Before the Massachusetts
Department of Telecommunications and Energy

In the Matter of Petition of Charter Fiberlink MA-CCO, LLC for Arbitration of an Amendment to the Interconnection Agreement Between Verizon-Massachusetts, Inc. and Charter Fiberlink MA-CCO, LLC Pursuant to Section 252 of the Communications Act of 1934, as Amended	Docket No. 06-56

DIRECT TESTIMONY OF MIKE CORNELIUS ON BEHALF OF CHARTER FIBERLINK MA-CCO, LLC

August 2, 2006

EXECUTIVE SUMMARY

Charter Fiberlink seeks a fiber meet point arrangement from Verizon that is fair, equitable and efficient. Charter Fiberlink's proposed fiber meet terms and conditions do just that. Verizon's proposals, however, attempt to limit Charter Fiberlink's ability to request a fiber meet point arrangement in the first instance and attempt to force Charter Fiberlink to pay for Verizon's costs of building a fiber meet point arrangement. The testimony of Mike Cornelius, a Director of IP Telephony Engineering for Charter Fiberlink, addresses these and other disputed issues in this proceeding.

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I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME, POSITION, EMPLOYER, AND BUSINESS ADDRESS.

A. My name is Mike Cornelius. I am a Director of IP Telephony Engineering for Charter Communications, Inc. and its subsidiaries including Charter Fiberlink, LLC ("Charter Fiberlink"). My business address is 8413 Excelsior Drive, Madison, Wisconsin, 53717. I am filing this testimony on behalf of Charter Fiberlink.

Q. WHAT ARE YOUR DUTIES AS DIRECTOR OF IP TELEPHONY ENGINEERING?

A. As Director of IP Telephony Engineering for Charter Fiberlink my responsibilities include managing the engineering and operations of Charter Fiberlink's Voice over Internet Protocol (VoIP) network in our Central Division, which includes the states Michigan, Wisconsin, Minnesota, Missouri and Nebraska. I also provide technical support as needed to other Charter divisions, such as the East Division of which Massachusetts is a part. My responsibilities also include overseeing the detailed engineering of the internet protocol (IP) and time division multiplex (TDM) networks that support voice service, negotiating and managing interconnection network arrangements with other carriers and directing the operation of telephone-specific network elements and their supporting infrastructure. I have held this position for six years and have been deeply involved in Charter Fiberlink's efforts in deploying telephone services.

Q. PLEASE REVIEW YOUR EDUCATION AND RELEVANT WORK EXPERIENCE.

A. In the three years prior to coming to Charter Fiberlink, I held the position of Director of Engineering at TDS Telecom, a local exchange carrier with telephone and data networks in several states. My responsibilities included overseeing the engineering of voice and data networks for TDS Telecom's enterprise and commercial networks. Also, I had responsibility for managing the outside plant facility planning for TDS Telecom's local loop and interoffice copper and fiber optic facilities. My position involved making decisions on various technology alternatives for switching, access and transport elements of voice and data networks. In addition, I have two years of experience as a Switch Engineering Manager for Sprint PCS, during which I was responsible for overseeing the design of switch, transport and interconnection networks associated with cellular service. Prior to Sprint PCS, I was employed by Ameritech for 13 years in a variety of network engineering and operations, sales support and cost analysis positions.

I received a Bachelor of Science Degree in Civil Engineering from Marquette University in 1982 and a Masters of Business Administration Degree from the University of Wisconsin – Milwaukee in 1987. I am a registered Professional Engineer in the State of Wisconsin.

Q. PLEASE EXPLAIN THE NATURE OF THE WORK INVOLVED IN DESIGN AND OPERATIONS OF CHARTER'S TELEPHONE SERVICE.

A. This work entails overseeing the design of our networks in areas where we build new facilities, the expansion of our existing network in areas where we have

previously offered or launched telephone service, focusing on the telephony-specific parts of network, and the operation of those elements. This also includes, on a more granular level, the operation of call routing and call-handling capabilities within the network.

II. STATEMENT OF SCOPE AND SUMMARY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. In my testimony I will largely address the technical and operational issues stemming from the disputed issues.

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. My testimony addresses the issues raised by the technical and operational issues in the negotiations with Verizon for a fiber meet amendment. Specifically, I discuss some of the problems and concerns raised by Verizon's proposals to limit Charter's right to request a fiber meet arrangement from Verizon. In my view Verizon's proposals are not only unreasonable they are also unworkable in the sense that they would add significant administrative burdens. In addition, I testify that Verizon's costs shifting proposals are problematic because the shift costs unfairly. Also, my testimony explains why Verizon's proposed limitations on the location of the fiber meet point, the length of fiber, and the traffic carried over the fiber meet point arrangement are problematic. Finally, my testimony responds to some of the additional technical issues raised in Charter and Verizon's supplemental filings in this case.

III. DISCUSSION OF SPECIFIC ISSUES IN THIS PROCEEDING

III.A. ISSUE 1 - VERIZON'S PROPOSED TRAFFIC THRESHOLD LIMITATIONS ON CHARTER'S ABILITY TO REQUEST FIBER MEET POINT ARRANGEMENTS

Q. WHAT IS THE ISSUE HERE?

A. The issue here is whether Verizon can impose traffic threshold limitations on when Charter may establish a fiber meet arrangement. The specific situation giving rise to this issue occurs when Charter is entering a new market to provide telephone service in competition with Verizon. In order to provide service to its end users Charter must interconnect with Verizon's network so that it can send and receive calls to and from the public switched telephone network (i.e. Verizon's network in large part).

To interconnect with Verizon Charter has three main options: (1) collocation in a Verizon central office; (2) leasing facilities from Verizon to connect the two parties' networks; and (3) a fiber meet point arrangement. This issue relates to option number 3, fiber meet arrangements.

Q. IF CHARTER HAS THREE AVAILABLE METHODS OF INTERCONNECTION, WHAT'S THE CONCERN?

A. The first option, collocation, is not normally attractive to Charter. Generally, collocation is useful for a competing local exchange carrier ("CLEC") that wants to access an incumbent local exchange carrier's ("ILEC's") unbundled network elements, such as copper loops or interoffice transport capabilities. Charter has its own network, and so has no need for unbundled elements. As a result, it is very difficult to justify incurring the time and expense of collocation.

The second option, leasing facilities from Verizon, is relatively easy to implement, but it can be costly. In addition, to the extent that Charter leases essential elements of its network from Verizon, Charter's control over its own business is diminished. While it is difficult to quantify the "cost" of this factor, from an operations perspective Charter prefers to have as much control over its own activities as is feasible.

