Time Warner Telecom of Arizona ("TWTA") hereby files the testimony of Brian Thomas in the above-referenced matter. TWTA further requests that Mr. Thomas be permitted to appear at the hearing telephonically.
RESPECTFULLY SUBMITTED this 28th day April, 2003.

LEWIS AND ROCA

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ORIGINAL AND thirteen (13) copies of the foregoing hand-delivered this 28th day of April, 2003, to:

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Utilities Division – Docket Control
1200 W. Washington Street
Phoenix, Arizona 85007

COPY of the foregoing hand-delivered this 28th day of April, 2003, to:

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Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. My name is Brian D. Thomas. I am Vice President—Regulatory for Time Warner Telecom ("TWTC"). My business address is 223 Taylor Avenue North, Seattle, WA 98109.

Q. COULD YOU BRIEFLY SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY?

A. I have more than twenty-two years of experience in the telecommunications industry. I have been Vice President—Regulatory for TWTC since January of 2001, when I joined the company. In this position, I manage and oversee TWTC's regulatory and government affairs functions throughout a seven state region in the western United States. My responsibilities include oversight of TWTC's participation in state regulatory proceedings, certification, regulatory compliance, tariffing issues, and negotiation of certain interconnection matters.

Prior to joining TWTC, I worked for GST Telecom, another competitive local exchange carrier ("CLEC") in the western United States. At GST, I held several positions in the regulatory and government affairs area, with primary responsibility for federal and state regulatory matters related to competitive entry and interconnection.
Before moving to GST, I worked for ten years with Pacific Telecom, Inc., holding a number of positions with the company. In 1992, I was promoted to Assistant Vice President—Government Affairs and moved to Washington, D.C., where I assumed management of Pacific Telecom’s federal relations office. In that position, I held primary responsibility for representation and advocacy on telecommunications matters pending before the Federal Communications Commission (“FCC”) and Congress, including matters pertaining to the Telecommunications Act of 1996.

I am a graduate of the University of Puget Sound with a Bachelor of Arts degree in Business Administration and Accounting. I am also a Certified Public Accountant in the State of Washington, where I have held a CPA license for approximately twenty years.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony addresses the effect on Time Warner Telecom of Arizona LLC ("TWTA") of the transport rate changes implemented under Decision No. 64922 in Docket No. T-00000A-00-0194. Implementation of the transport rates derived under that Decision has dramatically increased TWTA’s monthly recurring expense of interconnecting with Qwest in the state of Arizona.

Q. PLEASE DESCRIBE TWTA’S OPERATIONS IN ARIZONA.
TWTA is an active competitor in the greater Phoenix and Tucson telecommunications markets. The company is collocated with Qwest in a number of central offices in both markets and interconnects with Qwest for the exchange of local traffic through those collocation arrangements. TWTA has constructed extensive fiber optic facilities throughout each metropolitan area and uses those facilities to provide a wide range of voice and state of the art data services to small, medium and large business customers. Except in isolated instances, TWTA does not purchase entrance facilities from Qwest to interconnect with Qwest's local exchange network.

Q. WHAT HAS BEEN THE EFFECT ON TWTA OF QWEST’S IMPLEMENTATION OF THE NEW TRANSPORT RATES IMPLEMENTED UNDER DECISION NO. 64922?

A. Based on Qwest interconnection billing information for TWTA that I reviewed for the six-month period ending March 31, 2002, TWTA’s monthly recurring costs associated with Qwest Local Interconnection Service (“LIS”) trunking have increased approximately fifty-six percent (56%). When viewed on an annual basis, this price increase equals an annual operating expense increase of nearly $70,000. Prior to the rate increase, TWTA’s monthly LIS trunking expense was approximately $10,000 per month. After implementation of the new rates, TWTA’s monthly expense rose to approximately $15,700 per month.

Q. DO YOU HAVE ANY SPECIFIC EXAMPLES OF THE EFFECT OF THE RATE INCREASE ON INDIVIDUAL CIRCUITS ASSOCIATED WITH INTERCONNECTION?
Yes, I do. After noticing a significant increase in our monthly LIS trunking bills from Qwest, TWTC’s Carrier Cost Management Group, under my direction, performed a six-month analysis of Qwest’s LIS billing to determine the effect of the new rate changes on a Universal Service Order Code (USOC)-specific basis. That analysis revealed that billing for channel terms and channel mileage generally increased by a factor of three or four. For example, channel mileage billing for telco circuit id# 101T1GLDAZMADC0PHNXAZMAHJ4 increased from $22.23 for the December, 2002 billing to $75.95 per month for the January, 2003 billing. Similarly, channel mileage billing for telco circuit id# 101T1TCSNAZCRDC0TCSNAZMAHJ1 increased from $19.95 per month to $75.95 per month. The vast majority of the LIS trunk circuit costs that I reviewed increased significantly.

Q. WHAT DO YOU BELIEVE TO HAVE CAUSED THIS DRAMATIC INCREASE?

A. I believe that including the cost of an entrance facility in the costs for other transport resulted in this increase. Prior to the implementation of the new rates approved in Decision No. 64922, Qwest billed separately for entrance facilities. Because TWTA does not require entrance facilities in most cases, it did not incur this cost under the prior rate structure. The new rates did not contemplate that some

1 A USOC is a code which distinguishes individual rate elements for billing application and verification.
CLECs like TWTA do not utilize or require entrance facilities to interconnect with Qwest. The new rate structure appears to require carriers like TWTA to contribute toward the cost of entrance facilities for other carriers because those costs are incorporated into other rates actually paid by TWTA.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.