

Exhibit No.: _____
Witness: Ted Schremp
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Charter Fiberlink, LLC
Case No.: LC-2008-0049
Date Testimony Prepared: February 15, 2008

**BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION**

**Charter Fiberlink-Missouri, LLC Seeking
Expedited Resolution and Enforcement of
Interconnection Agreement Terms Between
Charter Fiberlink-Missouri, LLC and CenturyTel
of Missouri, LLC**

Case No. LC-2008-0049

**REBUTTAL TESTIMONY OF TED SCHREMP
ON BEHALF OF CHARTER FIBERLINK-MISSOURI, LLC**

February 15, 2008

FILED²

APR 23 2008

**Missouri Public
Service Commission**

Exhibit No. 3
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1 **I. INTRODUCTION**

2
3 **Q. PLEASE STATE YOUR NAME, POSITION, EMPLOYER, AND**
4 **BUSINESS ADDRESS.**

5
6 **A. My name is Ted Schremp. I am the Senior Vice President and General Manager**
7 **of Charter Fiberlink, LLC. My business address is 12405 Powers Court Drive, St.**
8 **Louis, Missouri.**

9 **Q. ARE YOU THE SAME TED SCHREMP THAT SUBMITTED DIRECT**
10 **PRE-FILED TESTIMONY IN THIS PROCEEDING?**

11 **A. Yes.**

12 **II. SUMMARY**
13

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**
15

16 **A. The purpose of my testimony is to respond to the direct testimony of two**
17 **CenturyTel of Missouri, LLC ("CenturyTel") witnesses, Mr. Guy E. Miller and**
18 **Ms. Pam Hankins.**

19
20 **Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY, INCLUDING**
21 **YOUR CONCLUSIONS AND RECOMMENDATIONS.**
22

23 **A. Mr. Miller, in his testimony on behalf of CenturyTel, discusses at length the**
24 **nature of CenturyTel's prior disputes with Charter concerning interconnection**
25 **agreements that the parties negotiated (or adopted) in other states, number porting**
26 **terms that other carriers have negotiated into their respective interconnection**
27 **agreements, arrangements with respect to number porting that either Charter or**
28 **CenturyTel have reached with other third party carriers, and Mr. Miller provides a**

1 summary of his view of the federal regulatory scheme concerning number
2 portability and his interpretation of how such laws apply in this case. It is not
3 until more than half way through (page 21 of 32) in Mr. Miller's testimony,
4 however, that he actually speaks to the controlling issues before this Commission:

5 1) whether CenturyTel has a contractual basis to assess porting charges
6 upon Charter; and

7 2) whether CenturyTel breached the interconnection agreement between
8 the parties ("Agreement") when it imposed porting charges upon Charter.

9 Indeed, Mr. Miller's direct testimony essentially makes legal arguments which
10 Charter understood to be more properly raised in the Parties' briefs. And to the
11 extent that Mr. Miller does provide factual testimony, he raises a significant
12 amount of irrelevant factual points in an effort to lead the Commission astray
13 from the primary matter of concern in this proceeding – the Agreement between
14 the parties. Despite Mr. Miller's blatant attempts to distract the Commission with
15 extraneous information, the fact is that the Agreement has no specific provisions
16 authorizing porting charges, nor is there any specific provision set forth in the
17 Agreement that incorporates a specific tariff containing rates for processing
18 porting requests.

19 In addition, Ms. Hankins' testimony attempts to lend further support to
20 CenturyTel's claim that it is authorized to bill Charter for responding to port
21 requests. To that end, Ms. Hankins discusses a series of billing calculations that
22 are intended to justify Charter's indebtedness to CenturyTel. Setting aside the
23 fact that CenturyTel has no contractual basis for assessing porting charges upon

1 Charter; Ms. Hankins' testimony sets forth a number of erroneous calculations
2 regarding certain amounts that were billed (and/or credited) to Charter. She also
3 admits that CenturyTel assessed an "incorrect" rate of \$19.78 for porting orders in
4 error for three and half years while placing the blame for this error on a
5 CenturyTel employee who apparently assumed that the rate for UNE switch ports
6 was the applicable rate to impose upon Charter for number porting orders. The
7 so-called "correct" rate(s) (\$23.44 or \$23.88, depending on the location of the
8 order) that Ms. Hankins claims is applicable to assess upon Charter for
9 responding to port requests is also problematic because neither rate is supported
10 by the terms of the Agreement. Tellingly, none of the rates referenced in Ms.
11 Hankins testimony have been tied to the alleged costs that CenturyTel incurs.
12 Thus, my testimony will set forth my response to the flawed factual assertions
13 made by both Mr. Miller and Ms. Hankins.

