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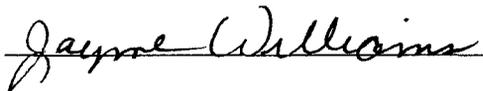
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**TESTIMONY OF BRIAN D. THOMAS ON BEHALF
OF
TIME WARNER TELECOM OF ARIZONA LLC**

SEPTEMBER 6, 2005

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1 **I. INTRODUCTION**

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

3 A. My name is Brian D. Thomas. I am Vice President—Regulatory for Time Warner
4 Telecom (“TWTC”). My business address is 223 Taylor Avenue North, Seattle, WA
5 98109.
6

7
8 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND
EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.**

9 A. I have more than twenty four years of experience in the telecommunications industry.
10 I have been Vice President—Regulatory for TWTC since January of 2001, when I
11 joined the company. In this position, I manage and oversee TWTC’s regulatory and
12 government affairs functions throughout an eight state region in the western United
13 States. My responsibilities include oversight of TWTC’s participation in state
14 regulatory proceedings, certification, regulatory compliance, tariffing issues, and
15 negotiation of certain interconnection matters.
16

17 Prior to joining TWTC, I worked for GST Telecom, another competitive local
18 exchange carrier (“CLEC”) in the western United States. At GST, I held several
19 positions in the regulatory and government affairs area, with primary responsibility
20 for federal and state regulatory matters related to competitive entry and
21 interconnection.
22

23 Before moving to GST, I worked for ten years with Pacific Telecom, Inc., holding a
24 number of positions with the company. In 1992, I was promoted to Assistant Vice
25 President—Government Affairs and moved to Washington, D.C., where I assumed
26

1 management of Pacific Telecom's federal relations office. In that position, I held
2 primary responsibility for representation and advocacy on telecommunications
3 matters pending before the Federal Communications Commission ("FCC") and
4 Congress, including matters pertaining to the Telecommunications Act of 1996.
5

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7 I am a graduate of the University of Puget Sound with a Bachelor of Arts degree in
8 Business Administration and Accounting. I am also a Certified Public Accountant in
9 the State of Washington, where I have held a CPA license for approximately twenty
10 four years.
11

12
13 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**
14

15 A. The purpose of my testimony is to support the Settlement Agreement dated August
16 23, 2005 ("Settlement Agreement" or "Agreement") on behalf of Time Warner
17 Telecom of Arizona, LLC ("TWTA").
18

19 **Q. IS TIME WARNER TELECOM OF ARIZONA, LLC A PARTY TO THE
20 SETTLEMENT AGREEMENT?**

21 A. Yes, TWTA is a signatory to the Settlement Agreement.
22

23 **II. SETTLEMENT AGREEMENT**

24 **Q. ARE YOU FAMILIAR WITH THE SETTLEMENT AGREEMENT?**
25
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1 A. Yes, I am familiar with the terms of the Settlement Agreement. As a representative
2 of TWTA, I, along with TWTA's counsel, participated in the numerous settlement
3 discussions regarding the Settlement Agreement. I am most familiar, however, with
4 issues of the Settlement Agreement relating to special access, particularly Section 9
5 of the Settlement Agreement and Attachment D to the Settlement Agreement. I am
6 also generally familiar with the remaining sections of the Settlement Agreement.
7 However, because TWTA did not have a significant involvement with other issues of
8 the Agreement, I have not examined those issues in substantial detail. However,
9 given the substantial investigation into and discussion of each issue of the agreement
10 by the parties to which each issue was important, the result is an agreement that
11 balances all issues and is in the public interest.

