

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

ILLINOIS BELL TELEPHONE COMPANY (SBC ILLINOIS) and)
ONEPOINT COMMUNICATIONS ILLINOIS, LLC)
) 04-0530
Joint Petition for Approval of the Sixth Amendment to)
Interconnection Agreement dated July 29, 2004 Pursuant to)
47 U.S.C. §§ 252)

VERIFIED STATEMENT OF Qin Liu

My name is QIN LIU and I am employed by the Policy Department of the Telecommunications Division at the Illinois Commerce Commission. Part of my duties is to review negotiated agreements and provide a recommendation as to their approval.

SYNOPSIS OF THE AGREEMENT

The agreement ("Agreement") between ILLINOIS BELL TELEPHONE COMPANY ("SBC ILLINOIS"), and ONEPOINT COMMUNICATIONS ILLINOIS, LLC ("ONEPOINT") is reached through voluntary negotiation between parties. It is the ^{SIXTH} ~~eleventh~~ amendment to the underlying interconnection agreement between the parties. This Amendment incorporates the rates set in ICC Docket No. 02-0864 for unbundled network.

The purpose of my verified statement is to examine the Agreement based on the standards enunciated in sections 252(a)(1) and 252(e) of the 1996 Act. Specifically, this section states:

The State commission may only reject an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds that: (i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or (ii) the

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I.C.C. DOCKET NO. 040530
5178 Exhibit No. 1
Witness Qin Liu
Date 9/22/04 Reporter ST

implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity.

Also, under authority granted the Commission by Section 252(e)(3) of the 1996 Telecom Act, this Agreement has been reviewed for consistency with the requirements of the Illinois PUA and regulations, rules and orders adopted pursuant thereof.

I APPROVAL UNDER SECTION 252(e)

A. DISCRIMINATION

The first issue that must be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it discriminates against a telecommunications carrier that is not a party to the agreement. Discrimination is generally defined as giving preferential treatment to the requesting carrier to the detriment of a telecommunications carrier that is not a party to the agreement. In previous dockets, Staff has taken the position that in order to determine if a negotiated agreement is discriminatory, the Commission should determine if all similarly situated carriers are allowed to purchase the service under the same terms and conditions as provided in the agreement. I recommend that the Commission use the same approach when evaluating this negotiated agreement.

A carrier should be deemed to be similarly situated to ONEPOINT for purposes of this agreement if telecommunications traffic is exchanged between such a carrier and SBC ILLINOIS for termination on each other's networks and if such a carrier imposes costs on SBC ILLINOIS that are no higher than the costs imposed by ONEPOINT. If a similarly situated carrier is allowed to purchase the service(s) under the same terms and conditions as provided in this contract, then this contract should not be considered discriminatory. Evaluating the term discrimination in this manner is consistent with the economic theory of discrimination.

Economic theory defines discrimination as the practice of charging different prices (or the same prices) for various units of a single product when the price differences (or same prices) are not justified by cost. See, Dolan, Edwin G. and David E. Lindsey, *Microeconomics*, 6th Edition, The Dryden Press, Orlando, FL (1991) at pg. 586. Since Section 252(i) of the 1996 Act allows similarly situated carriers to enter into essentially the same contract, this agreement should not be deemed discriminatory.

B. PUBLIC INTEREST

The second issue that needs to be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it is contrary to the public interest, convenience, and necessity. I recommend that the Commission examine the agreement on the basis of economic efficiency, equity, past Commission orders, and state and federal law to determine if the agreement is consistent with the public interest.

Nothing in this agreement leads me to the conclusion that the agreement is inequitable, inconsistent with past Commission Orders, or in violation of state or federal law. Therefore, I recommend that the Commission approve this agreement.

II IMPLEMENTATION

In order to implement the SBC ILLINOIS-ONEPOINT agreement, the Commission should require SBC ILLINOIS to, within five (5) days from the date the agreement is approved, modify its tariffs to reference the negotiated agreement for each service. Such a requirement is consistent with the Commission's Orders in previous negotiated agreement dockets and allows interested parties access to the agreement. The following sections of SBC ILLINOIS's tariffs

should reference the SBC ILLINOIS-ONEPOINT Agreement: Agreements with Telecommunications Carriers (ICC No. 21 Section 19.15).

Also, in order to assure that the implementation of the Agreement is in public interest, SBC ILLINOIS should implement the Agreement by filing a verified statement with the Chief Clerk of the Commission, within five (5) days of approval by the Commission, that the approved Agreement is the same as the Agreement filed in this docket with the verified petition; the Chief Clerk should place the Agreement on the Commission's web site under Interconnection Agreements.

For the reasons enumerated above, I recommend that the Commission approve this agreement pursuant to Section 252(e) of the Telecommunications Act of 1996.

VERIFICATION

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

I, QIN LIU, do on oath depose and state that if called as a witness herein, I would testify to the facts contained in the foregoing document based upon personal knowledge.

Qin Liu

SIGNED AND SWORN TO BEFORE ME THIS 21st DAY OF
September, 2004.

Barbara J. Mitchell
NOTARY PUBLIC

