

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1484

In the Matter of)
)
CENTURYLINK, INC.,)
)
Application for Approval of Merger between)
CenturyTel, Inc, and Qwest Communications)
International, Inc.)
)

DIRECT TESTIMONY

OF

BILLY H. PRUITT

CHARTER FIBERLINK OR-CCVII, LLC

August 24, 2010

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Exhibits

Exhibit Charter Fiberlink/2 – CenturyLink Response to Charter Information Request No. 4

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Exhibit Charter Fiberlink/10 – CenturyLink Response to Charter Information Request No. 44; Attachment Charter-44

Exhibit Charter Fiberlink/11 – CenturyLink Response to Charter Information Request No. 45; Attachment Charter-45

Exhibit Charter Fiberlink/12 – Qwest Response to Charter Information Request No. 17

Exhibit Charter Fiberlink/13 – Qwest Response to Charter Information Request No. 21

1 **I. INTRODUCTION**

2
3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Bill Pruitt. My business address is 12405 Powerscourt Drive, St.
5 Louis, Missouri, 63131. I am filing this testimony on behalf of Charter Fiberlink
6 OR-CCVII, LLC.

7 **Q. BY WHOM ARE YOU EMPLOYED, AND WHAT IS YOUR POSITION**
8 **WITHIN THE COMPANY?**

9
10 A. I am Manager of Interconnection Services, at Charter Communications, Inc., and
11 provide support to its subsidiary, Charter Fiberlink OR-CCVII, LLC, an
12 intervener in this case (collectively “Charter”).

13 **Q. WHAT ARE YOUR DUTIES AS THE MANAGER OF**
14 **INTERCONNECTION SERVICES?**

15
16 A. I am required to provide regulatory policy and contract expertise in support of
17 Charter’s voice service (i.e., telephone) business initiatives. In this role, I
18 participate in interconnection agreement (“ICA”) negotiations for the provision of
19 network interconnection, traffic exchange, and related wholesale arrangements;
20 help resolve ICA implementation and maintenance issues; and, manage the
21 internal coordination efforts required to negotiate and implement ICAs and related
22 wholesale arrangements.

23 **Q. DO YOUR RESPONSIBILITIES ALSO INCLUDE IMPLEMENTATION**
24 **AND MANAGEMENT OF ICAS AND RELATED WHOLESALE**
25 **ARRANGEMENTS WITH CENTURYLINK AND QWEST?**

26
27 A. Yes. I am actively involved in the day to day work of managing the wholesale
28 arrangements we have with both CenturyLink and Qwest. In addition, I have
29 been involved in both informal and formal disputes, including several ICA
30 arbitration and complaint proceedings, with both companies. As you know, in

1 addition to network interconnection and traffic exchange issues, ICAs also govern
2 many other wholesale arrangements between Charter and the incumbent local
3 exchange carriers (“ILECs”) it competes with. Therefore, I am very familiar with
4 the wholesale policies and procedures that CenturyLink and Qwest apply to
5 Charter through the interconnection agreements we have in place.

6 **Q. WHAT IS THE RELATIONSHIP BETWEEN YOUR EMPLOYER,**
7 **CHARTER COMMUNICATIONS, AND CHARTER FIBERLINK OR-**
8 **CCVII, LLC, THE INTERVENER IN THIS DOCKET?**
9

10 A. Charter Communications, Inc. is a national MSO that provides cable television
11 and broadband internet services in various parts of the United States, including
12 parts of Oregon. The Charter Fiberlink companies, of which Charter Fiberlink
13 OR-CCVII, LLC is one, are wholly-owned subsidiaries of Charter
14 Communications, Inc. that provide facilities-based local exchange services and
15 resold interexchange services to customers using facilities and services obtained
16 from the Charter Communications cable television companies. The Charter
17 Fiberlink companies provide voice communications services to more than 1.6
18 million residential and small business customers. For the sake of brevity, I refer
19 to Charter Communications, Inc. and the Charter Fiberlink companies,
20 specifically including Charter Fiberlink OR-CCVII, LLC, which provides local
21 exchange services in Oregon, as “Charter” throughout my testimony.

22 **Q. PLEASE DESCRIBE YOUR RELEVANT WORK EXPERIENCE AND**
23 **EDUCATION.**
24

25 A. I joined Southwestern Bell Telephone Company in 1968 as a Teletype and Data
26 Repair Technician, and then served as a Central Office Repair Technician until
27 1970. Between 1970 and 1972 I served in the US Army. Upon my return to

1 Southwestern Bell in 1972, I was assigned as a Switching Technician and, over
2 time, served in many different outside plant and central office technical positions
3 I obtained a Bachelor of Arts in Political Science degree from St. Louis
4 University in 1981. In 1983, I was appointed a Manager in the Access Services
5 group where I performed detailed costs studies and developed rates for multiple
6 switching technologies required to provide switched access services. In 1986, I
7 obtained a Master of Business Administration degree from Webster University. I
8 was also promoted to the position of Area Manager Rates and Cost Studies in
9 1986, and managed a work group responsible for switched access cost studies,
10 rate development and associated filings with state and federal regulatory agencies.
11 In 1990, I was appointed Area Manager Regional Sales where I developed and
12 presented competitive proposals for complex network services and served as the
13 Division's regulatory liaison. I retired from Southwestern Bell in December,
14 1998.

15 In September, 1999, I accepted a position as a Senior Engineer with the Sprint
16 PCS Carrier and Wholesale Interconnection Management group. In this
17 assignment I was a lead negotiator responsible for negotiating interconnection
18 agreements between Sprint PCS and other telecommunications carriers. I was
19 also responsible for providing expert witness testimony on behalf of Sprint PCS in
20 ICA arbitrations before state regulatory commissions.

21 In March, 2003, I was assigned to Sprint's Access Management organization
22 where I provided regulatory policy and contract expertise in support of Sprint
23 Communications Company L.P.'s long distance, competitive local and Sprint PCS
24 wireless initiatives. I was subsequently assigned to the Sprint Business Solutions

1 organization where I provided general enterprise support regarding the
2 development and delivery of products and services to Sprint's wholesale
3 customers, and negotiated contracts with both local exchange carriers ("LECs")
4 and alternate access vendors for services and facilities required in the Sprint
5 network. Throughout this time, I also continued to provide negotiation and
6 contract support to the various Sprint teams that negotiated interconnection
7 agreements with other carriers, as well as providing expert witness testimony
8 when required.

9 In the performance of my responsibilities at Sprint, I was required to understand
10 and implement Sprint's rights and obligations on a day-to-day basis arising under:
11 (i) the Communications Act of 1934 as amended by the Telecommunications Act
12 of 1996 ("the Act"); (ii) the Federal Communications Commission ("FCC") rules
13 implementing the Act; and, (iii) federal and state authorities regarding the Act and
14 FCC rules.

15 In December 2004, I accepted a voluntary buyout from Sprint and opened a
16 telecommunications consulting practice providing interconnection support
17 services to telecommunications providers, primarily wireless carriers.

18 Since September 2007, I have been employed by Charter, initially as a contractor
19 and currently as a full-time employee.

20 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY STATE**
21 **REGULATORY COMMISSION?**

22
23 A. Yes, I have previously provided testimony regarding interconnection and related
24 matters before the Georgia Public Service Commission, the Florida Public Service
25 Commission, the Iowa Public Utility Board, the Louisiana Public Service

1 Commission, the Missouri Public Service Commission, the Mississippi Public
2 Service Commission, the Nebraska Public Service Commission, the Oklahoma
3 Corporation Commission, and the Tennessee Regulatory Authority. I will also be
4 providing testimony before the Washington Utilities and Transportation
5 Commission, the Minnesota Public Utilities Commission, and the Nebraska
6 Public Service Commission in conjunction with the review of the CenturyLink-
7 Qwest transaction that will occur in each of those states.

8 **II. PURPOSE AND SUMMARY OF TESTIMONY**

9
10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. In my testimony I will discuss certain current CenturyLink wholesale practices
12 that increase costs and affect Charter's ability to efficiently provide voice services
13 in competition with CenturyLink. If continued by the post-merger company these
14 practices will make it more costly and difficult for Charter to provide competitive
15 services to consumers in Oregon. In addition, I will discuss the negative impact
16 that CenturyLink's wholesale policies and procedures have had on Charter, and
17 the reasons why Charter opposes the approval of CenturyLink's application for
18 merger with Qwest, unless the Commission imposes certain quantifiable
19 conditions, with consequences for nonperformance. Further, I will make some
20 recommendations as to the conditions that the Commission should impose, if the
21 Commission is so inclined to approve the transfer, to ensure that the merged entity
22 does not continue these practices in the newly acquired markets, and that
23 CenturyLink ceases its anticompetitive practices in its current markets.

1 **Q. PLEASE DISCUSS CHARTER'S OPERATIONS AND THE SERVICES IT**
2 **PROVIDES IN OREGON.**

3
4 A. Charter Fiberlink OR-CCVII, LLC is a Delaware limited liability company, with
5 its primary place of business in St. Louis, Missouri. It is authorized by the
6 Commission to provide intraexchange switched and non-switched private line
7 services in designated exchanges in Oregon and to provide interexchange
8 switched and non-switched private line service statewide in Oregon.

9 Practically speaking, Charter provides competitive voice services to primarily
10 residential customers in Oregon. These services are provisioned over affiliated
11 cable company networks, which are deployed largely in the less densely
12 populated areas of the state. Charter also offers certain business services,
13 however, the bulk of its customers are residential customers.

14 **Q. WHAT IS CHARTER'S EXPERIENCE WITH CENTURYLINK?**

15 A. Charter competes with CenturyLink (i.e., the former Embarq) in several different
16 areas of Oregon and seven other states;¹ it also competes with the former
17 CenturyTel affiliates in four states.² In addition, Charter also obtains
18 interconnection with, and related wholesale facilities from, CenturyLink to
19 provide service to customers in a number of CenturyLink service territories.
20 Thus, as a wholesale customer of and direct competitor to CenturyLink, Charter's
21 experience demonstrates that CenturyLink's wholesale practices increase the costs
22 of acquiring and migrating customers from CenturyLink.

¹ Minnesota, Missouri, Nebraska, North Carolina, Oregon, Tennessee, Virginia and Washington.

² Alabama, Missouri, Texas and Wisconsin.

1 **Q. WHAT IS CHARTER’S EXPERIENCE WITH QWEST?**

2 A. Similar to our relationship with CenturyLink, Charter both competes with Qwest
3 for residential and business customers, and also relies upon wholesale
4 arrangements and interconnection from Qwest in order to provision service in
5 four states.³ However, Qwest does not employ the wholesale practices that
6 CenturyLink employs, which I discuss in this testimony. Because Qwest does not
7 employ these practices which increase Charter’s (and other carriers’) costs of
8 competing, we believe that as between the two merging companies’ wholesale
9 practices, Qwest’s practices are preferred and should be used by the post-merger
10 company.

11 **Q. ARE THERE DISTINCTIONS BETWEEN CHARTER’S AND OTHER**
12 **INTERVENERS’ EXPERIENCE WITH CENTURYLINK?**

13
14 A. My testimony addresses Charter’s experience with obtaining wholesale inputs
15 from CenturyLink while also competing with CenturyLink for the provision of
16 voice services to primarily residential customers. Charter’s experience is distinct
17 from other interveners in this proceeding in that most of them primarily provide
18 business, or enterprise, services in competition with CenturyLink. Further,
19 Charter offers a unique perspective as it has extensive experience dealing with
20 CenturyLink’s wholesale practices since Charter has competed in CenturyLink
21 service territories in the Midwest and Southeast for years. Finally, because
22 Charter is a facilities-based competitor, it does not use Unbundled Network
23 Elements (“UNEs”), or resale services. Therefore, this testimony will not address
24 CenturyLink or Qwest wholesale practices as they relate to unbundling, service

³ Minnesota, Oregon, Nebraska and Washington.

1 performance measures, collocation, or other issues of concern to many of the
2 other interveners in this proceeding.

