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December 17, 2009

Oregon Public Utility Commission
Attn: Filing Center
P.O. Box 2148
Salem, OR 97308-2148

Re: UM 1431; Joint Testimony of Frontier and Level 3 in Support of Their
Settlement Agreement

Dear Commission,

Enclosed for filing are an original and five copies of the Joint Testimony of Frontier Communications Corporation and Level 3 LLC in support of their Settlement Agreement. Affidavits from the witnesses are attached to the testimony.

If you have any questions regarding this filing, please don't hesitate to contact me.

Very truly yours,


Charles L. Best

encls

cc Service List

CERTIFICATE OF SERVICE

I certify that on December 17, 2009, I served the foregoing document(s) upon all parties of record in Docket No.UM 1431 by e-mail and/or U.S. Mail or Overnight Delivery.

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By:



Charles L. Best
Attorney for Frontier
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OSB No. 781421

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1431

In the Matter of)
)
VERIZON COMMUNICATIONS INC.,)
and FRONTIER COMMUNICATIONS)
CORPORATION)
)
Joint Application for an Order Declining to)
Assert Jurisdiction, or, in the)
Alternative, to Approve the Indirect)
Transfer of Control of)
VERIZON NORTHWEST INC.)

TESTIMONY IN SUPPORT

OF STIPULATION AMONG
FRONTIER COMMUNICATIONS CORPORATION
AND LEVEL 3 COMMUNICATIONS, LLC

BY THE
PARTIES TO THE STIPULATION

1 **Q. Who is sponsoring this testimony?**

2 A. This testimony is jointly sponsored by: Frontier Communications Corporation
3 (“Frontier”) and Level 3 Communications, LLC (“Level 3”). In this Joint Testimony, the
4 parties are referred to collectively as “the Parties.”

5
6 **Q. Please state your names.**

7 A. Our names are: Daniel McCarthy (Frontier) and Rick Thayer (Level 3). Mr. McCarthy
8 previously filed testimony in this proceeding and his qualifications are set forth in pre-
9 filed direct testimony dated July 6, 2009. Mr. Thayer’s qualifications are attached as
10 Exhibit 101.

11
12 **Q. What is the purpose of your testimony?**

13 A. Our testimony describes and supports the Settlement Agreement agreed upon by the
14 Parties on December 10, 2009 and filed with the Commission on December 16, 2009
15 (“Level 3 Stipulation”). Our testimony demonstrates why the Level 3 Stipulation
16 satisfies the Parties’ interests, will not cause any harm and is consistent with the public
17 interest.¹

18

¹ All parties in the proceeding have reached agreement on the issues in this proceeding and have or will file separate stipulations with the Commission. In short, the Commission has before it four separate stipulations for approval that resolve *all* issues raised by *all* parties: (1) the Global Stipulation; (2) the Joint CLEC Stipulation; (3) the Comcast Stipulation and the (4) Level 3 Stipulation. Each of these stipulations is supported by separate testimony filed today, and no party objects to any of these stipulations.

1 **Q. Please briefly describe the history of this proceeding.**

2 A. On May 29, 2009, the Applicants filed the application requesting that the Commission
3 either issue an order disclaiming jurisdiction or, in the alternative, approving the
4 transaction. Level 3 filed a petition to intervene on June 30, 2009, and that intervention
5 was granted by order on July 14, 2009. Level 3 did not file testimony in this proceeding
6 but has communicated to Frontier that it has one primary issue with respect to the
7 proposed transaction – the extension of the existing interconnection agreements and
8 arrangements that are in place with Verizon and Frontier. On December 10, 2009, the
9 Parties finalized and executed the Level Stipulation to resolve all issues raised by Level
10 3. The Level 3 Stipulation resolves all issues among the Parties in this docket and it is the
11 Parties' intent that interconnection agreement amendments will be filed to implement the
12 Level 3 Stipulation.

13

14 **Q. How does the Level 3 Stipulation address the Level 3 issue related to the extension
15 of existing interconnection agreements and arrangements?**

16 A. The Level 3 Stipulation provides for the extension of the existing interconnection
17 agreements and the network arrangements that Level 3 has in place with Verizon and
18 Frontier for a period of thirty months after the closing of the proposed transaction. (Level
19 3 Stipulation at paragraphs 2 and 3). The Parties have also agreed to commence
20 negotiations of each replacement interconnection agreement at least one year prior to the
21 termination of the existing interconnection agreements (Level 3 Stipulation at paragraph
22 6).

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Q. Will Level 3 and Frontier file interconnection agreement amendments with the Oregon Commission to effectuate the terms of the Level 3 Stipulation?

A. Yes. Paragraph 9 of the Level 3 Stipulation expressly contemplates that the Parties will execute and file interconnection agreement amendments to effectuate the terms of the Stipulation. Similarly, paragraph 4 of the Stipulation provides that the interconnection agreement between Frontier and Level 3 will be amended to incorporate certain other provisions from the Frontier and Level 3 interconnection agreement in West Virginia that address trunking capacity issues that Frontier and Level 3 have previously agreed upon.

Q. What is the significance of Level 3 and Frontier filing interconnection agreement amendments with the Oregon Commission to effectuate the terms of the Level 3 Stipulation?

A. Because Level 3 and Frontier will file interconnection agreement amendments to implement the terms of the Level 3 Stipulation with the Commission, the Commission will have the opportunity to review and approve the interconnection agreement amendment. As a result and because Level 3 did not file testimony in this proceeding, it is not clear that the Commission must review and approve the Level 3 Stipulation. The Parties, however, have submitted the Level 3 Stipulation in the event that the Commission determines that it would like to review and approve the Level 3 Stipulation.