14
15 **Q. DO YOU HAVE ANY COMMENTS ON MR. MILLER'S TESTIMONY?**

16
17 **A.** Yes. While I have no doubt that Mr. Miller is an excellent Director of "Carrier
18 Relations Strategy and Policy" for CenturyTel I am not sure that he has the
19 knowledge, experience or education to testify as to what the law requires.

20
21 **Q. PLEASE EXPLAIN.**

22
23 **A.** Well, Mr. Miller testifies that he is currently employed as a Director of "Carrier
24 Relations Strategy and Policy" for CenturyTel and that he has worked in the
25 telecommunications industry in various non-legal capacities for approximately 30

1 years. However, despite that impressive background, I am not sure that his
2 background provides a basis to tell the Commission, and its lawyers, how to
3 interpret and apply federal statutes, regulations and FCC decisions. Nevertheless,
4 Mr. Miller testifies extensively on the application and meaning of federal law, and
5 how the Commission should apply federal law in this case. Again, he is not a
6 lawyer and that seems to raise questions as to why he is testifying about what the
7 law does, or does not, provide.

8
9 **III. RESPONSE TO CENTURYTEL'S DIRECT TESTIMONY**

10
11 **Q. MR. MILLER TESTIFIES THAT HIS PAST EXPERIENCE DEALING**
12 **WITH INTERCONNECTION DISPUTES BETWEEN CHARTER AND**
13 **CENTURYTEL IN OTHER STATES HAS BEARING ON THIS CASE.**
14 **DO YOU BELIEVE THAT IS ACCURATE?**

15
16 **A.** I do not believe that prior disputes between the parties have any bearing on this
17 case because such disputes are not relevant to resolving the matters before the
18 Commission. Indeed, there is more to the story regarding these disputes than Mr.
19 Miller would have the Commission to believe, but I don't see the value in going
20 back and forth about the arguments raised and the fact specific circumstances that
21 were at issue in other states. Simply stated, this case is about CenturyTel's failure
22 to honor the terms of the Agreement in Missouri, not what has, and has not,
23 happened in other states.

1 **Q. MR. MILLER DEDICATES MUCH OF HIS TESTIMONY ARGUING**
2 **THAT FCC RULES, REGULATIONS AND ORDERS SHOULD BE**
3 **CONSTRUED AS IMPLICITLY ALLOWING CHARGES FOR NUMBER**
4 **PORTING. HOW DO YOU RESPOND?**

5
6 **A. I was surprised to see Mr. Miller raise a series of legal arguments in his**
7 testimony. I'm not a lawyer (nor, it seems, is Mr. Miller), but it seems to me that
8 making purely legal arguments is an improper use of direct testimony. In fact, I
9 would have expected to see such arguments asserted in CenturyTel's briefs rather
10 than in the testimony of a witness who is not a lawyer. To that end, Charter's
11 lawyers have legal arguments that respond to CenturyTel's legal arguments,
12 which will be properly raised in Charter's briefs.

13
14 **Q. MR. MILLER ARGUES THAT OTHER STATE COMMISSIONS HAVE**
15 **FOUND THAT PARTIES ARE ENTITLED TO ASSESS A "JUST AND**
16 **REASONABLE" CHARGE FOR PROCESSING PORT REQUESTS.**
17 **HOW DO YOU RESPOND?**

18
19 **A. I am unaware of any state commission that has ever found CenturyTel's charges**
20 for processing port requests to be "just and reasonable." Thus, I am not sure how
21 the Texas Public Utility Commission decision (that allegedly permits parties to
22 impose "just and reasonable" charges for porting) referenced in Mr. Miller's
23 testimony supports CenturyTel's contention that it is entitled to charge Charter for
24 processing a port request. Moreover, the Texas Public Utility Commission
25 effectively reconsidered that decision when it ruled that because the ILEC had not
26 produced a cost study (or any other evidence to support its proposed rates), the
27 rate of \$0.00 applied to charges for processing port requests. As such, the Texas

1 Public Utility Commission effectively prohibited the ILEC from assessing porting
2 charges.

3
4 **Q. MR. MILLER ALLEGES THAT REQUIRING THE COST-CAUSER,**
5 **CHARTER, TO PAY PORTING CHARGES IS CONSISTENT WITH FCC**
6 **REGULATIONS. IS THIS CORRECT?**

7
8 **A.** No. Again, this seems to be more of legal argument than a factual assertion. That
9 being said, however, Mr. Miller failed to recognize that the cost-causer in number
10 porting situations is the end-user customer rather than Charter, the requesting
11 carrier. In this context, all Charter does is act as an agent on behalf of the end-
12 user by fulfilling the end-user's porting request. This fact is reflected in the cost
13 recovery mechanism that the FCC established, which allows ILECs like
14 CenturyTel to assess charges upon end-users to recover the costs associated with
15 the provision of number portability. Contrary to Mr. Miller's assertions, the FCC
16 strictly prohibited carriers from imposing charges against other carriers for
17 facilitating the porting process. I expect that my lawyers will discuss this matter
18 in greater detail in Charter's briefs.

