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BEFORE THE ARIZONA CORPORATION COMMISSION

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**COMMISSIONERS**  
JEFF HATCH-MILLER, CHAIRMAN  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

2005 JAN 18 P 4: 46  
AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE PETITION OF DIECA ) DOCKET NO. T-03632A-04-0425  
COMMUNICATIONS, INC. dba COVAD ) DOCKET NO. T-01051B-04-0425  
COMMUNICATIONS COMPANY FOR )  
ARBITRATION OF AN INTERCONNECTION )  
AGREEMENT WITH QWEST CORPORATION. )

**NOTICE OF FILING**

Please take notice that DIECA Communications, Inc. dba Covad Communications Company is filing the Rebuttal Testimony of Elizabeth Balvin and the Public Version of the Rebuttal Testimony of Michael Zulevic, copies of which are attached. A confidential version of Michael Zulevic's testimony will be provided to those parties who have agreed to be bound by the Protective Agreement in this docket.

RESPECTFULLY SUBMITTED this 18<sup>th</sup> day of January, 2005.

Arizona Corporation Commission  
**DOCKETED**  
JAN 18 2005  
DOCKETED BY *CMR*

By   
Michael W. Patten  
ROSHKA HEYMAN & DEWULF, PLC  
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Phoenix, Arizona 85004  
(602) 256-6100

and  
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Covad Communications Company  
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Denver, Colorado 80230

**ROSHKA HEYMAN & DEWULF, PLC**

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1 Original and 15 copies of the foregoing  
2 filed this 18<sup>th</sup> day of January, 2005 with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington Street  
6 Phoenix, Arizona 85007

7 Copy of the foregoing hand-delivered/mailed  
8 this 18<sup>th</sup> day of January, 2005 to:

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**COVER SHEET  
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2005 JAN 18 P 4: 46

AZ CORP COMMISSION  
DOCUMENT CONTROL

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**COMPANY NAME:**       Nesco Communications Inc        
**DBA (if applicable):**       Covid Communications Co        
**DOCKET No(s):**       T-03632A-04-0425/T-01051B-04-0425      

**INSTRUCTIONS:** Please choose the item that best describes the nature of the case/filing.

**UTILITIES - NEW APPLICATION**

- |   |  |
|---|--|
| <input type="checkbox"/> New CC&N                       | <input type="checkbox"/> Interconnection Agreement |
| <input type="checkbox"/> Extension of CC&N              | <input type="checkbox"/> Rates                     |
| <input type="checkbox"/> Deletion of CC&N               | <input type="checkbox"/> Financing                 |
| <input type="checkbox"/> Cancellation of CC&N           | <input type="checkbox"/> Formal Complaint          |
| <input type="checkbox"/> Tariff (NEW)                   |  |
| <input type="checkbox"/> Miscellaneous - Specify: _____ |  |

**UTILITIES - REVISIONS / AMENDMENTS / COMPLIANCE**

- |                    |                    |
|--------------------|--------------------|
| <b>Application</b> | <b>Tariff</b>      |
| Decision No: _____ | Promotional: _____ |
| Docket No: _____   | Compliance: _____  |

**MISCELLANEOUS FILINGS**

- |   |   |
|---|---|
| <input type="checkbox"/> Affidavit (Publication, Public Notice) | <input type="checkbox"/> Motion to Intervene                  |
| <input type="checkbox"/> Request / Motion                       | <input type="checkbox"/> Notice of Errata                     |
| <input type="checkbox"/> Comments                               | <input checked="" type="checkbox"/> Testimony <i>Rebuttal</i> |
| <input type="checkbox"/> Exception                              | <input type="checkbox"/> Response / Reply                     |
| <input type="checkbox"/> Exhibit(s)                             | <input type="checkbox"/> Witness List                         |
| <input type="checkbox"/> Miscellaneous - Specify: _____         |   |

      1/18/05        
DATE

      Mike Patten        
PRINT NAME OF THE PERSON WHO SIGNED THE DOCUMENT  
(i.e., Contact Person, Respondent, Attorney, Applicant, etc.)

PHONE:       602/256-6100       FAX:       602/256-6800

**ROSHKA HEYMAN & DEWULF, PLC**  
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Ernest Johnson, Esq  
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Phoenix, Arizona 85007

By Mary Appolits

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE PETITION ) Docket No. T-03632A-04-0425  
OF DIECA COMMUNICATIONS, INC., ) Docket No. T-01051B-04-0425  
D/B/A COVAD COMMUNICATIONS )  
COMPANY, FOR ARBITRATION TO )  
RESOLVE ISSUES RELATING TO AN )  
INTER-CONNECTION AGREEMENT )  
WITH QWEST CORPORATION )

**REBUTTAL TESTIMONY OF  
ELIZABETH BALVIN**

**FILED ON BEHALF OF  
DIECA COMMUNICATIONS, INC.  
D/B/A COVAD COMMUNICATIONS COMPANY**

January 18, 2005

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- EB-2 (2 pages)
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**I. IDENTIFICATION OF WITNESS**

**Q. MS. BALVIN, PLEASE IDENTIFY YOURSELF FOR THE COMMISSION.**

A. My name is Elizabeth (Liz) Balvin and I am employed by Covad Communications Company ("Covad") as the Director of External Affairs for the Qwest region. My business address is 7901 Lowry Boulevard, Denver, Colorado 80230.

**Q. MS. BALVIN, PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR JOB RESPONSIBILITIES AND EXPERIENCE.**

A. As Director of External Affairs, my primary responsibility is to drive Qwest business related issues to resolution. This includes resolution of operational problems, OSS issues (from prequalification through billing), and negotiating acceptable solutions with Qwest so that Covad can pursue meaningful business opportunities in this market. Qwest is a critical piece of Covad's puzzle, thus driving operational and OSS issues on a business-to-business level is necessary. This is done via the change management process, at industry workshops, and in interconnection agreement negotiations. To understand Covad's issues, I work directly with our internal groups that are attempting to do business with Qwest on a daily basis.

