

BEFORE THE ILLINOIS COMMERCE COMMISSION

Docket No. 04-0428

**Direct Testimony of Deborah Fuentes Niziolek
On Behalf of SBC Illinois**

**SBC Illinois Exhibit 5.0
(Revised)**

September 21, 2004

ISSUES

Physical Collocation: 1, 2, 3

Virtual Collocation: 1, 2

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1 **DIRECT TESTIMONY OF DEBORAH FUENTES NIZIOLEK**

2 **ON BEHALF OF SBC ILLINOIS**

3
4 **I. INTRODUCTION**

5 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

6 A. My name is Deborah D. Fuentes Niziolek and my business address is 350 North Orleans,
7 Chicago, Illinois, 60654.

8 **Q. PLEASE SUMMARIZE YOUR EDUCATION.**

9 A. I received my Master of Science in Integrated Marketing Communications from
10 Roosevelt University and my Bachelor of Arts in Political Science from Loyola
11 University.

12 **Q. PLEASE SUMMARIZE YOUR WORK EXPERIENCE.**

13 A. I began with Ameritech in 1989 in the purchasing organization as a buyer for furnish only
14 and engineering equipment as well as for Controlled Environmental Vaults, Huts and
15 Remote Terminals. In May of 1993, I became the Ohio Marketing Operations Manager,
16 where my responsibilities included product development, implementation and marketing
17 strategies for Caller ID within Ohio. In November of that year, I became the Regional
18 Product Manager in the Consumer Business Unit for Caller ID and Caller ID with Name.
19 My responsibilities included development, implementation and marketing strategy for the
20 five Ameritech states. In May of 1995, I became a Regional Project Manager working
21 within the Strategic Supplier Implementation organization. In that position, I acted as the
22 single point of contact for one of six Ameritech Key Suppliers. In November 1995, I

23 took over responsibilities as Product Manager of Unbundled Local Switching. My
24 responsibilities included the development and regional implementation of Local
25 Switching. In May of 1999, I became Regional Product Manager for Unbundled Loops.
26 From December of 1999 through June of 2000, I was the 13-state Product Manager for
27 Sub-Loop Unbundling. I was responsible for the development and implementation of
28 Sub-Loop Unbundling. I moved into my current role, Associate Director of Local
29 Wholesale Marketing, in June of 2000.

30 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY**
31 **AGENCIES?**

32 A. Yes. I have provided either written, oral or both types of testimony in a number of
33 proceedings, including the following CLEC arbitration and complaint hearings: MCI
34 Ohio (Docket No. 01-1319-TP-ARB); Allegiance Ohio (Docket No. 01-724-TP-ARB);
35 McLeod Illinois, Michigan and Wisconsin (Docket Nos. 01-0623, U-13124 and 05-MA-
36 128); TDS Illinois and Wisconsin (Docket Nos. 01-0338 and 05-MA-123); AT&T
37 Indiana, Michigan, and Wisconsin (Docket Nos. 40571-INT-03, U-12465, and 05-MA-
38 120); Sage Oklahoma (Docket No. 200100294); GNAPs California, Illinois and Ohio
39 (Docket Nos. 01-11-045, 01-3096-TP-ARB, and 01-0786); Pac West California (Docket
40 No. A-02-03-059); AccuTel Michigan (Docket No. U-13353); CoreComm Ohio (Docket
41 No. 02-579-TP-CSS); GlobalCom Illinois (Docket No. 02-0365); Cinergy Indiana (Cause
42 No. 42218); Digital Dialtone (DDL) Ohio (Docket No. 02-1831-TP-ARB); AT&T
43 Illinois (Docket No. 03-0239); MCI Michigan (Docket No. U-13758); Verizon
44 Wireless Ohio (Docket No. 03-515-TP-ARB); the Mega Arbitration in Texas (Docket
45 No. 28821); and MCI Illinois (Docket No. 04-0469).

46 I have also provided either written, oral or both types of testimony in a number of
47 cost/tariff dockets: Ohio Collocation Tariff (Docket No. 00-1368-TP-ATA); Oklahoma
48 Collocation Tariff Revision (Docket No. 200200518); Missouri UNE Cost Hearing
49 (Docket No. T0-2001-438); and Michigan Collocation Cost (Docket No. U-13531).