This means that the third option, interconnecting via fiber meet points arrangements, is often the most advantageous form of interconnection for Charter. However, that option is not available to Charter at this time because of Verizon's unwillingness to establish such arrangements. Therefore, practically speaking, Charter is essentially left with only one option: leasing facilities from Verizon in every market in which Charter provides service.

Q. WHY DOESN'T CHARTER SIMPLY CONTINUE TO LEASE FACILITIES FROM VERIZON TO ACHIEVE INTERCONNECTION?

A. Mr. Shremp discusses this concern from a business perspective. From an operational and engineering perspective, there are two problems with leasing facilities from Verizon, noted above. First is simply cost. As noted above, when Charter leases facilities from Verizon it pays a significant amount of money to Verizon to lease those facilities. Our most recent estimate is that Charter pays Verizon approximately $25,000 a month in Massachusetts to lease those facilities. If you include the cost of leasing facilities in other states Charter's total liability to Verizon is significantly higher than that figure. Second is control over our own operations. We prefer to rely on Verizon as little as we can in providing our own services. Obviously we have to rely on Verizon to exchange traffic with Verizon's

own customers, but beyond that, over the long term, we want to have as much control over our own network and operations as we can. Therefore, simply leasing facilities from Verizon is not a viable long term strategy for interconnection.

That is precisely why Charter initiated its request to establish a fiber meet point arrangement with Verizon. If Charter can establish a fiber meet point arrangement when it first enters a particular market, it can begin to develop the arrangement as it establishes its presence in the market. This approach is much more efficient than having to wait until the time where a requisite level of traffic is being exchanged until it can begin the work of establishing a fiber meet point.

Q. WHAT IS CHARTER'S PROPOSAL ON THE QUESTION OF WHEN THE PARTIES SHOULD BE ABLE TO MOVE TO A FIBER MEET POINT ARRANGEMENT?

A. Generally speaking, Charter proposes that either Party should be allowed to request a fiber meet arrangement with the other Party after the requesting Party provides a good faith, written forecast to the other showing that the Parties expect to exchange an amount of traffic equal to a utilization level of at least one (1) DS3 within the next twelve (12) months. Section 2.1.1 of Charter's proposed language doesn't make this forecast concept explicit, but Charter is willing to adhere to that policy in the interests of reaching an accommodation with Verizon. Thus, under this arrangement Charter could request a fiber meet point arrangement at the point when it first enters a new market, or after it has already entered a given market and established interconnection arrangements with Verizon, depending on its good faith traffic estimates.

I believe the concept of accepting a forecast for planning the timing of a meet point is critical. Although it is possible that Charter will choose to lease in new markets based on the time required to provide leased transport versus a fiber meet point, it would be patently unfair to force Charter to do so in every instance.

Q. WOULDN'T CHARTER'S PROPOSAL ENCOURAGE CHARTER TO REQUEST AND ESTABLISH FIBER MEET ARRANGEMENTS WHEN THE LEVEL OF TRAFFIC DOES NOT JUSTIFY THEM?

A. No. Charter incurs costs in establishing a fiber meet arrangement that are comparable to, if not greater than, those that Verizon incurs. We have no incentive to voluntarily incur those costs if the level of traffic is too low to justify a fiber meet arrangement. When we establish a fiber meet arrangement, we are necessarily "putting our money where our mouth is" with regard to our forecasted traffic levels. In the nature of things, forecasts are not always completely accurate, but we are not asking Verizon to incur the costs of establishing a fiber meet arrangement unless Charter is willing to incur those same, or greater, costs itself. That provides a natural disincentive to over-ordering fiber meet arrangements.

Q. DOES YOUR PROPOSAL CONFLICT WITH VERIZON'S PROPOSAL TO LIMIT CHARTER'S RIGHT TO REQUEST A FIBER MEET ARRANGEMENT?

A. Yes. Verizon wants to limit the situations where Charter can request a fiber meet arrangement from Verizon to those situations where the Parties are already exchanging a DS3's worth of traffic. This DS3 threshold concept is embodied in four specific (and somewhat complicated) proposals that Verizon has made. Each includes a traffic threshold "test" and some obligation for Charter to compensate Verizon for Verizon's fiber meet costs.

Q. WHAT IS VERIZON'S FIRST TRAFFIC THRESHOLD TEST?

Under Verizon's first test Charter can request a fiber meet arrangement in a particular LATA at any time where the Parties are already interconnected and already exchanging traffic in an amount equal to a utilization level of at least one DS3. Notably, Verizon does not count all of the traffic that the Parties exchange against this threshold test, but proposes instead that the threshold only apply to what Verizon calls "applicable" traffic. This test is detailed in Section 2.1.1 of Verizon's proposal.

Q. WHAT DOES VERIZON MEAN BY "APPLICABLE" TRAFFIC?

A. Verizon takes the position that only certain types of traffic may be exchanged over the fiber meet point arrangement. Generally, Verizon will agree to exchange local telephone calls, some IntraLATA toll calls, ISP-bound traffic and transit traffic. This is what Verizon deems to be "applicable" traffic.

Verizon will **not** agree to exchange other types of traffic over the fiber meet point arrangement unless Charter agrees to pay Verizon tariff charges for the carriage of such traffic. The types of traffic that fall into this category are operator services/directory assistance traffic, 911 traffic and exchange access traffic. The reasonableness of Verizon's proposed tariff charges is addressed more fully below in my testimony below concerning this issue.

Q. WHAT ARE CHARTER'S CONCERNS WITH VERIZON'S FIRST TRAFFIC THRESHOLD TEST?

A. Charter's primary concern is that it limits Charter's ability to establish a technically feasible method of interconnection with Verizon. Under this test Charter cannot request a fiber meet arrangement with Verizon until it first enters

the applicable market, leases facilities from Verizon, and then begins to serve customers in the market and exchange traffic with Verizon. That process can take time, which means that Charter is forced to lease facilities for a period of time until the requisite traffic threshold is satisfied.

Another concern is that the distinction Verizon makes with respect to so-called "applicable" traffic is noteworthy because Verizon does not count any of this latter group of traffic against the DS3 traffic threshold requirement. This traffic limitation makes no sense from an engineering perspective. Under this limitation, Charter and Verizon could be exchanging more than a DS3's worth of traffic, but Verizon would still deny Charter the right to establish a fiber meet arrangement because of this arbitrary exclusion of certain types of traffic.

