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August 9, 2012

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
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claim of confidentiality *via hand delivery*
 notice of intent
 request for confidentiality
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For DN 05466-12, which
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RE: Docket No. 090538-TP
Amended Complaint of Qwest Communications Company, LLC

Dear Ms. Cole:

The following documents are enclosed for filing in the above-referenced docket on behalf of Broadwing Communications, LLC

1. An original and 15 copies of the redacted rebuttal testimony and redacted Exhibit BNC-1 of Broadwing's witness, Brad N. Collins; DN 05464-12
2. An original and 15 copies of the redacted rebuttal testimony and redacted Exhibits MDG-1 through MDG-9 of Broadwing's witness, Mack D. Greene; DN 05465-12
3. Confidential Attachment A: a sealed envelope marked "CONFIDENTIAL," containing confidential versions of the above-referenced testimony and exhibits. DN 05466-12

The testimony and exhibits in Attachment A include information that Broadwing claims is confidential and proprietary business information pursuant to §364.183(1), Florida Statutes, that should be kept confidential and exempt from public disclosure. However, the testimony and exhibits also include information that Qwest Communications Company, LLC, claims as confidential and proprietary business information pursuant to §364.183(1), Florida Statutes.

A copy of this letter and the redacted testimony and exhibits of Messrs. Collins and Greene have been provided to parties in accordance with the attached certificate of service.

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Ms. Ann Cole
August 9, 2012
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Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance with this filing and please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Marsha E. Rule". The signature is written in a cursive style with a large initial "M" and "R".

Marsha E. Rule

Encl.


CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by email or U.S. email this 9th day of August, 2012.

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Marsha E. Rule

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 090538-TP

REBUTTAL TESTIMONY OF BRADLEY N. COLLINS
ON BEHALF OF BROADWING COMMUNICATIONS, LLC

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1 **I. Introduction and Qualifications**

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

3 A. My name is Bradley N. Collins. My business address is 1025 Eldorado Blvd,
4 Colorado, 80021.

5

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

7 A. I am employed by Level 3 Communications, LLC (“Level 3”) as a Senior
8 Billing Systems Analyst since 2004.

9

10 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

11 A. I have a bachelor’s degree in geology from Syracuse University and MBA in
12 Management Information Systems from the University of Iowa.

13

14 **Q. PLEASE DESCRIBE YOUR RELEVANT TELECOMMUNICATIONS
15 WORK EXPERIENCE.**

16 A. I have been employed in the telecommunications field for almost 25 years.
17 From 1988 to 1998, I worked for MCI in progressively more responsible
18 positions involving various aspects of the company’s switched access services,
19 including Pricing Analyst, Senior Analyst, and Regional Access Manager.
20 While at MCI I was responsible for dedicated access pricing, including
21 reviewing tariffs and assisting in filing. As Regional Access Manager I was

1 responsible for creating local service models and determining the financial
2 impact of specific markets.

3 Thereafter, I was employed by FirstWorld Communications, a CLEC,
4 as a Senior Analyst from 1999 – 2001, and was self-employed as a consultant
5 in the area of dedicated and special access pricing from 2001 - 2004.

6 I have been employed by Level 3 since 2004 as a Senior Billing
7 Systems Analyst. In this position, I am responsible for intercarrier
8 compensation invoicing. Specifically, I monitor operation of Level 3's billing
9 systems to ensure that our billing information is accurate, develop solutions to
10 billing problems and test proposed solutions.

11

12 **Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE**
13 **STATE REGULATORS?**

14 A. No.

15

16 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

17 A. I am testifying on behalf of Broadwing Communications, LLC ("Broadwing"),
18 a wholly-owned subsidiary of Level 3 Communications, LLC, and a
19 respondent in this proceeding.

20

21 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

22 A. Yes. I am sponsoring my Exhibit BNC-1.

REDACTED VERSION

1

2 **II. Purpose of Testimony and Preliminary Matters**

3 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

4 A. My rebuttal testimony addresses Qwest's damages estimate and responds to
5 the direct testimony of Qwest's witness Derek Canfield. My response to Mr.
6 Canfield's testimony will demonstrate that Qwest's estimate of damages is
7 unreliable and unsupported, and its claims are excessive and inflated. My
8 testimony therefore relates to the following issues identified in Order No. PSC-
9 12-0048-PCO-TP:

10 Issue 9(b): If the Commission finds a violation or violations of law as alleged
11 by Qwest and has authority to award remedies to Qwest per the preceding
12 issue, for each claim:

13

14 (i) If applicable, how should the amount of any relief be calculated and
15 when and how should it be paid?

16

17 . My testimony is limited to responding to Qwest's estimate of damages, and does
18 not address or concede the merits of Qwest's complaint.

19 **III. Response to the Direct Testimony of Derek Canfield**

20 **Q. MR. CANFIELD CLAIMS THAT "FOCAL" PROVIDES SWITCHED
21 ACCESS SERVICES TO QWEST IN FLORIDA. IS HE CORRECT?**

22 A. No. Since 2005, Qwest has received Florida switched access services from
23 Broadwing Communications LLC, Operating Company Number (OCN) 8925.
24 Broadwing's name and OCN are clearly shown on Broadwing's billings and
25 the OCN is included as an identifier in the Billing Account Numbers (BANs)

1 in the invoices sent to Qwest. For ease of reference, I will refer to both Focal
2 and Broadwing as "Broadwing."

3

4 **Q. HOW DO YOU CHARACTERIZE QWEST'S CLAIM AGAINST**
5 **BROADWING?**

6 A. Qwest essentially wants Broadwing to re-rate over ten years of intrastate
7 originating and terminating switched access minutes of use (MOUs) and 800-
8 database queries according to a completely different rate structure, even though
9 Qwest cannot demonstrate how many MOUs or database queries it sent to
10 Broadwing during much of this time, cannot demonstrate how much it paid
11 Broadwing for such traffic, and cannot demonstrate its usage of the network
12 elements for which it would be charged under its preferred rate structure.