3 **Q. PLEASE SUMMARIZE THE SCOPE OF YOUR TESTIMONY,**
4 **INCLUDING YOUR CONCLUSIONS AND RECOMMENDATIONS.**

5
6 A. In this testimony, I focus on several specific CenturyLink wholesale practices that
7 affect Charter when competing with CenturyLink not only in Oregon, but
8 throughout its footprint, and the negative impact those anticompetitive practices
9 have had on Charter. Specifically, I will describe (i) the costs imposed upon
10 competitors when acquiring and migrating customers from CenturyLink; (ii) how
11 CenturyLink continues to use the rural exemption contained in Section 251(f)⁴ to
12 avoid obligations under Section 251 and thereby thwart competition; and, (iii) our
13 concerns with CenturyLink's operational support systems. To address these
14 concerns, I also discuss conditions that the Commission should impose upon the
15 post-merger company in the event that it approves the proposed transaction. In
16 particular, I explain that the Commission should condition approval of the
17 proposed merger upon a commitment from the post-merger company to adopt
18 Qwest's wholesale practices related to the customer acquisition and migration
19 process; and, to waive any statutory right it may have to operate (or for any of its
20 subsidiaries or affiliates to operate) as a rural company exempt from Section
21 251(c) obligations.

22 **Q. HOW DOES YOUR TESTIMONY INFORM THE COMMISSION'S**
23 **ANALYSIS OF THIS TRANSACTION?**

24
25 A. As I understand it, the Commission will review the proposed transaction under a
26 public interest analysis that will include a consideration of whether the proposed

⁴ 47 U.S.C. § 251(f).

1 transaction will harm competition in Oregon. We know that if CenturyLink
2 combines with Qwest, the post-merger company will be the largest provider of
3 telecommunications services in Oregon serving approximately 900,000 access
4 lines.⁵ In addition, based on Charter's experience with CenturyLink in other
5 states it is evident that CenturyLink has certain wholesale practices and policies
6 that negatively impact competition. If the proposed transaction is approved and
7 the post-merger company becomes the dominant provider in Oregon, it is likely
8 that these improper wholesale practices will be extended and applied to all
9 CenturyLink service territories (including those newly acquired territories
10 resulting from the merger). Thus, my testimony highlights the significant harms
11 that the proposed transaction could have on competition in Oregon if approved
12 without enforceable and quantifiable conditions.

13 **III. CERTAIN CENTURYLINK WHOLESALE PRACTICES INCREASE**
14 **CHARTER'S COSTS AND HINDER COMPETITION**

15
16 **A. CenturyLink's Anticompetitive Wholesale Surcharges Must Be Discontinued**

17
18 **Q. PLEASE DISCUSS THE CENTURYLINK WHOLESALE PRACTICES**
19 **THAT CONCERN CHARTER.**

20
21 A. There are several different surcharges that CenturyLink imposes upon Charter
22 when it "wins" a new customer from CenturyLink. These surcharges are imposed
23 at different points in the process of acquiring and migrating new customers.
24 Collectively, they increase Charter's operational costs, and make it more
25 expensive and difficult to provide competitive services to residential customers
26 that are located in CenturyLink's service territories.

27 **Q. PLEASE EXPLAIN.**

⁵ See Direct Testimony of Judith A. Peppler at 10.

1
2 A. CenturyLink assesses interconnection-based charges upon Charter when Charter
3 “wins” a new customer and takes the following action: (1) accesses the customer
4 side of a NID enclosure in order to connect its network to the customer’s inside
5 wire; (2) submits a request to CenturyLink to port a telephone number to
6 Charter’s network; and (3) submits a directory listing/directory assistance listing
7 to CenturyLink. This section of my testimony will discuss each of these charges
8 in turn.

9 *I. CenturyLink’s Assessment of Interconnection-based Charges on*
10 *Competitors’ Requests to Port Telephone Numbers*

11
12 **Q. PLEASE DESCRIBE NUMBER PORTING AND ITS ROLE IN**
13 **PROVIDING COMPETITIVE SERVICES.**

14
15 A. Number portability, or “porting,” is the term used to describe a telephone
16 customer’s ability to maintain his or her existing telephone number when the
17 customer changes providers. Porting occurs where the two telephone companies
18 work together, at the customer’s request, to transfer the telephone number from
19 the “old” service provider to the “new” service provider. The process ensures that
20 customers can transition from their old provider to their new provider, without
21 having to change their telephone number. Naturally, porting can and does go both
22 ways – to and from the incumbent.

23 **Q. WHY IS NUMBER PORTING IMPORTANT TO CONSUMERS?**

24 A. Number Porting is important because consumers want to retain their existing
25 telephone numbers when switching providers. Retaining your telephone number
26 is important for several reasons: consumers don’t want to have to alert their
27 friends and family of new telephone numbers, and change billing statements,

1 stationery, business cards, and other items every time they switch telephone
2 providers. For these reasons (and others), number porting is very important to
3 customers, and competition. Indeed, without number portability consumers may
4 choose not to change their providers because of the impact on their personal and
5 business lives.

6 **Q. WHY IS NUMBER PORTING IMPORTANT TO COMPETITORS?**

7 A. As noted, getting customers to change providers can be difficult. The customer
8 inertia for a new service is difficult to overcome in the first place, but without
9 number portability consumers may not even consider an alternative provider.
10 Even though providers like Charter now offer competitive alternatives by
11 competing vigorously on rates, terms and conditions, experience shows that when
12 number portability is constrained or limited, competition will be hampered. The
13 inconvenience of losing a telephone number that is associated with the consumer
14 is simply too great. Therefore, all of the competitors' efforts to compete with
15 incumbents are dismissed if the customer can't port their telephone number.

16 **Q. WHAT CENTURYLINK WHOLESALE POLICIES AND PRACTICES**
17 **AFFECT NUMBER PORTING?**

18
19 A. CenturyLink (i.e., CenturyTel affiliates) assesses a surcharge upon Charter at the
20 initial stage of the process,⁶ when Charter conveys the customer's request to port
21 their telephone number from CenturyLink to Charter's network. It is clear that
22 these charges would not arise but for the fact that Charter is competing with

⁶ See CenturyLink Discovery Responses Nos. 25 & 26. Exhibits Charter Fiberlink/4 and Charter Fiberlink/5.

1 CenturyLink, and actively porting numbers (and customers) away from
2 CenturyLink's network.⁷

3 **Q. HOW DOES CENTURYLINK'S PRACTICE OF ASSESSING A**
4 **SURCHARGE ON NUMBER PORTING AFFECT CHARTER'S ABILITY**
5 **TO COMPETE?**

6
7 A. CenturyLink's current practice of assessing a surcharge on number porting
8 increases Charter's operational and administrative costs of acquiring and
9 migrating new customers from CenturyLink. Operationally, these surcharges
10 make it more costly for Charter to "win" new CenturyLink customers, than the
11 customers of other carriers that do not impose a similar surcharge for number
12 porting. Thus, there is an economic disincentive to competing for CenturyLink
13 customers. In this way, CenturyLink's practices have the effect of hampering
14 Charter's efforts to provide competitive services to consumers in states where the
15 two companies compete.

16 **Q. HAS THE ASSESSMENT OF THESE CHARGES INCREASED**
17 **CHARTER'S ADMINISTRATIVE COSTS?**
18

19 A. Yes. Charter has been forced to commit significant time and expense to the
20 process of reviewing, reconciling, and disputing each CenturyLink invoice with
21 these charges. Keep in mind that this review, reconciliation (and if necessary
22 disputing) occurs on a monthly basis.

23 **Q. PLEASE EXPLAIN.**

24 A. Charter's personnel responsible for reviewing carrier invoices are forced to sort
25 through CenturyLink's invoices and identify improper charges and other billing
26 errors. Once these errors are identified, those persons are then responsible for

⁷ *Id.*

1 submitting specific bill disputes with CenturyLink. The disputed charges are then
2 short-paid, and are entered into CenturyLink's dispute portal. Charter is then
3 responsible for periodically checking CenturyLink's dispute portal to ensure that
4 there were no notifications sent by CenturyLink to inform Charter that the dispute
5 has been acknowledged, or processed for invoice credit or denial. And Charter,
6 on a monthly basis, analyzes the total open disputes entered into its dispute
7 tracking database and then creates an entry for the estimated amount of reserve
8 related to the CenturyLink disputes. Charter's administrative costs associated
9 with its review of CenturyTel's invoices would be reduced significantly if
10 CenturyLink did not assess charges for number porting.

11 **Q. HAS CHARTER INCURRED ADDITIONAL OPERATIONAL COSTS AS**
12 **A RESULT OF THESE CHARGES?**

13
14 A. Yes. When the amount of unpaid bills escalates as a result of billing disputes,
15 such disputes are likely to become significant matters of concern between the
16 parties. In the past, CenturyLink has billed porting charges that were not
17 authorized by the parties' interconnection agreement ("ICA") and Charter has
18 disputed them. That, in turn, led to significant operational, and eventually legal,
19 disputes between Charter and CenturyLink in Missouri, for example. During
20 these disputes, CenturyLink threatened to stop porting telephone numbers unless
21 its surcharges were paid. Charter eventually retained legal counsel to litigate a
22 resolution before the Missouri Public Service Commission. That litigation, and
23 the attendant legal costs, would not have occurred had CenturyLink not assessed
24 these improper charges.

25 **Q. WHAT IS CENTURYLINK'S RATIONALE FOR ASSESSING THESE**
26 **SURCHARGES?**

1
2 A. CenturyLink asserts that these surcharges are simply generic “service order”
3 charges that arise as a result of the costs of providing a service to Charter. The
4 problem with this rationale is that CenturyLink is not providing a service to
5 Charter. Instead, CenturyLink is porting a telephone number to Charter,
6 consistent with its legal obligations under federal law, just as Charter does for
7 CenturyLink (without charge).

8 **Q. PLEASE EXPLAIN.**

9
10 A. CenturyLink has argued in the past that these charges are simply generic service
11 order charges that are assessed upon any request for services submitted to it, and
12 therefore have nothing to do with number porting. The problem with that
13 argument is that Charter is not requesting a service from CenturyLink, but is
14 instead submitting a porting request on behalf of the customer that wishes to port
15 its number (pursuant to its rights under federal law). Obviously Charter cannot
16 port the number on its own, but instead must engage CenturyLink to fulfill the
17 customer’s port request. Clearly, these charges would not be assessed “but for”
18 the fact that a number needs to be ported from CenturyLink to Charter.
19 CenturyLink has acknowledged this fact in response to discovery, when it
20 admitted that these charges only arise when Charter submits a porting request.⁸
21 As a result, these charges clearly constitute a surcharge on the act of porting a
22 number, and cannot be labeled simply as a generic service charge.

23 **Q. ARE YOU ASKING THE COMMISSION TO RESOLVE DISPUTES**
24 **BETWEEN CHARTER AND CENTURYLINK IN OREGON?**
25

⁸ See CenturyLink Discovery Responses Nos. 25 & 26. Exhibits Charter Fiberlink/4 and Charter Fiberlink/5.

1 A. No. My point is intended to demonstrate that CenturyLink's current
2 anticompetitive wholesale practices have a detrimental affect on Charter, and any
3 other competitors that are assessed such charges. If those policies are imposed
4 upon all competitors once CenturyLink assumes control of Qwest, that would
5 undoubtedly have an adverse impact on competition in Oregon.

6 **Q. PLEASE EXPLAIN.**

7 A. I expect that CenturyLink will try to minimize Charter's experience with
8 CenturyLink's anticompetitive wholesale surcharges by simply arguing that it was
9 an individualized dispute between the parties, not worthy of review in this
10 proceeding. But collectively, these surcharges are evidence of a concerted policy
11 or practice that CenturyLink engages in with competitors. Charter is asking the
12 Commission to recognize that an expansion of CenturyLink's anticompetitive
13 policies throughout the entire state of Oregon would be a significant problem for
14 Charter and other competitors. QSI witnesses Mr. Gates and Dr. Ankum explain
15 how the Commission can mitigate these harms by imposing enforceable
16 conditions on the post-merger company that requires the use of certain Qwest
17 wholesale policies and practices instead of CenturyLink's.

18 **Q. DOES QWEST ASSESS THESE TYPES OF CHARGES UPON**
19 **CHARTER?**

20
21 A. No, Qwest does not assess any number porting or service order charges upon
22 Charter when it submits a request to port a telephone number away from Qwest
23 during the customer acquisition process. Again, Charter doesn't charge Qwest
24 either for number portability. Although Qwest assesses certain service order
25 charges upon requests for facilities (i.e. UNE loops), it does not assess a separate,

1 stand-alone charge when only number porting is requested.⁹ In fact, Qwest
2 formally objected to similar charges in a number of complaint proceedings
3 currently pending before other state commissions. Specifically, Qwest has asked
4 the state commissions in Arizona, Iowa, Utah,¹⁰ Minnesota,¹¹ New Mexico and
5 Washington to rule that similar charges are impermissible.