Q. WHAT IS VERIZON'S SECOND TRAFFIC THRESHOLD TEST?

A. The second traffic threshold test is very complicated. Broadly speaking, Verizon proposes that Charter can request a fiber meet arrangement in a particular LATA where the Parties are already interconnected but exchanging less than a DS3's worth of traffic. However, in this situation Charter must specifically satisfy three very strict criteria:

(1) that seventy (70) percent of the leased facilities are being utilized;

(2) that the growth of traffic on these facilities is increasing by eight (8) percent over the previous three (3) months; and

(3) Charter submits a written forecast showing that the Parties will consistently exchange an amount of traffic equal to a utilization level of at least one DS3 within the next twelve (12) months.

My summary doesn't do justice to the complexity of Verizon's second traffic threshold test, so we took the liberty of reprinting it here in my testimony. This test is detailed in Section 2.1.2 of Verizon's proposed fiber meet, which is copied below (with key language highlighted):

> Charter may request a fiber meet arrangement by providing written notice thereof to Verizon if (a) in the preceding month the Parties exchanged applicable traffic in the relevant exchange(s) in an amount equal to a utilization level of at least seventy percent (70%) of one (1) DS3; (b) the amount of such traffic exchanged during the preceding three month period increased by at least eight percent (8%); and (c) Charter has submitted a good faith, written forecast to Verizon showing that the Parties will consistently exchange an amount of applicable traffic equal to a utilization level of at least one (1) DS3 within the next twelve (12) months.
>
> **Requirement (a) in this Section 2.1.2 will be deemed satisfied where the Parties have activated at least 20 DS1s on a DS3 used to exchange applicable traffic and the amount of applicable traffic exchanged on such activated DS1s (excluding those DS1s used solely and exclusively for intraLATA toll traffic originated by Verizon's Customers, 911 traffic, Operator Services/Directory Assistance traffic or Exchange Access traffic between Charter's Telephone Exchange Service Customers and purchasers of Switched Exchange Access Service via a Verizon access Tandem) was, on average, at least 200,000 minutes of use per DS1 for the relevant month or at least 600 busy hour Centium Call Seconds (BHCCS) of use per DS1 for the relevant month**. If Charter requests and the Parties agree to establish a fiber meet arrangement under this Section 2.1.2, the Parties will work cooperatively and use commercially reasonable efforts to implement such fiber meet arrangement prior to the time the Parties begin exchanging applicable traffic in an amount equal to a utilization level of one (1) DS3.
>
> If the Parties establish a fiber meet arrangement under this Section 2.1.2, then, **for any month** (except for the first month after the establishment of such fiber meet arrangement) **that Verizon determines that the Parties did not exchange applicable traffic over such fiber meet arrangement** in an amount equal to a utilization level of at least one (1) DS3, **Verizon may bill (and Charter shall pay) Verizon's short-term (month to month) Tariff rates for a DS3 Channel Termination, a DS3/DS1 Multiplexer and, if applicable, mileage between Verizon wire centers**.

Verizon Proposal, Section 2.1.2 (emphasis added).

Q: ISN'T TRUE THAT CHARTER'S NEGOTIATORS INTRODUCED SOME OF THESE SAME CONCEPTS DURING NEGOTIATIONS?

A. It may be true that Charter's negotiators offered some of these concepts during negotiations. Frankly, I don't know if that is relevant at this point though. But it is certainly true that during negotiations, Charter was searching for a workable compromise and attempted on several occasions to revise or reform Verizon's unreasonable demands. But in the end it became clear to Charter that Verizon's constant overreaching, as embodied in these proposals, was unreasonable and, in discussions with counsel, beyond what can be required of CLECs under the federal rules. Moreover, to my knowledge, no other ILEC imposes these burdensome requirements on fiber meet point arrangements – not even Verizon with Charter in Wisconsin.

Q. WHAT ARE CHARTER'S CONCERNS WITH THIS PROPOSAL?

A. Charter has several concerns. First, note that in order to request a fiber meet arrangement under this proposal Charter must meet three criteria. Charter must: 1) be using seventy (70) percent of existing leased DS3 facilities; 2) demonstrate that the amount of traffic over those leased facilities increased by eight (8) percent over the previous three month period; and 3) submit a forecast to Verizon that Charter expects to exchange a DS3's worth of traffic within the next twelve (12) months. So, Charter must meet all three criteria in order to secure a fiber meet arrangement with Verizon.

Second, to demonstrate that seventy (70) percent of the leased facilities are being utilized Charter has to satisfy additional criteria. Specifically, the Parties must have:

(i) "activated" at least 20 DS1s on a DS3 used to exchange applicable traffic, and
(ii) the amount of "applicable traffic" exchanged on such activated DS1s must be, on average, at least 200,000 minutes of use per DS1 for the relevant month or at least 600 busy hour Centium Call Seconds (BHCCS) of use per DS1 for the relevant month.

And the amount of "applicable traffic" exchanged on such activated DS1s specifically ***excludes*** those DS1s used solely and exclusively for intraLATA toll traffic originated by Verizon's Customers, 911 traffic, Operator Services/Directory Assistance traffic or Exchange Access traffic between Charter's Telephone Exchange Service Customers and purchasers of Switched Exchange Access Service via a Verizon access Tandem.

Verizon's trunk utilization (or traffic measurement proposals) assume that one or both Parties can easily determine how much traffic is exchanged over a particular facility. Unfortunately, that may not be the case. Moreover, Verizon's proposal would, in my view, be very difficult to administer and it raises questions of how each Party (or the Parties collectively) would actually measure this traffic. It is a proposal that on paper may be workable, but which would be much more difficult to actually implement and administer. In this way they would impose a significant administrative burden on both Verizon and Charter's engineering and operations personnel.

Moreover, these trunk utilization proposals would not only be burdensome, but they are also unnecessary since all trunk groups are designed for a forecasted demand rather than actual measured traffic. In other words, trunk groups are built on what we expect to happen, not because a particular event in the past (such as calls to American Idol) caused a high call volume.

These additional criteria are a concern for several reasons. First, 200,000 minutes of use on a DS1 is a very high utilization level. Indeed, in my experience sound network planning calls for adding more interconnected trunks before the utilization level reaches 200,000 minutes of use on a particular DS1 expanding the size of a "cross-section" between two networks if utilization is much lower than that. So Verizon is essentially saying that we can request a fiber meet arrangement only if we take risks with our interconnection network by allowing them to become too full. Indeed, in my experience most ILECs actually require an interconnected CLEC to establish additional trunking before those utilization levels are met.

Q. ARE THERE OTHER CONCERNS WITH THIS PROPOSAL?

A. Yes. Charter's other major concern is that part of Verizon's proposal that Charter pay Verizon short term "(month to month) tariff rates for a DS3 Channel Termination, a DS3/DS1 Multiplexer and, if applicable, mileage between Verizon wire centers." Note that this liability is triggered when ***Verizon determines*** that the Parties did not exchange "applicable traffic" –Charter has no say in that determination. My colleague, Ted Schremp, addresses Charter's objections to these compensation issues in his testimony.