While new to Covad I am not new to the telecommunications industry as I worked for MCI for nearly 11 years. I began my tenure with MCI on the long distance side of the house reconciling credit card billing. Later, I audited ILEC unbillable records and negotiated settlements when inaccurate records were produced. I then supervised the automation of casual billing records and then finished my career at MCI as Senior Project Manager in the Carrier Relations

group. As Senior Project Manager, I served as the technical advisory group member for Qwest third party tests (such as the ROC and the AZ OSS testing process). In addition, I was the single point of contact at MCI for Qwest Change Management Processes and actually assisted in the development of the “re-designed” change management process that exists today.

In one of my last assignments at MCI, I was also responsible for establishing an EDI interface with Qwest for local services. Upon implementation, I drove to resolution issues with the interface that caused local orders to be rejected. I was responsible for driving issues from order entry through billing and the goal was to settle these issues at the business table in order to eliminate the necessity for recourse to regulatory complaints and proceedings.

## **II. PURPOSE OF TESTIMONY**

### **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. The purpose of my testimony , I will be responding to the testimony of Qwest witness William Easton on Issue 8 (billing time frames).

## **III. ARBITRATION ISSUES**

### **ISSUE 8: TIME FRAME FOR PAYMENT OF BILLS, DISCONTINUANCE OF ORDERING, AND DISCONNECTION OF SERVICE**

### **Q. MR. EASTON SUGGESTS THAT COVAD “IS LIKELY NOT CONCERNED ABOUT THE TERMS GOVERNING PAYMENT FOR SERVICES RENDERED TO QWEST.” IS THIS AN ACCURATE REFLECTION OF COVAD’S POSITION?**

A. To the contrary, as discussed at length in my Direct Testimony, Covad has a significant interest in the terms governing payment for services rendered by

Qwest. While Covad has every intent to pay for services rendered, the timeframes imposed must take into consideration Qwest billing deficiencies, minimize the impact to end users seeking Covad services (new order), and reduce premature disconnects in error for Covad end user customers.

As identified previously but worth repeating here:

1. Covad seeks 15 additional days to the “payment due date” but *only* when the following conditions exist: an invoice contains (1) line splitting or loop splitting products, (2) a missing circuit ID, (3) a missing USOC, or (4) new rate elements, new services, or new features not previously ordered by CLEC (collectively “New Products”). While 15 additional days would be required, Covad has proposed language to accommodate a date certain when Covad’s review procedures must be reduced to the 30 day interval – i.e. after 12 months experience. A date certain timeframe calls for Covad to establish efficient billing review procedures that are not easily known upon implementation of “new products”. The language in part states “After twelve (12) months’ experience, such New Products shall be subject to the thirty (30) Day time frame hereinafter discussed.”

2. Covad seeks only 30 additional days before “discontinuance of order processing” can be imposed by Qwest because end users seeking Covad’s services should not be unduly impacted.

3. Covad seeks only 30 additional days before Qwest can begin “disconnection of services” because again, Covad end user’s are not at fault and should not be impacted prematurely.

**Q. PLEASE CORRECT MR. EASTON'S TESTIMONY REGARDING THE TIME FRAMES THAT APPLY HERE.**

A. Covad and Qwest are negotiating interconnection agreements in other states. As such, while Covad initially proposed longer intervals which are discussed by Mr. Easton, those time frames have been modified since Direct Testimony was filed such that Mr. Easton's testimony is no longer accurate. For purposes of this arbitration, Covad has proposed the following billing time frames:

B.

	Payment Due Date	Discontinuance of Order Processing	Disconnection of Services
Qwest	30	30	60
Covad Revised Proposal	30 (except some 45)	60	90

**Q. MR. EASTON CLAIMS COVAD'S PROPOSAL WOULD HAVE "AN IMPACT ON QWEST'S CASH FLOW." HOW DO YOU RESPOND?**

A. To be clear, Covad will pay invoices within 30 days, unless the billable amount falls into what Covad has termed as the "New Products" category (see above) or three other scenarios exist (2 of which -- missing USOCs or circuit IDs -- Qwest has complete control over). These exceptions to Qwest's proposed 30 day payment interval are reasonable because 1) new products call for newly implemented business rules to be applied by Qwest that must be sufficiently validated for accuracy; 2) missing circuit ID and/or USOC information cause manually intensive review of the records to validate for accuracy; and 3) new rate

elements, services, or features again cause Qwest to implement new business rules that must be sufficiently validated for accuracy.

**Q. MR. EASTON ASSERTS QWEST TIME FRAMES ARE “COMMERCIALY REASONABLE,” CAN YOU COMMENT?**

A. Yes. I would begin by questioning how Qwest defines “commercially reasonable”. In my mind, what may work for some companies may not meet the needs of Covad, thus commercial reasonableness must take into consideration not only the business needs of the parties in question but nuances that may take time to resolve, as Covad’s language attempts to do.

**Q. QWEST ALSO ASSERTS THAT THE LANGUAGE SURROUNDING BILLING TIME FRAMES WERE “ADDRESSED DURING THE 271 WORKSHOPS.” HOW DO YOU RESPOND?**

A. While Qwest believes these issues were sufficiently ironed out during the 271 workshops, billing experience with respect to the wholesale providers was not yet well-developed, and neither were Qwest’s billing systems. Covad now challenges the language because of the issues it identified through practical experience.

**Q. WHAT DO YOU HAVE TO SAY TO THE POINT QWEST MAKES WITH RESPECT TO “AT&T/TCG RECENTLY COMPLETED INTERCONNECTION NEGOTIATIONS WITH BOTH PARTIES AGREEING TO THE PAYMENT LANGUAGE THAT COVAD CHALLENGES HERE.”?**

A. Covad was not privy to the negotiations that took place between Qwest and AT&T/TCG, thus I don’t feel it is appropriate to form an opinion here. I will

simply state that AT&T's limited entry into the local market, which has now been terminated, calls into question whether the agreement between Qwest and AT&T on this particular issue is at all germane.