50 **II. PURPOSE OF TESTIMONY**

51 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

52 A. The purpose of my testimony is to identify the differences between SBC's proposed
53 language for Physical and Virtual Collocation and Level 3's proposed language, as well
54 as to substantiate why SBC's proposed language should be adopted.

55 **III. PHYSICAL COLLOCATION ("PC") AND VIRTUAL ("VC") COLLOCATION**
56 **ISSUES**

57
58 **PC ISSUE 1/VC ISSUE 1 SHOULD THIS APPENDIX BE THE EXCLUSIVE**
59 **DOCUMENT GOVERNING PHYSICAL (VIRTUAL)**
60 **COLLOCATION ARRANGEMENTS BETWEEN LEVEL 3**
61 **AND SBC, OR SHOULD LEVEL 3 BE PERMITTED TO**
62 **ORDER COLLOCATION BOTH FROM THIS APPENDIX**
63 **AND STATE TARIFF?**

64
65 **Agreement References: Physical Collocation Appendix,**
66 **Sections 4.4, 7.3, 7.3.3; Virtual Collocation Appendix, Sections**
67 **1.2, 1.10**

68
69 **Q. WHAT IS YOUR UNDERSTANDING OF ISSUES PC-1 AND VC-1?**

70 A. Level 3 has proposed language that would allow it to "pick and choose" rates, terms and
71 conditions from either its ICA with SBC or from a state tariff, presumably depending on
72 which is the most beneficial to Level 3 at the time. SBC rejects this language because the
73 terms and conditions by which Level 3 obtains collocation are supposed to be set forth in
74 a negotiated or arbitrated interconnection agreement, not in a state collocation tariff. In

75 addition, permitting Level 3 to order from a tariff is unnecessary and would be
76 administratively burdensome.

77 **Q. DO THE TERMS AND CONDITIONS OF A TARIFF SUPPLEMENT THE**
78 **TERMS AND CONDITIONS OF AN ICA?**

79 A. No, they do not. Through the negotiation and arbitration process, interconnection
80 agreements address all the rates, terms and conditions pertaining to physical and virtual
81 collocation. Level 3 has had the opportunity to request and/or arbitrate any rates, terms
82 and conditions it felt that it needed in its interconnection agreement.

83 **Q. RECENTLY, THE FCC REVISED ITS “PICK AND CHOOSE” RULE. DOES**
84 **THAT DECISION IMPACT THIS ISSUE?**

85 A. Yes, it does. Specifically, the FCC ordered that a CLEC that opts to adopt another
86 CLEC’s ICA must adopt all of the rates, terms and conditions of that ICA:

87 **B. “All-or-Nothing” Rule**

88 On the record now before us, we find that the pick-and-choose rule is a
89 disincentive to give and take in interconnection negotiations. We also find that
90 other provisions of the Act and our rules adequately protect requesting carriers
91 from discrimination. Therefore, we conclude that the burdens of retaining the
92 pick-and-choose rule outweigh the benefits. We also find the all-or-nothing
93 approach to be a reasonable interpretation of section 252(i) that will “restore
94 incentives to engage in give-and-take negotiations while maintaining effective
95 safeguards against discrimination.

96 In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local
97 Exchange Carriers, Second Report and Order, CC Docket No. 01-338 (July 13, 2004)
98 (“Second Report and Order”) (Emphasis added.) Allowing Level 3 to “pick and choose”
99 specific sections (or subsection) of language from a collocation tariff goes against the
100 premise of the FCC’s order.

101 In addition, although I am not a lawyer, it is my understanding that the purpose of
102 this arbitration is to develop product-offering terms and conditions to govern the
103 interconnection relationship and exchange of traffic between the parties, and to embody
104 those agreements in a single, comprehensive document – an interconnection agreement.
105 With that in mind, it is simply not appropriate to let Level 3 arbitrarily add rates, terms or
106 conditions from the tariff on a pick and choose basis.

107 **Q. ARE THERE ANY OTHER REASONS WHY SBC'S LANGUAGE SHOULD BE**
108 **ADOPTED IN FAVOR OF LEVEL 3'S?**

109 A. Yes. Permitting Level 3 to pick and choose from two different sets of rates, terms and
110 conditions would be administratively confusing and burdensome for SBC. There is no
111 compelling reason to allow Level 3 to order out of a tariff, in addition to ordering from its
112 interconnection agreement with SBC, which is the result of arms-length negotiation and
113 arbitration.