6 **Q. HAS THIS COMMISSION CONSIDERED THE POTENTIAL**
7 **APPLICATION OF SERVICE ORDER CHARGES ON ALL**
8 **COMPETITORS IN OREGON?**
9

10 A. I do not know of any Commission decision that has considered the potential
11 application of these charges on all competitors in Oregon. I do know, however,
12 that QSI witness Mr. Gates discusses a recent Oregon Commission decision
13 concerning such charges, and concludes that it is not necessarily instructive to the
14 Commission in this case.

15 **Q. QWEST'S WITNESS, MS. PEPPLER, TESTIFIED THAT THE**
16 **PROPOSED TRANSACTION WILL NOT ADVERSELY AFFECT**
17 **WHOLESALE CUSTOMERS OR COMPETITION. DO YOU AGREE?**
18

19 A. No. Although Ms. Peppler testifies that the proposed transaction will not
20 adversely impact wholesale customers or competitors, it does not appear that she
21 considered the potential impact of CenturyLink policies on competitors. For
22 example, when Charter asked CenturyLink whether Qwest (after the merger) will
23 adopt a wholesale policy that results in the assessment of service order charges for
24 processing number porting requests CenturyLink responded that the companies

⁹ See Qwest Discovery Responses Nos. 17 & 21. Exhibits Charter Fiberlink/12 and Charter Fiberlink/13.

¹⁰ See *In the Matter of the Complaint of Qwest Corporation Against McLeodUSA Telecommunications Services, Inc., d/b/a PAETEC Business Services*, Report and Order, Docket No. 09-049-37, slip op., (Utah PSC Aug. 16, 2010).

¹¹ *In the Matter of McLeodUSA's Tariff Filing Introducing Wholesale Service Order Processing Charges That Apply When McLeodUSA's Customers Shift to Other Telecommunications Carriers*; Order Rejecting Proposed Wholesale Service Order Charge; Docket No. P-5323/M-04-395 (Minn. PUC 2004).

1 “have not yet discussed specific policies for the combined company.”¹² While it
2 may be true that CenturyLink and Qwest haven’t yet considered specific policies
3 for the combined post-merger company, it is a convenient answer that attempts to
4 defer scrutiny of the consequences of the proposed transaction until after it has
5 been approved.

6 **Q. WHAT IS YOUR RECOMMENDATION WITH RESPECT TO THIS**
7 **ISSUE?**

8
9 A. In my view, the imposition of a number porting surcharge upon competitive
10 carriers like Charter is improper. Given the problems identified here I would
11 recommend that the Commission deny the application for approval of this
12 transfer. However, if the Commission is inclined to approve the transfer, it should
13 do so with appropriate conditions to ensure that these types of improper wholesale
14 surcharges are not applied to the entire Qwest territory in Oregon. Thus, as a
15 condition of approval, the Commission should adopt Condition No. 24(a) as set
16 forth in Mr. Gates testimony, to ensure that CenturyLink’s practice of imposing
17 these surcharges is not a component of the post-merger company’s wholesale
18 policies, and direct the post-merger company to adopt Qwest’s practice for
19 processing number porting requests without charge. This approach ensures that
20 competitors are not needlessly burdened with additional costs arising from
21 questionable assessments.

22 **2. *CenturyLink’s Assessment of Interconnection-based Charges for***
23 ***Competitors’ Access to Customer Side of NID Enclosures***

24
25 **Q. WHAT IS CHARTER’S CONCERN WITH CENTURYLINK’S**
26 **ASSESSMENT OF A NID “USE” OR ACCESS SURCHARGE?**
27

¹² See CenturyLink Discovery Response No. 19. Exhibit Charter Fiberlink/3.

1 A. In providing competitive voice services to residential customers, Charter will use
2 its affiliate's existing hybrid fiber-coaxial networks to deploy voice services (i.e.,
3 telephone service) to the customer. When initiating that service, Charter must be
4 able to connect its network directly to the customer's inside wire. That
5 connection is normally established via a direct connection between the Charter
6 cable affiliate's last mile facility (analogous to a telephone company "local
7 loop"), and the customer's inside wire at the point of entry, or other location
8 within the premises where the inside wire is accessible.

9 Under certain, limited, circumstances Charter may need to access the customer's
10 inside wire via the customer side of the network interface device, or ("NID")
11 enclosure. In those circumstances, CenturyLink (i.e., CenturyTel affiliates) has
12 attempted to assess "use" or access fees upon Charter. CenturyLink's assessment
13 of those charges upon Charter is problematic because Charter is not "using" the
14 NID (i.e., the cross-connect device that connects the ILEC's network to the
15 customer's inside wire), and CenturyLink does not incur any costs for the limited
16 access afforded to Charter. Nevertheless, CenturyLink has attempted to assess
17 such a charge in every instance, which has in turn lead to serious disputes and
18 litigation between the companies.

19 **Q. WHAT IS A NETWORK INTERFACE DEVICE?**

20 A. For the issues relevant in this case, NIDs are typically small gray boxes, about the
21 size of a shoe-box, placed on the side of single family dwellings. A NID
22 enclosure generally contains two compartments. One compartment is generally
23 referred to as the "network side" of the NID. The other compartment is generally

1 referred to as the “customer side” of the NID. (A picture of a typical residential
2 NID is set forth below.)



3

4

5

6 **Q. PLEASE EXPLAIN THE BASIC USE OF THE NID.**

7 A. A traditional telephone carrier such as CenturyLink, connects its copper loop
8 serving the residence into the “network side” of the NID enclosure which is
9 inaccessible to the customer. The NID enclosure also contains a compartment,
10 the “customer side,” that is fully accessible to the customer/premises owner. In
11 that compartment, the customer’s inside wire is connected to a short telephone
12 cord, which, in turn, is plugged into an RJ11 standard telephone jack. The RJ11
13 jack is connected to a cross-connect device, i.e., the actual NID, which connects
14 (on the other network side of the NID enclosure) to the ILEC’s local loop.

1 **Q. CAN YOU ILLUSTRATE THIS EXAMPLE?**

2 A. Yes. A simple diagram identifying the customer side and the Telco/network side
3 of the NID enclosure is provided below.

4

5

6

7

8 (See Diagram 1 below/next page).

9

10

11

12

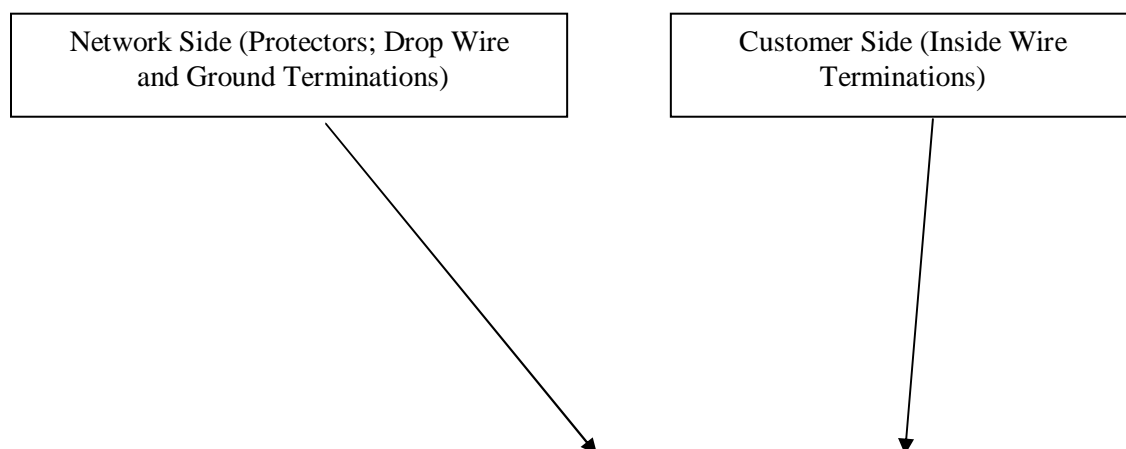
13

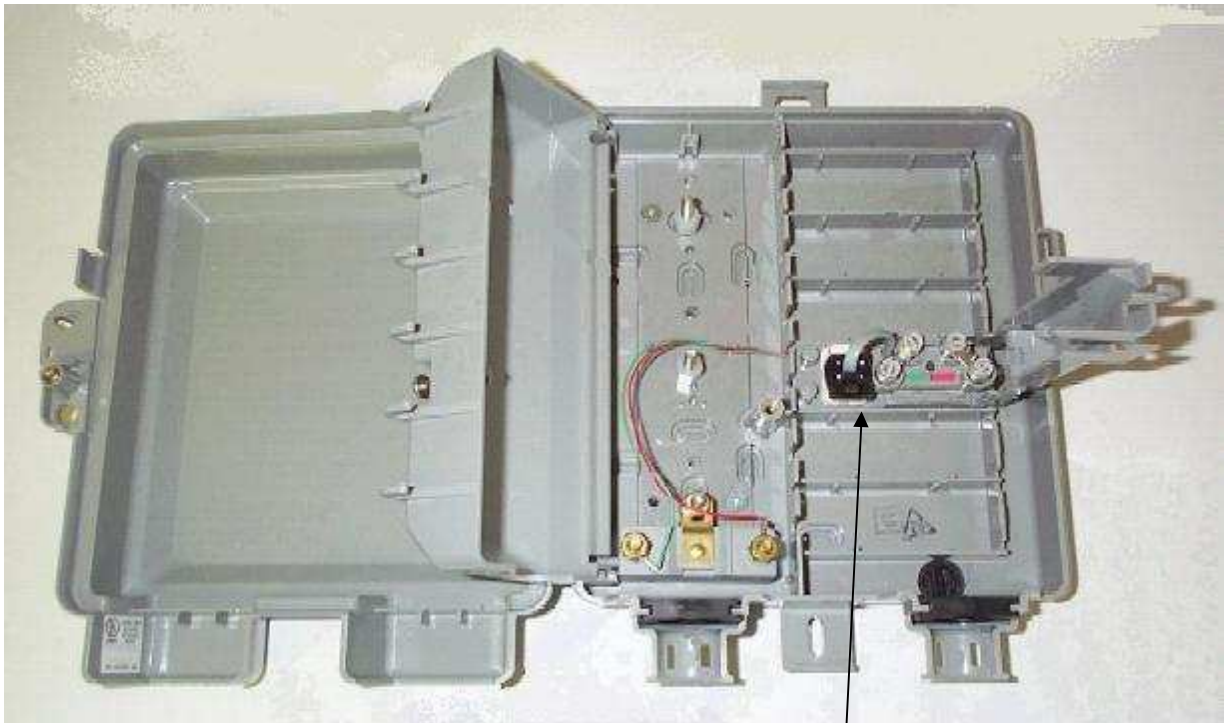
14

15 **Diagram 1: “Network” and “Customer” Sides of NID**

16

17





Plug and Jack Demarcation Point

Q. WHAT FUNCTIONALITY IS PROVIDED ON THE *NETWORK* SIDE OF THE NID?

A. As noted, a traditional telephone carrier or ILEC such as CenturyLink connects its copper loop serving the residence into the network side of the NID enclosure, which typically contains important electrical grounding capability (called the “protector”) and often contains loop testing circuitry as well. These parts of the NID enclosure are sealed off from customer access.

Q. WHAT FUNCTIONALITY IS PROVIDED ON THE *CUSTOMER* SIDE OF THE NID?

A. The customer side of the NID enclosure is fully accessible to the customer/premises owner. The customer side of the NID enclosure generally

1 contains a standard telephone jack for each line serving the home.¹³ The customer
2 side of the NID enclosure also has copper posts to which wiring from inside the
3 house is connected. A short telephone cord, with a standard telephone plug at the
4 end (i.e., the RJ11 connector), runs from the copper posts serving a line in the
5 home and plugs into the jack. By plugging and unplugging this telephone cord,
6 the customer can connect and disconnect his premises wire from the carrier's
7 loop.

8 **Q. DOES CHARTER ALWAYS NEED TO ACCESS THE CUSTOMER SIDE**
9 **OF THE NID ENCLOSURE TO PROVISION ITS OWN SERVICE?**

10
11 A. No. As noted above, Charter generally accesses the customer's inside wire via
12 the customer side of the NID enclosure only in limited situations. In those
13 situations CenturyLink has attempted to assess "use" or access fees upon Charter.