**Q. MR. EASTON ALSO CALLS INTO QUESTION COVAD'S END USER PAYMENT TIMEFRAMES. PLEASE STATE WHY COVAD'S POLICIES ARE IRRELEVANT.**

A. Mr. Easton has attached to his testimony as Exhibit WRE-1 a tutorial posted on Covad's website to help our end users understand the information provided for on our bills. Based on the tutorial, Qwest states that "Covad uses the same 30 day period". The tutorial aside, Covad end user *paper* bills are "only two pages long, in total...with just a few line items that clearly state the product and product type for which the customer is being billed" whereby a 30 day interval is appropriate. See Exhibits EB-2 through EB-5. Here we are talking about billing between companies (paper and electronic), in extremely large volumes, and such bills must be verifiable by electronic, not manual means. Covad's simple invoices to its customers are not relevant to the issue at hand.

**Q. MR. EASTON ALSO CLAIMS THAT COVAD CAN DISPUTE THE BILL APPARENTLY AT ANY TIME SUBSEQUENT TO THE PAYMENT DUE DATE. IS THAT ACCURATE?**

A. I don't believe that statement is accurate. Based on the language of the proposed IA, it appears to Covad that the only type of billing disputes that it can permissibly raise beyond the fifteen days provided for in Section 5.4.4 are limited to billing disputes relating to inaccuracies in rates billed. As the last sentence of Section 5.4.4 makes clear, "Nothing in this Section shall be construed to restrict the

Parties' right to recover amounts paid in excess of lawful charges, which shall be subject to the time limits set forth in Section 5.18.5." Consequently, for a number of deficiencies/errors that lead to Covad bill disputes, these types of claims would be barred, a belief which is reinforced by Qwest's responses to certain of Covad's data requests that were provided in the Utah arbitration proceeding.

Equally important, the procedural safeguards that surround the billing dispute section appear to apply only to the disputes raised within fifteen days of the payment due date. Without these safeguards or mechanisms, which are designed to drive resolution, the ability to simply say "we dispute a bill" accomplishes nothing. And use of other mechanisms, like the audit right contained in the interconnection agreement or just blindly disputing billings in order to buy time to review a bill, are relatively costly and time consuming for both parties. By far the most effective way to ensure that Covad pays what it owes and raises only legitimate billing disputes is to accord Covad more time to review its bills.

**Q. MR. EASTON SUGGESTS THAT ELECTRONIC BILLING SHOULD RESULT IN MORE EFFICIENT MEANS TO ANALYZE QWEST BILLS. IS THAT CHARACTERIZATION ACCURATE?**

**A.** Yes, if the information is complete on the bills provided. When critical information is missing and/or inaccurate, though, errors are automatically generated that require Covad to employ manually intensive review procedures. For example, as discussed in my Direct Testimony, Covad is forced to employ manually intensive review procedures when Qwest fails to provide circuit identification numbers, universal service ordering codes (USOCs), inaccurately applies an expected rate, or applies a rate that is subject to multiple zones.

**Q. CAN COVAD GET BILL DEFICIENCIES CORRECTED VIA THE “SERVICE DELIVERY COORDINATORS” AS MR. EASTON SUGGESTS AT PAGE 10 OF HIS DIRECT TESTIMONY?**

A. No, we cannot. While the Qwest billing contacts may provide information or explanations about why bills are formatted or fail to contain information, any actual systems and/or process changes necessary to accurately reflect billing must go through Qwest’s Change Management Process (“CMP”).

**Q. MR. EASTON ASSERTS THAT, GIVEN CLECS ABILITY TO OPT INTO COVAD’S INTERCONNECTION AGREEMENT IN ITS ENTIRETY, QWEST IS AT RISK FOR EXTENDED PAYMENT DUE DATE TIME FRAMES. HOW DO YOU RESPOND?**

A. As previously stated, the language proposed by Covad should provide the proper incentive for Qwest to address legitimate billing deficiencies. In turn, Covad’s language requires payment due dates for “new products” be reduced to 30 days after a 12 month period, thereby creating an incentive for CLECs to implement efficient analysis procedures within a date certain timeframe.

**Q. WHAT ABOUT MR. EASTON’S ASSERTION THAT PERFORMANCE MEASUREMENTS IN PLACE TODAY PROVIDE THE PROPER INCENTIVE FOR QWEST TO ADMINISTER COMPLETE AND ACCURATE BILLS?**

A. BI-3, titled “Billing Accuracy – Adjustments for Errors” specifically evaluates the accuracy with which Qwest bills CLECs, *focusing on the percentage of billed revenue adjusted due to errors*. Covad’s recommended payment due dates (30/except some 45) provides the opportunity to validate Qwest bills only under

certain circumstances that require more time for review. That said, the performance measure BI-3 would only provide the proper incentive if Covad's analysis resulted in disputed charges, which may not be the case (particularly given the way the IA is drafted and the limitations that appear to be in place on the types of billing claims that may be raised). The increased interval simply provides the means to accurately review prior to rendering payment and/or disputing billing records. The Covad language, on the other hand, should result in Qwest addressing legitimate billing problems such that CLECs would not be afforded the 45 day interval without good cause.

BI-4, titled "Billing Completeness" matches non-recurring and recurring charges reflected on a completed service orders and minutes of use associated with CLEC local traffic over Qwest's network that are applied to the correct bills. This PID does not take into consideration the legitimate billing deficiencies identified by Covad. For example, while it is a fact that Qwest does not always provide the USOC, Qwest does provide the USOC description, thus the results would not be impaired because the PID only calls for the reflection of the charges on the bill and in the end, no incentive is created for Qwest to address missing USOCs. In addition, Qwest does not track to any circuit identification number thus it cannot be accounted for in this PID. To reiterate, Covad's language will only provide 15 additional days if the resulting billable records fall into what Covad has termed "new products" category, and only for a date certain timeframe.

**Q. PLEASE STATE WHY QWEST'S POSITION ON DISCONTINUANCE OF ORDERING PROCESSING IS UNREASONABLE.**

A. Per my Direct Testimony, Covad does not dispute Qwest's right to discontinue processing orders, but only the time at which such discontinuance can occur. In addition, it is critical to understand that these provisions give to Qwest the power

to destroy, if it so chooses, Covad's business in the state of Arizona. The end users seeking Covad's services should not be unduly impacted by billing reconciliation between Qwest and Covad. Covad's addition of *only* 30 days (not 60 as reflected by Mr. Easton) is to minimize impacts to end user's seeking its services. While Qwest has every right to be concerned about receiving payment to which it is legitimately entitled, that concern pales in comparison to Covad's concern about protecting the viability of its business in the event of a billing dispute.