114 **Q. LEVEL 3 WITNESS MANDELL ARGUES THAT LEVEL 3 MAY BE**
115 **PRECLUDED FROM TAKING ADVANTAGE OF VOLUNTARY OFFERINGS**
116 **MADE TO OTHER CLECS OR CHANGES OF LAW IF IT CANNOT**
117 **PURCHASE COLLOCATION FROM A TARIFF. (MANDELL DIRECT AT 30-**
118 **31.) IS SHE CORRECT?**

119 A. No, she is not. When SBC makes a voluntary offerings to CLECs, it does so in the
120 context of a negotiated interconnection agreement or an Accessible Letter, not through a
121 tariff. In the case of voluntary offerings made through a negotiated interconnection
122 agreement, Level 3 can opt into such a negotiated agreement pursuant to the FCC's
123 currently effective "all or nothing" pick and choose rule. With respect to Accessible
124 Letters, SBC offers each CLEC an opportunity to amend its existing interconnection
125 agreement in light of changes in law or new, generally available offerings. To the extent

126 that there is a change in law of which Level 3 seeks to take advantage and SBC does not
127 publish an Accessible Letter, Level 3's agreement provides a mechanism for permitting
128 Level 3 to take advantage of the change in law. (See GTC Appendix, Section 21.) Thus,
129 Level 3 does not need to be able to order out of a tariff to ensure it has access to the most
130 current collocation offerings.

131 **PC ISSUE 2/VC ISSUE 2 SHOULD LEVEL 3 BE PERMITTED TO COLLOCATE**
132 **EQUIPMENT THAT SBC HAS DETERMINED IS NOT**
133 **NECESSARY FOR INTERCONNECTION OR ACCESS TO**
134 **UNES OR DOES NOT MEET MINIMUM SAFETY**
135 **STANDARDS?**

136
137 **Agreement References: Physical Collocation Appendix, Section**
138 **6.13; Virtual Collocation Appendix, Sections 1.10.10**

139 **Q. WHAT IS YOUR UNDERSTANDING OF ISSUE PC-2 AND VC-2?**

140 A. SBC has proposed language regarding the eligibility of particular equipment to be placed
141 within a collocation arrangement, as well as equipment safety and operating practices
142 within the SBC network. SBC's language provides that if SBC determines that the
143 equipment that Level 3 seeks to collocate does not meet the applicable safety standards or
144 is not necessary for interconnection or access to UNEs, Level 3 shall not be able to
145 collocate that equipment until it is determined (through party-to-party discussions or
146 Commission intervention) that the equipment, in fact, complies with all safety
147 requirements and is necessary for interconnection or access to UNEs. Level 3 opposes
148 SBC's language.

149 **Q. WHAT IS SBC'S CONCERN WITH LEVEL 3'S POSITION ON THIS ISSUE?**

150 A. Although Level 3 has not accepted SBC's proposed language, Level 3 has not proposed
151 any counter language to SBC's. Level 3 does not dispute that it may not collocate

152 equipment that does not comply with applicable safety standards or is not necessary for
153 interconnection or access to UNEs. Indeed, Level 3 has repeatedly agreed to provisions
154 in the physical and virtual collocation appendix that make this clear (*see, e.g.*, Physical
155 Collocation Appendix, §§ 4.3, 6.1, 6.11, 8.1, 9.7; Virtual Collocation Appendix, §§ 1.1,
156 1.10.2, 1.10.8, 1.10.11, 1.12.2, 3.1.) Despite this, Level 3 wants to be able to collocate
157 equipment that SBC determines is non-compliant, while the dispute is resolved. Under
158 Level 3's argument, therefore, it would be allowed to collocate a stand-alone switch, so
159 long as Level 3 disputed SBC's conclusion that such equipment could not be collocated.
160 This is plainly unreasonable.

161 Moreover, under Level 3's language, it would be able to collocate a piece of
162 equipment that SBC (and presumably Level 3) knows to be dangerous and not in
163 compliance with safety standards. Clearly the law does not mandate this. Permitting
164 such collocation threatens the integrity of SBC and others' networks and would permit
165 Level 3 to ignore federal law. SBC is ultimately responsible for its network, as well as
166 maintaining and testing it not only for itself, but for other CLECs who use it as well.
167 Therefore, it should be SBC in the first instance that determines what may threaten the
168 integrity of its network.