19
20 **Q. MR. MILLER TESTIFIED THAT CHARTER HAS NO REASONABLE**
21 **BASIS TO CHALLENGE CENTURYTEL'S PORTING CHARGES**
22 **BECAUSE IT APPEARS THAT CHARTER IS ASSESSED A PORTING**
23 **CHARGE BY OTHER CARRIERS AND DOES NOT OPPOSE SUCH**
24 **CHARGE. HOW DO YOU RESPOND?**

25
26 **A.** This is a case about what the Agreement in Missouri between Charter and
27 CenturyTel requires. For that reason the terms and conditions of agreements with
28 other carriers are simply not relevant. Again, this case is about CenturyTel's

1 failure to comply with the terms of the *Missouri* Agreement. Significantly, every
2 interconnection agreement is different and terms vary depending on the
3 compromises embodied by each carrier. Mr. Miller's suggestion that all
4 interconnection agreements are intended to impose the same contractual
5 obligations belies the purpose of parties negotiating (and in some instances
6 arbitrating) the terms of such agreements. The fact is that this is a free market,
7 and the FCC recognized that interconnection agreements would be different.
8 Charter should in no way be penalized for negotiating unique terms in its
9 interconnection agreements on a carrier-by-carrier basis. Only the terms set forth
10 in the Agreement between the parties are instructive as to how to resolve the
11 matters at issue in this proceeding.

12
13 **Q. IN ADDITION TO THE LEGAL ARGUMENTS CONCERNING FCC**
14 **POLICIES, CENTURYTEL CONTENDS THAT THE PORTING**
15 **CHARGES ARE ALLOWED UNDER THE ICA. IS THAT ACCURATE?**

16
17 **A.** No. There is no provision in the Agreement that authorizes CenturyTel's service
18 order charges for number porting.

19
20 **Q. BUT MR. MILLER SAYS THESE CHARGES ARE "PROVIDED FOR"**
21 **(Page 21, Lines 17-18) IN THE AGREEMENT. DO YOU DISAGREE?**

22
23 **A.** Yes, I strongly disagree. Nowhere in Mr. Miller's testimony on this issue, from
24 pages 21 to 29, does he deny that the Agreement does not have any specific
25 provision or language authorizing these charges.

1 Q. PLEASE EXPLAIN.

2
3 A. CenturyTel, through Mr. Miller, does not (can not) argue that these charges are
4 specifically authorized by the Agreement. Instead, Mr. Miller's testimony offers
5 legal arguments about the proper way to *interpret* the Agreement, by reading it in
6 a way that would incorporate a series of rates and terms from other documents
7 (tariffs, service guides, so-called "standard" documents, etc.) in to the Agreement.

8
9 Q. WHAT IS THE PROBLEM WITH CENTURYTEL'S THEORY OF HOW
10 TO INTERPRET THE AGREEMENT?

11
12 A. The problem is that although the Agreement includes some general statements
13 about incorporating "applicable" tariffs, CenturyTel seems to ignore the fact that
14 there is no language in that part of the contract dealing with number porting
15 obligations (Section 15 of the Interconnection Attachment) concerning
16 CenturyTel's right to assess these charges. In addition, there is no specific
17 number porting charge in the rate sheet of the Agreement (Pricing Attachment
18 Appendix A) which sets forth these charges.

19 Q. DO YOU DISAGREE WITH CENTURYTEL'S ASSERTION THAT THE
20 AGREEMENT INCORPORATES CENTURYTEL'S LOCAL EXCHANGE
21 SERVICES TARIFF?

22
23 A. Yes. Although I understand that is ultimately a legal question, I can tell you that
24 the Agreement makes no *specific* reference to CenturyTel's local exchange tariff.
25 Nevertheless, CenturyTel argues that that its "Missouri tariff" (i.e. its local
26 exchange tariff) is incorporated into the agreement, and that the rates in that tariff
27 are binding on Charter.

1 **Q. IS THERE A PROBLEM WITH CENTURYTEL'S ASSERTION (Pages 22-**
2 **25) THAT THE TARIFF IS BINDING ON CHARTER?**

3
4 **A.** Yes, the problem is that it strains credibility to assert that the Parties agreed to
5 incorporate the rates from CenturyTel's local exchange tariff to provide a basis
6 for CenturyTel to assess a charge where, upon Charter at the same time, the
7 contract specifically does not authorize those charges.

8 CenturyTel's, argument and assertions raise this fundamental question: Why
9 would Charter agree to be bound by a contract that does not authorize these
10 charges, but at the same time agree that the other party to the Agreement
11 (CenturyTel) could incorporate its tariffs as a means of assessing these charges?
12 Charter would never agree to that concept. That just is not rational.