13

14 **Q. WHEN YOU SAY THAT QWEST CANNOT DEMONSTRATE THIS**
15 **INFORMATION, WHAT DO YOU MEAN?**

16 A For a significant period of time, Qwest has no record of the number of
17 intrastate originating MOUs, terminating MOUs, or 800 queries it sent to
18 Broadwing and no record of Broadwing's billings for this traffic. In addition,
19 Qwest's preferred rate structure requires measurement and recording of
20 Qwest's use of specific elements of Broadwing's network, but there are no
21 records of this usage.

22

REDACTED VERSION

1 **Q. IF QWEST CAN'T QUANTIFY THE MINUTES OF USE OR NUMBER**
2 **OF DATABASE QUERIES IT WANTS TO HAVE RE-RATED AND**
3 **DOES NOT HAVE USAGE DATA NECESSARY TO BE BILLED**
4 **UNDER ITS PREFERRED RATE STRUCTURE, THEN HOW DOES**
5 **MR. CANFIELD QUANTIFY QWEST'S CLAIM FOR DAMAGES**
6 **AGAINST BROADWING?**

7 A. For the period of time during which Qwest has billing detail, Mr. Canfield
8 attempted to identify Qwest's MOU charges and 800 query charges. For the
9 rest of the time, he doesn't attempt to quantify MOUs or queries but instead
10 made a series of assumptions and guesses regarding the dollar amounts he
11 thinks Qwest may have paid Broadwing for these services. Mr. Canfield
12 proposes a "proxy" for his preferred rates, and estimates Qwest's damages as
13 the "variance" between Broadwing's billings and the amount it would have
14 paid under this proxy rate.

15
16 **Q. IS THE PROCESS USED BY MR. CANFIELD TO ESTIMATE**
17 **QWEST'S DAMAGES RELIABLE?**

18 A. No. As I will explain in more detail below, Mr. Canfield's estimate is based
19 on demonstrably erroneous data and unwarranted assumptions. He compounds
20 these basic problems by piling estimates on top of approximations.

21

1 **Q. DOES THE PROCESS USED BY MR. CANFIELD TO ESTIMATE**
2 **QWEST'S DAMAGES PRODUCE REASONABLE RESULTS?**

3 A. No. As I will explain in more below, Mr. Canfield's estimate of Qwest's
4 hypothetical damages is inflated and speculative.

5

6 **Q. PLEASE EXPLAIN YOUR CONTENTION THAT THE PROCESS**
7 **USED BY MR. CANFIELD TO ESTIMATE DAMAGES IS**
8 **UNRELIABLE AND HIS CLAIM IS INFLATED AND SPECULATIVE.**

9 A. Speaking generally, Mr. Canfield's estimate involves several steps. I will
10 identify factual errors and unwarranted assumptions he made during various
11 steps of his process, and will demonstrate that the cumulative effect of Mr.
12 Canfield's errors and assumptions not only inflates Qwest's claim but renders
13 it completely untrustworthy. The end result is mere speculation.

14

15 **Q. HOW DOES MR. CANFIELD BEGIN HIS PROCESS?**

16 A. Qwest identified certain agreements with Sprint and AT&T as the basis for its
17 claims. Mr. Canfield admits that Qwest does not have billing detail for the
18 entire ten-year period during which it claims damages, so he first attempted to
19 identify intrastate charges in connection with the Sprint agreement, because
20 Qwest actually has complete electronic invoices during this time. Mr.
21 Canfield then reviews Qwest's claims from the earlier (AT&T) agreement, for
22 which Qwest lacks complete billing detail. Accordingly, I also began my

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1 review with billing invoices that Broadwing issued to Qwest during the period
2 May 2006 through March 2012.

3 **May 2006 – March 2012**

4 **Q. HAVE YOU IDENTIFIED ERRORS IN MR. CANFIELD'S REVIEW**
5 **OF BROADWING'S ELECTRONIC INVOICES DURING THE**
6 **PERIOD MAY 2006 THROUGH MARCH 2012?**

7 A. Yes. I examined Broadwing's detailed billing invoices to Qwest from May
8 2006 through March 2012 and identified errors in this step of his estimate
9 process.

10

11 **Q. PLEASE DESCRIBE THE ERRORS YOU FOUND DURING THIS**
12 **PERIOD.**

13 A. I identified three large errors in Mr. Canfield's review of Broadwing's billings
14 that inflate Qwest's claim. My adjustments for Mr. Canfield's errors are
15 shown below.

16

17 **1. Switched access billing credit**

18 Qwest disputed Broadwing's Florida switched access billings between
19 November 2006 and April 2008, arguing that it was incorrectly being billed
20 originating switched access charges for interstate and intrastate traffic that was
21 actually wireless transit traffic. Upon investigation, Broadwing agreed with

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1 Qwest, and corrected the error by re-rating the disputed MOUs at the lower
2 transit rate. Broadwing provided Qwest with credits totaling \$ [REDACTED] in 2008
3 and 2009 as a result of re-rating the disputed MOUs. Of this amount,
4 \$ [REDACTED] would be attributable to disputed intrastate MOUs. Mr. Canfield
5 includes the disputed intrastate MOUs and dollars in his claims, but fails to
6 subtract the amount of the credit Qwest received for those same MOUs. My
7 adjustment is shown on Exhibit BNC-1.

