that the probability of tasks between SBC and CenturyTel would be significantly different. As such, I recommend that in lieu of CenturyTel providing this Commission with any meaningful information regarding nonrecurring costs to the contrary, that the Commission utilize the significant work that it has already performed for nonrecurring costs with SBC and implement these rates in the CenturyTel-Socket Telecom interconnection agreement until such time as CenturyTel is prepared to undertake a more meaningful cost examination.

Q. ARE YOU PROPOSING THAT THESE WOULD BE INTERIM RATES SUBJECT TO TRUE-UP?

A. No. Given that CenturyTel has provided no meaningful cost support and certainly not any within a reasonable timeframe for its review in this arbitration, I would recommend that the Commission utilize the SBC rates for nonrecurring charges without subjecting their later update to true-up. In other words, the rates would be permanent subject to CenturyTel seeking a more complete review by this Commission potentially through a generic cost proceeding.

Q. OTHER THAN THE RECURRING RATES THAT ARE BASED ON THE VERIZON-AT&T ARBITRATION AND THE NONRECURRING RATES THAT ARE BASED ON THE SBC COST PROCEEDINGS, ARE THERE ANY OTHER RATE PROPOSALS FROM SOCKET TELECOM THAT THE COMMISSION SHOULD BE AWARE OF?

A. Yes. There are three. *First*, the Commission may recall in the Verizon rate proceeding in Case No. TO-97-63 that the Commission developed its own approach to de-average 4-Wire Analog Loops given that Verizon had not offered sufficient information on its own to perform the de-averaging. The need to de-average loop rates is clear from the FCC's *First Report and Order*.[13] Socket Telecom used precisely the same approach to take the Verizon/AT&T-arbitrated DS1 Loop and DS3 Loop rates and convert them into de-averaged rates.

Second, for D1 Clear Channel and DS3 Clear Channel, Socket Telecom has identified rate elements and set the rates at $0.00. Socket Telecom needs to have the rates explicitly identified in the Pricing Appendix to ensure that CenturyTel does not preclude Socket Telecom with access to clear channel capability on DS1 and DS3 circuits claiming that no rate exists. Moreover, $0.00 is the appropriate rate for clear channel capability in that there is no incremental investment for this feature. In other words, clear channel capability can be implemented on a DS1 or DS3 by simply setting options in the equipment that is already recovered in the rates for the DS1 or DS3 circuit. There is no incremental investment for the clear channel capability and there should therefore be no additional cost.

[13] *First Report and Order*, ¶¶764-765.

Third, the rates for 2-Wire Analog Sub-loop Distribution have been set using a ratio of the SBC rates for 2-Wire Analog Sub-loop Distribution compared to the SBC rates for a 2-Wire Analog Loop. In other words, the rate of distribution cost to total loop cost for SBC was used as the same ratio for CenturyTel.

VIII. NUMBER PORTABILITY (ARTICLE XII: DPL ISSUE NO. 2)

Q. WHAT IS THE NUMBER PORTABILITY ISSUE THAT YOU ARE FACED WITH IN THIS ARTICLE?

A. Socket Telecom proposed language to make it clear that number portability would be provided for remote call forwarded numbers in Article XII Section 6.2.3:

> Each Party shall permit telephone numbers associated with Remote Call Forwarding to be ported.

CenturyTel wants to place a significant limitation on the availability of number portability for remote call forwarded numbers in the same article as follows:

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

Q. DO INCUMBENT LECS SUCH AS CENTURYTEL OFFER REMOTE CALL FORWARDING TO NUMBERS OUTSIDE OF THE SAME RATE CENTER?

A. Yes. This is a common service that is offered by incumbent LECs to customers that move their locations but want to maintain the phone number at the prior location. There are effectively two ways that this situation (maintaining the prior number) can be achieved: (1) remote call forwarding and (2) foreign exchange service. In essence, all that Socket Telecom is attempting to do is to ensure that customers that already have remote call forwarding service with CenturyTel are able to maintain their same phone

number when they move to Socket Telecom. CenturyTel's efforts are simply an attempt to prevent customers from being able to move to a competitive alternative.

Q. DO OTHER INCUMBENTS PREVENT THIS TYPE OF NUMBER PORTABILITY?

A. No. I recently participated in a presentation before the Local Number Portability (LNPA) subcommittee of the North American Numbering Council (NANC) related to this very issue. While in this meeting, representations of BellSouth, AT&T (SBC), Verizon, and others made it very clear that porting of remote call forwarding numbers between rate centers is a routine occurrence for which number portability should be provided. The following summarizes the findings of the LNPA:

> A customer, currently with another provider, has a Remote Call Forwarding (RCF) arrangement where their number, associated with Rate Center 1, is forwarded to a number in Rate Center 2. This allowed the customer to physically move from Rate Center 1 to a location in Rate Center 2, while with this provider, and retain their number for terminating calls. The customer now wants to be served by PAETEC [a CLEC] and port their RCF'd number, the one associated with Rate Center 1, to PAETEC. The current provider serving the customer has refused to port the number, stating that this is Location Portability (porting outside the Rate Center).
>
> The consensus of the group was that PAETEC should be allowed to provide the same service, RCF or FX, to this customer as the current provider does.[14]

The important point here is that it is common in the industry to provide for number portability of remote call forwarded numbers if the incumbent is offering the same service to the customer. Moreover, at a minimum, if Socket Telecom ultimately provides

[14] 11-05 Final LNPA Minutes, p. 20.

this service in an FX arrangement whereby Socket Telecom honors the calling cost of the ported number for both originating and terminating calls, there is certainly no reason to prohibit this type of number porting.

Q. WHY THEN DO YOU SEEK THE LANGUAGE THAT SOCKET TELECOM PROPOSES?

A. Socket Telecom has proposed its language to simply make sure that this conflict does not arise with CenturyTel right in the middle of moving a customer from CenturyTel to Socket Telecom. In other words, we need for the Commission to affirmatively determine that this type of porting, which is commonly performed by other incumbents, will be allowed by CenturyTel so that the customers will not be held hostage.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.