

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

<b>ILLINOIS BELL TELEPHONE COMPANY (SBC ILLINOIS)</b>	)
<b>and PT Communications, Inc.</b>	)
	) <b>05-0685</b>
<b>Joint Petition for Approval of</b>	)
<b>Interconnection Agreement, dated October 20, 2005</b>	)
<b>pursuant to 47 U.S.C. § 252</b>	)

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**VERIFIED STATEMENT OF TORSTEN CLAUSEN**

My name is Torsten Clausen and I am employed by the Illinois Commerce Commission as a Policy Analyst in the Telecommunications Division. I graduated in 1997 from the University of Giessen, Germany with a Bachelor of Arts in Business and Economics. In May 2000, I was awarded a Master of Science degree in Economics from the University of Wyoming. I joined the Illinois Commerce Commission in June 2000.

**SYNOPSIS OF THE AGREEMENT**

The interconnection Agreement between ILLINOIS BELL TELEPHONE COMPANY ("SBC ILLINOIS" or "Carrier") and PT Communications, Inc. ("PT Communications" or "Requesting Carrier") dated October 20, 2005, is a result of voluntary negotiations between the two parties. The Agreement will expire January 10, 2007. Absent the receipt by one party of written notice from the other party at least within 180 days prior to the expiration of the term to the effect that such party does not intend to extend the term, the Agreement will remain in full force and effect on and after the expiration of the term until terminated by either party.

The Agreement establishes the financial and operational terms for the physical interconnection between SBC Illinois' and PT Communications' networks.

The purpose of my verified statement is to examine the Agreement based on the standards enunciated in Section 252(e)(2)(A) of the 1996 Telecommunications Act.

Specifically, this Section states that:

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

Also, under authority granted to the Commission by Section 252(e)(3) of the 1996 Telecommunications Act, this Agreement has been reviewed for consistency with the requirements of the Illinois Public Utilities Act, 220 ILCS 5, 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. 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 PT Communications for purposes of this Agreement if telecommunications traffic is exchanged between such carrier and SBC ILLINOIS for termination on each other's networks and if such carrier imposes costs on SBC ILLINOIS that are no higher than the costs imposed by PT Communications. If a similarly situated carrier is allowed to purchase the service(s) under the same terms and conditions as provided in this Agreement, then this Agreement 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*, 6<sup>th</sup> Edition, The Dryden Press, Orlando, FL (1991) at pg. 586. Since Section 252(i) of the 1996 Telecommunications 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 – PT Communications 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 affected. 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 tariffs should reference the SBC ILLINOIS – PT Communications Agreement: Agreements with Telecommunications Carriers (ICC No. 16 Section 18).

Also, in order to assure that the implementation of the Agreement is in the 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 COOK            )

I, Torsten Clausen, 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.

Torsten Clausen

SIGNED AND SWORN TO BEFORE ME THIS \_\_\_\_\_ DAY OF  
November, 2005.

Barbara J. Mitchell  
NOTARY PUBLIC