13

14 **Q. ARE THERE OTHER PROBLEMS WITH CENTURYTEL'S ASSERTION**
15 **THAT THE AGREEMENT INCORPORATES A LOCAL EXCHANGE**
16 **TARIFF?**

17
18 **A.** Yes, several. First of all, there is no specific reference to CenturyTel's local
19 exchange tariff in the Agreement. Although Mr. Miller does not identify the local
20 exchange tariff in his testimony, (he just calls it the "Missouri tariff"), we know
21 that the local exchange tariff is the tariff that contains the \$23.44 rates that
22 CenturyTel has recently assessed against Charter.

23 A second problem is that the tariff, which is formally titled as the CenturyTel
24 "General and Local Exchange Tariff, PSC Mo. No. 1", is a document that sets
25 forth CenturyTel's offering of local exchange services in Missouri. A quick
26 review of the table of contents tells you that the services in the tariff include
27 "local exchange service", "calling services", "digital data services", "coin and

1 coinless telephone services", "operator and directory services", etc. In other
2 words, these are all local telephone (and related) services that CenturyTel
3 provides to end user customers in Missouri.

4 Charter is not an end user customer, but is instead a co-carrier with CenturyTel.

5 And Charter obviously does not purchase any local telephone, or local exchange,
6 services from CenturyTel.

7
8 **Q. BUT MR. MILLER ASSERTS THAT CLECS PURCHASE SERVICES**
9 **OUT OF THE LOCAL EXCHANGE TARIFF EVERY DAY. IS THAT**
10 **ALSO TRUE OF CHARTER?**

11
12 **A.** No, that is not true of Charter. I am not sure what "services" that Mr. Miller is
13 referring to, or precisely who the CLECs are that he refers to in his statement on
14 page 23, but it is certainly not Charter. As noted in my direct testimony, Charter
15 is a facilities-based competitor with its own network and switching equipment. It
16 does not resell CenturyTel services, nor does it purchase unbundled network
17 elements from CenturyTel. Indeed, we actually *compete* with CenturyTel in the
18 provision of local phone services. For these reasons it is clear that the CenturyTel
19 local exchange services tariff is not something that would apply to Charter.

20
21 **Q. MR. MILLER ALSO STATES (Page 22, Lines 17-18) THAT "THE**
22 **TARIFFS PROVIDE FOR THE CHARGING OF A SERVICE ORDER**
23 **CHARGE FOR ANY AND ALL ORDER-PROCESSING WORK DONE TO**
24 **SATISFY A REQUEST MADE OF CENTURYTEL BY ANOTHER**
25 **PARTY." DOES THAT APPLY TO CHARTER?**

26
27 **A.** No, the service orders referenced in the tariff do not apply to Charter because
28 CenturyTel local exchange tariff does not, on its face, apply to Charter. We know

1 this because the language governing service charges, Section 5, Sheet 1, § A.1,
2 states: "Service charges are nonrecurring charges shown in this Section and apply
3 when the following activities are performed at the request of a *customer*."
4 (emphasis added).

5 The key term here is "customer", because the tariff definitions tell us that Charter
6 is not a "customer" as that term is defined in the tariff. Specifically, CenturyTel
7 defines the term "customer" on Section 3, Original Sheet 3 of its tariff as an:
8 "individual, partnership, association or corporation which contract for **telephone**
9 **service...**" with CenturyTel. As I just explained, Charter does not purchase local
10 exchange or telephone services from CenturyTel, and therefore does not "contract
11 for telephone service" with CenturyTel. So it seems clear that Charter is not a
12 "customer" under this tariff.

13 Although I know that Charter's lawyers will address tariff interpretation issues
14 during the briefing stage of this case, the point I just made can not be ignored.
15 The plain language of the tariff, which was written by CenturyTel's own
16 attorneys, makes it clear that the tariff does not apply to Charter because it is not a
17 "customer" within the meaning of that term.

18 **Q. IF THE TARIFF DOES NOT APPLY, DOES THAT MEAN THAT THERE**
19 **IS NO PROCESS FOR CENTURYTEL TO ASSESS THESE CHARGES**
20 **UPON CHARTER?**

21
22 **A.** No, there is a process that is available to CenturyTel. Because Charter is a co-
23 carrier that exchanges traffic with CenturyTel we have entered into the
24 interconnection agreement that sets forth the specific terms and conditions by
25 which we have agreed to cooperate and interact. The whole reason we have that

1 contract (the Agreement) is to identify, specifically, each party's obligations. If
2 CenturyTel wants to assess a porting charge upon Charter, then it should request
3 an amendment to the Agreement and seek to negotiate such terms via the contract
4 amendment process, rather than trying to unilaterally incorporate rates and terms
5 from tariffs that are not applicable to interconnection terms.
6

