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UTILITIES COMMISSION

Theresa Montoya Administrative Assistant Legal

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July 3, 2008

### **VIA OVERNIGHT MAIL**

Jean D. Jewell, Secretary Idaho Public Utilities Commission 472 West Washington Boise, ID 83702-5983

Re: Docket No. QWE-T-08-04

Dear Ms. Jewell:

Enclosed for filing with this Commission are an original and seven (7) copies of the joint comments of Level 3 Communications, LLC and 360 Networks (USA), Inc. in response to Qwest Corporation's Petition for Withdrawal of its Statement of Generally Available Terms and Conditions.

If you have any questions, please contact me. Thank you for your cooperation in this matter.

Sincerely,

Theresa Montoya

Administrative Assistant

**Enclosure** 

### BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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|----------------------------------|--|
| IN THE MATTER OF THE PETITION OF | 7400   |
| QWEST CORPORATION REQUESTING     | ) CASE NO. QWE-T-08-04 $^{-7}$ AM 9: $_{36}$   |
| AUTHORIZATION TO WITHDRAW ITS    | NOTICE OF PETITION S COMMISSION  |
| STATEMENT OF GENERALLY AVAILABLE | ) NOTICE OF PETITIONS COMMISSION   |
| TERMS AND CONDITIONS             | ) and of the second of the sec |
|                                  | ) NOTICE OF  |
|                                  | ) MODIFIED PROCEDURE   |

### COMMENTS OF LEVEL 3 COMMUNICATIONS, LLC AND 360NETWORKS (USA) INC.

Level 3 Communications, LLC ("Level 3") and 360networks (USA) inc. ("Joint CLECs") hereby submit the following comments in opposition to Qwest Corporation's ("Qwest") Petition Authorizing its Withdrawal of its Statement of Generally Available Terms and Conditions ("SGAT") ("Petition").

#### I. Introduction

In its Petition, Qwest represents that it has no legal or equitable obligation to continue to offer and maintain a current SGAT. These arguments are flawed. No compelling change in the law or the marketplace has occurred to merit such a dramatic shift in the Commission's established oversight process concerning Owest's SGAT, Qwest Performance Assurance Plan ("QPAP"), and Performance Indicator Definitions ("PIDs") at this time. A continued effort to advance the benefits of an effective competitive telecommunications marketplace requires the maintenance and availability of a current SGAT and effective service quality standards in Idaho.

# II. The SGAT Remains an Important Baseline Offering for Interconnecting CLECs

A principle point of Qwest's advocacy in Idaho and elsewhere in its fourteen state territory has been to reduce or eliminate the role of regulators in overseeing its wholesale business operations with an eye toward allowing Qwest to operate in a "more commercial" environment. The primary thrust of Qwest's efforts to avoid continued maintenance of a current wholesale tariff or SGAT in other states has been that the law does not require the maintenance of a wholesale tariff. Therefore, Qwest often argues that it may unilaterally withdraw its SGAT at any time without Commission approval. In advancing these arguments however, Qwest typically cites no authority in support of this position but instead simply relies on overly broad claims that competitive market forces are such that they should be allowed to provide themselves with such relief. Other states that have considered Qwest's request have correctly found that the maintenance of the SGAT remains an important baseline offering for interconnecting CLECs.<sup>1</sup>

Section 252(f) of The Federal Telecommunications Act (the "Act")<sup>2</sup> allows Qwest to satisfy its obligations under Section 251 and accompanying regulations by filing a SGAT setting forth terms and conditions offered to competitors within the state. Once

<sup>&</sup>lt;sup>1</sup> See In the Matter of Level 3 Communications, LLC's Petition for Arbitration Pursuant to Section 252(b) of the Communications Act of 1934, as Amended by the Telecommunications Act of 1996, and the Applicable State Laws for Rates, Terms and Conditions of Interconnection with Qwest Corporation, Docket No. D2005.12.174, Order No. 6715a, Order Granting Motion to Withdraw Petition for Arbitration and to Opt into Qwest's "SGAT" (Mt. PSC August 1, 2007)("Montana SGAT Order"); In the Matter of the Petition of Qwest Corporation for a Variance from the Requirement to Maintain a Tariff for the Resale and Wholesale Services it Provides to Other Telecommunications Carriers, Pursuant to 4 CCR 723-2-2502(C)(V), 2504(I), 2506(A) Through (D)(I) and (E) and 2585(A); Docket No. 07V-171T; Decision No. C07-1095 (Co. PUC Nov. 28, 2007) ("Colorado SGAT Order").

<sup>&</sup>lt;sup>2</sup> 47 U.S.C. Section 151 et seq.

Qwest chooses to offer a SGAT, as it has in Idaho, and the Commission has adopted and relied upon it, the Commission is entitled to require Qwest to continue to offer an updated SGAT, with all of its attendant benefits for competition.