Q. What is Frontier’s view of the Level 3 Stipulation?

1 A. With the Agreement, the issues raised by Level 3 in this proceeding have been addressed.
2 Specifically, with respect to interconnection agreements and arrangements, there will be
3 no adverse impact on Level 3 or any other competitive carrier in Oregon. Frontier is
4 providing Level 3 with these protections for the unexpired term of existing ICAs or for
5 thirty months from closing, whichever is later. The terms of the Level 3 Stipulation will
6 be implemented with filing of interconnection agreement amendments with the
7 Commission. Moreover, the terms of the Level 3 Stipulation will benefit not just Level 3
8 and the other CLECs participating in this proceeding. To the extent the stipulation
9 involves prospective interconnection obligations governed by Section 251 of the
10 Communications Act of 1934, as amended (the “Act”), these substantive stipulation
11 terms will be incorporated into an interconnection agreement amendment filed with the
12 Commission and will be governed by the non-discrimination protections of the Act
13 (including section 252(i)).

14

15 **Q. What is Level 3’s view of the Agreement?**

16 A. With the Agreement, Level 3’s issues have been addressed. Frontier has extended
17 existing interconnection agreements and network arrangements for thirty months from
18 closing of the proposed transaction. These provisions help assure a continuation of
19 existing business relationships and ensure that wholesale customers will not be harmed as
20 a result of the transaction.

21

22 **Q. What do the Parties conclude regarding the Level 3 Stipulation?**

1 A. With the Agreement, the Parties acknowledge that the Applicants' application will satisfy
2 the "in the public interest, no harm" standard (described in Order No. 09-169). To the
3 extent the Commission seeks to review and approve the Level 3 Stipulation, the Parties
4 request that the Commission issue an order approving the Level 3 Stipulation and
5 providing the approvals requested by the Applicants in the Application.

6

7 **Q. Does this conclude the Parties' testimony in support of the Level 3 Stipulation?**

8 A. Yes.

Richard E. Thayer
725 14th Street
Boulder, CO 80302
720-470-7303
E-Mail rick.thayer@level3.com

2003 – Present **Level 3 Communications** **Broomfield, CO**
Senior Corporate Counsel

- Responsible for management and conduct of interconnection transactions with other telecommunications carriers.

1996 – 2002 **AT&T** **Denver, CO**
2000-2002 AT&T Broadband VP - Local Government Affairs

- Responsible for managed of Northwest division of government affairs to maintain cable franchises and introduction of telephony over the cable plant.

1996-2002 Chief Commercial Counsel, Northwest

- Responsible for managed of Northwest division intercarrier transactions including interconnection services.

1989-1996 **AT&T American Transtech Inc.** **Jacksonville, FL**
Managing Counsel and Assistant Secretary

- Responsible for overall legal department management for telecommunications company focused on customer service and internet transactions.

Affiliations Massachusetts Bar
Florida Bar
Colorado Bar

Education Boston University School of Law JD
Amherst College BA, cum laude

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1431

In the Matter of)	
VERIZON COMMUNICATIONS INC.,)	AFFIDAVIT OF
and FRONTIER COMMUNICATIONS)	Daniel McCarthy
CORPORATION)	
Joint Application for an Order Declining to)	
Assert Jurisdiction, or, in the alternative, to)	
Approve the Indirect Transfer of Control of)	
VERIZON NORTHWEST, INC.)	

STATE OF CONNECTICUT)
 County of Fairfield)

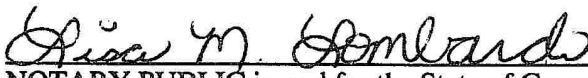
I, Daniel McCarthy, being first duly sworn do depose and say:

1. I am the same Daniel McCarthy that submitted prefiled Direct Testimony dated July 6, 2009 and Rebuttal Testimony dated November 16, 2009, on behalf of Frontier Communications Corporation in UM 1431.
2. I have reviewed and prepared the accompanying Testimony in Support of Stipulation and have no changes or corrections to that testimony.
3. If I were called as a witness, my answers to the written questions would be the same and I hereby swear the answers to those questions are true.

Dated this 16 day of December, 2009.


 Daniel McCarthy

SUBSCRIBED AND SWORN to before me this 16th day of December, 2009.


 NOTARY PUBLIC in and for the State of Connecticut
 Residing at Connecticut.
 My Commission expires: 10/31/11.

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1431

In the Matter of
VERIZON COMMUNICATIONS INC., and
FRONTIER COMMUNICATIONS
CORPORATION
Joint Application for an Order Declining to
Assert Jurisdiction, or, in the alternative, to
Approve the Indirect Transfer of Control of
VERIZON NORTHWEST, INC.

AFFIDAVIT OF
RICK THAYER

STATE OF OREGON)
) ss
County of Multnomah)

I, Rick Thayer, being first duly sworn on oath, depose and say:

1. I am the same Rick Thayer who, with Kevin Saville of Frontier Communications, is submitting Joint Testimony in Support of Stipulation dated December 18, 2009 in UM 1431.

2. I have reviewed and prepared the accompanying Joint Testimony in Support of Stipulation, and I have no changes or corrections to that testimony.

3. If I were called as a witness, my answers to the written questions would be the same, and I hereby swear the answers to those questions are true.

SIGNED this 17 day of December, 2009, at Broomfield County, Colorado.

Signed: [Signature]
Rick Thayer

SUBSCRIBED AND SWORN to before me this 17 day of December, 2009.

Cheyenne Tipton
Notary Public, State of Colorado
Residing at Broomfield, CO
My Commission Expires 12/13