14 **Q. WHY DOESN'T CHARTER SIMPLY CONNECT TO THE INSIDE WIRE**
15 **WITHIN THE CUSTOMER'S PREMISES TO AVOID THIS SITUATION?**

16
17 A. In most cases, Charter does connect to the customer's inside wire within the
18 customer's premises. However, in certain limited cases, Charter must connect its
19 facilities at the customer side of the NID enclosure to begin providing service.

20 **Q. PLEASE EXPLAIN.**

21 A. When the customer's inside wire is not accessible at some point within the
22 residence and the NID enclosure blocks or covers the customer inside wire at the
23 point of entry, or if the inside wires are too short inside the customer side of the
24 enclosure, the only other way to connect to the customer's inside wire is at the
25 customer side of the NID enclosure. In that situation, Charter merely disconnects

¹³ A typical single-family home might have a NID capable of handling two to four lines; different NIDs are capable of handling different number of lines. The basic arrangement described in this testimony, however, is the same for each line.

1 the customer's inside wire from the CenturyLink loop inside the NID enclosure
2 (i.e., disconnects the customer's wire from the cross-connect device on the
3 customer's side of the NID by unplugging it from the RJ11 connector), and
4 connects its own last mile facility to the inside wire within the customer side of
5 the enclosure. Once this connection is established through the customer side of
6 the NID enclosure, Charter can provide service.

7 **Q. DOES THIS CONNECTION TO THE CUSTOMER'S INSIDE WIRE AT**
8 **THE CUSTOMER SIDE OF THE NID ENCLOSURE HAPPEN**
9 **FREQUENTLY?**

10
11 A. No, infrequently, Charter's Vice President of Technical Operations recently
12 testified that this problem only occurs in approximately ten percent of all Charter
13 installations in CenturyLink territory.¹⁴

14 **Q. WHY IS THAT A PROBLEM?**

15 A. In Charter's experience, CenturyLink's NID box is often placed directly over the
16 location where the customer's inside wire leaves the premise. Or, in some cases,
17 the inside wire is contained in a conduit that enters the CenturyLink NID box. In
18 either case, the NID enclosure literally covers the location where the inside wire
19 becomes available for access. As an Arbitration Panel of the Wisconsin Public
20 Service Commission recently found, CenturyLink's NID enclosure is placed at
21 the "only point where the wires congregated and insufficient wiring is accessible
22 to [permit Charter to] make a direct connection to the end user."¹⁵

23 **Q. WHAT IS CHARTER'S PRACTICE WHEN THE CENTURYLINK NID**
24 **ENCLOSURE DOES NOT BLOCK ACCESS TO THE CUSTOMER'S**
25 **INSIDE WIRE?**

¹⁴ See *Petition of Charter Fiberlink, LLC for Arbitration of an Interconnection Agreement Between the CenturyTel Non-Rural Telephone Companies of Wisconsin and Charter Fiberlink, LLC*, Arbitration Award at 14, Docket 5-MA-148, 149 (Wisc. PSC 2009).

¹⁵ *Id.* at 12 (citing Tr. 320).

1
2 A. When the CenturyLink NID enclosure does not block access to the customer's
3 inside wire, Charter connects its last mile facility directly to the customer's inside
4 wire, generally within the customer's premises. Thus, in the vast majority of
5 installations, Charter does not connect to the inside wire at the customer's side of
6 the NID enclosure.

7 **Q. DOES CENTURYLINK ASSESS A CHARGE WHEN CHARTER MAKES**
8 **CONNECTIONS AT THE CUSTOMER SIDE OF THE NID**
9 **ENCLOSURE?**

10
11 A. Yes. Although this practice of connecting to the inside wire on the customer side
12 of the NID enclosure occurs only in limited circumstances, CenturyLink attempts
13 to impose "access" fees on Charter when it makes such connections through the
14 NID enclosure. In other words, CenturyLink attempts to charge Charter for every
15 new customer installation that occurs on the customer side of the CenturyLink
16 NID enclosures – what amounts to a new customer surcharge imposed upon
17 Charter. These charges consist of a nonrecurring service order charge and a
18 monthly recurring charge.

19 **Q. WHY DOES CENTURYLINK ASSESS THIS CHARGE?**

20 A. CenturyLink's rationale for this "use" or access surcharge is that Charter is
21 "using" the NID in a manner akin to the use of a UNE.¹⁶

22 **Q. IS THAT CORRECT – DOES CHARTER USE THE NID AS A UNE?**

23 A. No. That assertion ignores the facts surrounding Charter's limited access to the
24 NID enclosure. For example, in Section 252 arbitration proceedings in Missouri

¹⁶ CenturyLink relies upon this UNE rationale even where the NID enclosure is owned by a CenturyLink operating company that operates as a rural company. Thus, in those circumstances, CenturyLink simultaneously avoids the obligations of Section 251(c) while at the same time attempts to avail itself of the right to charge for UNEs under Section 251(c)(3).

1 and Texas, CenturyLink could not show that Charter's activities associated with
2 opening the NID enclosure, disconnecting the CenturyLink wire, and connecting
3 the Charter wire to the customer's inside wire results in additional costs to
4 CenturyLink. Since CenturyLink incurs no costs or technical obligations when
5 Charter unplugs the customer's inside wire from the short cross connect (i.e., the
6 NID) between the network side and the customer side of the NID enclosure, no
7 charge is appropriate. In fact, once the end user has been transferred to Charter,
8 CenturyLink no longer has any engineering and service obligations to that
9 customer.¹⁷

10 In addition, Charter is not choosing to use a NID as a UNE because any "use" it
11 makes of the NID is involuntary. State commissions in Missouri and Wisconsin
12 reached the same conclusion.¹⁸ That is precisely why the Wisconsin PSC
13 Arbitration Panel *rejected* CenturyLink's characterization that any use of a NID
14 constitutes use as a UNE requiring UNE compensation.¹⁹ Put simply, the record
15 in that case revealed that Charter's limited connections to the customer's inside
16 wiring on the customer side of the NID is: (1) limited, and (2) involuntary; and,
17 for that reason, does not constitute the use of a UNE or require compensation.

18 **Q. BUT DOESN'T THE CENTURYLINK NID PROVIDE SOME FUNCTION**
19 **THAT BENEFITS CHARTER?**
20

¹⁷ CenturyLink acknowledged that its affiliate Embarq has not conducted any formal or informal cost studies concerning any recurring or nonrecurring cost of the NID enclosure in Oregon. CenturyLink Response to Oregon Discovery Request No. 4. See Exhibit Charter Fiberlink/2.

¹⁸ *Petition of Charter Fiberlink-Missouri, LLC for Arbitration of Interconnection Rates, Terms, Conditions, And Related Arrangements with the CenturyTel of Missouri, LLC Pursuant to 47 U.S.C. § 252(b), Case No. TO-2009-0037*, Report Arbitrator's Report at 19 (MO PSC 2009); *Petition of Charter Fiberlink, LLC for Arbitration of an Interconnection Agreement Between the CenturyTel Non-Rural Telephone Companies of Wisconsin and Charter Fiberlink, LLC*, Arbitration Award, Docket 5-MA-148, 149 (Wisc. PSC 2009), affirmed Order Determining Disputed Issues Regarding Arbitration Award at 8, 2010 Wis. PUC LEXIS 131 (Wisc. PSC 2010).

¹⁹ *Id.*

1 A. No. There is no actual functionality provided by the NID itself, it is simply a
2 passive cross-connect device. Charter's connection does not constitute "use" of
3 the NID and differs in all material respects from the way that a UNE-based CLEC
4 leasing an unbundled loop from the ILEC uses the NID. A UNE-based CLEC
5 orders a connection to the customer's premises through the ILEC's NID, i.e., the
6 cross-connect device. In other words, the UNE-based CLEC would order a
7 connection to the customer's premises by using the ILEC's network facility (i.e.,
8 the UNE copper loop), attached to the customer's premises, and the cross-connect
9 device (i.e., the NID) which is attached on one end to the ILEC's copper wire and
10 on the other end to the customer's inside wire. In contrast, Charter does not use
11 the actual cross connect device in any case that it is required to connect its
12 telephone wire to the customer's inside wire within the customer-side of the NID
13 enclosure. There is, therefore, no "use" of the NID by Charter.

14 **Q. ARE THERE ANY OTHER PROBLEMS WITH CENTURYLINK'S**
15 **RATIONALE FOR ASSESSING A CHARGE WHEN CHARTER**
16 **ACCESSES THE CUSTOMER SIDE OF THE NID ENCLOSURE?**

17
18 A. Yes. I believe that CenturyLink rarely, if ever, actually removes a NID enclosure
19 from a customer premise after the customer has been ported to a competitor.
20 Instead, it simply leaves the NID attached to the former customer's dwelling.
21 Thus, when Charter accesses the customer side of the NID, there are no
22 engineering activities that CenturyLink undertakes which would justify the
23 assessment of a charge upon Charter. CenturyLink has explained in other states
24 that it leaves the NID on a former customer's premise because it hopes to win that
25 former customer back from Charter, or hopes that if the home sells, that the new
26 owner will want service from CenturyLink.

1 **Q. DOES QWEST ASSESS SIMILAR NID ACCESS OR “USE”**
2 **SURCHARGES?**

3
4 A. No, Qwest does not assess these types of NID access surcharges. According to
5 their wholesale services guidelines, they will provide a “stand alone” NID to a
6 requesting carrier, and there is apparently some cost associated with ordering a
7 stand alone NID as a UNE. But that is very different from the circumstances
8 described above, where Charter seeks limited access to the customer side of a
9 CenturyLink NID enclosure simply to connect to the customer’s inside wire when
10 that is the only feasible option.

11 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON**
12 **THIS ISSUE?**

13
14 A. In my view, the imposition of a so-called NID “use” surcharge upon facilities
15 based competitors like Charter is improper. Given the problems identified here I
16 would recommend that the Commission deny the application for approval of this
17 transfer. However, if the Commission is inclined to approve the transfer, it should
18 do so with appropriate conditions to ensure that these types of improper wholesale
19 surcharges are not applied to the entire Qwest territory in Oregon. Therefore, as a
20 condition of approval, the Commission should adopt Condition No. 24(b) as set
21 forth in Mr. Gates testimony, to ensure that CenturyLink’s practice of imposing
22 these surcharges is not a component of the post-merger company’s wholesale
23 policies. In addition, the Commission should order the post-merger company to
24 continue Qwest’s wholesale policies and practice related to NID enclosure access
25 by competitors like Charter, post-merger.

26 **3. *CenturyLink’s Assessment of Interconnection-based “Storage” Fees for***
27 ***Competitors’ Directory Assistance and Listing Records***
28

1 **Q. DOES CENTURYLINK ASSESS OTHER CHARGES THAT YOU ARE**
2 **CONCERNED WITH?**

3
4 A. Yes. The other wholesale charge that Charter has concerns with is imposed by
5 CenturyLink's affiliate, Embarq. As Mr. Gates explains, Embarq imposes upon
6 certain competitors a "directory storage" charge. Like other competitors, Charter
7 is forced to include this charge in its ICA with Embarq as a condition of
8 interconnection and traffic exchange with Embarq. The directory storage charge
9 in the Charter-Embarq Oregon ICA is a *monthly recurring charge* of \$0.40 per
10 record that is assessed upon each customer listing Charter submits to Embarq.

11 **Q. PLEASE EXPLAIN.**

12 A. A "directory listing" is an end-user's name, phone number, and address that are
13 grouped together and published in a directory, such as a telephone book, or
14 included in a directory assistance database, such as that used to retrieve
15 information when a customer dials "411."²⁰ When Charter obtains a new
16 customer, it will often submit an electronic "Directory Service Request" (or DSR)
17 to Embarq. The DSR includes the relevant customer information – name,
18 address, and telephone number. Embarq uses the information in the DSR to
19 populate its directory databases, which include Charter's customer listings, and
20 the customer listings of Embarq and other competitors. It is this listing
21 information that Embarq then uses as a pretext for assessing a "storage" charge on
22 its competitors.

²⁰ See *Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Provision of Directory Listing Information under the Telecommunications Act of 1934 [sic], As Amended*, Third Report and Order, Second Order on Reconsideration, and Notice of Proposed Rulemaking, 14 FCC Rcd. 15550 ¶ 160 (1999) ("*SLI/DA Order*").