8

9 **2. Transit Charges**

10 As I understand Qwest's claims, Qwest argues that it is entitled to the same
11 rate treatment as Sprint. Mr. Canfield's claims include charges for services for
12 which Qwest and Sprint were charged at the same rate. My review of
13 Broadwing's billings indicate that Qwest and Sprint were charged the same
14 rate for transit service.¹ Accordingly, Qwest's claims must be adjusted to
15 remove charges in the amount of \$ [REDACTED] for transit service billings that are
16 included in Mr. Canfield's calculations. This adjustment includes the credit of
17 \$ [REDACTED] for amounts that were specifically billed as wireless transit service as

¹ The transit rate is charged on a per-MOU basis for traffic that travels across Broadwing's network but is neither originated by nor terminated to a Broadwing customer.

1 discussed immediately above, plus \$ [REDACTED] for the transit charges remaining
2 after application of the switched access credit discussed above.²

3

4 **3. 800 database queries**

5 My review of Broadwing's billings indicate that Qwest and Sprint were
6 charged the same rate for 800 database queries.³ Accordingly, Qwest's claims
7 must be adjusted to remove charges in the amount of \$ [REDACTED] for 800 query
8 charges that were included in Mr. Canfield's calculations. As a consequence
9 of removing these charges, the Qwest variance must be reduced by an
10 additional \$ [REDACTED]. My adjustment is shown on Exhibit BNC-1.

11

12 **4. Originating and terminating MOUs billed at same rate**

13 I reviewed and compared Broadwing's billings to Qwest with Broadwing's
14 billings to Sprint from May 2006 through March 2012, and determined that
15 Broadwing billed Qwest and Sprint at the same rate for intrastate originating
16 and terminating MOUs for a substantial period of time. Mr. Canfield's figures
17 must be adjusted to remove charges totaling \$ [REDACTED]. As a consequence, of

² The credit was provided to acknowledge that the disputed MOUs were actually transit MOUs. Accordingly, the charges and MOUs remaining after application of the credit must be removed from Qwest's claim along with other transit charges.

³ 800 database query charges are imposed on a per-call basis for access to the 800 database to identify and route a toll-free call to Qwest's customer.

1 removing these charges, the Qwest variance must be reduced by \$ [REDACTED].

2 The adjustments are shown on Exhibit BNC-1.

3

4 **Q. HOW DO YOUR ADJUSTMENTS AFFECT THE “VARIANCE”**
5 **SHOWN ON MR. CANFIELD’S EXHIBITS?**

6 A. As shown in my Exhibit BNC-1, application of my adjustments to Mr.
7 Canfield’s estimate reduces Qwest’s “variance” by \$ [REDACTED] during the period
8 May 2006 through March 2012.

9

10 **Q. WHAT DOES THE “VARIANCE” REPRESENT?**

11 A. The variance represents Mr. Canfield’s estimate of Qwest’s damages, that is,
12 the difference between Broadwing’s billings and the amount he believes Qwest
13 would have paid under a different rate schedule.

14

15 **Q. WHY DID MR. CANFIELD ESTIMATE THE “VARIANCE” RATHER**
16 **THAN SIMPLY RE-RATE THE TRAFFIC?**

17 A. It’s impossible to apply Qwest’s preferred rate schedule to re-rate traffic unless
18 there is a record of Qwest’s use of specific elements of Broadwing’s network.
19 Neither Broadwing nor Qwest have any such records. Mr. Canfield admits that
20 he could not apply his preferred rate schedule to Broadwing’s billings.
21 Accordingly, he attempted to develop a “proxy” for his preferred rates by
22 blending various rate elements from the ILEC’s tariff.

REDACTED VERSION

1

2 **Q. WHAT STEPS DID MR. CANFIELD TAKE TO DEVELOP HIS**
3 **PROPOSED PROXY?**

4 A. We do not know. Mr. Canfield states that the proxy uses a “composite” rate
5 that “included” various rate elements, but we do not know what inputs he used
6 and cannot validate his proposed rates. Broadwing asked Qwest to provide
7 support for all of Mr. Canfield’s calculations, including all data and formulas
8 used and all work papers and source documents; Qwest objected to
9 Broadwing’s request and although it provided some information, it provided no
10 material relevant to development of the proxy. The ILEC’s rates changed
11 during this period, but there is no indication whether or how the change is
12 reflected in the proposed proxy rates.

13

14 **Q. SHOULD THE COMMISSION ACCEPT MR. CANFIELD’S**
15 **PROPOSED PROXY?**

16 A. No. Qwest failed to provide any factual support for its proposal, even when
17 support was requested, and has not demonstrated that its “black box” proxy
18 produces a reasonable approximation of the rates it seeks.

19

20 **Q. WHAT IS YOUR RECOMMENDATION REGARDING MR.**
21 **CANFIELD’S ESTIMATE OF DAMAGES FROM MAY 2006**
22 **THROUGH MARCH 2012?**

REDACTED VERSION

1 A. Mr. Canfield's estimate is inflated because it fails to account for a large billing
2 credit and includes charges for transit service and 800 queries that were
3 charged to Qwest and Sprint at the same rate. The estimate is further inflated
4 because it includes billings from periods of time when Broadwing billed Qwest
5 and Sprint at the same rate for intrastate originating and terminating MOUs.
6 Although these errors could be corrected, the Commission should reject Mr.
7 Canfield's estimate because Qwest has provided no support for its "black box"
8 proxy.

9

10 **February 2002 - April 2006**

11 **Q. DOES QWEST HAVE BILLING DETAIL FOR THIS ENTIRE**
12 **PERIOD?**

13 A. No. From February 2002 through July 2004, Qwest knows only the total
14 dollars billed by Broadwing each month for interstate and intrastate switched
15 access service. Mr. Canfield refers to such bills as "manual invoices." From
16 August 2004 through September 2005, Qwest has a mix of both manual
17 invoices (which lack billing detail) and electronic invoices (which include
18 billing detail). There may be more than one invoice for some months. Qwest
19 has only electronic invoices beginning in October 2005.