## III. This Commission Relied on Qwest's SGAT As A Key Component in Its Section 271/272 Review and Relief Recommendation

During Qwest's Section 271 approval process in Idaho, the Commission and the Federal Communications Commission ("FCC") expressly reviewed and relied upon Qwest's SGAT and its offerings therein in recommending approval of Qwest's application.<sup>3</sup> Given the significant financial and competitive gains by Qwest since it received Section 271 relief, it should not, having now received those benefits, back away from the commitments it previously made to this Commission and Qwest's competitors. Even though an approved SGAT was not an absolute legal requirement to gaining Section 271 relief, once Qwest offered to make it available and it has been relied upon, Qwest should not be allowed to unilaterally withdraw it. At the very least, such a proposed action must be subject to a full and fair review by the Commission and affected parties.

### IV. Commission Oversight Remains Critical

<sup>&</sup>lt;sup>3</sup> See In the Matter of the Application by Qwest Communications Int'l, Inc. for Authorization to Provide In-Region, InterLATA Services in the States of Colorado, Idaho, Iowa, Montana, Nebraska, North Dakota, Utah, Idaho and Wyoming, Before the Federal Communications Commission, WC Docket No. 02-314, Memorandum Opinion and Order (December 23, 2002).

In its Petition, Qwest represents that it has not offered its SGAT as an option for interconnection agreements since August 2004. It asserts that its SGAT is superfluous and has become outdated and has not been used as a template for some time.

While it may be true that Qwest discontinued the offering of its SGAT to CLECs as an interconnection agreement option in 2004, this was Qwest's *unilateral* decision and it was a decision not favored by CLECs. It introduced a level of uncertainty to the negotiations process that was not present with the SGAT and for some, delayed entry into the local marketplace in Idaho.

The SGAT enhances and eases competition. The benefits realized from Commission oversight that ensures compliance with Federal Act and state law are significant. Having a standard, Commission-approved SGAT which eliminates significant transaction costs that are incurred in negotiating and potentially arbitrating an ICA with Qwest is critical to competitors both small and large. These benefits would not exist under a regime that only allowed for either a "commercial template agreement" or adoption of another carrier's negotiated interconnection agreement. Once Qwest decided to offer its SGAT and at least partially rely upon it for Section 271 relief, the Commission gained the authority to require Qwest to continue to maintain an updated SGAT available for opt-in in Idaho to further the goals of competition in the telecommunications market.

Qwest argues that a SGAT is not necessary any longer because CLECs can simply opt into other carriers' interconnection agreements ("ICAs") if they want a more expedient way to establish interconnection than negotiation and arbitration. Such an argument fails to acknowledge the unique business needs of different CLECs, however.

If Qwest were allowed to avoid Commission review and approval of its wholesale offerings, Qwest would be free to change terms and conditions as it sees fit, and leave CLECs that may not desire the terms of another carrier's ICA with a "take it or leave it" choice. Qwest's wholesale offerings that are made available and subject to the SGAT and attendant Commission oversight promote competition and ultimately save resources of all interested parties, including the Commission. Qwest continues to control bottleneck interconnection facilities and it must not be allowed to exert a stranglehold over smaller competitors that do not always have the resources to arbitrate an ICA with Qwest when they seek to offer competitive services.

Competitive carriers should continue to have the ability to participate in the effort to maintain a current and valid SGAT. Industry participation in the Commission process ensures the SGAT is not only available to all competitors but that it has undergone an acceptable measure of regulatory scrutiny. A "commercial template" drafted and controlled by Qwest would not provide the same baseline starting point to ICA negotiations than a SGAT does nor could CLECs confidently rely upon a document that is under the unfettered control of Qwest for opt-in purposes. Discontinuing the practice of maintaining a current SGAT would have the undesirable consequence of handicapping CLECs during ICA negotiations and increasing the likelihood and scale of ICA arbitrations.

Qwest's request to discontinue the QPAP and the PIDs altogether in Idaho is particularly troubling. These performance standards were established to attempt to control the "backsliding" of Qwest's wholesale service quality once it entered the long distance market by receiving Section 271 approval. Anti-backsliding mechanisms were

considered integral to the developing competitive telecommunications marketplace as a result of the Bell Operating Companies' natural inclination to maintain leadership in market share. The QPAP and the PIDs can be credited for the improved and consistent wholesale service quality provided by Qwest to its competitors. Rather than to justify their discontinuance, the effectiveness of the QPAP and the PIDs should justify their continuance.

### V. Conclusion

In considering Qwest's Petition, the Joint CLECs emphasize the value of maintaining Commission oversight of Qwest's wholesale offerings to competitive carriers in Idaho. Allowing Qwest to eliminate its SGAT would position it to be able to exercise unchecked leverage on competitive carriers that rely on fair, non-discriminatory access to ILEC interconnection for their services. Having offered and relied on the SGAT as a component of its Section 271 relief, Qwest should not be allowed to renege on its obligation to maintain a publicly available, Commission-approved set of wholesale terms and conditions that CLECs may opt into or rely upon as a starting point in their effort to obtain fair and non-discriminatory interconnection that supports their unique business needs.

Respectfully submitted this 3rd day of July, 2008,

By:

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Attorney for Level 3 Communications, LLC

cc: Mary S. Hobson, Esq. Adam L. Sherr, Esq., Qwest

### CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing PEITION OF LEVEL 3 COMMUNICATIONS was served on the 3<sup>rd</sup> day of July 2008 on the following individuals:

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Teresa Montoya

Notary



My commission expires 10-11-2010