7 **Q. MR. MILLER ALSO ASSERTS THAT CENTURYTEL'S "SERVICE**
8 **GUIDE IS ALSO AN INCORPORATED TARIFF" UNDER THE**
9 **AGREEMENT. (Page 25, Lines 1-9) DO YOU AGREE?**
10

11 **A.** No, I don't agree. Mr. Miller's argument relies upon the premise that
12 CenturyTel's Service Guide is a "standard agreement or other document... that
13 sets forth the generally available terms, conditions and prices under which a Party
14 offers a service." within the meaning of Section 2.85.2 of the Agreement
15 Glossary. The Service Guide is certainly not a "standard agreement", because we
16 have never accepted as a binding contract. Instead, it is simply a reference guide
17 prepared by CenturyTel without consultation from Charter (or any other CLEC).
18 As for the second half of the definition, the Service Guide is obviously a
19 "document", that we do not contest. But we do not agree that it is a "tariff", as
20 that term is commonly used in the industry, and we do not believe that it is
21 reasonable to believe that the Service Guide is incorporated into the Agreement so
22 as to allow CenturyTel to assess charges upon Charter.
23
24
25

1 **Q. PLEASE EXPLAIN.**

2
3 **A.** While we acknowledge that Charter follows some of the processes set forth in the
4 Service Guide, we have never agreed to pay the charges that the Service Guide
5 references. It is simply not reasonable to conclude that a document which
6 CenturyTel unilaterally prepares, without notice or the consent of Charter (or
7 other CLECs), can include rates, terms and conditions which are binding upon
8 Charter.

9 If the document is in fact a "tariff" and binding on Charter, as Mr. Miller argues,
10 then it raises the question of whether the Service Guide must be reviewed and
11 approved by this Commission, as all other tariffs are subject to review and
12 approval. CenturyTel can not have it both ways. If the document is binding on
13 Charter, then it must be a tariff that is subject to this Commission's jurisdiction,
14 review and approval. But, if CenturyTel says that the Service Guide is not subject
15 to this Commission's jurisdiction, review and approval, then it can not reasonably
16 argue that the document is binding upon Charter.

17
18 **Q. DO YOU HAVE ANY OTHER CONCERNS WITH MR. MILLER'S**
19 **ASSERTION THAT CENTURYTEL'S SERVICE GUIDE IS BINDING**
20 **UPON CHARTER?**

21
22 **A.** Yes, we have reason to believe that the Service Guide was modified after Charter
23 entered into this Agreement, to unilaterally insert the language with respect to
24 service order charges for porting requests. If that is in fact true, then it is evident
25 that CenturyTel is attempting to use the Service Guide to achieve an "end run"
26 around the fact that it does not have any contractual basis for assessing these
27 charges. It would be unreasonable, and patently unfair, for this Commission to

1 conclude that CenturyTel could use its Service Guide as a means of imposing
2 liability upon Charter, where such liability was not made part of the original
3 agreement. If that result were allowed to stand, it begs the question as to why the
4 Parties would enter into a contract in the first place (if one Party could unilaterally
5 modify the obligations of that contract by drafting a "standard document" with
6 additional rates, terms and conditions).

7
8 **Q. MR. MILLER ARGUES THAT BECAUSE THERE IS NO LANGUAGE**
9 **THAT SAYS CENTURYTEL CAN NOT ASSESS PORTING CHARGES,**
10 **IT IS REASONABLE TO CONCLUDE THAT THOSE CHARGES ARE**
11 **ALLOWED UNDER THE AGREEMENT. (Page 27, Lines 18-19) DO YOU**
12 **AGREE?**

13
14 **A.** No. Although I am not a lawyer, it is not practical or reasonable to construe a
15 contract as allowing the assessment of charges for every activity under the
16 contract, unless charges are expressly prohibited. By this logic, CenturyTel could
17 assess a charge upon Charter every time CenturyTel did any of the following:

- 18 • sends a notice of a network change to Charter (see Section 28);
- 19 • assigns the Agreement to another entity (see Section 5);
- 20 • upgrades its own network (see Section 42); and
- 21 • audits Charter's billing records (see Section 7).

22 According to Mr. Miller's logic, any of these events would be a proper basis for
23 CenturyTel to bill Charter, since there is no language in the Agreement saying
24 that CenturyTel can *not* assess charges in such event. But of course, that does not
25 happen today. And the reason it does not happen today is because the Parties both
26 understand that where the Agreement does not specifically authorize charges, no

1 charges are allowed. That is precisely why there is a price list included in the
2 Agreement, so that the Parties know exactly what rates will be applied to the
3 actions listed in the price list.
4

5 **Q. HOW DO YOU RESPOND TO MR. MILLER'S ASSERTION THAT**
6 **CHARTER "IMPLICITLY" AGREED TO THESE CHARGES, SIMPLY**
7 **BY PLACING THE ORDERS TO PORT NUMBERS FROM**
8 **CENTURYTEL (Pages 28, Lines 16-23)?**
9