It is important to keep in mind that the interconnection agreement must provide for safeguards that will allow Covad to work around situations that may benefit Qwest at Covad's expense. These safeguards are becoming ever more important as Qwest apparently is now attempting to modify its PAP obligations, and eliminate the industry forum dedicated to improvements in the performance measures (PIDs). Covad's proposed billing time frames provide that safeguard, and should be approved by the Commission.

**Q. DOES THE SAME REASONING APPLY TO COVAD'S REQUEST FOR AN EXTENSION OF THE TIME FRAMES FOR THE DISCONNECTION OF SERVICES AS FOR DISCONTINUANCE OF ORDER PROCESSING?**

A. Yes, it does, and to clarify again, Covad seeks *only* 30 additional days before Qwest can disconnect end users whom have *not* chosen to leave Covad.

**Q. PLEASE SUMMARIZE WHY COVAD'S PROPOSED PAYMENT, ORDER DISCONTINUANCE, AND SERVICE DISCONNECTION PROVISIONS ARE REASONABLE AND SHOULD BE ADOPTED.**

A. Certainly. What is reasonable (and therefore should be included in the interconnection agreement) cannot be determined in the abstract. To the contrary, reasonableness must be evaluated against the task that Covad faces, and the severity of the consequences resulting from late payment, discontinuance of order processing, and disconnection of services. Covad's proposed billing time frames should be adopted because without them, Qwest is afforded no incentive to address the billing deficiencies highlighted by Covad, can rapidly halt new orders sought by end-users seeking Covad services, and possibly disconnections processed in error, again unduly impacting a Covad end user.

**Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

A. This concludes my Rebuttal Testimony, however, I anticipate filing any additional testimony permitted by the Commission, and being presented for cross examination at the hearing on the merits.

**EXHIBIT**

**EB-2**



## Covad Communications

## Monthly Invoice

Invoice Date: 02/21/04  
 Invoice No:  
 Account No:  
 Billing Period: 02/21/04 - 03/20/04

**Remit To:**  
**Covad Communications**  
 Department 33408  
 P.O. Box 39000  
 San Francisco, CA 94139-3408  
 Please make checks payable to Covad  
 Communications,  
 and write your Account Number and  
 Invoice Number on your check



Please print and mail the first page of this email with your payment to the above address:

BILL-AT-GLANCE	
Previous Unpaid Balance	\$338.00
Payment - Thank You	\$0.00
Adjustments - Detail below	\$0.00
Balance Forward	\$338.00
Current Charges	\$169.00
Taxes on Current Charges	\$0.00
<b>TOTAL AMOUNT DUE</b>	<b>\$507.00</b>
Amount Due in Full by	03/22/04
TAX SUMMARY	
<b>Taxes</b>	<b>Amount</b>
Federal	\$0.00
State	\$0.00
City	\$0.00
County	\$0.00

<b>TOTAL TAXES</b>							<b>\$0.00</b>
<b>COVAD NEWS</b>							
<p>Try Covad's new Hosting Services - 100% Uptime! All hosting plans are backed by a 90-day satisfaction guarantee and we'll waive the set-up fee (value \$50) for a limited time! Covad email and Web hosting services allow you to quickly and easily establish your web site on the Internet. Sign up today in <b>SMART Account Manager</b> - <a href="http://www.covad.net">www.covad.net</a></p>							
<b>CUSTOMER SERVICE</b>							
<p>To view your account details online or to update your account information and payment method, log onto <a href="http://www.covad.net">www.covad.net</a>. For questions about this bill, or to make a one time credit card payment, please contact Covad Customer Care at 1-888-542-6628. Thank you for your business!</p>							
<b>ACCOUNT DETAILS</b>							
					Account Number:		
					Circuit ID: 100-651-470		
<b>From Date</b>	<b>To Date</b>	<b>Service</b>	<b>Charge</b>	<b>Event Type</b>	<b>Quantity</b>	<b>Price</b>	<b>Total Price</b>
02/21/04	03/20/04	Dialup - 10 Hrs free	Monthly Charge		1	\$0.00	\$0.00
02/21/04	03/20/04	TeleSpeed 384 SDSL	Monthly Charge		1	\$169.00	\$169.00
<b>Total Current Charge for account</b>							<b>\$169.00</b>

**EXHIBIT**

**EB-3**

**Covad Communications**

**Monthly Statement**

Invoice Date: 04/20/04  
Invoice No:  
Account No:  
Billing Period: 04/20/04 - 05/19/04

Total Amount Due:	\$39.95
Payment Due Date:	04/20/04

This statement is being sent to notify you that we attempted to charge your credit card and the charge did not get approved by your card provider.  
Please call customer service at 1-888-642-6823 to make payment arrangements.

**BILL-AT-A-GLANCE**

Previous Balance	\$79.50
Adjustments Detail below	\$0.00
Payment charged to credit card	-\$79.50
Balance	\$0.00
Current Charges	\$39.95
Taxes on Current Charges	\$0.00
Total Monthly Charges	\$39.95
Payment charged to credit card	\$0.00
<b>TOTAL AMOUNT DUE</b>	<b>\$39.95</b>
Unable to charge credit card on	04/20/04

**TAX SUMMARY**

Taxes	Amount
Federal	\$0.00
State	\$0.00
City	\$0.00
County	\$0.00
<b>TOTAL TAXES</b>	<b>\$0.00</b>

**COVAD NEWS**

Covad's Customer Policies have been updated. Please check [www.covad.net/legal](http://www.covad.net/legal).