Q. WHAT IS VERIZON'S THIRD TRAFFIC THRESHOLD REQUIREMENT?

A. Under this test Charter can request a fiber meet arrangement from Verizon if Charter first attempts to lease facilities from Verizon and no such facilities are available. In addition, this test includes the compensation provision in Verizon's other tests, which requires that Charter pay Verizon short term "(month to month) tariff rates for a DS3 Channel Termination, a DS3/DS1 Multiplexer and, if

applicable, mileage between Verizon wire centers." Again, note that this liability is triggered when Verizon (and Verizon alone) determines that the Parties did not exchange "applicable traffic." This proposal is detailed in Section 2.1.3 of Verizon's proposal.

Q. WHAT IS CHARTER'S CONCERN WITH VERIZON'S THIRD TRAFFIC REQUIREMENT?

A. The primary concern here is that this test presumes that Charter must first lease facilities from Verizon before seeking a fiber meet arrangement. Only if such facilities are not available would Verizon agree to begin establishing a fiber meet arrangement. This arbitrary limitation on Charter's right to request a fiber meet arrangement is objectionable. My colleague, Ted Schremp, addresses Charter's objections to these compensation issues in his testimony.

Q. WHAT IS VERIZON'S FOURTH TRAFFIC THRESHOLD REQUIREMENT?

A. This test, unlike the others, does not require Charter to meet certain thresholds before it can request a fiber meet arrangement from Verizon. Instead, it allows Charter to request such an arrangement if Charter forecasts that the Parties will exchange an amount of "applicable" traffic equal one (1) DS3 within the next twelve (12) months. Putting aside the limitation to "applicable traffic," this approach requires that Charter must provide Verizon a letter of credit or cash security deposit "in an amount determined by Verizon based upon Verizon's anticipated costs (including, without limitation, labor at Verizon's Tariff rates for the deployment) of facilities." This proposal is detailed in Section 2.1.4 of Verizon's proposal.

Q. WHAT ARE CHARTER'S CONCERNS WITH VERIZON'S FOURTH TRAFFIC THRESHOLD TEST?

A. Charter has **no objection** to the concept of conditioning a request for a fiber meet arrangement on a written forecast. Indeed, as explained below, that is precisely what Charter proposes as the appropriate trigger. Charter's sole concern with this proposal is the provisions that would require Charter to provide Verizon a letter of credit or security deposit. My colleague, Ted Schremp, addresses Charter's objections to these compensation issues in his testimony.

Q. DID VERIZON MAKE THE SAME DEMANDS BEFORE THE PARTIES' ESTABLISHED A FIBER MEET POINT ARRANGEMENT IN WISCONSIN?

A. No. In fact, the Parties established the fiber meet point arrangement in Wisconsin after Charter provided a forecast to Verizon of a DS3's worth of traffic within twelve months of the forecast. In other words, in Wisconsin we followed the same approach that Charter is proposing to use here in Massachusetts. In addition, I would note that there was no letter of credit, cash security deposit, or assurance of payment associated with the fiber meet point arrangement in Wisconsin.

That is not to say that the Parties agreed on every detail of implementation, there were some disagreements on technical issues and the location of the fiber meet point arrangement. But Verizon did not make the types of demands that it is making here in Massachusetts.

Q. HAS VERIZON EVER SUGGESTED THAT THE FIBER MEET POINT ARRANGEMENT IN WISCONSIN IS NOT AN EFFICIENT USE OF RESOURCES?

A. No. As far as I can tell the fiber meet point arrangement in Wisconsin represents a mutually beneficial arrangement; and I am not aware of any Verizon complaints that this arrangement is inefficient or otherwise unfair to Verizon.

Q. VERIZON ARGUES THAT A DS3 THRESHOLD REQUIREMENT IS NECESSARY TO ENSURE EFFICIENT USE OF FIBER OPTIC EQUIPMENT TO BE DEPLOYED. IS THIS ACCURATE?

A. No. Verizon's argument misses the point. Charter is not asking for a fiber meet arrangement in order to exchange ***less*** than a DS3's worth of traffic volume. Charter recognizes that the most efficient use of these facilities is to transport high volumes of traffic. Indeed, that is precisely why Charter is requesting a fiber meet arrangement: because Charter expects to have a high volume of traffic that it will exchange with Verizon. So both parties agree that you don't want to use a fiber meet arrangement if there is not an appropriate volume of traffic. And, as noted above, establishing a fiber meet point is costly for Charter as well as for Verizon. Charter has no economic incentive to establish a fiber meet point if it does not truly expect traffic volumes to justify this facility.

Indeed, as I explained above entities in this industry build facilities to a forecast, not existing traffic, since it is not reasonable to expect a carrier to build a network in real time. I would assume that the same is true of Verizon, that they build their networks based on their own forecasts. Those same forecasts drive engineering decisions on the best type of facilities to handle the anticipated volume of traffic. If Charter is forced to wait until the traffic already exists, it has lost the opportunity to provide those best facilities.

Q. ARE THERE ANY OTHER CONCERNS WITH VERIZON'S PROPOSAL?

A. Yes, the other major concern is one of timing. Verizon's proposals (at least the first two) have the effect of forcing Charter to enter a market, begin leasing facilities from Verizon, and then begin offering service to its end users. That process takes time. This has the effect of acting as an economic "brake" on Charter's ability to expand service in a market. Given the lead times necessary to establish a fiber meet point, in a situation of rapid traffic growth, Charter could well have to lease expensive additional facilities from Verizon while the meet point is being established, only to take those facilities down when it is completed. This is essentially wasted money as far as Charter is concerned (although Verizon presumably, is happy to get paid its tariffed month-to-month rates for any leased facilities). However, there is no reason to subject Charter to these costs.

III.B. ISSUE 2 – ALLOCATION OF THE COSTS OF THE FIBER MEET POINT ARRANGEMENT

Q. WHAT IS THIS DISPUTE ABOUT?

A. The dispute here is whether Charter should be required to pay for Verizon's fiber meet point arrangement costs if the traffic volume on any fiber meet point arrangement that is requested by Charter does not reach a DS3 utilization level. In other words, if the Parties build a fiber meet point arrangement at Charter's request and the traffic does not reach a DS3 level, should Charter be responsible for Verizon's cost of building the fiber meet point arrangement?

Q. WHAT IS CHARTER'S PROPOSAL ON THIS ISSUE?

A. Charter's proposal is simple: each Party should pay its own costs of building and operating the fiber meet point arrangement. My colleague, Ted Schremp,

discusses this issue in greater detail in his testimony. As Mr. Schremp explains, Charter's proposal is preferable because it represents a fair allocation of costs (each side assumes their own costs); because it is significantly easier to administer (because neither Party will have to determine the other Party's costs); and because it eliminates any opportunity for one Party to unfairly or inappropriately "game the system" by overstating its costs.