1 **Q. WHY IS A “STORAGE” FEE FOR THIS DIRECTORY LISTING**
2 **INFORMATION PROBLEMATIC?**

3
4 A. It is problematic because Embarq is not “storing” information for competitors.
5 Instead, Embarq is incorporating customer listing information into a database that
6 is then used, by Embarq, to provide directory assistance and other services to its
7 customers and other entities. Embarq benefits from the submission of this listing
8 information by its competitors, and therefore does not have a basis for imposing a
9 “storage” fee, much less a monthly fee, per listing, that is exorbitant.

10 **Q. HOW DOES EMBARQ BENEFIT FROM RECEIPT OF DIRECTORY**
11 **INFORMATION?**

12
13 A. Because these databases contain directory listing information of Embarq, Charter,
14 and all other competitors’ customers, they represent a database of all (or nearly
15 all) voice customers in any particular market. That database is therefore very
16 valuable to directory publishers. In fact, it is a practice in the industry for third-
17 party directory publishers, exercising rights under federal law, to purchase access
18 to these types of directory databases. I assume that Embarq has arrangements
19 with such publishers.

20 **Q. ARE YOU ALSO CONCERNED WITH EMBARQ’S PRACTICE OF**
21 **CHARGING DIRECTORY PUBLISHERS?**

22
23 A. No. Directory publishers like Donnelley generally pay the FCC-approved rate of
24 \$0.04 per listing (and \$0.06 for updated listings) for each listing.²¹ That practice
25 appears to be consistent with industry practice. My concern is that Embarq is
26 attempting to generate additional revenue by imposing these storage charges upon
27 competitors, and thereby gaining revenue from both “sides” of the directory

²¹ *SLI/DA Order* at ¶ 78.

1 database process. Embarq's policy is to charge facilities-based competitors a
2 "storage" charge for each customer listing submitted by a competitor on the "front
3 end," and Embarq likely also charges directory publishers on the "back end" for
4 the compilation of all listings.

5 **Q. HAS EMBARQ EVER PROVIDED ANY DATA TO DEMONSTRATE**
6 **THESE RATES ARE COST-JUSTIFIED?**

7
8 A. No, to my knowledge, Embarq has never provided cost-justification for its
9 monthly directory storage fees. It is reasonable to assume that any such costs
10 which Embarq may incur to include such listings in its database have already been
11 recovered by the sale of competitors' listings to directory publishers and directory
12 assistance vendors.

13 **Q. HAS CHARTER ATTEMPTED TO OBTAIN ADDITIONAL**
14 **INFORMATION REGARDING THESE PRACTICES?**

15
16 A. Yes. In light of Charter's concerns with these practices, Charter asked both
17 Qwest and CenturyLink basic questions about their respective directory services
18 practices. Specifically, we asked them to identify the vendors they use for
19 directory assistance and directory listing service to end user customers and
20 wholesale customers, and to provide copies of their agreements with these
21 vendors. But CenturyLink refused to answer these discovery requests.²²

22 **Q. WHY DO YOU THINK CENTURYLINK REFUSED TO PROVIDE THIS**
23 **INFORMATION?**

24
25 A. It is unclear to me why they have refused to provide this information. Certainly,
26 one implication is that they don't want Charter or the Commission to look closely

²² See CenturyLink Discovery Responses Nos. 34-36. Exhibits Charter Fiberlink/6, Charter Fiberlink/7 and Charter Fiberlink/8.

1 at how they provision wholesale and retail directory services in Oregon, or at
2 whether such charges are just, reasonable and non-discriminatory.

3 **Q. IF THESE CHARGES ARE SUCH A PROBLEM, WHY HAVEN'T**
4 **OTHER COMPETITORS RAISED THESE CONCERNS?**

5
6 A. Cable voice facilities-based competitors have raised these concerns. As Mr.
7 Gates explains, Comcast prevailed in several state commission decisions finding
8 that these surcharges are impermissible. Based upon my review of these state
9 commission decisions in Washington, Pennsylvania, and Texas, it appears that
10 Embarq does not assess the charge upon its own customers. Nor does it appear
11 that Embarq assesses these charges upon other competitors that purchase
12 Embarq's last-mile access facilities (i.e., UNE-based and resale CLECs).

13 **Q. WHAT IMPACT DOES THIS CHARGE HAVE ON CENTURYLINK**
14 **COMPETITORS?**

15
16 A. This directory storage charge increases a competitor's costs of providing service
17 in the CenturyLink (Embarq) Oregon footprint. Because competitors are forced
18 to pay a monthly recurring charge for every directory listing that they submit to
19 CenturyLink (Embarq), that increases the cost of service for every competitor's
20 customer that chooses to have their listing information published in directories.

21 **Q. DOES CHARTER PAY A DIRECTORY "STORAGE" CHARGE TO**
22 **QWEST IN OREGON?**

23
24 A. No, like the other wholesale practices discussed herein, Qwest does not engage in
25 the practice of assessing "storage" charges on competitors' directory listing
26 information. For that reason Qwest's practice in this regard must be viewed as
27 the preferred practice, in that competitors are not needlessly burdened with
28 additional costs arising from questionable and anticompetitive assessments. In

1 contrast, CenturyLink's practice must be recognized as the "worst" practice of the
2 two. In review of this transaction, the Commission must carefully consider these
3 practices, and direct the post-merger company to abandon the anticompetitive
4 worst practices of CenturyLink in favor of the preferred practices of Qwest.

5 **Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?**

6 A. In my view, the imposition of a directory storage charge upon facilities based
7 competitors (but not on other UNE-based competitors, or Embarq's own
8 customers) is unfair and discriminatory. Imposing charges on one type of
9 competitor, but not others, undermines competition generally. Given the
10 problems identified here I would recommend that the Commission deny the
11 application for approval of this transfer.

12 However, if the Commission is inclined to approve the transfer, it should do so
13 with appropriate conditions to ensure that these types of improper wholesale
14 charges are not applied to the entire Qwest territory in Oregon. Therefore, as a
15 condition of approval, the Commission should adopt Condition No. 24. as set
16 forth in Mr. Gates testimony, to ensure that CenturyLink (Embarq's) practice of
17 imposing discriminatory, and unsupported, charges upon competitors is not a
18 component of the post-merger company's wholesale policies.

19 **Q. ARE THERE OTHER CONCERNS WITH CENTURYLINK'S**
20 **WHOLESALE POLICIES?**

21
22 A. Yes, with respect to certain directory listing and directory assistance functions,
23 CenturyLink (i.e., CenturyTel) refuses to implement wholesale practices required
24 under Section 251(b)(3). More specifically, CenturyLink is improperly shifting
25 its obligations under Section 251(b)(3) of the Act to a third-party vendor by

1 refusing to contract with Charter (in an interconnection agreement) for certain
2 basic directory listing and directory assistance functions.

3 **Q. PLEASE EXPLAIN.**

4
5 A. CenturyLink's use of a third-party vendor to provide directory assistance services
6 created significant problems for Charter's customers. At one point within the last
7 several years, CenturyLink customers were not able to obtain Charter customers'
8 listing information from CenturyLink's directory assistance service. Specifically,
9 every time that a CenturyLink customer called directory assistance and requested
10 listing information about a Charter customer, the listing information was not
11 provided by CenturyLink's vendor and the CenturyLink customer was told that
12 such information was not available.

13 **Q. WHY DID THIS PROBLEM OCCUR?**

14 A. After some investigation, Charter determined that the problem arose because
15 CenturyLink had contracted with a third-party vendor to operate its directory
16 assistance database. That third-party vendor did not have Charter's listings in its
17 local database and was not querying the correct national database, thereby
18 excluding Charter customer listing information from 411 search results.

19 **Q. WHAT IMPACT DID THIS HAVE ON CHARTER, AND ITS**
20 **CUSTOMERS?**

21
22 A. Charter's customers perceived that the problem was caused by Charter and that its
23 service was inferior to their former provider – generally, CenturyLink.

24 **Q. HOW DID CHARTER RESOLVE THE PROBLEM?**

25 A. When presented with this information, CenturyLink disclaimed any obligation to
26 remedy the situation, claiming instead that the practices of its directory assistance

1 database vendor were not subject to scrutiny from competitors like Charter.
2 CenturyLink has since claimed it remedied the problem by contracting with a
3 different third-party directory assistance vendor. However, Charter's concern is
4 that there is nothing to prevent CenturyLink from changing DA vendors in the
5 future, which could result in the same problem for competitors' customers.

6 **Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?**

7 A. Here again, as with the other wholesale practices discussed herein, Qwest does
8 not engage in the wholesale practices outlined above. For that reason, Qwest's
9 practices in this regard must be viewed as the preferred practice, in that
10 competitors are not needlessly burdened with additional costs arising from the
11 incumbent's failure to assume their statutory duties with regard to directory
12 listings. In contrast, CenturyLink's practice must be recognized as the "worst"
13 practice of the two. In review of this transaction the Commission must carefully
14 consider these practices, and direct the merged entities to abandon the
15 anticompetitive worst practices of CenturyLink in favor of the preferred practices
16 of Qwest.

17 **B. CenturyLink Should Not Be Permitted To Use The Rural Exemption To**
18 **Increase Competitor's Costs**

19
20 **Q. DOES CHARTER HAVE CONCERNS WITH CENTURYLINK'S**
21 **CONTINUED OPERATIONS AS A "RURAL" TELEPHONE COMPANY?**
22

23 A. Yes. Charter's experience with CenturyLink in Wisconsin, and several other
24 states, raises significant concerns. In particular, CenturyLink's reliance on its
25 "rural" company status for many of its operating affiliates effectively increases
26 operational costs for Charter.

1 **Q. PLEASE EXPLAIN.**

2
3 A. CenturyLink (and Embarq) maintains multiple affiliates in Oregon (and many
4 other states in which it operates) that are exempt from certain obligations under
5 Section 251 of the Act because of their “rural” telephone company status. Despite
6 controlling over 7 million access lines following its merger with Embarq,
7 CenturyLink continues to assert the protections of a so-called “rural” telephone
8 company in Oregon. It does so by organizing itself into dozens of small
9 operating companies. For example, CenturyLink maintains seventeen (17)
10 operating entities in Wisconsin, nine (9) in Louisiana, seven (7) in Arkansas, five
11 (5) in Missouri and three (3)²³ in Oregon. As a result, each of those companies
12 are exempt from the basic wholesale interconnection rules of Section 251(c) that
13 apply to all other ILECs.

14 **Q. PLEASE PROVIDE AN EXAMPLE OF THE TYPE OF SECTION 251**
15 **OBLIGATION THESE AFFILIATES AVOID BECAUSE OF THEIR**
16 **“RURAL” STATUS.**

17
18 A. CenturyLink argues that its “rural” affiliates are exempt from the obligation to
19 interconnect with Charter at a single point of interconnection (“POI”) per LATA.
20 Specifically, they take the position that Charter must establish separate POIs in
21 each of the affiliates’ territories, even when those affiliates all operate in the
22 same LATA. This problem is illustrated by the company’s actions in a recently
23 concluded interconnection arbitration proceeding with Charter in the State of
24 Wisconsin.

²³ See CenturyLink Discovery Response No. 38. Exhibit Charter Fiberlink/9.

1 **Q. PLEASE EXPLAIN.**

2
3 A. As noted above, CenturyLink has at least seventeen (17) separate operating
4 companies in Wisconsin that are organized as independent legal entities. Due to
5 its expansive service territory and extended hybrid fiber coax IP-based network
6 in Wisconsin, Charter interconnects with 13 of those companies: 9 that operate
7 under a “rural” designation, and another 4 that operate as “non-rural”
8 companies. In the interest of gaining network deployment efficiencies and cost
9 savings, Charter proposed that the companies utilize a single point of
10 interconnection (“POI”) per LATA between Charter’s network and the
11 CenturyLink company networks in Wisconsin. Such an approach would
12 minimize the need for duplicative interconnection facilities, and allow for
13 efficient use of network resources by aggregating traffic at a single point of
14 interconnection for the mutual exchange of traffic at such point.

15
16 **Q. DID THE CENTURYLINK AFFILIATES AGREE TO A SINGLE POINT**
17 **OF INTERCONNECTION ARRANGEMENT?**

18
19 A. No. The CenturyLink affiliates (both rural and non-rural) refused to agree to
20 such an arrangement. Instead, those companies demanded that Charter
21 establish a separate POI with each of the 13 CenturyLink companies with whom
22 Charter exchanges traffic in Wisconsin. Although I am not an attorney, I am
23 familiar with several rulings where the FCC has repeatedly affirmed that Section
24 251 permits competitors to interconnect via a single POI in a LATA, and that
25 such arrangements promote competitive entry by reducing competitors’
26 interconnection costs.