20

1 **Q. DOES BROADWING HAVE BILLING DETAIL FOR THIS ENTIRE**
2 **PERIOD?**

3 A. Broadwing has no data for any billings before its June, 2005 invoices.
4 Broadwing acquired Focal in 2004, and Level 3 acquired Broadwing in 2007.
5 It is my understanding that the FCC requires carriers to retain billing records
6 for a period of two years, and that Level 3 therefore obtained two years' worth
7 of billing data when it acquired Broadwing in 2007. In addition, if a carrier
8 disputes our billings, we retain the billing while the dispute is pending, and for
9 at least two years following the final resolution of the dispute. In the absence
10 of a pending billing dispute, there would have been no need to obtain more
11 than two years of billing records when Level 3 acquired Broadwing. Had
12 Qwest simply opened a billing inquiry when it first identified concerns about
13 the rate at which it was being charged, the billing detail necessary to evaluate
14 Qwest's claims would be available today.

15
16 **Q. WHAT INFORMATION IS PROVIDED ON MANUAL INVOICES?**

17 A. The manual invoices show only the total of all charges for interstate and
18 intrastate services for the billing period. This means that Qwest does not know
19 how many interstate originating and terminating MOUs, intrastate originating
20 or terminating MOUs, interstate 800 queries, intrastate 800 queries, interstate
21 transit minutes, intrastate transit minutes, or other access services, if any, are

1 represented by the invoice – or how much it was charged for any of these
2 services.

3

4 **Q. HOW DID MR. CANFIELD ESTIMATE QWEST'S CLAIM FOR**
5 **DAMAGES?**

6 A. Mr. Canfield developed assumptions based on billing detail in available
7 electronic invoices. He applied these assumptions to the manual invoices,
8 which lack billing detail.

9 More specifically, Mr. Canfield first reviewed electronic invoice billing
10 detail available from August 2004 through May 2006 to identify intrastate
11 usage. He then applied an unsupported “black box” proxy rate to this
12 identified usage to reach the amount he believes Qwest should have been
13 charged for this intrastate usage. He claims as damages the “variance”
14 between this amount and Broadwing’s billings.

15 Mr. Canfield determined that ■% of the total billings on the electronic
16 invoices represented intrastate dollars charged. He multiplied the charges on
17 the remaining invoices (consisting of all invoices between February 2002 and
18 July 2004 plus the manual invoices from August 2004 through May 2006) by
19 ■% to estimate Broadwing’s billings for intrastate switched access service on
20 manual invoices.

21 Mr. Canfield also estimated that Broadwing’s charges for intrastate
22 services on the electronic invoices were ■% higher than the amount produced

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1 by application of his “black box” proxy rate. He multiplied his estimate of
2 intrastate billings on the manual invoices using the ■% to estimate Qwest’s
3 damages in connection with the manual invoices.
4

5 **Q. DOES MR. CANFIELD’S PROCESS RESULT IN A REASONABLE**
6 **ESTIMATE OF THE DIFFERENCE BETWEEN THE AMOUNT PAID**
7 **BY QWEST FOR INTRASTATE SERVICES AND THE AMOUNT IT**
8 **WOULD HAVE PAID UNDER ITS PREFERRED RATE SCHEDULE?**

9 A. No. Mr. Canfield attempts to portray his estimate as a “calculation”, but it is
10 little more than guesswork. As I will explain in more detail, his estimate of
11 charges based on electronic invoices includes charges for which Qwest was
12 billed at the same rate as AT&T. More importantly, however, estimating
13 intrastate charges based on selection of invoices implicitly assumes that the
14 usage shown on that selection fairly and accurately represents Qwest’s charges
15 throughout the entire period February 2002 through May 2006. Mr. Canfield
16 has provided no basis for such an assumption, and I can demonstrate that it is
17 unreasonable.
18

19 **Q. PLEASE EXPLAIN YOUR CONTENTION THAT MR. CANFIELD’S**
20 **ESTIMATE OF ■% INTRASTATE USAGE INCLUDES CHARGES**
21 **FOR WHICH QWEST WAS BILLED AT THE SAME RATE AS AT&T.**

1 A. I have reviewed Broadwing's switched access billings to Qwest and AT&T
2 and determined that they were charged the same rate for 800 database queries.
3 The electronic invoices used by Mr. Canfield to develop his estimated percent
4 of intrastate usage include charges for these queries in the amount of \$ [REDACTED]
5 thus inflating his estimate of damages based on electronic invoices. These
6 charges could be removed, but the estimate is still fundamentally flawed.

7

8 **Q. PLEASE EXPLAIN THE FUNDAMENTAL FLAW IN MR.**
9 **CANFIELD'S ESTIMATE THAT QWEST'S INTRASTATE USAGE**
10 **REPRESENTS [REDACTED] % OF BROADWING'S TOTAL BILLINGS.**

11 A. As I explained, Mr. Canfield's estimate was developed based solely on
12 electronic invoices during the period August 2004 through May 2006, and
13 therefore represents only a subset of Qwest's total intrastate charges during
14 that time period. Mr. Canfield implicitly assumes that the intrastate charges
15 shown in the electronic invoices from August 2004 through May 2006 is not
16 only representative of Qwest's intrastate charges on manual invoices during
17 this period, but is also representative of Qwest's intrastate charges from
18 February 2002 through July 2004. He provides no support whatsoever for this
19 unreasonable proposition, which is demonstrably incorrect.

