

**BEFORE THE ILLINOIS COMMERCE COMMISSION**

**Docket No. 04-0428**

**Supplemental Testimony of Michael Kirksey  
On Behalf of SBC Illinois**

**SBC Illinois Exhibit 6.1**

**October 14, 2004**

**ISSUES**

**GT&C – Def 2, 3, 17B**

**ITR 18, 19**

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2                                   **ON BEHALF OF SBC ILLINOIS**

3  
4   **I.     INTRODUCTION AND SUMMARY**

5   **Q.     Please state your name and business address.**

6   A.     My name is Michael D. Kirksey. My business address is 308 S. Akard, Dallas, Texas,  
7           75202.

8  
9   **Q.     Are you the same Michael Kirksey who provided direct testimony in this**  
10           **proceeding?**

11   A.     Yes.

12  
13   **II.    IP ISSUES**

14   **Q.     What is the purpose of your testimony?**

15   A.     I will respond to the testimony of ICC staff witness James Zolnierек regarding issues  
16           relating to the proper classification of and compensation for IP-PSTN and PSTN-IP-  
17           PSTN traffic. Specifically, I will clarify SBC Illinois' position on these matters as well  
18           as provide additional information requested by Dr. Zolnierек.

19  
20   **Q.     What type of traffic does Level 3 exchange with SBC Illinois?**

21   A.     It is not possible for SBC Illinois to determine with any certainty whether traffic that  
22           Level 3 terminates to SBC Illinois is PSTN-PSTN, IP-PSTN, or PSTN-IP-PSTN. The  
23           common factor in all these types of traffic, and the only factor that SBC Illinois can attest  
24           to, is that each traffic type must be terminated on the PSTN. Once at the PSTN, the calls

25 contain no information that can be used to determine if they originated from a computer  
26 or a phone, or how many times, if any, the traffic was converted from PSTN to IP or from  
27 IP to PSTN. And once at the PSTN, any such calls that make use of IP technology are  
28 terminated in the same manner as all other “non-IP” calls – using the same SBC Illinois  
29 tandem switching, transport and local switching as used for any other call. In short, when  
30 SBC Illinois terminates a call from Level 3, SBC Illinois uses the same network and  
31 systems that it uses when it terminates a call from AT&T, MCI or any other carrier.

32

33 **Q. Does Dr. Zolnierек accurately characterize Level 3’s position on IP-Enabled**  
34 **services<sup>1</sup>?**

35 A. Yes. He correctly observes that Level 3’s position is contradictory because Level 3  
36 maintains that the FCC should have exclusive jurisdiction over all issues relating to “IP-  
37 Enabled Services” (as defined by Level 3), while simultaneously asking this Commission  
38 to do away with access charges for any IP Enabled Services traffic.

39

40 **Q. Does Dr. Zolnierек accurately characterize SBC Illinois’ position on IP-PSTN**  
41 **traffic and PSTN-IP-PSTN traffic<sup>2</sup>?**

42 A. Yes. He correctly observes that SBC Illinois’ proposal is to continue to treat IP-PSTN  
43 traffic and PSTN-IP-PSTN traffic as either local or access, depending on the  
44 “jurisdictional” nature of the call. In addition, SBC believes that this treatment should

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<sup>1</sup>Page 8-9 of Dr. Zolnierек’s Direct Testimony.

<sup>2</sup>Page 9-10 of Dr. Zolnierек’s Direct Testimony.

45 continue unless and until the FCC changes the current intercarrier compensation regime  
46 for such traffic in one of its pending proceedings.

47

48 **Q. Dr. Zolnierrek states on page 12 of his testimony that it is unclear how SBC Illinois**  
49 **would treat calls that originate from SBC Illinois' PSTN and terminate to Level 3.**  
50 **Can you clarify how this traffic would be handled?**

51 A. Yes. The traffic would be treated identically as calls to all other carriers, regardless of  
52 whether those carriers' networks are IP-based or not. Traffic destined to a service  
53 provider using IP technology is treated in this manner by necessity, as the end office  
54 switches are incapable of identifying if the destination of the call is an IP-based network  
55 or the PSTN. For example, when an SBC Illinois end user dials a customer served by  
56 Level 3, the SBC Illinois end office switch analyses the 10 digit number dialed and  
57 determines if it falls within the local calling scope of the SBC Illinois end user. If so,  
58 then it routes the call to Level 3 and SBC Illinois pays reciprocal compensation to Level  
59 3 for the call. If the call is not local, then SBC Illinois sends the call to the presubscribed  
60 Interexchange carrier (IXC) for that end user. Both SBC Illinois and the terminating  
61 carrier would then receive access charges from the IXC for the call. As far as the SBC  
62 Illinois network is concerned, the functions it performs in originating a call are identical,  
63 regardless of whether the call is ultimately bound for an end user that uses the traditional  
64 PSTN or one that uses VoIP service.