169 **Q. LEVEL 3 WITNESS BILDERBACK CITES AN FCC RULE THAT PROVIDES**
170 **THAT SBC MAY NOT IMPOSE SAFETY REQUIREMENTS ON CLECS THAT**
171 **ARE MORE STRINGENT THAN WHAT IT IMPOSES ON ITSELF AND THEN**
172 **ASSERTS THAT SBC'S PROPOSED LANGUAGE "CREATES AMBIGUITY**
173 **WITH RESPECT TO THE PROPER LEVEL OF SAFETY STANDARDS."**
174 **(BILDERBACK DIRECT AT 7.) DO YOU AGREE?**

175 A. No. Nothing in the disputed language proposed by SBC creates any ambiguity at all with
176 respect to the applicable safety standards. And, contrary to Level 3's apparent belief,

177 nothing in the language permits SBC to impose safety or engineering requirements that
178 are more stringent than those that apply to SBC's own equipment.

179 **Q. MS. BILDERBACK ALSO SUGGESTS THAT SBC WILL "DENY LEVEL 3**
180 **THE ABILITY TO COLLOCATE EQUIPMENT IN ORDER TO INHIBIT**
181 **LEVEL 3 FROM FULFILLING ITS OBLIGATIONS TO ITS CUSTOMERS."**
182 **(BILDERBACK DIRECT AT 6.) WOULD YOU LIKE TO RESPOND?**

183 A. Yes. Ms. Bilderback's accusation is baseless. There is no evidence to support this
184 reckless claim; certainly Ms. Bilderback does not present any. Moreover, it would make
185 no sense for SBC to engage in the type of behavior that Ms. Bilderback imagines. Unless
186 SBC genuinely believes that the equipment Level 3 is seeking to collocate is not
187 compliant, SBC has no reason to incur the costs of dispute resolution and ultimately have
188 to allow the equipment anyway. Placing non-compliant equipment in collocation space is
189 burdensome for SBC and deprives other CLECs with legitimate requests access to such
190 collocation space.

191 **Q. FINALLY, MS. BILDERBACK ASSERTS THAT SBC'S LANGUAGE IS A**
192 **DEPARTURE FROM THE PARTIES' PRIOR AGREEMENT? (BILDERBACK**
193 **DIRECT AT 7.) CAN YOU RESPOND?**

194 A. Partially. It is not clear what agreed-upon language Ms. Bilderback is referring to. In
195 any event, I note that Level 3 does not propose any language at all, despite having its
196 witness testify that language in the existing agreement "adequately balanced the
197 respective interests of the parties." (Bilderback Direct at 7.)

198 **PC ISSUE 3: ISSUE (A): SHOULD THE PARTIES RELY ON THE SAME**
199 **DISPUTE RESOLUTION TERMS SET FORTH IN THE GENERAL**
200 **TERMS AND CONDITIONS APPENDIX WHEN SETTling A**
201 **DISPUTE ON BILLING FOR COLLOCATION, OR SHOULD A**
202 **CUSTOMIZED PROVISION APPLY?**
203

204 **ISSUE (B): SHOULD EACH PARTY WAIVE ITS ABILITY TO**
205 **DISPUTE A CHARGE IF IT DOES NOT PROVIDE WRITTEN**
206 **NOTICE OF ITS DISPUTE WITHIN THIRTY DAYS?**
207

208 **ISSUE (C): IS IT APPROPRIATE THAT LEVEL 3 PAY UP FRONT**
209 **ALL OF SBC'S LATE PAYMENT CHARGES ON DISPUTED**
210 **AMOUNTS, EVEN IF LEVEL 3 ULTIMATELY IS PROVEN**
211 **CORRECT IN DISPUTING THE BILL?**
212

213 **ISSUE (D): SHOULD DISPUTED AMOUNTS BE SUBJECT TO AN**
214 **ESCROW REQUIREMENT?**
215

216 **ISSUE (E): IS SBC ILLINOIS' PROPOSAL FOR**
217 **INFORMAL/FORMAL DISPUTE RESOLUTION AND**
218 **ARBITRATION COMMERCIALY REASONABLE?**
219

220 **Agreement References: Physical Collocation Appendix, Sections 29.2**
221 **to 29.20**

222 **Q. WHAT IS YOUR UNDERSTANDING OF ISSUE PC-3?**

223 A. Both parties have proposed language that discusses billing dispute resolution. Level 3
224 proposes to include language that references the dispute resolution provisions of the GTC
225 Appendix. SBC is proposing a dispute resolution process that is specific to collocation.