20

21 **Q. WHY IS IT UNREASONABLE TO ASSUME THAT CHARGES**
22 **SHOWN ON ELECTRONIC INVOICES FROM AUGUST 2004**

REDACTED VERSION

1 **THROUGH MAY 2006 IS REPRESENTATIVE OF QWEST'S**
2 **CHARGES ON OTHER INVOICES OR EARLIER TIME PERIODS?**

3 A. The total dollars billed by Broadwing each month include a mix of interstate
4 and intrastate services which are priced on different bases (per-MOU vs. per-
5 use) and different rates depending on the jurisdiction (interstate or intrastate).
6 Qwest's usage of Broadwing's services is determined by the number, type, and
7 duration of calls placed to and from Broadwing's customers by Qwest's
8 customers. Different types of customers have different calling profiles, and
9 both companies regularly gain and lose customers. The ratio of interstate to
10 intrastate traffic, the ratio of 800 query charges to MOU related charges, and
11 the ratio of originating to terminating calls all vary from month to month and
12 are subject to wide swings. There is no factual basis to assume a constant
13 percentage of intrastate charges.

14 A review of Qwest's intrastate usage indicates the fallacy of Mr.
15 Canfield's assumption. For example, using Broadwing billing information, the
16 ratio of charges for intrastate 800 charges for intrastate MOU usage was
17 approximately [REDACTED]
18 [REDACTED]. Nevertheless, by proposing an average, Mr. Canfield assumes –
19 and asks the Commission to assume – that the ratio of originating and
20 terminating intrastate charges to total interstate and intrastate switched access
21 billings was the same from February 2002 through July 2004 as it was in a
22 selection of invoices representing a subset of charges from August 2004

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1 through May 2006. This assumption is particularly untenable because
2 Broadwing's intrastate rates and rate structure changed in 2002 and 2003, and
3 its interstate rates changed in 2002, 2003, and 2004. Obviously, a change in
4 Broadwing's charges could affect the ratio of interstate to intrastate rates in a
5 given period, thus further skewing Mr. Canfield's estimate of the percent of
6 intrastate services and billings from February 2002 through July 2004.

7
8 **Q. WERE YOU ABLE TO TEST MR. CANFIELD'S ■% ESTIMATE?**

9 A. Not fully. Since Broadwing does not have any billing details, I could not test
10 the full period from August, 2004 to April, 2006. Mr. Canfield derives his
11 estimate of ■% intrastate usage from electronic invoices during August 2004
12 through May 2006 and his estimate therefore does not consider services on
13 manual invoices, which do not provide billing detail. However, Broadwing
14 has complete billing detail for 10 months of this 22-month period, beginning in
15 June 2005.⁴ According to Broadwing's billing detail, intrastate originating
16 and terminating switched access charges represented only ■% of Broadwing's
17 total charges billed to Qwest from June 2005 through May 2006.⁵

⁴ My review did not include the February, 2006 invoice; billing detail was not available because the data disk was damaged.

⁵ Excludes February, 2006.

1 Broadwing's results are based on 45% of the data for this 22-month period and
2 therefore are considered statistically significant. I can identify no reason to
3 believe that intrastate usage during this 10-month period would vary greatly
4 from intrastate usage during the entire 22-month period. If Mr. Canfield's
5 estimate of ■% intrastate usage was correct, however, intrastate usage from
6 August 2004 through May 2005 would have to be ■% (the average of ■ and
7 ■). There is no evidence suggesting that this is the case.

8

9 **Q. SHOULD THE COMMISSION HAVE ANY OTHER CONCERNS**
10 **REGARDING MR. CANFIELD'S DAMAGES ESTIMATE?**

11 A. Yes. As I explained earlier, Mr. Canfield provided no support for his "black
12 box" proxy, and there is no indication that it is reasonable surrogate for the
13 ILEC's rates from August 2004 through May 2006.

14 In addition, however, this proxy is "baked into" Mr. Canfield's estimate
15 that Qwest was charged ■% more than the ILEC rate, so he effectively applies
16 that same proxy to estimate Qwest's damages from February 2002 through
17 July 2004, the period for which Qwest has only manual invoices. Even if Mr.
18 Canfield's proxy rate for the period August 2004 through May 2006 was
19 reasonable (which he made no attempt to demonstrate), it most certainly does
20 not reflect ILEC rates from February 2002 through July 2004. The ILEC rate
21 schedule was revised twice during this period, and some of these revisions
22 were quite significant. For example, in May 2004 the ILEC reduced its

REDACTED VERSION

1 common carrier line charges (one of the components of Mr. Canfield's blended
2 proxy rate) from \$0.01 to \$0.000, which – like any decrease in the ILEC's rates
3 – creates a greater variance between the ILEC proxy and Broadwing's rates,
4 thereby further inflating Mr. Canfield's estimate.

5

6 **Q. WHAT IS YOUR RECOMMENDATION REGARDING MR.**
7 **CANFIELD'S ESTIMATE OF DAMAGES FROM FEBRUARY 2002**
8 **THROUGH APRIL 2006?**

9 A. Mr. Canfield's estimate of Qwest's damages not only is inflated by inclusion
10 of charges for which it was billed the same as AT&T, but it is demonstrably
11 unreliable when tested against billing detail. Qwest has provided no support
12 for its assumption that an estimate of intrastate charges based on a selection of
13 invoices during the last two years of this four-year period produces an accurate
14 picture of Qwest's intrastate charges throughout the entire period, and
15 application of the "black box" proxy renders the result even more speculative.
16 Qwest has provided no support for its methodology and the Commission
17 should reject Qwest's claims for damages from February 2002 through April
18 2006. That adjustment is reflected on my Exhibit BNC-1.

