Question II.F.9 -- Response of Level 3 Communications, LLC

(a) In 2013, Level 3 Communications, LLC ("Level 3") changed Transport Service Providers while keeping the corresponding End User Channel Terminations with the original Provider for **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL].

(b) Level 3 estimates that it took an average of three to four months for each of these changes to be made. There are several reasons, as described below, why seemingly simple network changes take far longer than they should, with Level 3 incurring material and unnecessary expense during the period of delay. Obviously, the ILECs have no incentive to move quickly.

(c) Generally, due dates for processing orders are provided by the ILECs based on their calendar and their internal and unilateral determinations of their own resource availability. ILEC processes vary slightly among ILECs, but there are common themes and components. For instance, the move must meet certain "project criteria," generally requiring that a minimum number of circuits (usually five) or size of circuit (usually a DS3 (or larger)) be migrated. Level 3 must submit a "project spreadsheet" containing all details required to complete its request to change transport service, as determined by the ILEC. The spreadsheet is then reviewed by the ILEC, and if the ILEC has any concerns, the spreadsheet is returned to Level 3, a process that repeats itself again and successively until all spreadsheet issues identified by the ILEC are resolved. Once the spreadsheet is complete, a "kick-off" call is scheduled with the ILEC,

generally 10 days (or more) thereafter. During the kick-off call, the number of orders required for the particular project is reviewed and a timeline is set for the completion of all the orders involved in the project. The intervals for completing orders generally contain two additional factors which further extend the time required to change transport services.

First, the intervals set by the ILEC contain limits on the number of orders that will be processed by the ILEC each day. Generally, the ILECs limit themselves to processing approximately five orders per day. The number of orders required to implement a migration plan is tied to the basic time-division multiplexing hierarchy (a DS1 circuit has up to 24 DS0 circuits riding over it, and a DS3 circuit has up to 28 DS1 circuits riding over it). A request to change transport service on, for example, a single DS3 circuit would therefore require that as many as 28 separate orders (one for each DS1 riding on it) to be placed with the ILEC. So, for a simple DS3 with 28 DS1 circuits riding over it, Level 3 must initially submit 28 DS1 orders to the ILEC, and these alone would be expected to take the ILEC more than a business week to process—for *one* DS3. Once all the DS1 orders involved in a project are completed, the ILEC assigns a date by which the circuits will be actually moved to their new location (known as the "cut date").

The "cut date" is the second constraint imposed by the ILECs when changing transport service. The ILEC is in sole control of its calendar and is in complete control of all activity related to changing transport services. Depending on the ILEC's transport service change workload, the cut date assignment may be set several months after order processing is completed. Transport service change orders are prioritized last, behind all installation and service maintenance orders. This delays the cut date assignment, which necessarily delays that date on which the service transfer is effectuated.

These factors create extremely lengthy intervals for Level 3 and other CLECs to change transport service providers. For example, Level 3 submitted a project to **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL] This was in addition to order processing charges for each of the orders required to complete the project.

Changing transport service providers is costly and time consuming. A wholesale carrier that has a Verizon CDP, for example, covering all of its DS3s is faced with a daunting choice when that CDP plan expires. If it wanted to change transport service providers, it would be required to submit tens of thousands of disconnect orders to Verizon. The timeframe for Verizon to process those orders for a wholesale carrier's large DS3 base, which for Level 3 means **[BEGIN HIGHLY CONFIDENTIAL]** **[END HIGHLY CONFIDENTIAL]**, would be *extremely* lengthy for the reasons described above. During that period, Level 3 would be forced to choose between paying Verizon's punitive and well above market "month-to-month" rates, or re-committing some or all of the circuits to be transferred back to Verizon via a lock-up or term place on an individual circuit basis (and paying Verizon's punitive month-to-month rate on anything not so committed).

The references to the ILECs groom policies are as follows:

ATT

https://primeaccess.att.com/shell.cfm?section=99

Verizon

http://www22.verizon.com/wholesale/contactusext/contactusactions.do

CenturyLink

http://www.centurylink.com/wholesale/downloads/2012/120130/Access_SIG_PV12.docMinutes\CenturyLink\CenturyLink Process.html

(d) Generally, as long as the ILEC ordering procedures were followed, there was no impact on the rate paid for the *End User Channel Terminations* that Level 3 continued to purchase from the ILEC. There is an exception, however, for circuits purchased from **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL]

(e) Please see Level 3 response to II.F.12.