226 **Q. IN HER TESTIONY, MS. MANDELL STATES "FROM LEVEL 3'S**
227 **PERSPECTIVE THERE IS NO JUSTIFICATION FOR THESE SEPARATE,**
228 **DIFFERENT, OVERLY COMPLEX TERMS FOR BILLING DISPUTE**
229 **RESOLUTION WHEN BILLING DISPUTE RESOLUTION TERMS ARE**
230 **ALREADY INCORPORATED IN THE AGREEMENT." (MANDELL DIRECT**
231 **AT PAGE 35.) DO YOU AGREE?**

232 A. No, I do not. First, I do not believe these provisions are overly complex, as Ms. Mandell
233 claims. SBC's proposed language is straightforward and clear and Level 3 does not point
234 to any provision that it does not understand. At the outset of a dispute, SBC requests
235 some basic information from the CLEC to assist SBC in researching and attempting to
236 resolve the specific dispute. SBC's proposal then provides a multi-step process that gives

237 both parties opportunities to work through the dispute, including through informal
238 discussions and elective or mandatory arbitration. The proposal includes deadlines for
239 each stage of the process, to ensure a swift resolution of any disputes. The proposed
240 language, which is what SBC proposes to all CLECs wishing to establish and maintain
241 collocation within an SBC premise, is fair and reasonable.

242 Second, SBC believes that a separate dispute resolution process is necessary for
243 collocation disputes. Collocation, unlike other SBC product offerings, deals with actual
244 real estate, and SBC's obligations to provide requesting CLECs physical access to and
245 "rental" of parts of SBC's premises. SBC cannot allow disputes about collocation to
246 linger for months or years, especially if the ultimate result is that the CLEC will leave its
247 collocation arrangements, thus making them available to other CLECs.

248 **Q. MS. MANDELL MAINTAINS THAT SBC'S PROPOSED LANGUAGE**
249 **REQUIRES THEM TO KNOW OF AND DISPUTE ANY BILLING ERRORS**
250 **WITHIN A 30 DAY PERIOD OF TIME. (MANDELL DIRECT AT PAGES 35-**
251 **36.)? IS SHE CORRECT?**

252 A. No, she isn't. She has either misread or misunderstands SBC's proposed language.
253 SBC's language states that a dispute must be brought to SBC's attention "not later than
254 twenty-nine (29) days following the Bill Due Date." In other words, in addition to the
255 time a CLEC has to pay the bill (*i.e.*, the time up until the bill due date), the CLEC has an
256 additional twenty nine days beyond the bill due date in which to respond. Due to billing
257 and recordkeeping restrictions, it is necessary that any claims challenging a collocation
258 bill be done so within a given period of time. In the past, CLECs have challenged
259 amounts billed for collocation arrangement years after the billing occurrence. Permitting
260 Level 3 to wait for as long as two years creates a risk that record and/or individuals

261 involved in the original billing will not be available. This language also apportions
262 responsibility appropriately; if Level 3 feels that it has been improperly charged, it must
263 take responsibility for disputing the bill in an appropriate time frame.

264 **Q. IN SUPPORT OF LEVEL 3'S REQUEST FOR MORE TIME TO DISPUTE**
265 **COLLOCATION BILLS, MS. MANDELL COMPARES A RESIDENTIAL**
266 **PHONE BILL WITH A CLEC COLLOCATION BILL. (MANDELL DIRECT AT**
267 **PAGE 36). IS THIS A FAIR COMPARISON?**

268 A. Not at all. While a CLEC's collocation bills are more complex than a residential end-
269 user's bills, CLECs are sophisticated businesses. They should be able to review a bill and
270 determine if there is a dispute within a month after the bill is due.