1 **Q. HOW DID CENTURYLINK RESPOND TO CHARTER’S PROPOSAL TO**
2 **ESTABLISH A SINGLE POI PER LATA IN WISCONSIN?**

3
4 A. The CenturyLink companies in Wisconsin vigorously opposed the application of
5 that principle to their interconnection arrangements with Charter. That opposition
6 arose during contract negotiations in 2007 and 2008. CenturyLink negotiators
7 refused to acknowledge the inherent efficiencies obtained by a single POI
8 arrangement. Instead, they argued that because they have no legal obligation to
9 permit Charter to interconnect via a single POI per LATA, they would not agree
10 to do so. Ultimately, the CenturyLink companies were forced to aggressively
11 litigate that position in a subsequent Section 252 arbitration proceeding before
12 the Wisconsin Public Service Commission in 2009.

13 **Q. WHAT IMPACT DID CENTURYLINK’S POSITION HAVE ON**
14 **CHARTER’S INTERCONNECTION COSTS IN WISCONSIN?**

15
16 A. CenturyLink’s refusal to interconnect via a single POI has forced Charter to
17 establish up to thirteen (13) separate POIs with each of the separate CenturyLink
18 operating companies with which it exchanges traffic in Wisconsin. This
19 obligation exists even though evidence produced during the arbitration proceeding
20 showed “that CenturyTel’s interexchange network would make it technically
21 feasible to use a single POI to serve the exchanges where [Charter] intends to
22 compete, even if there are other isolated CenturyTel exchanges.”²⁴

²⁴ See *Petition of Charter Fiberlink, LLC for Arbitration of an Interconnection Agreement Between the CenturyTel Non-Rural Telephone Companies of Wisconsin and Charter Fiberlink, LLC*, Arbitration Award at 90, Docket 5-MA-148, 149 (Wisc. PSC 2009), *affirmed* Order Determining Disputed Issues Regarding Arbitration Award, 2010 Wis. PUC LEXIS 131 (Wisc. PSC 2010).

1 **Q. WHY DID CENTURYLINK OBJECT TO CHARTER'S REQUEST TO**
2 **ESTABLISH A SINGLE POI PER LATA IN WISCONSIN?**

3
4 **A.** CenturyLink claimed that in Wisconsin it does not have facilities provisioned
5 between the networks of its separate affiliates that could be used to transport
6 Charter's traffic to the various switches on the CenturyLink affiliate networks within
7 the same LATA in Wisconsin.

8 **Q. DOES CENTURYLINK HAVE FACILITIES THAT CONNECTS ITS**
9 **AFFILIATES IN OREGON?**

10
11 **A.** It is unclear because CenturyLink refused to provide Charter with any detailed
12 information when we asked that question.²⁵ Although CenturyLink would not
13 confirm or deny the existence of such facilities, it did provide a map showing the
14 CenturyLink and Qwest exchanges in Oregon.²⁶ The map appears to show many
15 current Qwest and CenturyLink (Embarq) exchanges that are contiguous to one
16 another. Thus, the post-merger company will own all of the exchanges shown on
17 the network map, many of which appear to be contiguous. Where contiguous
18 exchanges do exist, it is reasonable to infer that CenturyLink would provision
19 facilities to connect the networks that serve these exchanges. That would permit
20 CenturyLink to enjoy greater network efficiencies.

21 **Q. DOES QWEST HAVE RURAL AFFILIATES, OR OTHERWISE SEEK TO**
22 **AVOID ITS POI OBLIGATIONS, IN OREGON?**

23
24 **A.** No, Qwest does not have rural affiliates in Oregon. In addition, as with the other
25 wholesale practices discussed herein, they do not force Charter to interconnect at
26 multiple POIs per LATA. While Charter has some other concerns with Qwest
27 interconnection policies, those concerns do not include a refusal to establish a

²⁵ See CenturyLink Discovery Response No. 45. Exhibit Charter Fiberlink/11.

²⁶ See CenturyLink Discovery Response No. 44, Attachment Charter-44. Exhibit Charter Fiberlink/10.

1 single POI per LATA. For that reason Qwest's practice in this regard must be
2 viewed as the preferred practice, in that competitors are not needlessly burdened
3 with additional costs arising from questionable assessments. In contrast,
4 CenturyLink's practice must be recognized as the "worst" practice of the two. In
5 review of this transaction the Commission must carefully consider these practices,
6 and direct the post-merger company to abandon the anticompetitive worst practices
7 of CenturyLink in favor of the preferred practices of Qwest.

8 **Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?**

9
10 A. If CenturyLink's proposed merger with Qwest is finalized, CenturyLink will be
11 the third largest ILEC in the country with more than 17 million access lines. Its
12 operating territory will span 37 states and it will be a Bell Operating Company
13 in 14 Qwest states. Although Charter has competed successfully in the video,
14 voice, and broadband marketplaces in numerous states around the country, it
15 is a much smaller company, serving far fewer than the 17 million access lines
16 that the combined CenturyLink/Qwest will control. Given both its absolute and
17 its relative size, it seems appropriate to require CenturyLink to abandon the
18 protective cloak of its status as a "rural" carrier.²⁷

19 As a condition of this transaction, therefore, the Commission should find that
20 CenturyLink may no longer assert the rural exemption under Section 251 or
21 the protections from competition that applies solely to a "rural telephone
22 company" as referenced in section 252 of the Act. This condition was recently
23 applied in the Frontier-Verizon transfer, where the FCC adopted a condition

²⁷ It should qualify neither as a rural carrier under 251(f)(1) nor under 251(f)(2), which applies to carriers with less than 2% of the nation's customer lines in the aggregate. Although I haven't attempted to calculate this myself, I expect that CenturyLink will have well in excess of 2% of the nation's access lines following the merger.

1 that “in the areas transferred from Verizon that are rural telephone companies,”
2 Frontier will “not assert that it is exempt from Section 251(c) obligations
3 pursuant to Section 251(f)(1).”²⁸ This Commission should adopt a similar
4 condition in this transaction.

5 **C. CenturyLink’s Operational Support Systems Must Improve Performance**
6 **and Meet Certain Benchmarks**

7
8 **Q. ARE THERE CONCERNS WITH CENTURYLINK OSS IN THE POST-**
9 **MERGER COMPANY?**

10
11 A. Yes. If there is a degradation of the performance of Qwest’s operational support
12 systems (“OSS”) as a result of the merger, that could have a significant impact on
13 a competitor’s ability to efficiently provision competitive services.

14 **Q. PLEASE EXPLAIN.**

15 A. Charter’s vendors utilize the OSS of CenturyLink and Qwest primarily to
16 facilitate the migration of customers that wish to move away from CenturyLink or
17 Qwest and begin to subscribe to Charter’s competitive voice services. To make
18 that migration as seamless and accurate as possible for the customer, Charter’s
19 vendors must have access to preordering functions, such as timely access to
20 accurate Customer Service Records (“CSRs”). In addition, Charter’s vendors
21 must have access to the efficient ordering functions necessary to port the
22 telephone numbers of customers, and ensure accurate directory listings and E911
23 services are provided to our customers. Finally, these ordering systems must also
24 facilitate the provision of certain interconnection facilities Charter orders to allow
25 it to connect its network with the ILEC’s network.

²⁸ *In the Matter of Applications Filed by Frontier Communications Corporation and Verizon Communications, Inc. for Assignment or Transfer of Control*, WC Docket No. 09-95, FCC 10-87 at 40 (rel. May 21, 2010).

1 **Q. DOES CHARTER HAVE CONCERNS WITH CENTURYLINK'S**
2 **CURRENT OSS FUNCTIONALITY?**

3
4 A. Charter has the same concerns that the FCC articulated recently in reviewing the
5 merger of CenturyTel and Embarq. In that proceeding the FCC noted the
6 inadequacy of CenturyTel's OSS – and its adverse impact on competitive phone
7 offerings. Notably, Embarq's OSS was viewed as having superior, although not
8 fully automated, OSS systems. Per recently imposed FCC conditions,
9 CenturyLink is required to replace legacy CenturyTel's manual processes with
10 Embarq's electronic processes.

11 Thus, at a minimum, the Commission should ensure, as it did in the
12 CenturyTel/Embarq transaction, that this proposed merger does not result in any
13 degradation of the acquired company's (in this case Qwest's) superior OSS. To
14 address concerns that Embarq's wholesale performance might deteriorate
15 following the merger with CenturyLink, the FCC ordered those companies to
16 “maintain substantially the service levels that Embarq has provided for wholesale
17 operations, subject to reasonable and normal allowances for the integration of
18 CenturyTel and Embarq systems.”²⁹ The Commission should adopt a similar
19 condition here by requiring the post-merger company to use Qwest's OSS
20 throughout its national footprint.

21 **Q. PRACTICALLY SPEAKING, HOW CAN THE COMMISSION**
22 **DETERMINE WHETHER CENTURYLINK'S OSS PERFORMANCE**
23 **MEETS THAT OF THE CURRENT QWEST OSS STANDARDS?**

24
25 A. In the Embarq merger order the FCC ordered CenturyLink to benchmark
26 Embarq's OSS performance for key functions. Similarly, this Commission could

²⁹ *In the Matter of Applications Filed for Transfer of Control of Embarq Corporation to CenturyTel, Inc.*, WC Docket No. 08-238, FCC 09-54 at ¶ 31 (rel. June 25, 2009) (“*Embarq/CenturyTel Merger Order*”).

1 direct that Qwest's performance for key functions, such as CSR availability, LSR
2 processing, interconnection trunk ordering and provisioning, and number porting
3 functions be benchmarked, and require that Qwest maintain those performance
4 standards post-merger.

5 **Q. WHAT IF THE POST-MERGER COMPANY DOES NOT MEET THOSE**
6 **BENCHMARKS?**

7
8 A. It should be subject to penalties, including the assessment of monetary payments
9 to competing carriers for compliance failures.

10 **Q. ARE THERE OTHER OSS ISSUES THE COMMISSION SHOULD**
11 **CONSIDER?**

12
13 A. Yes, there is the critical issue of integration of the companies' systems. In past
14 ILEC mergers, including CenturyTel's merger with Embarq, the FCC has
15 required applicants to integrate their OSS into a single platform over some
16 transition period. The applicants here have not made clear whether they intend to
17 operate separate OSS or eventually to combine CenturyLink's and Qwest's
18 systems. In this case, given the superiority of the Qwest OSS, the Commission
19 should require CenturyLink to adopt Qwest's OSS within a reasonable time-frame
20 and to mandate that the post-merger entity continue to use the Qwest OSS as
21 requested in Condition No. 19, as set forth in Exhibit TJG-8 to Tim Gates
22 testimony.

23 **Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?**

24
25 A. As I just explained, there are serious concerns with CenturyLink's OSS.
26 Therefore, if the Commission is so inclined to approve the proposed transaction, I
27 recommend that as a condition of approval of this transaction the Commission
28 should benchmark current Qwest OSS performance standards and require the

1 post-merger company to continue to meet those standards in the company's entire
2 service territory. In addition, the Commission should condition the merger on the
3 assurance that CenturyLink's wholesale order support centers will maintain staff,
4 hours, and technical capability to enable competitors to be able to process
5 customer requests to change to their voice service in appropriate intervals and in
6 adequate volume. Again, this condition should apply throughout the merged
7 entity's footprint. Finally, the Commission should require CenturyLink to adopt
8 Qwest's OSS within a reasonable time-frame.

9 **IV. RECOMMENDATIONS**

10 **Q. WHAT IS YOUR RECOMMENDATION WITH RESPECT TO THE**
11 **PENDING TRANSFER APPLICATION IN THIS PROCEEDING?**

12
13 A. I understand that in reviewing the transaction this Commission must consider the
14 public's interest, as well as the impact on competition. With that in mind, I
15 recommend that in the event that the Commission approves the proposed
16 transaction, that it adopt the conditions set forth in Mr. Gates' testimony to ensure
17 that the proposed transaction does not harm competitors like Charter.
18 Specifically, the Commission should condition approval of the proposed merger
19 upon an unequivocal commitment from the post-merger company to discontinue
20 the practice of assessing surcharges upon competitors: (1) for customer
21 installations that may occur at the customer side of the NID enclosure when the
22 actual NID itself is not being used to provide the competitors' service; (2) for
23 submitting number porting requests on behalf of customers ; and (3) for the so-
24 called "storage" of directory listing information. In addition, the Commission
25 should require post-merger company to comply with directory listing and

1 assistance obligations under federal law. Also, the post-merger company should
2 relinquish the rural exemption status under Section 251(f) or any other rule or
3 regulation that applies solely to a “rural telephone company” and fulfill its
4 obligations under Sections 251(b) and (c). Finally, the Commission should
5 benchmark current Qwest OSS performance standards and require the post-
6 merger company to continue to meet those standards in the company’s entire
7 service territory for the duration set forth in Joint CLEC Condition 19.