Q. WHAT IS VERIZON'S PROPOSAL ON THIS ISSUE?

A. Verizon has several proposals on this question, depending on the circumstances surrounding how and when the fiber meet point arrangement is built. Generally speaking, Verizon's proposals fall into two categories. Under both of Verizon's proposals Charter will have to compensate Verizon for Verizon's costs of building and operating its portion of the fiber meet point arrangement if the volume of traffic does not exceed a DS3. Verizon's proposed methods of compensation differ depending on the circumstances of the establishment of the fiber meet point arrangement. Under one proposal Charter would have to pay Verizon tariff rates for certain optical equipment and fiber as a surrogate for determining Verizon's actual costs. Under the second proposal Charter would have to pay Verizon by providing a letter of credit or cash security deposit that Verizon could then draw form at its discretion.

Q. VERIZON SAYS THESE COMPENSATION PROPOSALS (WHAT IT CALLS "ASSURANCES") ARE NECESSARY TO ENSURE THAT CHARTER DOES NOT REQUEST A FIBER MEET POINT ARRANGEMENT WHEN IT IS NOT EFFICIENT TO DO SO. IS VERIZON CORRECT?

A. No. As my colleague, Ted Schremp, explains, Verizon's argument is flawed because it assumes that Charter does not have any economic incentive to ensure that Charter only requests a fiber meet point arrangement when it expects the volume of traffic to be sufficiently high to justify the expense of building and operating a fiber meet point arrangement. Mr. Schremp testifies further about the flawed assumptions in Verizon's proposal; I will only speak to my experience building and operating these meet point arrangements.

Q ARE YOU AWARE OF ANY INSTANCE WHERE CHARTER HAS BUILT A FIBER MEET POINT ARRANGEMENT THAT IS NOT, OR WAS NOT, UTILIZED EFFICIENTLY?

A. No. Charter has established four fiber meet point arrangements in Wisconsin; three with AT&T (then SBC) and one with Verizon. In addition Charter has established fiber meet arrangements with different ILECs in other states across the country. I am not aware of any fiber meet point arrangement that Charter has built that is currently underutilized based on the current and planned usage.

Q. FROM AN ENGINEERING PERSPECTIVE, WOULD CHARTER WANT TO BUILD A FIBER MEET POINT ARRANGEMENT THAT WAS NOT FULLY UTILIZED?

A. No, that is contrary to the return on investment business principles we follow when building these types of arrangements and other network facilities. Fiber, or optical, transport systems allow bandwidth to grow much more easily and economically than copper T1 facilities. With SONET terminals now routinely built to accommodate OC-48 signals, transport facilities can be expanded, if necessary, to handle 48 DS3s worth of traffic. Conversely, this would require 1344 individual T1s to provide the equivalent bandwidth. At relatively low traffic volumes, T1

facilities are more economical, since optical transport systems generally do not provide bandwidth below a DS3. The breakeven point of T1s versus a DS3 facility depend on the individual circumstances, but Charter would agree that it would not be economical to build an optical transport system (i.e. fiber meet) for less than seven or eight T1s worth of traffic.

Q. VERIZON SUGGESTS THAT IT COULD BE LEFT WITH STRANDED PLANT OR INVESTMENT IF A FIBER MEET POINT IS NOT FULLY UTILIZED. WHAT IS CHARTER'S RESPONSE?

A. That may be theoretically true, but it is equally true for Charter. If Charter incurs the costs of establishing a fiber meet point and then does not have enough traffic to justify it, Charter will have wasted its own money – something that, like any business, we are motivated to avoid. As noted above, I am not aware of any situation where Charter has built a fiber meet point arrangement that is underutilized. So I don't know of any situation where an ILEC has been left with so-called stranded plant or investment. If that situation did come to pass, though, I would note that the equipment used in these meet point arrangements is, for the most, part highly fungible. Fiber optic terminals, multiplexers, and other similar equipment can be moved to another location if it is not needed in its existing location. That is, it can be relocated and utilized at other places in the network. For that reason, if the situation did arise where a fiber meet point was not fully utilized, and was later turned down, Verizon could presumably use the fiber, network interface devices and optical equipment in other areas of its network.

In addition, although I do not know the details of Verizon's fiber network in Massachusetts, it would not surprise me to learn that Verizon has already deployed

fiber optic terminals and similar equipment in many of its central offices. Normally this equipment can handle the termination of a number of different fiber strands. So it is not accurate to suggest that establishing a fiber meet point entails Verizon buying new equipment that is specific to the fiber meet with Charter. To the contrary, I suspect that in many cases Verizon will already have the equipment in place. Obviously, in the long run, it is important that any network's equipment be efficiently utilized; but the idea that low traffic levels on a particular individual fiber route will lead to "stranded" fiber optic equipment is overstated. One could also argue that because we are, in large part, taking customers of theirs, that they are simply reallocating the transport from entirely within their network to between their network and ours.

Q. SINCE THIS ISSUE CONCERNS COSTS, DO YOU KNOW WHAT VERIZON'S COSTS OF BUILDING AND OPERATING A FIBER MEET POINT ARRANGEMENT WOULD BE?

A. No. As far as I know, Verizon has never provided Charter with any detailed estimate of its costs. I understand that Charter's negotiators requested those estimates on several occasions prior to this arbitration, but Verizon never provided them. I do know that in two filings made to the D.T.E. Verizon has suggested that their costs of building and operating a fiber meet point arrangement would at most fall in the range of $60,000 to $90,000.

Q. HAS CHARTER ESTIMATED ITS COST OF BUILDING A FIBER MEET POINT IN MASSACHUSETTS?

A. Yes. In LATA 128 Charter has estimated that its cost of building a fiber meet point arrangement would be approximately $76,000. This estimate includes the cost of an estimated length of fiber to be deployed from Charter's facilities to the

meet point, as well as necessary SONET equipment costs and OC3 cards. In LATA 126 Charter has estimated that the costs of building a fiber meet point arrangement would be approximately $25,000. Notably, these estimates are of the cost of facilities only, they do not include any labor, engineering and other administrative costs.

III.C. ISSUE 3 - VERIZON'S PROPOSED PHYSICAL LIMITATIONS ON THE LOCATION OF THE FIBER MEET POINT ARRANGEMENT

Q. WHAT IS THE ISSUE HERE?

A. The dispute here is whether or not Verizon can unilaterally narrow the scope and location of the fiber meet point by (1) limiting the geographic areas where Verizon will establish a fiber meet arrangement with Charter, and (2) by limiting the amount of fiber Verizon will agree to deploy to build the fiber meet point arrangement.