271 **Q. MS. MANDELL CLAIMS SBC'S PROPOSED LANGUAGE REGARDING**
272 **ESCROW PROVISIONS IS "OVERLY COMPLEX." (MANDELL DIRECT AT**
273 **PAGE 35). DO YOU AGREE?**

274 A. No, I do not. The escrow requirements that are described in section 29.3 of SBC's
275 proposed physical collocation appendix are clear, concise and based upon basic business
276 needs. They discuss, for example, that the third party escrow agent be mutually agreed
277 upon by both parties. SBC also expects that the escrow agent will be located within the
278 continental United States; that it not be a Level 3 affiliate; that it be authorized to handle
279 Automatic Clearing House (ACH) transfers; that the account be interest bearing; and that
280 the escrow agent be willing to certify that it is in compliance with all of the above. None
281 of this is "complex" or controversial. It would not be a good business decision to entrust
282 an uncertified agent with a company's funds. SBC is seeking to ensure both its rights as
283 well as Level 3's by requiring that the escrow agent meet these basic conditions which
284 are merely common-sense, standard business practices.

285 **Q. IS SBC'S REQUEST THAT LEVEL 3 ESTABLISH AN ESCROW ACCOUNT**
286 **UNUSUAL?**

287 A. No. The request for an escrow account is not unusual, and is in fact, requested of all
288 CLECs by SBC. The establishment of this account assures SBC that Level 3 can in fact
289 meet whatever financial obligations may occur, if any.

290 It is not even clear if Level 3 opposes the idea of an escrow requirement for
291 collocation, since Level 3 agreed to an escrow requirement within the GT&C appendix.
292 Level 3's testimony is not clear on this issue, but certainly it has not presented a reason
293 why there should be an escrow requirement for all disputes except collocation.

294 **Q. LEVEL 3 APPEARS TO BE CONCERNED THAT IT WOULD BE**
295 **RESPONSIBLE FOR LATE PAYMENT CHARGES EVEN ON BILLS IT**
296 **SUCCESSFULLY DISPUTES. (MANDELL DIRECT AT PAGE 36.) WOULD**
297 **YOU LIKE TO COMMENT?**

298 A. Yes, I would. Level 3 misreads the agreement. SBC's proposed Section 29.9.1.1 quite
299 clearly states that, in cases where late payment fees have been paid by Level 3, SBC
300 "shall credit LEVEL 3's bill for any portion of the Disputed Amount(s) resolved in favor
301 of LEVEL 3, *together with any portion of any Late Payment Charges assessed with*
302 *respect thereto* no later than the second Bill Due Date after the resolution of the dispute."
303 (Emphasis added.) In other words, SBC will fully credit back late payment charges on
304 successfully disputed amounts at the end of the dispute resolution process.

305 **Q. AS YOU NOTED EARLIER, SBC PROPOSES ADDITIONAL LANGUAGE**
306 **REGARDING INFORMAL AND FORMAL DISPUTE RESOLUTION AND**
307 **ARBITRATION. PLEASE EXPLAIN WHY THIS LANGUAGE IS NECESSARY.**

308 A. SBC has proposed this language to provide an established process for all parties to
309 follow. The language, for example, provides guidelines for the parties when filing

310 disputes (which is the first step in the dispute resolution process), and, if satisfaction has
311 not been had by the parties, then a means for following up with the formal resolution
312 process. It is a consistent approach used by all CLECs and is an appropriate means to try
313 to resolve issues before reaching the need for arbitration and/or commission intervention.

314 **Q. MS. MANDELL OBJECTS THAT “ SBC SEEKS TO REMOVE CERTAIN**
315 **DISPUTES INVOLVING PHYSICAL COLLOCATION, AS DESCRIBED IN**
316 **29.7.1, FROM THIS COMMISSION’S JURISDICTION BY REQUIRING**
317 **MANDATORY ARBITRATION ... ” (MANDELL DIRECT AT PAGE 35.) WHY**
318 **IS SBC SEEKING TO REQUIRE MANDATORY ARBITRATION?**

319 A. Frankly, this is an attempt to conserve the Commission's time and resources, as well as
320 the parties' time and resources. SBC proposes mandatory arbitration only for minor
321 disputes, defined in SBC's proposed language as those that amount to less than 1% of the
322 total amount paid by Level 3 for collocation in the preceding 12 months. For non-minor
323 disputes, the arbitration option is elective, *i.e.* both parties must consent to resolve the
324 dispute through arbitration. Commission proceedings can be time-consuming and
325 expensive for all parties involved, including the Commission and its staff. For cases
326 where the amount in dispute is not large, it is more efficient for all parties involved to
327 arbitrate.

328

329 **IV. CONCLUSION**

330 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

331 A. Yes, it does.