19

20 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

21 A. Yes.

Broadwing Adjustments to Qwest Damages Estimate

<u>Time Period</u>	<u>Qwest Variance</u>
A. May 2006 to March 2012:	\$ [REDACTED]
<u>Deductions from Variance</u>	
1. Switched Access Billing Credit:	\$ [REDACTED]
2. Transit Charges	\$ [REDACTED]
3. 800 Database Queries:	\$ [REDACTED]
4. Originating and Terminating MOUs Billed At Same Rate:	\$ [REDACTED]
Total Deductions:	\$ [REDACTED]
Balance:	\$ [REDACTED]
B. February 2002 to April 2006:	\$ [REDACTED]
Deduction from Variance:	\$ [REDACTED]
Balance:	\$ [REDACTED]

BILLED

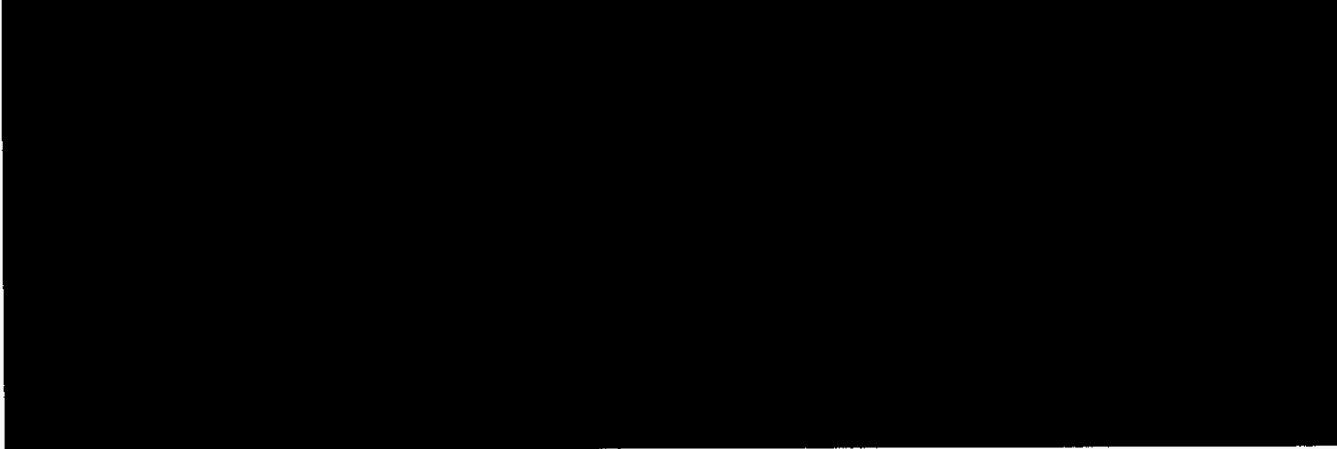
CREDIT

Remaining

Originating Remaining

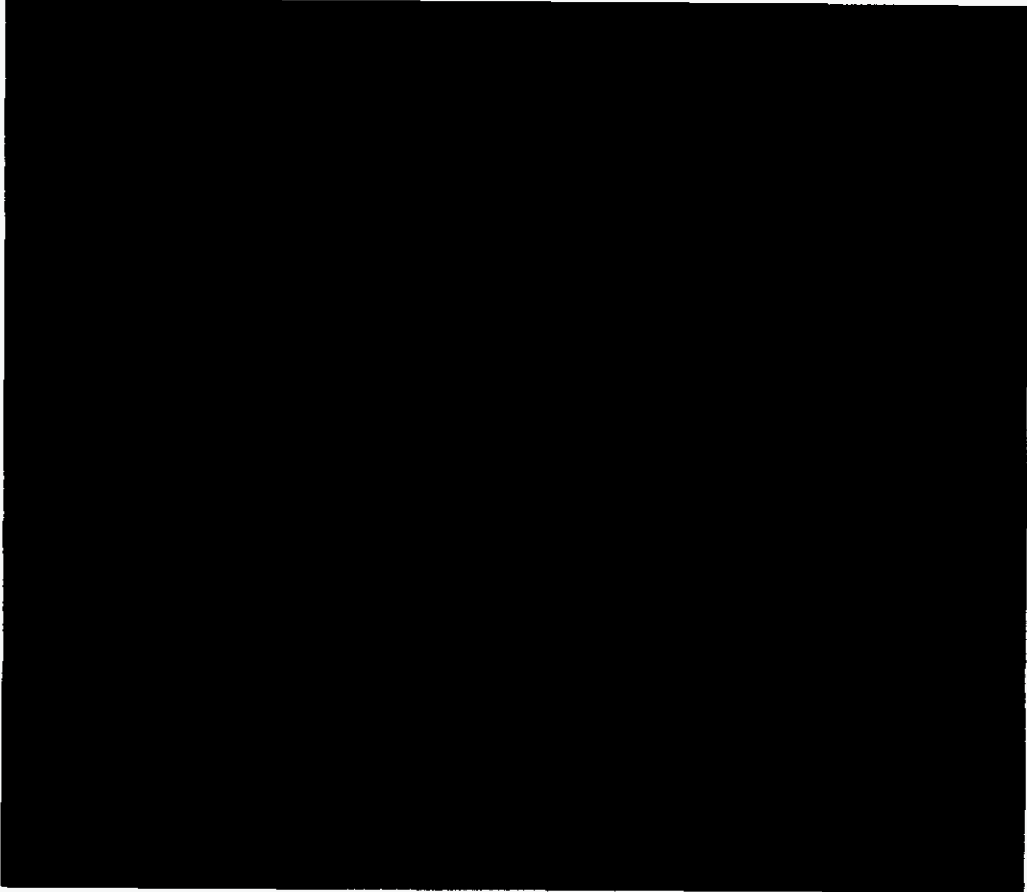
Transit

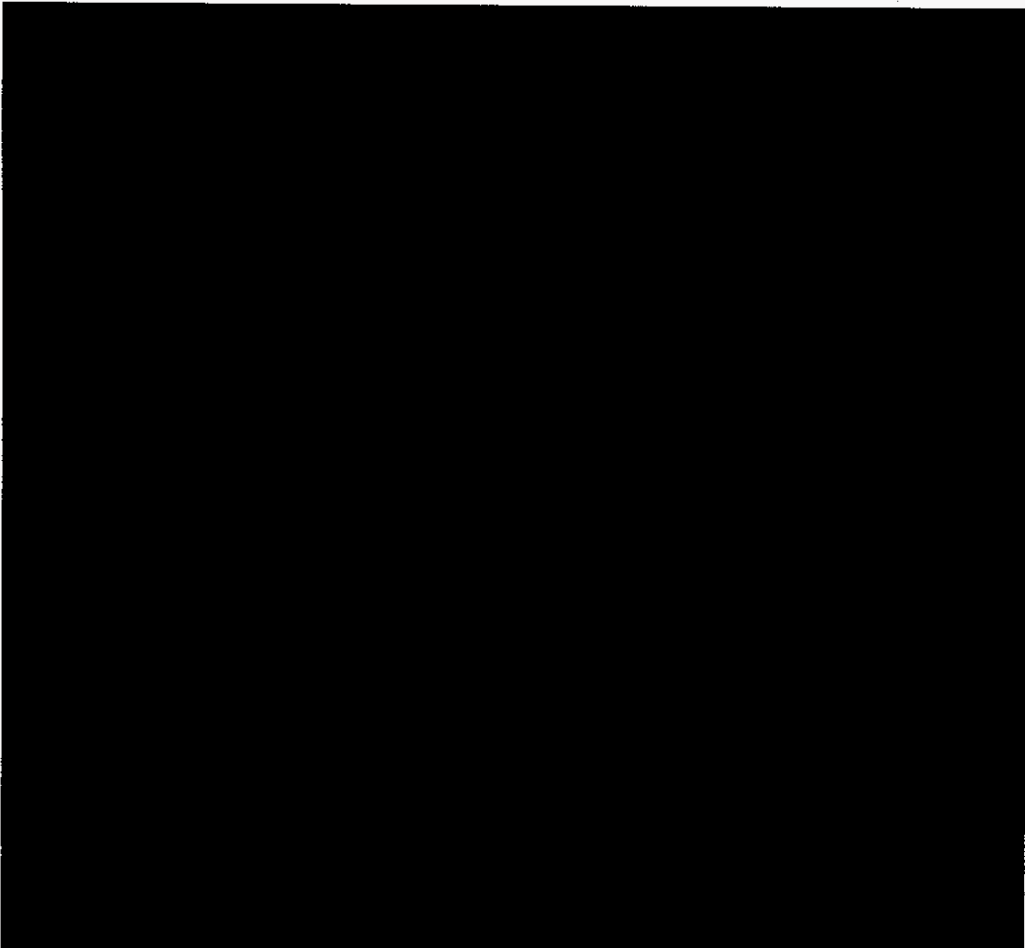
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	Amount	Interstate	Intrastate	Credit	Interstate	Intrastate	Interstate	Intrastate	Interstate	Intrastate

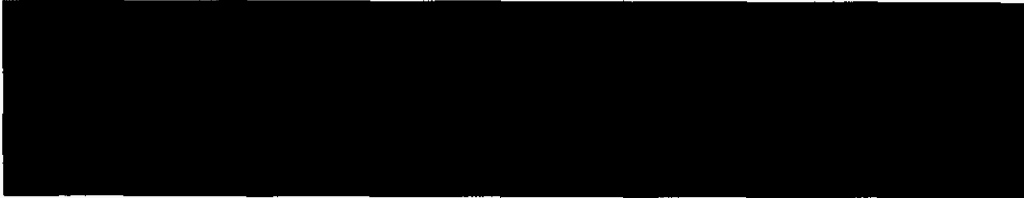


800 queries

BILL DATE	STATE	TRAFFIC_TYPE	AMOUNTBILLED	QUANTITY	CPM	AGREEMENTRATE	AGREEMENTAMOUNT	Variance
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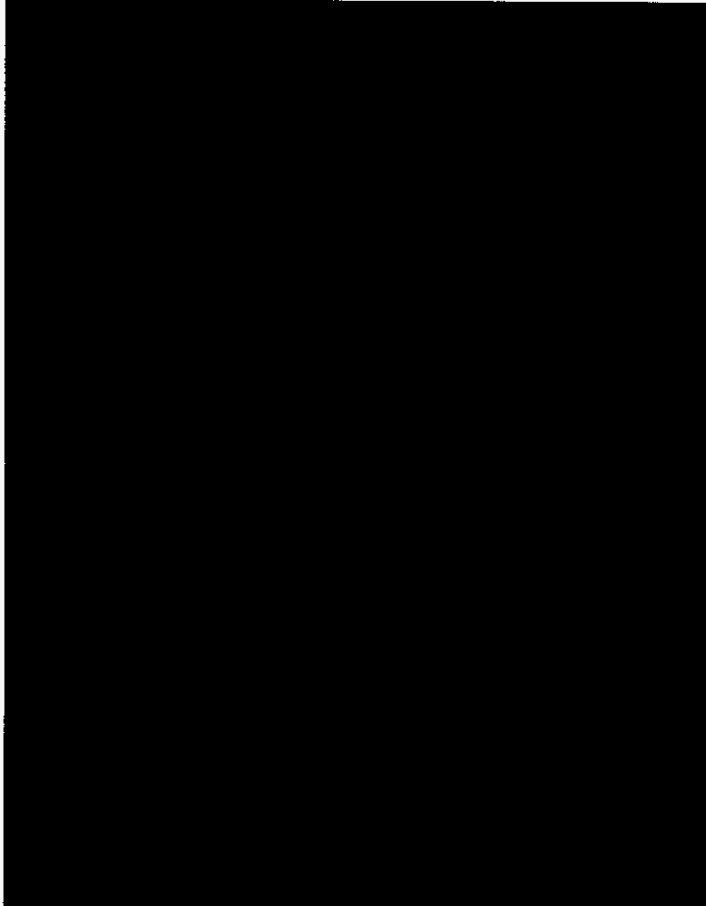