10 **A.** My response is that Charter never implicitly agreed to pay these charges, and our
11 actions made that very clear. First, as early as 2004 our attorneys explained to
12 CenturyTel's representatives (and Mr. Miller himself) that these charges were not
13 authorized by the Agreement, and that Charter disputed CenturyTel's right to
14 assess those charges. Second, after that initial dispute notice was delivered by
15 Charter lawyers to CenturyTel in 2004, Charter continued to dispute these charges
16 on a monthly basis. So it is beyond question that Charter has clearly provided a
17 basis for its dispute of these charges, consistent with the billing dispute
18 procedures of the Agreement. At that point (once it was clear that we disputed
19 CenturyTel's right to assess these charges) the burden shifted to CenturyTel to
20 demonstrate that it had a legal right to assess these charges. CenturyTel could
21 have done so by coming to this Commission to get an order affirming the
22 propriety of these charges. But it never did so, and instead attempted to
23 unilaterally cut off Charter from future porting in Missouri. That unilateral
24 decision and threat to stop accepting porting requests from Charter constituted a
25 clear violation of the Agreement by CenturyTel, and showed CenturyTel's clear
26 intention to breach its obligations under the Agreement.

1 **Q. DO YOU HAVE ANY RESPONSE TO CENTURYTEL'S ASSERTIONS**
2 **ABOUT THE "JURISDICTIONAL ISSUES" REFERENCED ON PAGES**
3 **31-33 OF MR. MILLER'S TESTIMONY?**

4
5 **A.**No, nothing beyond the statements I made in my direct testimony at pages 12-17.
6 It seems clear now that CenturyTel recognizes that its jurisdictional challenges are
7 not valid, which is why Mr. Miller testified on page 31, lines 1-2, that CenturyTel
8 "does not intend to further pursue its jurisdictional challenge."

9
10 **Q. HAVE YOU HAD AN OPPORTUNITY TO REVIEW MS. PAM**
11 **HANKINS' TESTIMONY REGARDING CHARTER'S ALLEGED**
12 **INDEBTEDNESS TO CENTURYTEL?**

13
14 **A.**Yes. I have reviewed Ms. Hankins' testimony, and her calculations of amounts
15 billed to Charter, with my billing and operations staff inside of Charter.

16
17 **Q. DO YOU BELIEVE THAT THE CALCULATIONS IN MS. HANKINS'**
18 **TESTIMONY ARE ACCURATE?**

19
20 **A.**We believe that some of Ms. Hankins' calculations and other factual assertions
21 are inaccurate. Specifically in regard to the \$68,867.61 payment that Charter
22 made to CenturyTel, a payment in that amount was made on June 16, 2004, not in
23 July 2004 as Ms. Hankins states. Ms. Hankins, on page 5, lines 17-18 of her
24 testimony seems to suggest that Charter has remitted "a few payments" beyond
25 the June 16, 2004 payment. This is simply not an accurate statement. In fact, the
26 only instance where Charter remitted a payment (other than the June 14, 2004
27 payment) in connection with a disputed matter was on August 19, 2003 in the
28 amount of \$4,904.73; however, we later determined that this amount was paid in
29 error. Shortly after we identified the error, CenturyTel conceded that such error

1 had occurred and transferred the payment on December 4, 2003 to another
2 CenturyTel BAN that billed for facilities that were not in dispute. Consequently,
3 the only other payments that Ms. Hankins could be referring to are some of the
4 end user payments that were erroneously applied to Charter's bills by CenturyTel.
5 In regard to the list of adjustments that Ms. Hankins testifies that CenturyTel has
6 given Charter for certain amounts in dispute, Ms. Hankins erroneously included a
7 number of end user payments in the list of adjustments.

8
9 **Q. PLEASE EXPLAIN YOUR CONCERN WITH CENTURYTEL'S**
10 **PRACTICE OF CREDITING CHARTER FOR PAYMENTS MADE BY**
11 **CENTURYTEL'S OWN END USERS.**

12
13 **A.** The concern here is that CenturyTel is applying "credits" to Charter's account
14 which are the result of payments made by CenturyTel's own telephone customer
15 end users. In other words, when their own customers make a payment to
16 CenturyTel (presumably for their monthly telephone service), CenturyTel
17 inexplicably applies those payments to Charter's account. I do not know why
18 they do so. We have certainly never asked them to do so; and, in fact, we have
19 repeatedly told them that they are doing so in error and that they should stop this
20 practice.

21
22 **Q. HOW SIGNIFICANT IS THIS PROBLEM?**

23
24 **A.** Very significant. By our calculations, CenturyTel has committed this type of
25 billing error on 263 separate occasions. Although they have reversed 232 of those
26 billing errors, some have apparently never been corrected.