8 **V. CONCLUSION**

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes.

EXHIBIT CHARTER/2

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 4**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 4
Respondent: Guy Miller
Response Date: August 9, 2010

4. Identify and produce all formal and informal cost studies CenturyLink, or its consultants, has/have performed concerning any nonrecurring or recurring costs of the NID or NID enclosure in Oregon. For the purposes of this request, include a description of the methodology used to determine NID or NID enclosure costs in Oregon.

OBJECTION:

CenturyLink objects to this request because it is not reasonably calculated to lead to the discovery of admissible or relevant evidence. This is not the proper forum for determining issues and costs related to the provisioning of specific wholesale services. Without waiving and subject to said objections, CenturyLink responds as follows:

RESPONSE:

CenturyLink's price list for Unbundled Network Elements (UNE) purchased by CLECs in applicable Oregon exchanges includes the NID as an integral part of a complete loop. There have been no formal or informal cost studies performed concerning any nonrecurring or recurring cost of the NID or NID enclosure in Oregon.

EXHIBIT CHARTER/3

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 19**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 19
Respondent: Guy Miller
Response Date: August 9, 2010

19. If the transaction is approved by the Commission, explain whether Qwest will adopt a wholesale policy that results in the assessment of service order charges for processing an LSR for number porting submitted by competitive service providers.

RESPONSE:

CenturyLink and Qwest personnel have not yet discussed specific policies for the combined company. The companies will continue to operate as separate entities until the transaction is finalized, and will follow the terms and conditions of the underlying interconnection agreements that have been approved by the Oregon Commission.

EXHIBIT CHARTER/4

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 25**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 25
Respondent: Guy Miller
Response Date: August 9, 2010

25. Admit that Charter must submit an LSR to CenturyLink as the mechanism to request that CenturyLink transfer, or port, an end user customer's telephone number to Charter.

OBJECTION:

CenturyLink objects to this request because it is not reasonably calculated to lead to the discovery of admissible or relevant evidence. This is not the proper forum for determining issues related to the provisioning of specific wholesale services. Without waiving and subject to said objections, CenturyLink responds as follows:

RESPONSE:

Admit, with respect to current practice. The mechanism to request a port of an end user's telephone number is established in federal law pursuant to 47 CFR 52.26, is applicable to all carriers including CenturyLink, and may be subject to future change.

EXHIBIT CHARTER/5

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 26**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 26
Respondent: Guy Miller
Response Date: August 9, 2010

26. Admit that if Charter does not submit an LSR to CenturyLink, then CenturyLink will not transfer, or port, an end user customer's telephone number to Charter.

OBJECTION:

CenturyLink objects to this request because it is not reasonably calculated to lead to the discovery of admissible or relevant evidence. This is not the proper forum for determining issues related to the provisioning of specific wholesale services. Without waiving and subject to said objections, CenturyLink responds as follows:

RESPONSE:

Admit, with respect to current practice. The mechanism to request a port of an end user's telephone number is established in federal law pursuant to 47 CFR 52.26, is applicable to all carriers including Charter, and may be subject to future change

EXHIBIT CHARTER/6

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 34**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 34
Respondent: Guy Miller
Response Date: August 9, 2010

34. Identify all vendors CenturyLink and Qwest use, respectively, to provide directory assistance and directory listing service to their end user customers in the state of Oregon.

OBJECTION:

CenturyLink objects to this request because it is not reasonably calculated to lead to the discovery of admissible or relevant evidence. This is not the proper forum for determining issues related to the provisioning of specific wholesale services. In addition, CenturyLink objects to the Request in that it seeks competitively sensitive confidential information in a detail that is not relevant to the matters at issue in this proceeding or in areas not served by Charter and is not reasonably calculated to lead to the discovery of admissible evidence in that regard. Additionally, CenturyLink objects to the Request to the extent that the Request seeks information that is confidential information about competitive services provided by third parties who are not subject to this proceeding.

EXHIBIT CHARTER/7

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 35**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 35
Respondent: Guy Miller
Response Date: August 9, 2010

35. Identify all vendors CenturyLink and Qwest use, respectively, to provide directory assistance and directory listing service to their wholesale customers in the state of Oregon. "Wholesale customers," in this context, means competitive LECs.

OBJECTION:

CenturyLink objects to this request because it is not reasonably calculated to lead to the discovery of admissible or relevant evidence. This is not the proper forum for determining issues related to the provisioning of specific wholesale services. In addition, CenturyLink objects to the Request in that it seeks competitively sensitive confidential information in a detail that is not relevant to the matters at issue in this proceeding or in areas not served by Charter and is not reasonably calculated to lead to the discovery of admissible evidence in that regard. Additionally, CenturyLink objects to the Request to the extent that the Request seeks information that is confidential information about competitive services provided by third parties who are not subject to this proceeding.

EXHIBIT CHARTER/8

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 36**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 36
Respondent: Legal
Response Date: August 9, 2010

36. Produce copies of all contracts, master service agreements, memorandum of understanding, or other commitments between CenturyLink and the vendors used to provide directory assistance and directory listing service to their end user customers and wholesale customers in the state of Oregon.

OBJECTION:

CenturyLink objects to this request because it is not reasonably calculated to lead to the discovery of admissible or relevant evidence. This is not the proper forum for determining issues related to the provisioning of specific wholesale services. In addition, CenturyLink objects to the Request in that it seeks competitively sensitive confidential information in a detail that is not relevant to the matters at issue in this proceeding or in areas not served by Charter and is not reasonably calculated to lead to the discovery of admissible evidence in that regard. Additionally, CenturyLink objects to the Request to the extent that the Request seeks information that is confidential information about competitive services provided by third parties who are not subject to this proceeding. Further, CenturyLink objects to the Request to the extent that the Request seeks information about services provided by telecommunications carriers that is confidential and protected by 47 U.S.C. § 222 (a).

EXHIBIT CHARTER/9

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 38**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 38
Respondent: Guy Miller
Response Date: August 9, 2010

38. Identify the Qwest and CenturyLink, Inc. affiliates operating in Oregon.
- a. For each CenturyLink, Inc. affiliate operating in Oregon, state whether such affiliate operates under a rural exemption pursuant to 47 U.S.C. § 251(f).
 - b. For each CenturyLink, Inc. affiliate operating in Oregon, state whether such affiliate has ever sought a suspension or modification of its obligations pursuant to 47 U.S.C. § 251(f)(2).
 - c. For each Qwest affiliate operating in Oregon, state whether such affiliate operates under a rural exemption pursuant to 47 U.S.C. § 251(f).
 - d. For each Qwest affiliate operating in Oregon, state whether such affiliate has ever sought a suspension or modification of its obligations pursuant to 47 U.S.C. § 251(f)(2).

RESPONSE:

- a. Below are the CenturyLink affiliates operating in Oregon and an indication of whether or not they operate under a rural exemption under 47 USC 251(f).
 - CenturyTel of Oregon, Inc. – Yes
 - CenturyTel of Eastern Oregon, Inc. – Yes
 - United Telephone Company of the Northwest - No
- b. The CenturyLink affiliates operating in Oregon have not sought any suspension or modification under 47 USC 251 (f)(2).
- c. Please see Qwest's response to this request.
- d. Please see Qwest's response to this request.

EXHIBIT CHARTER/10

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 44;
ATTACHMENT CHARTER-44**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 44
Respondent: John Felz
Response Date: August 9, 2010

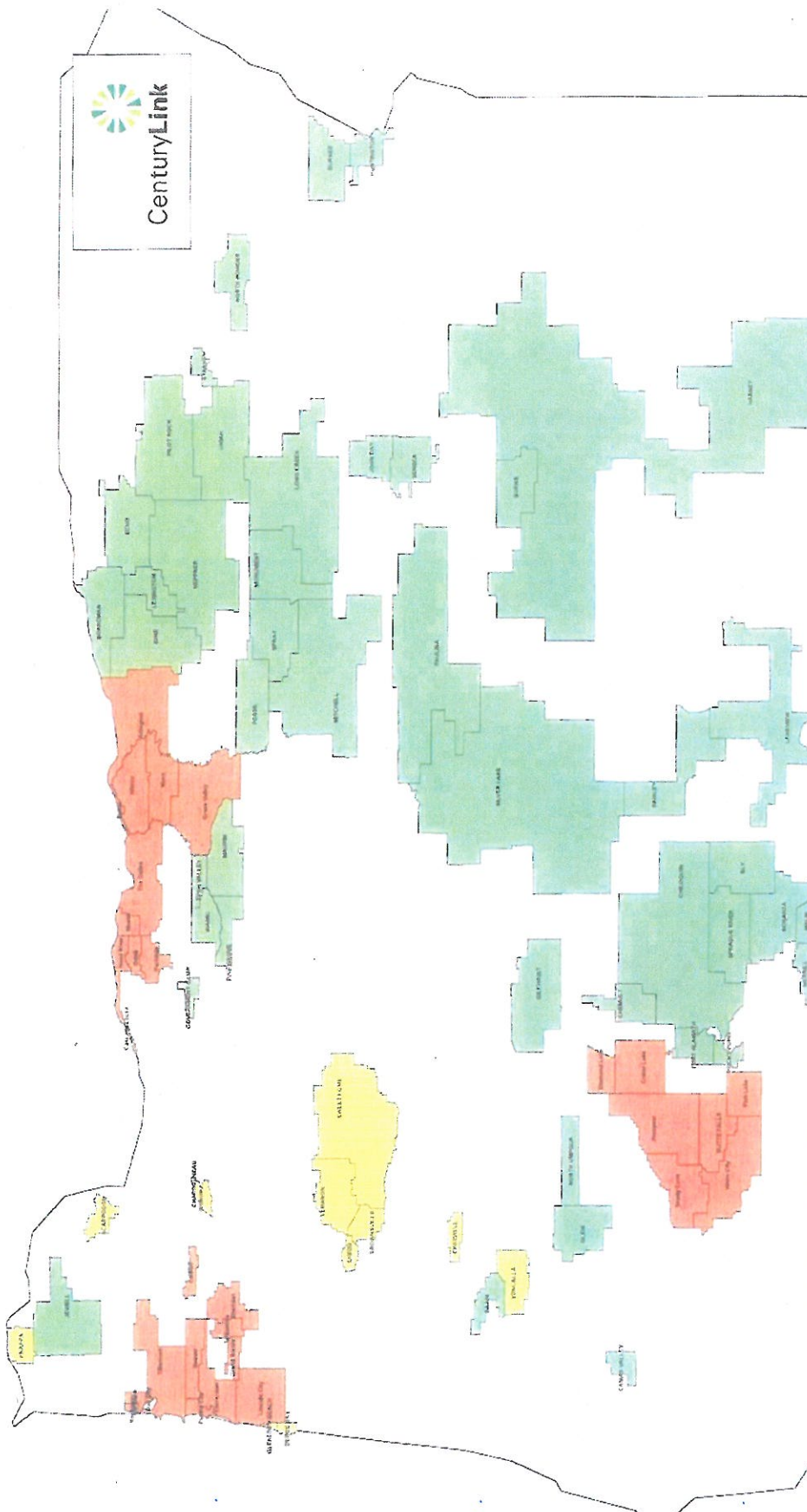
44. Produce maps, records, or other materials that identify the exchanges served by CenturyLink affiliate(s) in Oregon.

OBJECTION:

CenturyLink objects to this data request as overly broad, unduly burdensome, irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Additionally, CenturyLink objects to the Request to the extent that the Request seeks information that is publicly on file with the Commission. Without waiving and subject to said objections, CenturyLink responds as follows:

RESPONSE:

Please see Attachment Charter-44.