**EXHIBIT**

**EB-4**



# Covad Communications

## Monthly Invoice

**Invoice Date:** 04/19/04  
**Invoice No:**  
**Account No:**  
**Billing Period:** 04/19/04 - 05/18/04

**Remit To:**  
 Covad Communications  
 Department 33408  
 P.O. Box 39000  
 San Francisco, CA 94139-3408  
 Please make checks payable to Covad  
 Communications,  
 and write your Account Number and  
 Invoice Number on your check



Please print and mail the first page of this email with your payment to the above address:

BILL STATEMENT	
Previous Unpaid Balance	\$2519.38
Payment - Thank You	-51288.00
Adjustments Detail below	\$0.00
Balance Forward	
Current Charges	\$1231.38
Taxes on Current Charges	\$553.95
	\$0.00
<b>TOTAL AMOUNT DUE</b>	<b>\$1785.33</b>
Amount Due in Full by	05/19/04
TAX SUMMARY	
Taxes	Amount
Federal	
State	\$0.00
City	\$0.00
County	\$0.00

<b>TOTAL TAXES</b>							<b>50.00</b>
<b>COVAD NEWS</b>							
Covad's Customer Policies have been updated. Please check <a href="http://www.covad.net/legal">www.covad.net/legal</a> .							
<b>CONTACT US</b>							
To view your account details online or to update your account information and payment method, log onto <a href="http://www.covad.net">www.covad.net</a> . For questions about this bill, or to make a one-time credit card payment please contact Covad Customer Care at 1-888-643-6823. Thank you for your business!							
<b>INVOICE DETAILS</b>							
						Account Number:	
						Circuit ID: 101-760-169	
<b>From Date</b>	<b>To Date</b>	<b>Service</b>	<b>Charge</b>	<b>Exam Type</b>	<b>Quantity</b>	<b>Price</b>	<b>Total Price</b>
04/19/04	05/18/04	Dialup - 10 Hrs free	Monthly Charges		1	\$0.00	\$0.00
04/19/04	05/18/04	Hosting Email Only Package	Monthly Charges		1	\$9.95	\$9.95
04/19/04	05/18/04	IP Address - 29	Monthly Charges		1	\$15.00	\$15.00
04/01/04		Payment	Payment - Thank you				-\$1288.00
04/19/04	05/18/04	TeleXcel 1.5M TI	Monthly Charges		1	\$529.00	\$529.00
<b>Total Current Charge for account</b>							<b>\$553.95</b>

**EXHIBIT**

**EB-5**



# Covad Communications

## Monthly Invoice

**Invoice Date:** 01/19/04  
**Invoice No:**  
**Account No:**  
**Billing Period:** 01/19/04 - 02/18/04

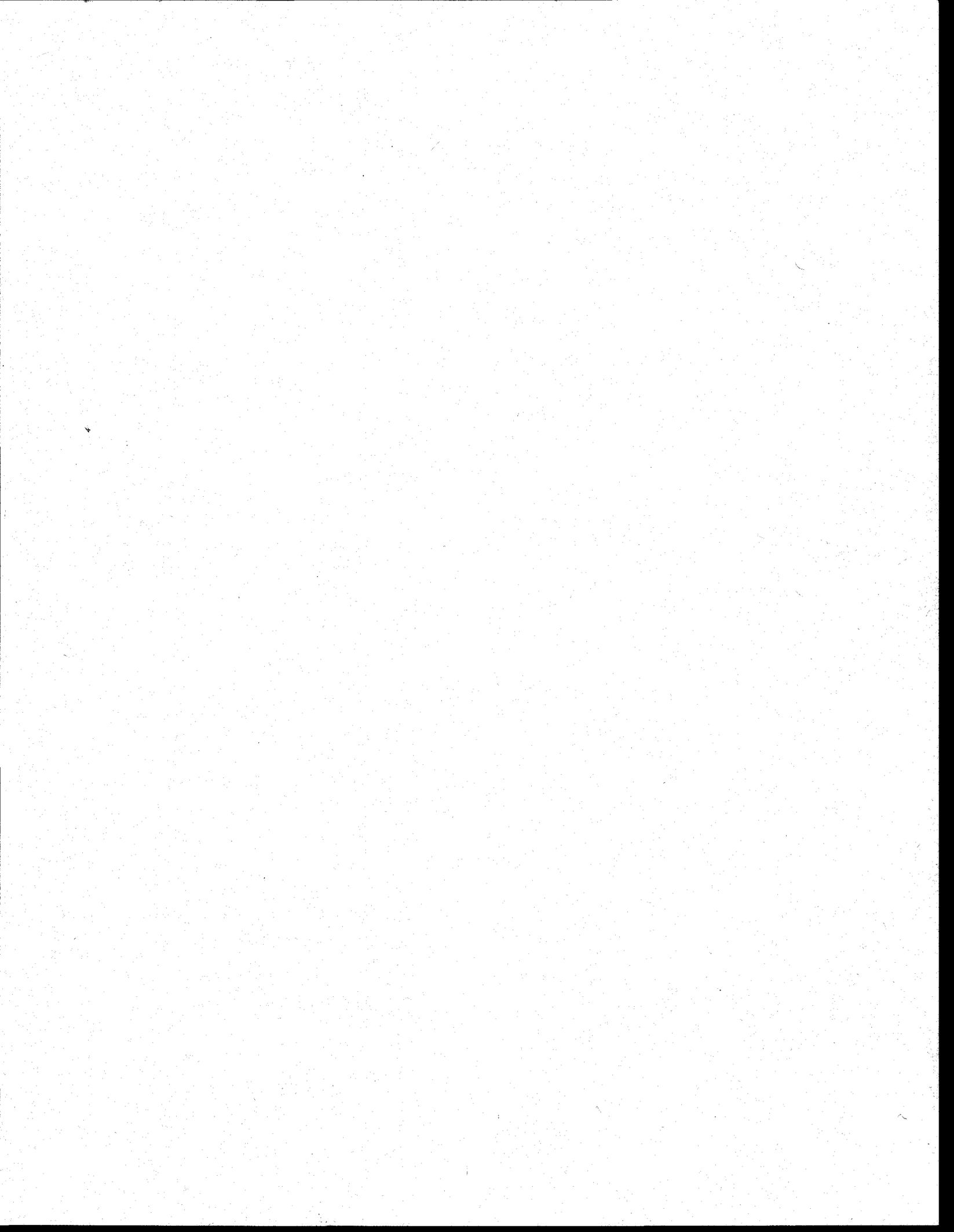
**Remit To:**  
 Covad Communications  
 Department 33408  
 P.O. Box 39000  
 San Francisco, CA 94139-3408  
 Please make checks payable to Covad  
 Communications,  
 and write your Account Number and  
 Invoice Number on your check



