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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman

WILLIAM A. MUNDELL
Commissioner

MARC SPITZER
Commissioner

MIKE GLEASON
Commissioner

KRISTIN K. MAYES
Commissioner

Arizona Corporation Commission
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JUN 13 2005

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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 Nos. T-01051B-05-0350
T-03654A-05-0350

NOTICE OF ERRATA

On May 13, 2005, Level 3 Communications, LLC ("Level 3") filed the above captioned Petition with the Arizona Corporation Commission. Level 3 recently identified errors and omissions in the Petition. Replacement pages are attached. The text effected is as set forth in the attached table:

Page	Should Read	Correction
Page 11, footnote 13	"Issues 1A through 1J..."	Change 1K to 1J
Page 13, 1.b	"Sections 7.1.1, 7.1.1.1, 7.1.1.2, 7.1.1.3, 7.1.1.4, 7.1.1.4.1, 7.1.2, 7.2.2.1.2.2, 7.2.2.1.4, 7.2.2.9.6, 7.3.1.1.3, 7.3.1.1.3.1, 7.3.2.2, 7.3.2.2.1, 7.3.3.1, 7.3.3.2."	Add sub-section numbers between 7.1.1 and 7.1.2
Page 13, footnote 15	"... , there are seventeen (17) subparts... Issues 1A through 1J..."	Change 11 subparts to 17 subparts; Change 1K to 1J
Page 20, 2.a.	"Whether Level 3 may exchange all traffic over the interconnections trunks established under the Agreement."	Replace entire sentence
Page 20, 2.b.	"Section 7.2.2.9.3.1, 7.2.2.9.3.2, 7.2.2.9.3.2.1."	Delete sub-section number 7.2.2.9.3.3.1
Page 41, 5.b.	"...Sections ... 6.2.3.1a, 6.2.3.1b, 6.2.3.1c..."	Replace first occurrence of 6.2.3.1c with 6.2.3.1b
Page 49, 16c.105.	"...improper for Qwest..."	Change "from Qwest" to "for Qwest"
Page 50, 18.b.	"Sections 7.3.9, 7.3.9.1, 7.3.9.1.1, 7.3.9.1.2, 7.3.9.1.3, 7.3.9.2, 7.3.9.2.1, 7.3.9.2.1.1, 7.3.9.3, 7.3.9.3.1, 7.3.9.4, 7.3.9.4.1, 7.3.9.5, 7.3.9.5.1, 7.3.9.5.2, 7.3.9.6."	Add sub-section numbers after 7.3.9
Page 52, 20.a.	"... , should the parties..."	Change "be parties" to "the parties"

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1 RESPECTFULLY SUBMITTED this 13th day of June, 2005

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10 Attorneys for Level 3 Communications

11 ORIGINAL and thirteen (13)
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14 The Arizona Corporation Commission
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17 Phoenix, Arizona 85007

18 COPY of the foregoing hand-delivered
19 this 13th day of June, 2005 to:

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1 COPY of the foregoing mailed this
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ERRATA
PAGES

language for the Interconnection Agreement of the Parties on each issue. As described in the DPL terms and conditions to which the Parties have agreed are in normal text. Level 3's contract terms that Qwest opposes appear in **bold underline text**. Qwest's proposed terms that Level 3 opposes appear in *bold italic text*.

20. Despite reasonable attempts, Level 3 and Qwest could not reach agreement on the format of the DPL. The attached DPL organizes the list of issues according to how they are presented in this Petition. The proposed language of the actual agreement, which all terms – disputed and agreed upon – is attached as *Appendix C*.

21. Level 3 presents the disputed issues according to their relative importance in order to simplify the presentation of the issues. Accordingly, Level 3 ranks only the most fundamental interconnection issues as “Tier I issues”¹³. These issues include, for example, whether Qwest may compel Level 3 to establish more than a single point of interconnection per LATA by forcing Level 3 to assume costs on Qwest's side of the network and whether Qwest may prohibit Level 3 from exchanging all of Level 3's traffic over the interconnection trunks established under the Agreement.

22. While Tier II¹⁴ issues are equally as important to Level 3, most are derivative of fundamental points of business, law and policy presented by Tier I issues. Thus, for example, should the Commission agree with the FCC and several state and federal courts that Level 3 may exchange IP Enabled (or Voice over IP – “VoIP”) traffic over interconnection trunks, then approval of Level 3's proposed definition of “call record” which would allow the Parties to identify and account for the exchange of such traffic is a relatively easy determination.

¹³ Issues 1A through 1J, 2A and 2B, 3A – 3C, and 4, and 5.

¹⁴ Issues 6 through 22.