Q. WHAT IS VERIZON'S PROPOSAL?

A. On the question concerning the limits of the location of the fiber meet point from the Verizon central office ("CO"), Verizon proposes that any fiber meet point arrangement can be no further than three (3) miles from any Verizon. With respect to the limitations regarding the amount of fiber deployed by Verizon, Verizon proposes that it will not deploy more than five hundred (500) feet of fiber for any single fiber meet point arrangement.

Q. WHAT IS CHARTER'S PROPOSAL?

A. Charter proposes that the location of the fiber meet arrangement should be established by mutual agreement, rather than limited by the distance from

Verizon's CO. In addition, Verizon's obligations to deploy necessary fiber should only be limited to areas within its serving territory and should be based upon the amount of fiber necessary to complete a fiber meet point arrangement that is established at a mutually agreed location.

Q. WHY IS CHARTER'S PROPOSAL PREFERABLE?

A. Charter's proposal is preferable because it is equitable: it ensures that the Parties share equally in the overall cost of deploying fiber and facilities. Moreover, it does not contain any arbitrary limits on the location of fiber meet point arrangement or the length of fiber that any one party will deploy.

Q. WHAT ARE CHARTER'S CONCERNS WITH VERIZON'S PROPOSAL?

A. Verizon's proposed limitations do not appear to be based upon any discernible engineering or economic criteria, but instead seem to be arbitrary limitations designed to limit Verizon's potential costs, while at the same time increasing Charter's potential costs.

Under Verizon's proposed limitations, any future fiber meet point arrangement would not be established at a mutually agreed - upon location, but would instead be established very close to a Verizon central office. This would occur regardless of the location of the Charter switch, or other facility, in the LATA from which Charter's fiber would need to be deployed. As a consequence, Charter would be required to deploy potentially greater amounts of fiber than Verizon, thereby incurring additional costs on its side of the fiber meet arrangement. That result is inequitable and inefficient. It is also inconsistent with the principle that parties to a fiber meet point arrangement should equitably bear the costs of establishing such

an arrangement.

Q. IS IT POSSIBLE THAT THERE ARE TECHNICAL REASONS BEHIND VERIZON'S PROPOSED LIMITATIONS?

A. Anything is possible, but if there is any technical reasoning behind Verizon's proposed limitations, Verizon has never articulated them, and I don't know what they are. From my experience with these issues, the three (3) mile limitation appears to be totally arbitrary. Signals on optical fiber using standard technology can be transmitted for roughly 60 miles without the need for regeneration equipment. So assuming that the Verizon CO is where the signal is generated, any signals transmitted within that distance (60 miles) should not be affected. For that reason, there would there not seem to be any technical reason to limit the distance of the fiber meet point arrangement from Verizon's CO. Nor would there be any technical basis for limiting the amount of fiber deployed from that CO.

In addition, the limitation on the length of fiber Verizon will deploy also seems arbitrarily short considering that Charter may well have to deploy significantly more fiber from its location. A more equitable approach would be to establish that Verizon would not have to deploy a materially greater amount of fiber than Charter must deploy.

Q. ARE YOU SUGGESTING THAT VERIZON SHOULD BE REQUIRED TO PLACE 60 MILES OF FIBER IN ESTABLISHING A FIBER MEET POINT?

A. No. First, I find it hard to imagine a situation where Charter would not have its own fiber facilities much closer to a Verizon central office. In fact, I wouldn't be surprised if Verizon's fiber facilities were already deployed throughout its serving areas in Massachusetts. Similarly, I recognize that at some point the cost of

establishing a fiber meet arrangement might be so large as to make the arrangement impractical. Mr. Shremp addresses these issues in more detail. My point here is simply that there is no ***technical*** basis for Verizon's proposed limitations.

Q. ARE YOU AWARE OF OTHER INSTANCES WHERE ONE PARTY TO A FIBER MEET POINT ARRANGEMENT UNILATERALLY, AND ARBITRATRILY, LIMITS THE LOCATION OF THE MEET POINT ARRANGEMENT?

A. No.

III.D. ISSUE 4 - VERIZON'S PROPOSED LIMITATIONS ON THE TYPES OF TRAFFIC TO BE EXCHANGED OVER THE FIBER MEET POINT ARRANGEMENT

Q. WHAT IS THE ISSUE HERE?

A. This issue raises the question of what types of traffic will be exchanged over the fiber meet point arrangement.

Q. WHAT IS CHARTER'S PROPOSAL ON THIS ISSUE?

A. Charter proposes that the Parties exchange all forms of traffic over the fiber meet point arrangement, without regard to its jurisdictional status (i.e. local or toll traffic) or other classifications that may be used for billing or other purposes.

Q. WHAT IS VERIZON'S PROPOSAL?

A. Verizon proposes that the amendment specifically limit the traffic to be exchanged over the fiber meet arrangement to certain types of traffic. Further, Verizon also proposes that if additional types of traffic are exchanged over the fiber meet arrangement then such traffic may be exchanged "subject to applicable Verizon Tariff rates and charges."

Q. WHY IS CHARTER'S PROPOSAL PREFERRED?

A. There is no technical reason to segregate certain types of traffic from the fiber meet point arrangement and, indeed, it is costly to do so. Therefore, because the fiber meet point arrangement is a high-capacity, reliable physical facility it should be fully utilized by the Parties and should be used to carry all other types of traffic that the Parties exchange.

Q. WHAT ARE YOUR CONCERNS WITH VERIZON'S PROPOSAL?

A. Charter's concern is that Verizon's proposal creates inefficiencies for the exchange of traffic between the two Parties. Given that the Parties will have a high-capacity fiber interconnection, the logical thing to do is to use that high-capacity connection for all types of traffic they will exchange. Requiring Charter to either build or buy from Verizon a separate physical connection for separate types of traffic is inefficient. It seems like an effort by Verizon to make our operations more costly for no good engineering reason that I can see.

Moreover, Verizon's proposal is contrary to its earlier claims that it is concerned that the fiber meet point arrangements would not be fully utilized. One way to ensure that the arrangement is fully utilized is to allow the Parties to exchange all the traffic between their networks on that high capacity interconnection facility. That would seem to go a long way to ensuring more efficient utilization of each Parties' facilities.

Q. VERIZON SUGGESTS THAT THE PARTIES CAN EXCHANGE THIS TRAFFIC OVER THE FIBER MEET ARRANGEMENT AS LONG AS CHARTER PAYS VERIZON TARIFF RATES FOR CARRYING THIS TRAFFIC. DOES THAT SOUND REASONABLE TO YOU?

