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INTERVENTION

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October 19, 2001

Arizona Corporation Commission

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Arizona Corporation Commission
Docket Control
1200 West Washington Avenue
Phoenix, AZ 85007

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Reference: Docket No. T-01051B-01-0391 - In the Matter of the Qwest Corporation's Tariff Filing to Introduce a New Rate Structure for an Access Service Used by Interexchange Carriers

Request for Intervention and Party Status

Dear Sir or Madam:

Pursuant to A.C.C. R14-3-105(A), Illuminet respectfully requests that it be granted full intervention and party status in this docket. As demonstrated herein, Illuminet will be directly and substantially affected by these proceedings. Accordingly, a grant by the Commission to Illuminet of intervention and party status in this docket is appropriate.

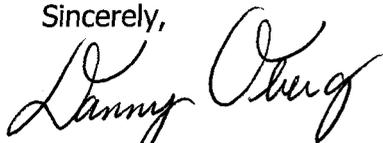
As the Commission is aware, Illuminet is a third party provider of Signaling System No. 7 ("SS7") services. As the Commission is also aware, it was Illuminet's correspondence to the Commission seeking suspension and investigation of Qwest's proposed tariff that has led to this docket. A copy of this correspondence is enclosed. It is clear that Qwest plans to assess its proposed SS7 message charges directly to Illuminet, and, which, in turn, would pass these proposed charges on to its carrier customers. Illuminet has a direct and substantial interest in ensuring that any charges assessed to it under the proposed tariff are proper and that the method by which those charges are proposed to be assessed advances the public interest.

Accordingly, Illuminet respectfully requests that it be granted intervention and party status in this docket. Illuminet fully intends to be an active participant in this docket and will introduce evidence and exercise rights in the hearing upon the grant of intervention and party status by the Commission.

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In discussions today with the Commission staff, I was assured that I could make this intervention request in letter form as Regulatory Manager of Illuminet. We are in the process of retaining state counsel to assist us in this docket.

Sincerely,

A handwritten signature in cursive script that reads "Danny Oberg". The signature is written in black ink and is positioned above the printed name.

Danny Oberg
Regulatory Manager

Enclosure

cc: Timothy Berg, Qwest
Steven M. Olea, Arizona Corporation Commission
Christopher Kempley, Arizona Corporation Commission
Lyn Farmer, Arizona Corporation Commission
David M. Kaufman, e-Spire Communications, Inc.
Michael W. Patten, Roshka, Heyman & DeWulf, P.C.
Dennis D. Ahlers, Eschelon Telcom of AZ, Inc.



illuminet

August 21, 2001

Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

REFERENCE: 01051B-01-0391 - Qwest CCSAC Access Service Tariff

Dear Sirs:

Pursuant to the authority of the Arizona Public Service Commission ("Commission") to supervise telecommunications companies, Illuminet¹ hereby respectfully requests that the Commission set for hearing and establish a procedural order concerning revisions filed by Qwest Corporation ("Qwest") to its Access Service tariff (the "Qwest Tariff Filing"), which propose new usage-based SS7 message charges by unbundling Qwest's existing switched access services. For the reasons stated herein, the Qwest Tariff Filing raises substantial questions of lawfulness arising directly from its vague and uncertain terms regarding how to establish all necessary and proper jurisdictional factors required to ensure proper billing under the tariff. To rectify these issues and as a starting point a hearing would give Illuminet an opportunity to build a record that would allow the Commission to make an informed decision. Illuminet contends that the Commission must fully examine the substantial questions of lawfulness raised by the Qwest Tariff Filing and also the inequitable results that the proposed tariff would produce absent modification.

¹Illuminet is a private, third party provider of Signaling System No 7 ("SS7") services for a variety of carrier/customers including Interexchange Carriers ("IXCs"), Competitive Local Exchange Carriers ("CLECs"), Incumbent Local Exchange Carriers ("ILECs") and Commercial Mobile Radio Service ("CMRS") providers. Illuminet deployed its network to provide a competitive alternative to the SS7 services of other providers, and has achieved nationwide connectivity of its SS7 services, in part, by purchasing interstate access services from the larger local exchange carriers via their respective interstate access service tariffs. Illuminet connects its network with Qwest pursuant to Qwest's F.C.C. Tariff No. 1. Prior to the Qwest Tariff Filing, Illuminet did not purchase intrastate access services from Qwest but, in light of the proposed changes in the Qwest Tariff Filing, Illuminet will be required to utilize the Qwest intrastate tariff in order to ensure the proper jurisdiction of the SS7 message charges from Qwest that Illuminet anticipates receiving on behalf of the Illuminet carrier/customer.

I. Suspension, Investigation and Hearing of the Qwest Tariff Filing is Appropriate

In its filing, Qwest purports to restructure its switched access rates by establishing a usage-based rate structure for two types of SS7 messages --Integrated Switched Digital Network User Part ("ISUP") and Transaction Capabilities Application Part ("TCAP"). Where jurisdictionally mixed SS7 message signaling is present, Qwest purports to allow customers to establish a Percent Interstate Use ("PIU"), with the intrastate factor being the difference between 100% less the PIU. A review of the PIU provisions, however, provides no guidance as to how such PIU factor is to be developed by third-party providers (such as Illuminet), let alone how the intrastate factor is to be disaggregated between intrastate toll and local services. Thus, Qwest's vague and uncertain PIU provisions raises not only the distinct possibility that Illuminet (and other third-party providers) will be assessed interstate access charges for SS7 messages associated with end-user traffic that is jurisdictionally intrastate, but also that third party providers may be assessed intrastate access charges for SS7 messages that support jurisdictionally "local" end-user traffic.