Please print and mail the first page of this email with your payment to the above address:

BILL AT A GLANCE	
Previous Unpaid Balance	\$1283.00
Payment - Thank You	\$0.00
Adjustments Detail below	\$0.00
Balance Forward	
Current Charges	\$1283.00
Taxes on Current Charges	\$667.48
	\$0.00
<b>TOTAL AMOUNT DUE</b>	<b>\$1995.48</b>
Amount Due in Full by	02/18/04
TAX SUMMARY	
Taxes	Amount
Federal	\$0.00
State	\$0.00
City	\$0.00
County	\$0.00

<b>TOTAL TAXES</b>							<b>\$0.00</b>
<b>COVAD NEWS</b>							
<p>Try Covad's new Hosting Services - risk-free!!! All hosting plans are backed by a 30-day satisfaction guarantee and we'll waive the set-up fee (value \$50) for a limited time! Covad email and Web hosting services allow you to quickly and easily establish your web site on the Internet. Sign up today in SMART Account Manager - <a href="http://www.covad.net">www.covad.net</a></p>							
<b>CONTACTS</b>							
<p>To view your account details online or to update your account information and payment method, log onto <a href="http://www.covad.net">www.covad.net</a>. For questions about this bill, or to make a one time credit card payment please contact Covad Customer Care at 1-888-642-6823. Thank you for your business!</p>							
<b>INVOICE DETAILS</b>							
						Account Number:	
						Circuit ID: 101-760-169	
<b>From Date</b>	<b>To Date</b>	<b>Service</b>	<b>Charge</b>	<b>Event Type</b>	<b>Quantity</b>	<b>Price</b>	<b>Total Price</b>
01/19/04	02/18/04	Dialup - 10 Hrs free	Monthly Charges		1	\$0.00	\$0.00
01/08/04	12/18/04	Domain Name Registration	Promotion Charges	Activation	1	\$20.00	\$20.00
01/19/04	02/18/04	Hosting Email Only Package	Monthly Charges		1	\$9.95	\$9.95
01/08/04	01/18/04	Hosting Email Only Package	Promotion Charges	Activation	1	\$9.95	\$9.95
01/19/04	02/18/04	IP Address - 29	Monthly Charges		1	\$15.00	\$15.00
01/19/04	02/18/04	TeleXtend L5M T1	Monthly Charges		1	\$619.00	\$619.00
<b>Total Current Charge for account</b>							<b>\$667.48</b>



**BEFORE THE ARIZONA CORPORATION COMMISSION**

**IN THE MATTER OF THE PETITION OF  
DIECA COMMUNICATIONS, INC., D/B/A  
COVAD COMMUNICATIONS COMPANY,  
FOR ARBITRATION OF AN  
INTERCONNECTION AGREEMENT WITH  
QWEST CORPORATION**

**Docket No. T-03632A-04-0425**

**Docket No. T-01051B-04-0425**

**REBUTTAL TESTIMONY OF  
MICHAEL ZULEVIC  
(Non Confidential Version)**

**FILED ON BEHALF OF  
DIECA COMMUNICATIONS, INC.,  
D/B/A COVAD COMMUNICATIONS COMPANY**

January 18, 2005

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**EXHIBITS**

- Exhibit MZ-8 (3 pages)
- Exhibit MZ-9 (8 pages)
- Exhibit MZ-10 (3 pages)

1 **Q. MR. ZULEVIC, PLEASE IDENTIFY YOURSELF FOR THE COMMISSION.**

2 A. My name is Michael Zulevic, and I currently provide consulting services for Covad  
3 Communications Company. My business address is 22801 Entwhistle Road E., Buckley,  
4 Washington 98321.

5 **Q. ARE YOU THE SAME MR. ZULEVIC WHO PREVIOUSLY FILED DIRECT**  
6 **TESTIMONY IN THIS ARBITRATION CASE?**

7 A. Yes, I am.

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 A. The purpose of this testimony is to respond to the direct testimony filed by Qwest witnesses  
10 Karen Stewart and Michael Norman relating to Arbitration Issue Nos. 1 (Copper Retirement)  
11 and 5 (Regeneration) .

12 **ARBITRATION ISSUES**

13 **ISSUE 1: COPPER RETIREMENT: SHOULD QWEST BE PERMITTED TO RETIRE**  
14 **COPPER FACILITIES SERVING COVAD'S END USERS IN A WAY THAT**  
15 **CAUSES THEM TO LOSE SERVICE?**  
16

17 **Q. PLEASE STATE WHY THE ENTIRETY OF MS. STEWART'S DIRECT**  
18 **TESTIMONY IS INAPPOSITE TO THE COPPER RETIREMENT ISSUE.**

19 A. There are three primary reasons why Ms. Stewart's testimony is inapposite. First, the entirety  
20 of her testimony relative to Qwest's legal rights and obligations pertains solely to the copper  
21 retirement rules that apply where copper is retired and an FTTH loop is deployed.  
22 Specifically, Ms. Stewart relies entirely on Paragraphs 271-284 of the TRO, which address the  
23 deployment of FTTH loops by ILECs and any copper retirement activity that results from  
24 such FTTH deployment. Because Covad's copper retirement proposal does not apply in that  
25 scenario, Ms. Stewart's testimony is irrelevant.

1           Second, the FCC has made clear that there are two absolutely necessary prerequisites  
2           that an ILEC must satisfy before it can take advantage of any copper retirement policies and  
3           procedures created via the TRO. The first prerequisite is that fiber loops deployed be capable  
4           and actually provide enhanced broadband services. As the FCC stated numerous times in the  
5           FTTC Reconsideration Order:

6           We further specify that the fiber transmission facility in a FTTC loop must  
7           connect to copper distribution plant at a serving area interface from which  
8           every other copper distribution subloop also is not more than 500 feet from  
9           the respective customer's premises. *We do this to ensure that our unbundling  
10           relief is targeted to FTTC deployments that are designed to bring increased  
11           advanced services capability to users, rather than extend to other hybrid loop  
12           deployments...*<sup>1</sup>

13  
14           Finally, in order to ensure that our new rules promote the goals of section 706,  
15           we tailor unbundling relief *to those FTTC deployments specifically designed  
16           to bring advanced services to users.. . .* we provide those incumbents seeking  
17           to avail themselves of this unbundling relief an incentive *to reconfigure their  
18           network to bring advanced services to the entire geographic area rather than  
19           permitting them to obtain unbundling relief where, by happenstance, there  
20           may be an existing loop with 500 feet or less copper distribution.*<sup>2</sup>

21  
22           To date, Qwest has provided no evidence or testimony that its fiber deployment is in  
23           any way designed to ensure the delivery of enhanced broadband services.