12
13 **Q. DID YOU PARTICIPATE IN THE NEGOTIATIONS OF THE
SETTLEMENT AGREEMENT?**

14 A. Yes, as stated above, I was involved in the negotiation of the Settlement Agreement,
15 as was TWTA's counsel. The negotiations were open to all parties to these
16 proceedings, and the settlement resulted in a compromise on all issues, including
17 special access.
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21 **Q. DOES TIME WARNER TELECOM OF ARIZONA, LLC SUPPORT THE
APPROVAL OF THE SETTLEMENT AGREEMENT BY THE ARIZONA
22 CORPORATION COMMISSION?**

23 A. Yes, it does.
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1 **III. BENEFITS AND PUBLIC INTEREST**

2 **Q. PLEASE EXPLAIN WHY TIME WARNER TELECOM OF ARIZONA, LLC**
3 **SUPPORTS THE ADOPTION OF THE SETTLEMENT AGREEMENT.**

4 A. Throughout this proceeding, TWTA's primary focus has been the issue of special
5 access. As discussed in the direct and rebuttal testimony of Timothy J. Gates filed on
6 behalf of TWTA, TWTA initially sought that all intrastate rates for special access be
7 reduced closer to cost. Although the terms of the settlement agreement did not result
8 in the overall reduction TWTA initially proposed, it was agreed by the parties that
9 Qwest would make available to TWTA, XO and other carriers DS1 private line
10 services on a contract basis. The contract, attached as Attachment D to the
11 Settlement Agreement, provides for reductions on DS1 channel terminations and
12 transport mileage charges, subject to certain volumes of purchases. These rates will
13 apply to DS1s provided by Qwest to TWTA, XO and other carriers in the Phoenix
14 and Tucson MSAs.
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18 Although the settlement did not result in a reduction of all rates closer to cost as
19 TWTA initially proposed, it did result in a significant reduction of rates on DS1
20 channel terminations. Although TWTA does not waive its initial positions regarding
21 overall pricing of intrastate special access services, this Agreement is a reasonable
22 compromise which will provide benefits to competition in Arizona. For example,
23 competitors of Qwest continue to experience problems obtaining reasonable terms
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1 and conditions when seeking access to commercial office buildings. Some building
2 owners simply deny entry, while others demand egregious terms and conditions
3 which make provision of TWTA's services to tenants either uneconomic or
4 untenable. On the other hand, in many of these same buildings, Qwest retains its
5 historic position in which building owners provide Qwest entry free of charge and
6 with no material restrictions or conditions. Thus, unfortunately, in many instances,
7 the only way that TWTA can serve a tenant is through leased circuits provided by
8 Qwest. While not an ideal solution to addressing the building access issue, TWTA
9 believes that the effect of reducing prices for intrastate special access DS1s, as
10 reflected by the Agreement, will improve conditions somewhat and enhance
11 competitive choice for Arizona business customers. It will also moderate the effect
12 of unreasonable terms and conditions for right of entry sought by some building
13 owners.
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18 In addition to special access, TWTA's initial testimony also explained concerns
19 regarding the deregulation sought by Qwest. TWTA believes that the balance struck
20 by the Settlement Agreement and the level of regulation of Qwest set forth in the
21 Settlement Agreement is an appropriate resolution of this issue at this time.
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Q. WHAT OTHER FACTORS DID YOU CONSIDER AS PART OF THE SETTLEMENT?

A. The settlement involved numerous matters and required a compromise on a variety of issues raised by parties to the Agreement. Given the cost and risk of extensive litigation on these issues, TWTA also factored in the savings of litigation expenses and the fact that the litigation resolved all of the issues important to the parties that signed the Settlement Agreement. In any settlement, there must be a balance of all issues by the parties to the settlement, and TWTA believes that this Settlement Agreement strikes the appropriate balance.

Q. DO YOU BELIEVE THAT ADOPTION TO THE SETTLEMENT IS IN THE PUBLIC INTEREST?

A. Yes, I do. As I expect will be described in great detail in Staff's testimony and Qwest's testimony, the Settlement Agreement provides numerous public benefits and resolves all of the issues of the parties to the settlement. In addition, as I have stated, the resolution of rates for intrastate special access DS1s provide benefits that will derive from increased competition in the state of Arizona in cases in which tenants seek alternate providers to Qwest but are precluded from purchasing service due to unreasonable building entry conditions. For these reasons, TWTA supports adoption of the Settlement Agreement by the Commission.

1 IV. CONCLUSION

2 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

3 A. Yes, it does.

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