A. No. It is important to distinguish between fiber transport ***facilities*** and ***trunk groups*** carried on those facilities. A common analogy to illustrate this distinction is that the facility – here, optical fiber and associated equipment – is like a concrete road running between two cities. Trunk groups, by contrast, are like specific lanes painted onto the road.

Charter agrees that certain types of traffic (such as OS/DA, 911, and Meet-Point trunk groups - which permit two carriers jointly providing access to separately charge the affected Interexchange Carrier for the use of whatever facilities the individual carrier provides) should be exchanged between the parties on separate trunk groups. That will allow this traffic to be properly routed and handled within each party's network. But there is no reason that I can see for these separate trunk groups to be carried on physically different facilities, or that Charter should be financially responsible for the transport of this type of traffic on Verizon's side of the POI. To the contrary, the parties should provision these kinds of trunk groups using the same efficient, high-capacity fiber optic facilities that carry the other types of traffic that will flow between the two networks. For these reasons, I don't know of any technical or operational basis for Verizon's attempt to force Charter to pay tariff charges for carrying this traffic.

I would note that if Verizon's proposed tariff charges are approved, it would only seem fair that Charter should have the same right to impose similar charges on Verizon for the carriage of this traffic on Charter's side of the meet point arrangement (which will be designated as the point of interconnection).

III.E. ISSUE 5 – MISCELLANEOUS TECHNICAL ISSUES

Issue 5(a) – Use of a SONET Terminal or Add/Drop Multiplexer

Q. WHAT IS THE ISSUE HERE?

A. The question here is whether the Parties should use a SONET terminal or add/drop multiplexer within their respective fiber meet facilities.

Q. WHAT IS CHARTER'S PROPOSAL?

A. Charter proposes that each Party will, at its own cost, obtain and install at its own premise SONET terminals rather than add/drop multiplexers.

Q. WHAT IS VERIZON'S PROPOSAL?

A. Verizon's proposal is that each Party will, at its own cost, obtain and install at its own premises an add/drop multiplexer instead of a SONET terminal.

Q. PLEASE EXPLAIN THE DIFFERENCES BETWEEN EACH PARTY'S POSITION.

A. The basic dispute here is whether the Parties will use a "SONET terminal" or an "Add/Drop multiplexer" at their respective premises where the fiber optic facilities terminate. Charter proposes the use of a SONET terminal while Verizon proposes the use of an Add/Drop multiplexer. This issue may be simply a question of semantics given that the Parties seem to contemplate the same functionality, but have different labels for the equipment that provides that functionality. Charter proposes to use the term "SONET" since, pursuant to section 3.2 of Exhibit A to the draft fiber meet amendment, the parties will interface at a SONET rate and optical interface standard. The add/drop capabilities of each Parties' respective multiplexers address how each Party will disaggregate the SONET signal into smaller, or tributary, signals. But, because the add/drop capabilities of the

multiplexers, and the specifics of such, have no effect on the interface while the specific SONET optical interface standard does, SONET seems to be the more appropriate term.

Issue 5(b) – Use of Multiple Terminals in a Ring Configuration

Q. WHAT IS THE ISSUE HERE?

A. This issue raises the question of whether multiple terminals may be used in the anticipated ring configuration the Parties will utilize when building the fiber meet point arrangement.

Q. WHAT IS CHARTER'S POSITION?

A. Charter has proposed that the use of a ring configuration should not preclude either Charter or Verizon from using multiple terminals in that ring.

Q. WHAT IS VERIZON'S POSITION?

A. Verizon's proposed language is silent on this issue. It is not clear whether Verizon objects to Charter's position or not.

Q. WHY IS CHARTER'S POSITION REASONABLE?

A. The draft language contemplates that the fiber meet arrangement will be built as a ring configuration. Charter does not object to the use of a ring configuration but wishes to clarify that the use of a ring configuration does not preclude either Charter or Verizon from using multiple terminals in that ring. If Verizon desires a ring configuration, then Charter should have the ability to connect one of its terminals to Leg A and another terminal to Leg B, thereby creating a three node ring (Charter's two terminals and Verizon's one). Charter would not object to Verizon doing the same as well, or the Parties could build a four node ring.

Issue 5(c) – Required Notice of Upgrade or Changes to Fiber Meet Equipment

Q. WHAT IS THE ISSUE HERE?

A. This raises the question of the amount of notice each Party must provide the other when one Party upgrades or changes its firmware.

Q. WHAT IS CHARTER'S POSITION?

A. Charter proposes that the Parties should provide written notice to one another of any upgrade or change to its firmware at least seven (7) days in advance of the scheduled event.

Q. WHAT IS VERIZON'S POSITION?

A. Verizon proposes that the Parties should provide written notice to one another of any upgrade or change to its firmware at least fourteen (14) days in advance of the scheduled event.

Q. WHAT ARE THE REASONS BEHIND CHARTER'S PROPOSALS?

A. The Parties both agree that they should provide to one another appropriate advance written notice of any upgrade or change to its firmware. However, the Parties disagree as to the appropriate length of that notice; Verizon advocates notice of fourteen (14) days, while Charter advocates notice of seven (7) days. In addition, Verizon proposes that each Party's notice "describes the upgrade or change to its firmware." Charter does not believe that the notice needs to actually describe the upgrade or change in any significant detail. Instead, the notice should simply provide sufficient information to the other Party of the scheduled event. Charter's proposal is preferred because it provides sufficient notice without burdening either side with the obligation to provide excessive details or descriptions of planned

network changes, including changes to the firmware. Of course, either Party can always ask for additional information–nothing in the agreement precludes the exchange of such additional information.

Issue 5(d) – Compensation for Construction and/or Implementation Expenses Generated by a Move or Change to the Fiber Meet Point Arrangement

Q. WHAT IS THE ISSUE HERE?

A. This issue raises the question of who should pay for the costs that arise when one Party to the fiber meet arrangement moves or changes its equipment.

Q. WHAT IS CHARTER'S POSITION?

A. Charter's position is that where either Party is required to move or change portions of the fiber meet arrangement due to an order, directive or other decree of a municipality, county, zoning board or other governmental or quasi-governmental authority - for example to relocate out of a public right-of-way or move from aerial facilities to underground - then the Party that is subject to the order or directive will not have to compensate the other Party for any costs incurred by the other Party due to any move or change to the fiber meet arrangement.

Q. WHAT IS VERIZON'S POSITION?

A. Verizon's position is that in all instances, regardless of the circumstances necessitating the move or change, the Party requesting the move or change will compensate the other Party for that Party's reasonable actual incurred construction and/or implementation expenses.