24   **Q. DO YOU HAVE ADDITIONAL INFORMATION SHOWING THAT QWEST'S**  
25   **FIBER DEPLOYMENT IS DONE FOR REASONS UNRELATED TO THE**  
26   **PROVISION OF BROADBAND SERVICES – ENHANCED OR OTHERWISE?**

27   **A.** Given what I know about the network architecture that Qwest has chosen for purposes of  
28           supporting voice and DSL service, the deployment of fiber alone in no way ensures that end  
29           users served on an all fiber or hybrid copper-fiber loop can or will receive anything other than

---

<sup>1</sup> Id., ¶10 (emphasis added).

<sup>2</sup> Id., ¶ 17 (emphasis added).

1 plain old telephone service (“POTS”). In other words, while Qwest regularly can and does  
2 deploy fiber and the equipment necessary to connect effectively to copper distribution loops,  
3 unless Qwest specifically opts to deploy additional equipment capable of supporting DSL  
4 service, Qwest’s standard fiber deployment is really only designed to support growth and  
5 additional needs for POTS and POTS lines. Qwest’s fiber deployment, standing alone, does  
6 not allow Qwest to provide DSL or enhanced broadband capabilities like video. Additionally,  
7 because Qwest’s fiber deployment is not made with a specific requirement that the copper  
8 distribution loops be of a length that can support DSL, much less video services, Qwest’s  
9 fiber deployment is very much oriented towards relieving POTS capacity demands and not to  
10 providing broadband services – enhanced (i.e., video) or otherwise (i.e., DSL).

11 To the extent that Qwest’s fiber deployment is broadband capable, it appears to be the  
12 rare exception, rather than the rule that the fiber Qwest has deployed can provide any service  
13 other than what’s already available over the all copper loop running between the customer  
14 premises and the central office. Finally, given DSL technology that will be available in 4-10  
15 months, all copper loops will also be able to support video services, thereby eliminating  
16 entirely any service advantage that Qwest might gain (which is not a given, as I just  
17 explained) by virtue of its fiber deployment.

18 Consequently, all the uncontroverted testimony and evidence points to the fact that  
19 Qwest’s fiber deployment is done solely for the purpose of network maintenance or, more  
20 perniciously, to drive competitors off the network. This kind of activity was not designed to  
21 be protected in any way, as the FCC made clear.

1 Lest there be any question, Qwest's highest ranking officer, Richard Notebaert, late  
2 last year reiterated the fact that Qwest is not and will not engage in any kind of fiber  
3 deployment designed to bring enhanced broadband services to existing Arizona consumers:

4 After failing to generate adequate returns by offering TV over fiber-to-copper  
5 networks in Colorado and Arizona, the No. 4 Bell, Denver-based Qwest  
6 Communications International, Inc. is sitting out the current [fiber deployment]  
7 craze. CEO Richard C. Notebaert says he's willing to install fiber only in new  
8 housing developments. "When you go in to do a tear up or an overlay, the  
9 economics don't work," he says.<sup>3</sup>

10  
11 Consequently, while Qwest has notified carriers regularly about copper retirement activity,  
12 none of these retirements appear to be resulting in the deployment of additional advanced  
13 services to customers, and Qwest has made no pretense at proving otherwise, because it  
14 cannot. As the FCC has made clear, maintenance decisions like Qwest's are not protected  
15 activity, and certainly should not trump the FCC or this Commission's directive to promote  
16 competition and the efficient investment in advanced telecommunications services.

17 **Q. QWEST HAS TALKED ELSEWHERE ABOUT THE FACT THAT ITS FIBER**  
18 **DEPLOYMENT MAY BE CAPABLE OF SUPPORTING BROADBAND SERVICES,**  
19 **DEPENDING ON THE TYPE OF CUSTOMER PREMISES EQUIPMENT THAT**  
20 **THE CUSTOMER HAS. DOES THIS CHANGE YOUR OPINION ABOUT QWEST'S**  
21 **FIBER DEPLOYMENT?**

22 **A.** No, it doesn't. The primary reason that it doesn't change my opinion is that, whenever loop  
23 capabilities are contingent on the type of CPE a customer has, then you are automatically  
24 talking about a business customer, and most likely an "enterprise" customer. As is clear from  
25 the TRO as well as the FCC's FTTC Reconsideration Order, the FCC is not concerned about

1 broadband access and capabilities available to enterprise customers (presumably because  
2 those customers will always get what they want since they yield the highest margins for  
3 telecom providers). Rather, the FCC made clear it wanted to incent the deployment of fiber  
4 and enhanced broadband services to residential, or “mass market” customers. So, Qwest’s  
5 attempt to bolster the supposed broadband capabilities of its fiber deployment is misleading,  
6 since such fiber is serving business and not residential customers.

7 **Q. YOU MENTIONED THAT THERE WERE TWO PREREQUISITES TO QWEST**  
8 **INVOKING THE PROTECTIONS ASSOCIATED WITH THE TRO’S COPPER**  
9 **RETIREMENT RULES. WHAT WAS THE SECOND PREREQUISITE?**

10 A. As I alluded to in my prior answer, in the FTTC Reconsideration Order, the FCC made clear  
11 that its copper retirement rules and associated unbundling relief were not to further  
12 deployment of facilities to enterprise customers, but rather to mass market customers. The  
13 FTTC Reconsideration Order makes a number of references to the fact that the deployment  
14 incentive originally discussed in the TRO with respect to FTTH loops and then extended to  
15 FTTC loops in the Reconsideration Order was granted in order to ensure deployment of  
16 enhanced broadband capabilities to mass market customers:

17 "Such a change in our rules is necessary to ensure that regulatory disincentives  
18 for broadband deployment are removed for carriers seeking to provide advanced  
19 services to *mass market customers* ...”<sup>4</sup>

20  
21 “We do not require incumbent LECs to provide unbundled access to new *mass*  
22 *market* FTTC loops for either narrowband or broadband services.”<sup>5</sup>  
23

---

<sup>3</sup> Catherine Yang, *Cable vs. Fiber: In the Titanic Battle to Control the Flow of Data to U.S. Households, the Bells Fight Back by Offering Video via Phone Lines*, Businessweek, November 1, 2004.