MOU

BILL DATE	STATE	RAFFIC_TYP	AMOUNT BILLED	QUANTITY	CPM	AGREEMENT RATE		AGREEMENT	
						TANDEM	DIRECT	AMOUNT	VARIANCE



Same Rate

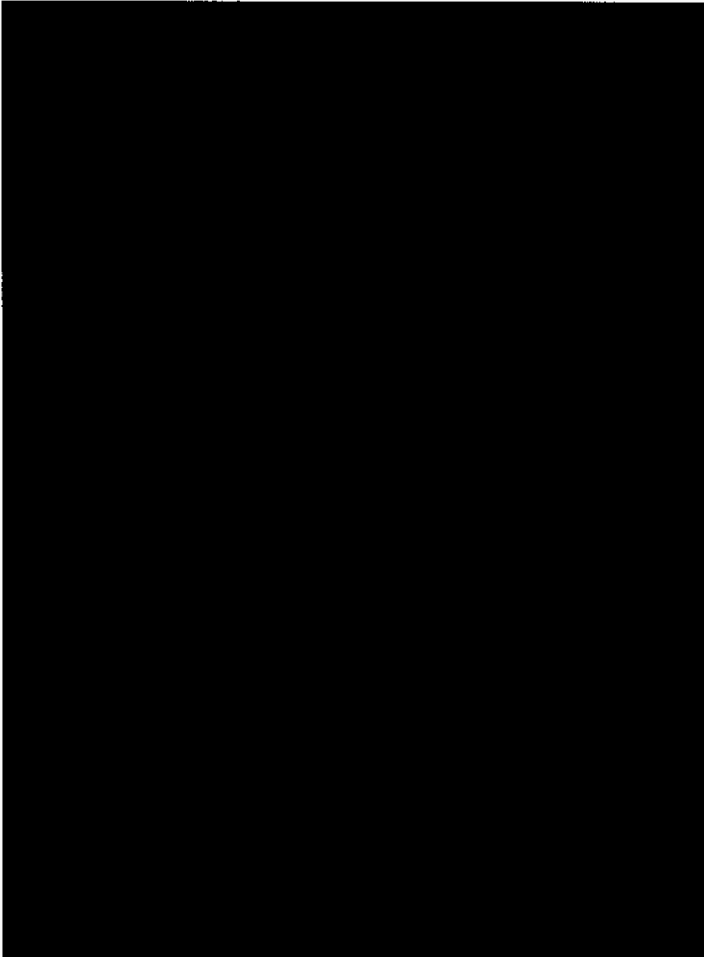
Remaining total Tranist

Transit variance

Transit credit variance

Transit variance

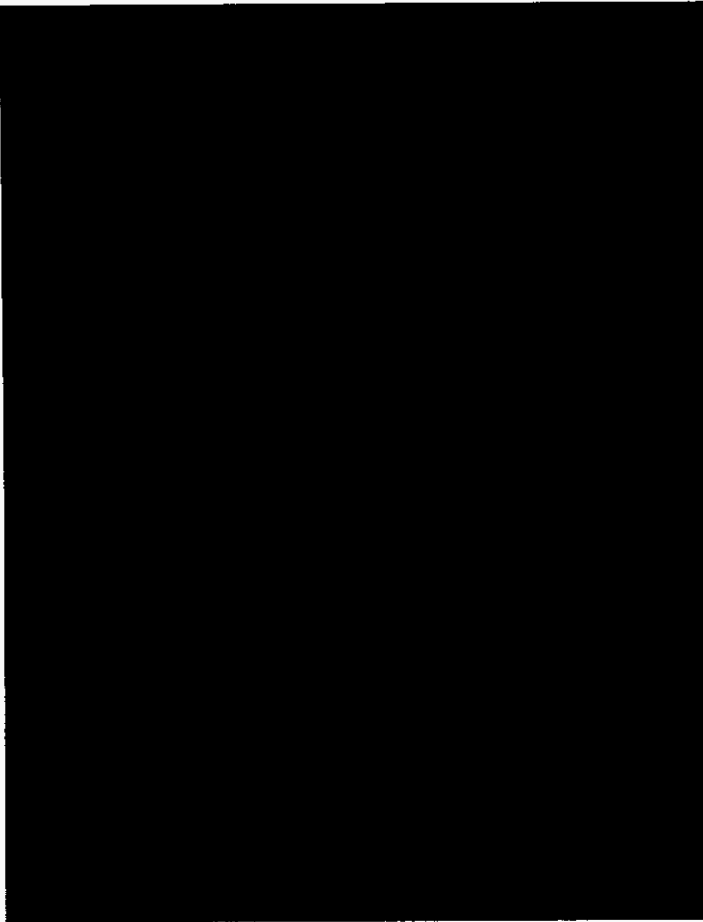




Same Rate



Same Rate



[Redacted]

Same Rate

Same Rate