Illuminet is not aware of any sustainable basis that could justify such results, and respectfully requests that the Commission take action to avoid them. By unbundling its switched access services (which are, in turn, used to provide end-user toll services), Qwest acknowledges that the SS7 messaging is an integral component of the end-user traffic it supports. Thus, application of the proper factors to establish interstate/intrastate/local SS7 messages is necessary since these are the types of end-user traffic that is carried over the Qwest network and that of the Illuminet carrier/customers. Moreover, there is no excuse for this lack of clear and explicit PIU language in the Qwest Tariff Filing.

At least with respect to Illuminet, Qwest is well aware that a portion of the SS7 signaling from Illuminet is generated by Illuminet's carrier/customers in their capacity as providers of end-user traffic (some of which compete with Qwest for local customers) and/or as joint providers of exchange access services with Qwest with respect to end-user voice/data toll traffic. Thus, the Commission should suspend and investigate the Qwest Tariff Filing in order to require Qwest to explain why it failed to address PIU provisions that clearly and explicitly provide for the proper development of all necessary jurisdictional factors for third-party SS7 providers.

²These two proposed SS7 message charges were previously included in the switched access charges assessed to the entity that provided end-user intrastate services. Illuminet is not a common carrier and does not provide any end-user services. If approved, Qwest's proposed tariff would establish new charges from those currently charged to Illuminet and, ultimately, to Illuminet's carrier/customers. Accordingly, because the proposed revisions directly affect the service arrangements which Illuminet has relied upon in planning and implementing its interconnection to Qwest, Illuminet is a party in interest in this proceeding and has standing to challenge the Qwest Tariff Filing on its behalf and on behalf of its carrier/customers.

To assist this investigation, Illuminet is prepared to fully participate as the Commission dictates and file testimony and participate in cross-examination.

Illuminet has sought to avoid regulatory intervention through discussions with staff and Qwest. Those meetings have resulted in more questions that cause Illuminet to believe a formal record is the best available means to ensure that Qwest has in fact unbundled its access tariff in ways that are consistent with the public interest and the Telecommunications Act of 1996.

Based on discussions with Qwest, Qwest apparently is of the view that, because of a lack of capability in its billing system, the proper method for addressing the PLU is to require a third-party SS7 provider or other carrier to provision separate SS7 links (i.e., facilities) dedicated solely for local traffic. The claimed lack of billing capability, however, conveniently does not preclude Qwest from mixing signaling related to both local and access traffic on the same SS7 link. Not only is this unreasonably discriminatory, but it may be technically infeasible. Even if, however, such arrangements are technically feasible, the imposition of such requirement by Qwest thwarts competition by increasing the costs of SS7-related services to the competitors of Qwest.

II. The Public Interest would be Served by the Further Suspension and Hearing Before the Commission

The public interest is served by such action. Clear and explicit directives are necessary to allow potential users of Qwest's unbundled SS7 services to make an informed assessment as to the effects arising from the implementation of that unbundling.³ Moreover, suspension and investigation is necessary to ensure that the public interest goals associated with competition are not undermined by an arbitrary application of the PIU provisions by Qwest to third-party providers of SS7 services (such as Illuminet) that are direct competitors to Qwest in the SS7 signaling marketplace and to such third-party providers' carrier/customers which may likewise be competitors to Qwest.

With respect to the methodology for establishing the PLU, for example, an Illuminet carrier/customer that is a direct competitor of Qwest for end-user services may find its costs of providing local service increasing when its third-party provider passes through to it Qwest's intrastate access charges for SS7 messages that support that carrier/customers local end-user services. Not only would Qwest's actions be improper since local traffic is not "access" traffic that supports toll services, it may also unjustly enrich Qwest where its local interconnection agreement with the Illuminet carrier/customer already addresses how such "local" SS7 charges are to be assessed.

³Illuminet is not opposed to the concept of unbundling. Illuminet is opposed, however, to any unbundling such as that proposed by Qwest that is attempted to be accomplished without clear and explicit directives.

Thus, Illuminet (and, indirectly, its carrier/customers) would be exposed to unwarranted and illegal increases in costs of doing business through the arbitrary application of the vague and uncertain PIU provisions included in the Qwest Tariff Filing. These increases in turn, would threaten Illuminet and its carrier/customers continued competitive viability and market position for the services they provide, thereby advantaging Qwest's competitive position. Such results clearly do not serve the public interest.

Finally, Illuminet notes that there could be no possibility of any substantial harm to any interested party resulting from the grant of this request. Based on its understanding of the Qwest Tariff Filing, it is intended to be revenue neutral. While the filing may be revenue neutral to Qwest, Illuminet has demonstrated cause for its concern that the proposed tariff is not neutral to Illuminet and other third-party SS7 providers. Accordingly, neither Qwest nor any of its other access customers that could benefit from the proposed reductions of switched access rates associated with their intrastate telephone toll service offerings can complain that they will experience any harm if the tariff is suspended and investigated.

III. Conclusion

For the reasons stated, taking this tariff application to hearing is entirely appropriate. Please add to the Service List for any procedural order:

Danny Oberg
Regulatory Manager
Illuminet
PO Box 2909
Olympia WA 98507
doberg@illuminet.com

Please feel free to contact me with any questions you may have.

Sincerely,



Danny Oberg
Regulatory Manager