1 This recurring problem suggests serious problems with CenturyTel's billing
2 systems. And, more importantly, it raises the very troubling question of whether
3 CenturyTel's telephone subscribers in Missouri have not received proper credit
4 for payments they have made to CenturyTel.

5
6 **Q. MS. HANKINS ALSO TESTIFIES THAT CENTURYTEL ASSESSED**
7 **TWO DIFFERENT CHARGES FOR PORTING ORDERS. DO YOU**
8 **AGREE?**

9
10 **A.** Yes, I do. As Ms. Hankins explains on page 11, lines 1-7, CenturyTel has
11 actually billed Charter *two* different rates for these porting orders. As CenturyTel
12 readily admits, when CenturyTel first assessed this charge upon Charter it did so
13 because CenturyTel took the position that the \$19.78 charge for a UNE switch
14 port applied to Charter. You may recall that I have previously testified that
15 Charter does not purchase any UNEs from CenturyTel, because we have our own
16 network and switches. For that reason we have never leased UNE switch ports
17 from CenturyTel. Despite that fact (which CenturyTel does not dispute), for the
18 last three and a half years CenturyTel has billed Charter the rate for an unbundled
19 network element that Charter has never ordered, and does not use.

20 It should be noted that we explained to CenturyTel in 2004 these very same facts,
21 and noted that we do not purchase UNEs from them. But for reasons that I can
22 not explain, they continued to bill us the rate for a UNE switch port whenever we
23 submitted a request to port a telephone number from their network. And only
24 since July, 2007 has CenturyTel stopped assessing the UNE rate and began
25 assessing the rate set forth in CenturyTel's local exchange tariff.

1 **Q. WHY DO YOU THINK CENTURYTEL CONTINUED ASSESSING THE**
2 **UNE RATE LONG AFTER IT WAS ON NOTICE THAT THE RATE WAS**
3 **BEING ASSESSED IN ERROR?**
4

5 **A.** That's a good question. It's not clear to me why it took CenturyTel so long to
6 acknowledge this error and it is quite troubling that Charter had to initiate this
7 proceeding in order for CenturyTel to admit to its error.

8 CenturyTel seems to have conveniently crafted a storyline for purposes of this
9 proceeding to pin its erroneous charges on a mistake made by one of its
10 employees so as to create a logical basis for assessing a specific rate that was not
11 captured in any of the documents that CenturyTel claims to have established the
12 rate for processing porting requests. In fact, it seems to me that CenturyTel never
13 actually had a sound basis (not by the terms of the Agreement, any allegedly
14 applicable tariff or the CenturyTel Service Guide) to justify the imposition of the
15 \$19.78 rate so CenturyTel was forced to effectively reverse engineer such a basis
16 for purposes of this proceeding. Such a result would not surprise me as we have
17 never been able to get straight answers from CenturyTel for these erroneous
18 charges.

19

20 **Q. BUT MS. HANKINS SAYS THAT THEY ARE NOW CHARGING THE**
21 **"CORRECT" RATE. IS THAT RIGHT?**
22

23 **A.** Well, no, we do not agree that the current rate of \$23.44 is the "correct" rate. As
24 noted above, there is no rate in the Agreement for these charges, which is why we
25 believe that no charges are appropriate. Nor do we agree with Ms. Hankins'
26 statement on page 11, lines 5-7, that the \$23 rate is "required by the
27 Interconnection Agreement." To the contrary, that rate is not authorized by, or

1 included in, the Agreement. But beyond that question there is also the question of
2 why they believe this new rate is the correct rate.

3
4 **Q. PLEASE EXPLAIN.**

5 **A.** Curiously, Ms. Hankins testifies that the "current initial service order charge is
6 \$23.44 or \$23.88, depending on the location of the order." (Page 12, Lines 1-2)
7 It does not make any sense that there would be two separate rates, depending on
8 the location of the order. If we are to believe Mr. Miller's testimony, their costs
9 of responding to service orders are essentially fixed. He made no mention of the
10 possibility that their costs may increase "depending on the location of the order."
11 And if these charges are simply to recover CenturyTel's costs, as Mr. Miller
12 asserts, then why charge a higher rate if your costs do not vary "depending on the
13 location of the order"?

14
15 **Q. WHAT CONCLUSIONS CAN WE DRAW FROM CENTURYTEL'S**
16 **ATTEMPTS TO ASSESS THE THREE SEPARATE RATES OF \$19.78,**
17 **\$23.44, OR \$23.48?**

18
19 **A.** Well the fact they have not attempted to assess a single, consistent rate suggests
20 that their rate is not really tied to any alleged costs that they may incur. That is
21 not really surprising since CenturyTel has never actually quantified its costs, or
22 submitted a cost study. When you consider that, along with the fact that they
23 have tried to assess three completely different rates on Charter for the same
24 function, it really calls into question whether these rates have any relationship to
25 their alleged costs.