OREGON EXCHANGES

- | | | | | |
|---------------|----------------|-----------------|---------------|-------------|
| ARLINGTON | CHILQUIN | GLIDE | PAULINA | STARKEY |
| AURORA | CLEVERDALE | GOVERNMENT CAMP | PILOT ROCK | SWEET HOME |
| BAY CITY | CRATER LAKE | GRAND RONDO | PINE GROVE | THE DALLES |
| BEAVER | CRESWELL | GRASS VALLEY | PROSPECT | TILLAMOOK |
| BLY | DEPOE BAY | HARNEY | ROCKAWAY | TYGH VALLEY |
| BOARMAN | DIAMOND LAKE | HEPPNER | ROCKY POINT | UKIAH |
| BONANZA | DRAIN | HOOD RIVER | RUTUS | WAMIC |
| BROWNSVILLE | DURKEE | HUNTINGTON | SCAPPOOSE | WASCO |
| BUTTE FALLS | ECHO | JENELL | SENECA | WHITE CITY |
| CAMAS VALLEY | FORT LAKE | JOHN DAY | SHEDD | WINTON |
| CARLTON | FORT KLAMATH | KNAAPP | SHERIDAN | YONCALLA |
| CASCADE LOCKS | FOSSIL | LAKEVIEW | SILVER LAKE | |
| CHARBONNEAU | GARIBOLDI | LEBANON | SPRAGUE RIVER | |
| CHEMULT | GILCHRIST | LEXINGTON | SPRAY | |
| | GLENEDEN BEACH | | | |

OREGON by T Company
 CenturyTel of Eastern Oregon, Inc.
 CenturyTel of Oregon, Inc.
 UNITED TELEPHONE - NORTHWEST - OR

EXHIBIT CHARTER/11

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 45**

Oregon
Docket No. UM 1484
Response to Charter Data Request No. 45
Respondent: John Felz
Response Date: August 9, 2010

45. Produce network maps, records, and other applicable materials that identify the network facilities that connect the exchanges served by CenturyLink affiliate(s) in Oregon and which may be used for transport, backhaul, or for other interexchange traffic needs.

OBJECTION:

CenturyLink objects to this request as overly broad in that it seeks competitively sensitive confidential information in a detail that is not relevant to the matters at issue in this proceeding or in areas not served by Charter and is not reasonably calculated to lead to the discovery of admissible evidence in that regard. Additionally, CenturyLink objects to the Request to the extent that the Request seeks information that is confidential information about competitive services that may be provided by third parties who are not subject to this proceeding. Further, CenturyLink objects to the Request to the extent that the Request seeks information about services provided by telecommunications carriers that is confidential and protected by 47 U.S.C. § 222 (a). Without waiving and subject to said objections, CenturyLink responds as follows:

RESPONSE:

Please see Attachment Charter-45 for a national map which identifies CenturyLink's national toll and dedicated interexchange service network.



CenturyLink™

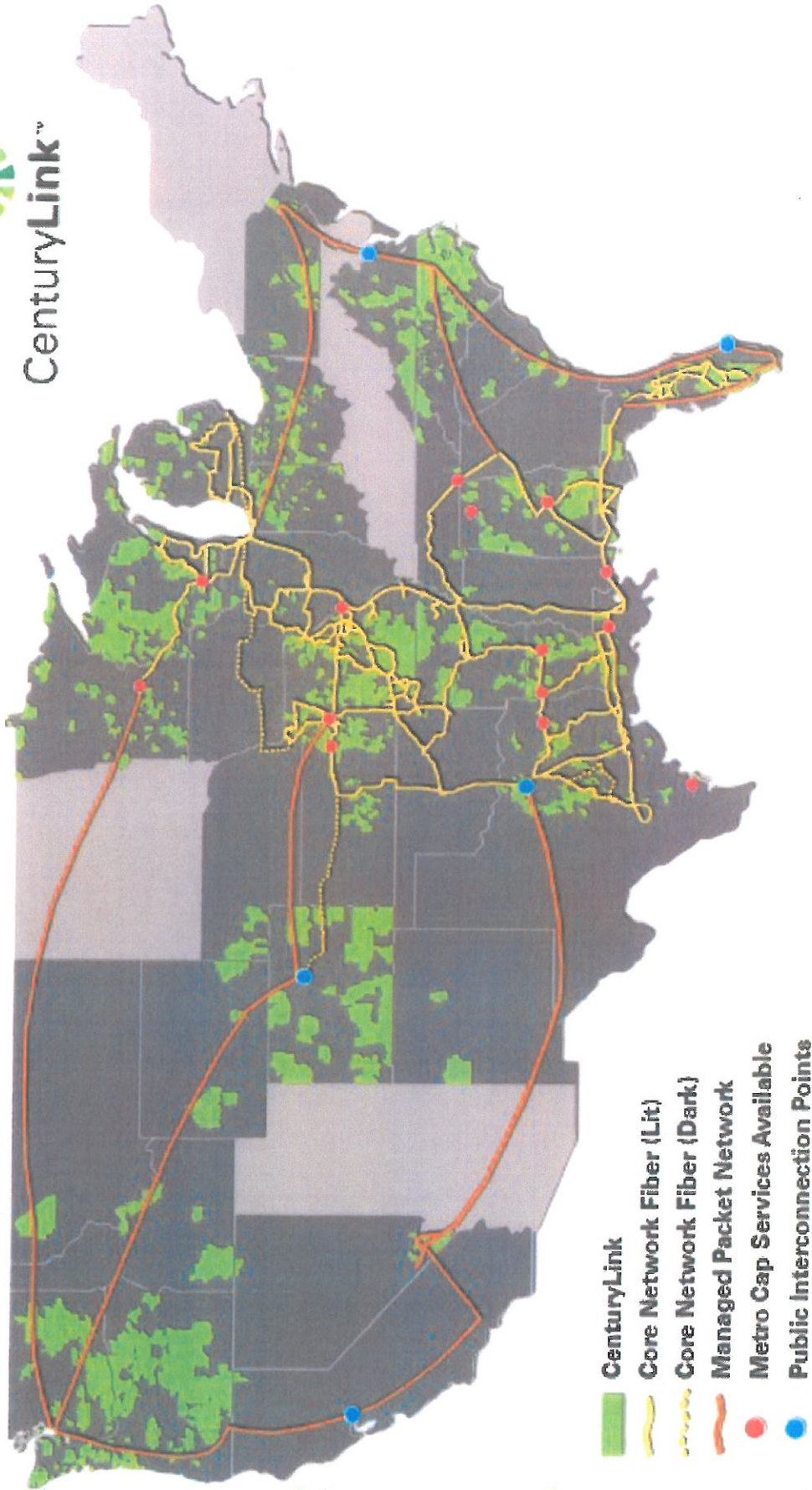


EXHIBIT CHARTER/12

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 17**

Oregon
UM 1484
Charter 1-017

INTERVENOR: Charter Fiberlink OR-CCVII, LLC

REQUEST NO: 017

Describe Qwest's current wholesale policies and procedures with respect to the assessment of a service order charge upon competitive service providers for processing local service requests ("LSRs") for number porting submitted by such providers.

RESPONSE:

Qwest does not currently charge for Local Service Requests associated with number porting.

Respondents:

Maureen Callan, Product Manager-Business Markets Group, Qwest
Gregory Smith, Staff Advocate-Public Policy, Qwest

EXHIBIT CHARTER/13

**CENTURYLINK RESPONSE TO CHARTER
INFORMATION REQUEST NO. 21**

Oregon
UM 1484
Charter 1-021

INTERVENOR: Charter Fiberlink OR-CCVII, LLC

REQUEST NO: 021

Identify every other wireline or wireless service provider operating in Oregon that Qwest has assessed a service order charge for processing an LSR for number porting, since January 1, 2007. For each service provider identified in response to this request, please identify the specific rate assessed to that service provider. For the purpose of this request, Charter does not seek proprietary information CenturyLink has received from another carrier, or any individual customer proprietary network information or carrier proprietary network information.

RESPONSE:

Qwest does not currently charge any service order charge for processing an LSR for number porting to any wireline or wireless service provider associated with number porting.

Respondents:

Maureen Callan, Product Manager-Business Markets Group
Gregory Smith, Staff Advocate-Public Policy

CERTIFICATE OF SERVICE
UM 1484

I hereby certify that the foregoing Direct Testimony of Billy H. Pruitt was served on the following persons on August 24, 2010, by email to all parties and by U.S. Mail to parties who have not waived paper service:

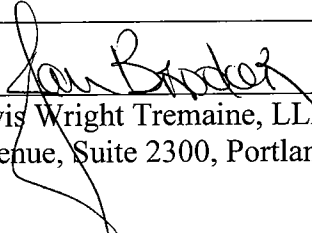
Kelly Mutch PriorityOne Telecommunications Inc. PO Box 758 La Grande, OR 97850-6462 managers@p1tel.com	William E. Hendricks CenturyLink, Inc. 805 Broadway St. Vancouver, WA 98660-3277 tre.hendricks@centurylink.com
Gordon Feighner Energy Analyst Citizens' Utility Board of Oregon 610 SW Broadway, Suite 308 Portland, OR 97205 gordon@oregoncub.org	Robert Jenks Executive Director Citizens' Utility Board of Oregon 610 SW Broadway, Suite 308 Portland, OR 97205 bob@oregoncub.org
G. Catriona McCracken Legal Counsel / Staff Attorney Citizens' Utility Board of Oregon 610 SW Broadway, Suite 308 Portland, OR 97205 catriona@oregoncub.org	Raymond Myers Attorney Citizens' Utility Board of Oregon 610 SW Broadway, Suite 308 Portland, OR 97205 ray@oregoncub.org
Kevin Elliott Parks Staff Attorney Citizens' Utility Board of Oregon 610 SW Broadway, Suite 308 Portland, OR 97205 kevin@oregoncub.org	Jason W. Jones Assistant Attorney General Department of Justice Regulated Utility & Business Section 1162 Court St. N.E. Salem, OR 97301-4096 jason.w.jones@state.or.us
Michael Dougherty Public Utility Commission of Oregon P.O. Box 2148 Salem, OR 97308-2148 michael.dougherty@state.or.us	Alex M. Duarte Corporate Counsel Qwest Corporation 421 SW Oak St., Suite 810 Portland, OR 97204 alex.duarte@qwest.com

Mark Reynolds Qwest Corporation 1600 7 th Ave., Room 3206 Seattle, WA 98191 mark.reynolds3@qwest.com	Barbara Young United Telephone company of the Northwest 902 Wasco St. ORHDRA0305 Hood River, OR 97031 barbara.c.young@centurylink.com
Katherine K. Mudge Director, State Affairs & ILEC Relations Covad Communications Co. 7000 N. MOPAC EXPWY, 2 nd Floor Austin, TX 78731 kmudge@covad.com	Edwin Parker Economic Development Alliance P.O. Box 402 Gleneden Beach, OR 97388 edparker@teleport.com
Greg L. Rogers Sr. Corporate Counsel Level 3 Communications LLC 1025 Eldorado Blvd. Broomfield, CO 80021 greg.rogers@level3.com	Adam Lowney McDowell Rackner & Gibson PC 520 SW Sixth Ave., Suite 830 Portland, OR 97204 adam@mcd-law.com
Lisa Rackner McDowell Rackner & Gibson PC 520 SW Sixth Ave., Suite 830 Portland, RO 97204 lisa@mcd-law.com	Lyndall Nipps Vice President, Regulatory Affairs twtelecom of oregon, llc 9665 Granite Ridge Drive, Suite 500 Palm Springs, CA 92123 lyndall.nipps@twtelecolm.com
Rex M. Knowles Regional Vice President-Regulatory XO Communications Services, Inc. 7050 Union Park Ave., Suite 400 Midvale, UT 84047 rex.knowles@xo.com	Arthur A. Butler Ater Wynne LLP 601 Union Street, Suite 1501 Seattle, WA 98101-3981 aab@aterwynne.com
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<p>Michel Singer Nelson 360Networks(USA), Inc. 370 Interlocken Blvd., Suite 600 Broomfield, CO 80021-8015</p>	<p>Penny Stanley 360Networks(USA), Inc. 370 Interlocken Blvd., Suite 600 Broomfield, CO 80021-8015 penny.stanley@360.net</p>
<p>Rhonda Kent CenturyLink 805 Broadway 8th Fl. Vancouver, WA 98660 rhonda.kent@centurylink.com</p>	<p>Marsha Spellman Converge Communications Co. 10425 SW Hawthorne Ln. Portland, OR 97225 marsha@convergecomm.com</p>
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