Q. WHY SHOULD THE DEPARTMENT ADOPT CHARTER'S POSITION?

A. This issue raises the question of who is required to pay for potential costs of moving or changing the fiber meet arrangement in the future. Although both

Parties agree that they will compensate the other party for changes to the meet point after it has been designed, Verizon's proposal is silent on the question of who must pay for the changes if they arise due to the order or directive of a local or municipal government, or other related authority, with jurisdiction over the public rights-of-way. For example, a municipality that regulates the terms and conditions of access to a public right-of-way may require one Party to relocate or move fiber in the right-of-way, possibly from aerial to underground, or in some other similar manner. In such instances Charter believes it is equitable and fair for both Parties to assume the cost of any such moves or changes to the fiber meet arrangement. This differs from Verizon's proposal which requires the requesting Party to pay the other Party the "reasonable actual incurred construction and/or implementation expenses" associated with the move under all circumstances (regardless of the reason for the move or change).

III. F VERIZON'S ADDITIONAL ISSUES

ISSUE 6 (VERIZON ISSUE 1) – SHOULD THE DEPLOYMENT INTERVALS BE SUBJECT TO CHARTER'S COMPLETION OF CERTAIN MILESTONES?

Q. WHAT IS THE ISSUE HERE?

A. This issue concerns the timeframes governing the implementation of the fiber meet point arrangement. Specifically, although the Parties apparently agree that the overall time frame for implementation of the fiber meet point arrangement should be 120 days, Verizon is proposing that Charter should be held to internal deadlines within the 120 day framework.

Q. WHAT IS VERIZON'S SPECIFIC PROPOSAL?

A. Verizon wants to make the completion of the fiber meet point arrangement within 120 days of the initial implementation meeting contingent on Charter's ability to meet its construction milestones on time.

Q. WHAT IS CHARTER'S RESPONSE TO THIS PROPOSAL?

A. In concept Charter doesn't oppose the idea of building in internal timeframes that will impact the final implementation time of the fiber meet point arrangement. That said, it would seem to make sense for the Parties agree to develop these internal deadlines at the initial implementation meeting. In that way, both Parties engineers and other operations personnel can decided for themselves when these internal deadlines should be established.

Q. ARE THERE OTHER ELEMENTS OF VERIZON'S PROPOSAL THAT YOU WISH TO ADDRESS?

A. Yes, Verizon also proposes to limit the number of facilities or trunks that would be subject to the 60 day implementation timeframe (that the Parties apparently agree upon). Specifically, Verizon proposes to limit the number of facilities to no more than 10 new trunk groups or 1440 switched trunks.

Q. WHAT IS CHARTER'S RESPONSE TO THIS PROPOSAL?

A. Verizon's proposal seems to assume there will be no facilities or trunks in place already. However, that may not always be the case. If there are facilities or trunks in place then Charter believes that the Parties should agree that within 30 calendar days of turn-up of the fiber meet point arrangement the Parties will work together to establish an agreeable time frame for rolling over all existing DS3's that are in place between the Parties. Any other specific trunk or facilities limitations should be established by the Parties at the initial implementation meeting.

ISSUE 7 (VERIZON ISSUE 2) – SHOULD THE PARTIES BE ABLE TO NEGOTIATE MODIFICATIONS TO DEPLOYMENT INTERVALS?

Q. WHAT IS THE ISSUE HERE?

A. This issue raises the question of whether the Parties should be able to negotiate modifications to the deployment intervals discussed above. Charter proposes that any modifications to the implementation intervals should be subject to review and approval by the Department. Verizon suggests that the Parties be allowed to negotiate such changes without first seeking Department approval.

Q. WHAT IS CHARTER'S RESPONSE TO VERIZON'S PROPOSAL?

A. Generally speaking, Charter recognizes that it is often better to allow for Parties to negotiate any changes to this type of arrangement (i.e. the implementation intervals for an interconnection facility). In that sense, Verizon's proposal is not unreasonable. However, Charter is concerned that this negotiation requirement could be used by one Party to introduce endless delays into the implementation schedule. Notably Verizon does not offer any proposed timeframe, or other parameters, for such negotiations. It is therefore possible that any such negotiations could evolve in to a never ending back and forth between the Parties about the implementation schedule. For that reason it would make sense to put some limits on the negotiation concept proposed by Verizon. For example, it may be appropriate to specifically define the negotiation period to a certain amount of days. Or, it may also be appropriate to define the scope of relief that can be obtained through negotiations. As it stands right now, Verizon's open-ended proposal could introduce further delays.

ISSUE 8 (VERIZON ISSUE 3) – SHOULD THE CONTRACT LANGUAGE IN THE AMENDMENT BE CONSISTENT WITH THE LANGUAGE IN THE PARTIES' UNDERLYING INTERCONNECTION AGREEMENT?

Q. WHAT IS THE ISSUE HERE?

A. Verizon raises several concerns with specific contract language proposed by Charter's negotiators, and whether that language conflicts with other language in the Parties underlying interconnection agreement.

Q. WHAT IS CHARTER'S RESPONSE TO VERIZON'S CONCERNS?

A. I won't testify on the propriety of the specific contract language that Verizon is concerned with. It seems to me that there will be a time and place following this arbitration proceeding for each Parties' attorneys to work together to implement final contract language. Assuming that is so, it doesn't seem to make much sense quibbling about contract language at this time.

However, I will take this opportunity to speak to the specific concepts and principles raised by the contract language that Verizon is concerned with.

First, Verizon expresses concern with the title of the document the Parties use to set forth technical and implementation issues. Verizon is concerned that Charter's proposed contract language may identify this document in two different ways. Whatever the title of the document, Charter believes that the Parties should establish such a document and that it should be established at the implementation meeting.

Second, Verizon suggests that Charter offers conflicting language concerning what charges will apply, beyond the normal intercarrier compensation charges. I think that through my testimony, and that of my colleague Ted Schremp, we have made

clear that Charter does not expect to pay for Verizon's fiber meet point arrangement. That should not preclude the Parties' from imposing intercarrier compensation charges on one another.

Third, Verizon expresses concern with conflicting language concerning interference and impairment. Although the underlying interconnection agreement may already include similar concepts, we believe it is important that these principles are clearly established in the amendment.

Fourth, again Verizon has concerned with allegedly conflicting language concerning maintaining reliable networks. Again, although the underlying interconnection agreement may already include similar concepts, we believe it is important that these principles are clearly established in the amendment.

Fifth, Charter has the same response to Verizon's similar concerns with respect to language on network management. Again, whatever form the final language takes, it should include the important principles set forth in Charter's proposed language.

VII. CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.