65

66 **Q. What rates, terms, and conditions apply to the parties' exchange of IP-PSTN traffic**  
67 **today?**

68 A. To my knowledge, the existing ICA does not establish any terms for the exchange of IP-  
69 PSTN or PSTN-IP-PSTN traffic. However, as Dr. Zolneirek states “Local, Virtual  
70 Foreign Exchange, Mandatory Local and Optional EAS and traffic terminated to Internet  
71 Service Providers (ISPs) are exchanged at reciprocal compensation rates.”<sup>3</sup> Thus far,  
72 Level 3 has been unable to provide any rationale for why its services that originate in one  
73 exchange and terminate to the PSTN in another exchange fit in any of those categories.  
74 Additionally, Section 2.4 of the existing Reciprocal Compensation Appendix between  
75 Level 3 and SBC Illinois states that “All Exchange Access traffic and intraLATA Toll  
76 Traffic shall continue to be governed by the terms and conditions of applicable federal  
77 and state tariffs.”

78  
79 Set forth below are three provisions relating to trunking requirements from the current  
80 ICA. I read these to require that Level 3 establish separate trunk groups for  
81 local/intraLATA toll traffic on the one hand, and interLATA traffic, on the other. Under  
82 this arrangement, any interLATA voice calls that Level 3 sends to SBC for termination  
83 should be sent to us on separate trunks, regardless of whether they make use of IP  
84 technology or not. Section 5.3.2 relates to trunks for local/intraLATA toll traffic:

85  
86 5.3.2 Tandem Trunking-Multiple Tandem LATAs

87  
88 5.3.2.1 Where **PACIFIC**, **NEVADA** or **SBC-SWBT** has more than one  
89 Access Tandem in a LATA, IntraLATA Toll and Local traffic shall  
90 be combined on a single Local Interconnection Trunk Group at an  
91 appropriate **PACIFIC**, **NEVADA** or **SBC-AMERITECH** Tandem

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<sup>3</sup> Direct Testimony of Dr. Zolneirek at page 14.

92 for calls destined to or from all End Offices that subtend each Tandem.  
93 These trunk groups shall be two-way and will utilize Signaling System  
94 7 (SS7) signaling.  
95

96 The reference to “SBC-SWBT” is apparently a typographical error, since the section  
97 deals with the Ameritech, not the SWBT, operating territory. Section 5.4 relates to  
98 trunks for interLATA traffic:

99  
100 5.4 InterLATA (Meet Point) Trunk Group: **SBC-13State**  
101

102 5.4.1 InterLATA traffic shall be transported between CLEC switch and  
103 the **SBC-13STATE** Access or combined local/Access Tandem over a  
104 “meet point” trunk group separate from local and IntraLATA toll  
105 traffic. The InterLATA trunk group will be established for the  
106 transmission and routing of exchange access traffic between CLEC’s  
107 End Users and inter exchange carriers via a **SBC-13STATE** Access  
108 Tandem.  
109

110 5.4.3 When **SBC 13STATE** has more than one Access Tandem in a  
111 local exchange area or LATA, CLEC shall establish an InterLATA  
112 trunk group to each **SBC-13STATE** Access Tandem where the CLEC  
113 has homed its NXX code(s). If the Access Tandems are in two  
114 different states, CLEC shall establish an InterLATA trunk group with one  
115 Access Tandem in each state.  
116

117 **Q Dr. Zolnierек wants to know more about how the parties are treating IP-Enabled**  
118 **traffic under the existing ICA (p. 15). Can you explain?**

119 A. SBC Illinois cannot determine if the origin of traffic terminated to the PSTN by Level 3,  
120 is IP or PSTN. Carriers, such as Level 3, that wish to terminate IP traffic to SBC Illinois  
121 purchase SBC Illinois’ existing products to do so. Mr. McPhee provides additional  
122 details about the traffic exchanged between the parties.  
123

124 **Q. Dr. Zolnierек asks the parties to explain how their proposals accommodate pending**  
125 **FCC decisions in a manner that best serves the public interest (Page 25). How do**  
126 **you respond?**

127 A. SBC Illinois' proposal allows the industry to operate in accordance with current  
128 regulatory rules and practices. Level 3 has provided no evidence to indicate what benefit  
129 this Commission would derive from creating rules specifically targeted at IP-PSTN  
130 traffic when the very same issues are being actively addressed by the FCC. In addition,  
131 changing the current compensation scheme for IP-PSTN traffic would require the parties  
132 to create and implement new procedures for the tracking and billing of this traffic.  
133 Moreover, as seen by Level 3's position in this case, it would cause CLECs to argue that  
134 all traffic should be exchanged over a single trunk group and that the trunking  
135 arrangements should be changed. In short, it is the Level 3 proposal that would cause the  
136 industry to change the current arrangements. It would make no sense to force the parties  
137 to undertake costly implementation processes such as the modifications to the ordering  
138 and billing systems to track and correctly bill when such measures may ultimately be  
139 only temporary. The public interest is best served by maintaining the regulatory status  
140 quo for all users of the PSTN, unless and until the FCC adopts changes to the intercarrier  
141 compensation regime.

142

143 **Q. Does this conclude your testimony?**

144 A. Yes.

145