1. TIER I – ISSUE NO. 1

a. Statement of the Issue:¹⁵ Whether Level 3 may exchange traffic at single point of interconnection (“SPOI”) within a LATA in a manner whereby each party bears the cost of interconnection on their side of the point of interconnection.

b. Sections of the Proposed Interconnection Agreement Affected:

Sections 7.1.1, 7.1.1.1, 7.1.1.2, 7.1.1.3, 7.1.1.4, 7.1.1.4.1, 7.1.2, 7.2.2.1.1, 7.2.2.1.2.2, 7.2.2.1.4, 7.2.2.9.6, 7.3.1.1.3, 7.3.1.1.3.1, 7.3.2.2, 7.3.2.2.1, 7.3.3.1, 7.3.3.2.

c. Level 3 Position.

24. Level 3 may establish a single Point of Interconnection (“SPOI”) in each LATA at any technically feasible point on Qwest’s network for the exchange of traffic. These technically feasible points include but are not limited to Qwest end offices and tandem offices. As a result, Level 3 may establish a SPOI through a Level 3 collocation at a Qwest wire center, a third party collocation at a Qwest wire center, or through the establishment of transport facilities. Each Party is solely responsible for all costs on its side of the Point of Interconnection. In other words, Level 3 would have each party bear the costs of the facilities (*i.e.* the “highways” as it were) as well as the costs of the trunking (*i.e.* the lines on the highways) to the point of interconnection. Where necessary for purposes of network management, however, Level 3 agrees to coordinate trunking from Qwest’s network to Level 3’s network to assist Qwest with moving traffic off of its tandems. Because Level 3 has constructed its own all IP network, it requires no such assistance from Qwest on its side of the network.

¹⁵ In the Disputed Points List (DPL) filed contemporaneous with this Petition, there are seventeen (17) subparts to this Issue Number 1: Issues 1A through Issues 1J address disputed contract terms that relate to this statement of the issue.

the permissible shifting of costs attending interconnection, the FCC, as noted above, has endorsed cost-shifting related to interconnection only as it relates to the one-time costs of physical linkage, and in doing so, expressly declined the invitation to extend the definition of “interconnection” to include the transport and termination of traffic.³¹

39. Level 3’s Interconnection Agreement reflects the applicable law, and the Interconnection requirements imposed on both Qwest and Level 3 by Section 251. Qwest’s proposed terms, including the entire SPOP Amendment must be rejected by the Commission.

2. ISSUE NO. 2

a. Statement of the Issue.³²

Whether Level 3 may exchange all traffic over the interconnection trunks established under the Agreement.

b. Sections of the Proposed Interconnection Agreement Affected.

Section 7.2.2.9.3.1, 7.2.2.9.3.2, 7.2.2.9.3.2.1.

c. Level 3 Position.

40. Level 3 has constructed a nationwide advanced fiber optic backbone. Where it interconnects with incumbent LECs, such as Qwest, Level 3 has constructed or paid for extensive co-carrier facilities capable of carrying all forms of traffic (*i.e.* interLATA, Local, and IntraLATA). Level 3 asks that the Commission confirm Level 3’s right to pass all forms of traffic over this network without having to construct an additional network for various types of calls. Level 3 proposes that the Parties will identify and bill for the various categories of traffic by declaring Percent Local Usage (“PLU”), Percent Interstate Usage (“PIU”), and Percent IP Usage (“PIPU”) jurisdictional factors each month, subject to the right to audit and true-up.

³¹ *MCImetro Access Transmission Services, Inc. v. BellSouth Telecommunications, Inc.*, 352 F.3d 872, 881 (4th Cir. 2003).

³² In the Disputed Points List (DPL) filed contemporaneous with this Petition, there are two (2) subparts to this Issue Number 2: Issues 2 A and B address disputed contract terms that relate to this statement of the issue.

5. ISSUE NO. 5.

a. Statement of the Issue.

Whether the Agreement should incorporate by reference, interconnection terms and conditions that conflict with the specific terms of the Interconnection Agreement at issue in this proceeding.

b. Sections of the Proposed Interconnection Agreement Affected.

Each reference by Qwest in the Agreement to Qwest's Statement of Generally Available terms. See for example, Qwest's attempt to adopt terms defined in its SGAT in the definitions section, and Sections 5.8.1, 5.8.2, 5.12.1, 5.12.2, 5.13, 5.15.1, 5.16.9.1.1, 5.16.10, 5.18.3, 5.18.9, 5.23.1, 5.27.1, 5.30.1., 6.2.2.5, 6.2.2.6, 6.2.2.7, 6.2.2.9.2, 6.2.3.1a, 6.2.3.1b, 6.2.3.1c, 6.2.3.1d, 6.2.3.2a, 6.2.3.2d, 6.2.14, 6.4.1, 7.1.2.1, etc.

c. Level 3 Position.

90. Throughout Qwest's proposed draft of the Agreement, Qwest attempts to incorporate by reference, without consent by Level 3, varying and undefined terms into this Interconnection Agreement by making reference to the Statement of Generally Available Terms" or "SGAT" on file with the Commission. While Qwest may make Interconnection available to Level 3 through the terms and conditions of its SGAT, Qwest may not modify the terms of this Agreement with unknown and undefined references to the agreement.