1 Q. WHAT OTHER CONCLUSIONS HAVE YOU MADE ABOUT THESE
2 RATES?

3
4 A. Another conclusion is that they are not very confident of their right to assess these
5 rates. Ms. Hankins testifies on page 12, lines 10-11, that in mid-2007 CenturyTel
6 discovered that it had assessed the "incorrect rate" on Charter, and following that
7 time began to assess the new higher rate of \$23.44 or \$23.88 (depending on the
8 location of the order). She then explains that CenturyTel decided not to attempt
9 to recover the differences between those two rates from Charter.

10 But that decision begs the question: why not? If these charges are simply
11 intended to recover their costs, and their costs are truly greater than \$19.78 (the
12 rate they charged from 2004 to mid-2007), wouldn't it be in their interest to
13 recover the difference between these charges? Logic says yes. But CenturyTel's
14 actions are otherwise.

15

16 Q. YOU ALSO MENTION THE POSSIBILITY OF A COST STUDY. WHY
17 WOULD CENTURYTEL WANT TO PRESENT A COST STUDY TO THE
18 COMMISSION?

19
20 A. Well, if they actually wanted to prove to the Commission that their costs were
21 valid, and that their rate was legitimately related to such costs, then they could do
22 so by submitting a cost study. But they have not done so, and I suspect they will
23 not agree to do so because they would not like the final results of such a study. I
24 suspect that such a study would not support the assertions made by Mr. Hankins
25 and Mr. Miller concerning the costs that CenturyTel allegedly incurs in
26 responding to port requests from Charter.

27

1 **Q. MS. HANKINS TESTIFIES (Page 4, lines 1-2) THAT CHARTER DID NOT**
2 **BEGIN SUBMITTING LSR ORDERS TO PORT NUMBERS FROM**
3 **CENTURYTEL UNTIL JUNE 2003. IS THIS CORRECT?**

4
5 **A. No. As I have previously explained in my direct testimony, Charter sent is first**
6 **porting request to CenturyTel in September 2002; however, CenturyTel did not**
7 **begin to assess a charge for such requests until June 2003.**

8
9 **Q. MS. HANKINS TESTIFIES (Page 12, Lines 19-20 and Page 13, Lines 1-2)**
10 **THAT THE RATE FOR CUSTOMER SERVICE RECORDS REQUESTS**
11 **ARE FOUND IN THE UNE AND RESALE RATE SECTIONS OF THE**
12 **AGREEMENT. DOES CHARTER PURCHASE UNES OR RESELL**
13 **CENTURYTEL SERVICES?**

14
15 **A. No. As I have previously testified, Charter is a facilities-based carrier with its**
16 **own networks and switches. We do not purchase UNEs or resell CenturyTel's**
17 **services. That, of course, begs the question as to why CenturyTel is assessing a**
18 **rate for UNEs or resale functions on us. Ms. Hankins did not explain why that**
19 **was the case, and it seems to raise additional questions about CenturyTel's billing**
20 **practices.**

21
22 **Q. DO YOU HAVE ANY OTHER COMMENTS ABOUT THE FIGURES**
23 **IDENTIFIED IN MS. HANKINS TESTIMONY?**

24
25 **A. Yes, the amounts shown in Schedule PH-3 for Service Order charges billed, fails**
26 **to include \$2011.63 on BAN 301644892, and \$324.10 , on BAN 405601334, that**
27 **was billed to Charter under various service order headings such as Subsequent**
28 **Service Order Charge Res, Central Office Line Connection Res, Initial Order,**
29 **Initial Service Order Charge Unbundled, Call Restriction Install, etc. Again,**
30 **these errors are indicative of larger problems with their billing systems.**

1 IV. CONCLUSION
2

3 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

4 A. Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Complaint of Charter Fiberlink-Missouri LLC)
Seeking Expedited Resolution and Enforcement of)
Of Interconnection Agreement Terms Between)
Charter Fiberlink-Missouri, LLC and CenturyTel)
of Missouri, LLC.)

Case No. LC-2008-0049

AFFIDAVIT OF TED SCHREMP

STATE OF MISSOURI)
) ss.
COUNTY OF ST. LOUIS)

Ted Schremp, being first duly sworn on his oath, states:

1. My name is Ted Schremp. I am presently Senior Vice President and General Manager of Telephone Operations for Charter Fiberlink-Missouri, LLC, complainant in the referenced matter.

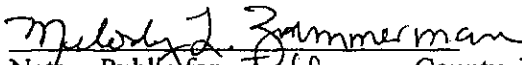
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.



Ted Schremp

Subscribed and sworn before me this 15th day of February, 2008.



Notary Public for Jefferson County, Missouri
My Commission expires: June 3, 2011

MELODY L. ZIMMERMAN
Notary Public-Notary Seal
State of Missouri, Jefferson County
Commission # 07001841
My Commission Expires Jun 3, 2011