91. The parties have already agreed in Section 5.2.2.1 of the Agreement that Level 3 may obtain Interconnection services under the terms and conditions of a then-existing SGAT or agreement to become effective at the conclusion of the term or prior to the conclusion of the term if Level 3 so chooses. However, Qwest may not pick and choose unspecified and possibly inconsistent terms and conditions from the SGAT to modify its obligations under the Agreement.

b. Sections of the Proposed Interconnection Agreement Affected.

Definitions, "VoIP."

c. Level 3 Position.

104. Level 3 is agreeable to identifying a definition of VoIP traffic that is reasonably related to the FCC's *Vonage Order*. Qwest's proposed definition not only does not match the definition of VoIP adopted by the FCC, it goes far beyond just defining the traffic. Qwest's proposed definition of VoIP directly controls the substantive rights and obligations to exchange traffic based on the physical geographic location of the originating caller. A key and fundamental component of the FCC's definition of VoIP service is that the location of the end users are not generally known. Therefore, Qwest's proposed definition fails.

105. Moreover, Qwest's proposed definition seeks to create compensation terms and conditions, and structure the routing obligations of this traffic. It is improper for Qwest to attempt to govern the compensation and routing obligations of parties through definitions. The Commission should reject Qwest's proposed definition of VoIP in its entirety.

17. Issue 17.

a. Statement of the Issue.

Is Level 3 required to forecast and manage the capacity requirements of Qwest's network facilities and trunks on the Qwest side of the Point of Interconnection?

b. Sections of the Proposed Interconnection Agreement Affected.

Sections 7.2.2.8.4, 7.2.2.8.6.1, and 7.2.2.8.6.2.

c. Level 3 Position.

106. In Sections 7.2.2.8.4, 7.2.2.8.6.1, and 7.2.2.8.6.2 Qwest proposes a series of terms and conditions that requires Level 3 to assume costs for forecasting trunk capacity requirements

for the interconnection and exchange of traffic with Level 3. While Level 3 has long exchanged forecasts with Qwest for purposes of ensuring reliability on Qwest's side of the network, Level 3 cannot assume responsibility for Qwest's costs. Moreover, these forecast requirements are not for the facilities and network requirements on Level 3's side of the Point of Interconnection. Qwest's proposed terms would require Level 3 to assume costs for forecast and manage trunks and facilities on Qwest's side of the POI. Moreover, Qwest seeks to impose financial penalties and security deposit requirements if Level 3 does not properly advise Qwest how to manage its own Interconnection facilities on Qwest's side of the POI. The entire premise of these sections is based upon Qwest's improper attempt to shift to Level 3 Qwest's own network cost. The Commission should reject this effort.

18. Issue 18.

a. Statement of the Issue.

May the Parties rely upon jurisdictional allocation factors to identify the compensation for the types of traffic exchanged?

b. Sections of the Proposed Interconnection Agreement Affected.

Sections 7.3.9, 7.3.9.1, 7.3.9.1.1, 7.3.9.1.2, 7.3.9.1.3, 7.3.9.2, 7.3.9.2.1, 7.3.9.2.1.1, 7.3.9.3, 7.3.9.3.1, 7.3.9.4, 7.3.9.4.1, 7.3.9.5, 7.3.9.5.1, 7.3.9.5.2, 7.3.9.6.

c. Level 3 Position.

107. Irrespective of the applicable rate of compensation for ISP-bound and IP-Enabled traffic, the Commission must address and resolve the logistical issues of how the Parties will interconnect their networks and bill each other for the exchange of traffic. Level 3's Section 7.3.9 of the Agreement allows the Parties to accurately measure and exchange compensation

since its inception.⁷⁹ The FCC adopted this Joint Board recommendation and instructed the ILECs to include PIU audits as a part of the dispute resolution mechanism in their access tariffs.

19. Issue 19 .

a. Statement of the Issue.

Whether the Parties should use the FCC's 3:1 ratio to determine what traffic is ISP-bound traffic or whether they should use Qwest's method for tracking ISP-bound traffic where the Commission has previously ruled that Qwest's method is sufficient.

b. Sections of the Proposed Interconnection Agreement Affected.

Section 7.3.6.2.

c. Level 3 Position.

110. ISP-bound traffic should be identified using the FCC's rebuttable presumption that traffic which exceeds a 3:1 terminating to originating ratio is deemed to be ISP-bound traffic. Qwest's inclusion of language concerning a prior commission ruling is inappropriate given that Qwest has voluntarily opted into the FCC's ISP-bound compensation framework, a key aspect of which is the 3:1 ratio. Furthermore, the Agreement should not reference unspecified "prior" commission rulings. These vague and ambiguous terms will only lead to disputes.

20. Issue 20.

a. Statement of the Issue.

In identifying IP enabled traffic, should the parties allow for call records that will include information other than calling Party number

⁷⁹ *Id.* at ¶ 76.