<sup>4</sup> Id., ¶ 9 (emphasis added).

<sup>5</sup> Id., ¶ 14 (emphasis added).

1 FCC Chairman Powell in his concurring statement reiterated the fact that the FCC's TRO  
2 and associated reconsideration orders were designed to result in benefits to consumers, and  
3 not businesses -- "by limiting the unbundling obligations of incumbents when they roll out  
4 deep fiber networks *to residential customers*, we restore the market place incentives of  
5 carriers to invest in new networks."

6 **Q. THE FACT THAT QWEST'S COPPER RETIREMENT LANGUAGE DOES NOT**  
7 **EVEN TAKE INTO ACCOUNT THESE TWO REQUIREMENTS RENDERS IT**  
8 **FATALLY FLAWED, ISN'T THAT ACCURATE?**

9 A. The answer to this question must be "yes." Regardless of the ultimate outcome of the  
10 underlying legal issue, Qwest's current copper retirement proposal is overly broad and overly  
11 inclusive of the retirement scenarios that the FCC intended to protect. Because Qwest  
12 nowhere limits its proposal to FTTH (or FTTC) deployment resulting in the actual provision  
13 of (1) enhanced broadband services to (2) mass market customers, it cannot withstand legal or  
14 commission scrutiny.

15 **Q, QWEST ALSO HAS FAILED TO PROVIDE ANY EVIDENCE THAT ITS FIBER**  
16 **DEPLOYMENT WILL PROVIDE SERVICES THAT REFLECT AN**  
17 **ENHANCEMENT OVER WHAT CAN BE PROVIDED OVER COPPER, HASN'T IT?**

18 A. That is correct. Qwest has provided no evidence that its fiber deployment allows it to provide  
19 any enhanced broadband services that aren't already available over an all copper loop. As  
20 stated in my Direct Testimony, there are new, copper-based technologies that will allow  
21 carriers to provide video (along with voice and data) over all-copper loops, which places  
22 copper on even footing with fiber with respect to the array of broadband services that can be  
23 provided. And as Merrill Lynch recently reported, "[d]espite the hoopla surrounding fiber all

1 the way to the end user premises (FTTP), we still believe the regional Bells will first exploit  
2 the existing copper plant that supports DSL as much as possible for new services. The  
3 adoption of new DSL flavors, such as ADSL. ADSL2+ and VDSL will increase ASP.”<sup>6</sup>

4 The ongoing importance of copper, as a better source for enhanced broadband services  
5 than fiber over at least the next few years was affirmed by the New York Times, which noted  
6 that the “continued reliance on copper for the final link to the homes of consumers makes  
7 sense to some experts, who say improvements in software compression and Internet  
8 connection technology make to-the-home fiber unnecessary .... [pointing] to companies in  
9 Japan and South Korea that are already selling high speed internet connections and video over  
10 copper networks.”<sup>7</sup> Thus, far from having any inherent advantage over copper, fiber actually  
11 appears to be the less attractive option for broadband purposes over at least the next few years  
12 and certainly the term of the parties’ interconnection agreement. As my testimony above  
13 indicates, Qwest seems to agree.

14 It would be one thing to allow Qwest to protect new network investment, designed to  
15 deliver new services, from new unbundling demands. However, the reality is that Qwest  
16 proposals will allow it to close its network and eliminate competition as communities grow,  
17 and require additional feeder capacity to provide basic services. Those customers would then  
18 be left without any competitive choices under Qwest’s proposal, and with no new services.

19  
20  
21  

---

<sup>6</sup> Merrill Lynch, “Telecom Equipment,” October 8, 2004.

<sup>7</sup> Ken Belson, *Phone Line Alchemy: Copper to Fiber*, The New York Times, October 11, 2004.

1 **Q. PLEASE CORRECT MS. STEWART'S MISUNDERSTANDING REGARDING**  
2 **QWEST'S SUPPOSED UNRESTRICTED RIGHT TO RETIRE COPPER LOOPS.**

3 A. Certainly. Ms. Stewart appears to espouse the position that Qwest is free to retire copper  
4 loops without restriction. That is just not correct. First, the copper retirement rules discussed  
5 by the FCC and Ms. Stewart in her testimony address copper retirement resulting in FTTH or  
6 FTTC loops. Since Qwest isn't deploying those types of loops and the Covad proposal does  
7 not apply in that scenario, there actually is no affirmative permission granted by the FCC to  
8 Qwest (or the other ILECs) to retire copper. Moreover, because of the economic and  
9 consumer impacts that flow from copper retirement, the Commission must carefully scrutinize  
10 these impacts to ensure that consumers are not harmed by Qwest's unilateral retirement of  
11 copper feeder plant. Finally, the FCC made clear that any and all state requirements  
12 pertaining to copper retirement would continue to apply, regardless of the impact they might  
13 have on federal policies encouraging the deployment of fiber -- "any state requirements that  
14 currently apply to an incumbent LEC's copper loop or copper subloop retirement practices  
15 will continue to apply."<sup>8</sup> Thus, the FCC has made clear that Arizona's copper retirement rules  
16 and policies continue to apply, notwithstanding the federal rules established by the FCC.

17 **Q. EXPLAIN WHY MS. STEWART IS INCORRECT IN ASSERTING, AT PAGE 8 OF**  
18 **HER DIRECT TESTIMONY, THAT THE FCC HAS REJECTED COVAD'S**  
19 **PROPOSAL.**

20 A. Ms. Stewart mistakenly suggests that Covad's copper retirement proposal was already  
21 rejected by the FCC. That is just not correct. If you actually look at the copper retirement  
22 proposals rejected by the FCC in the TRO, you will see that they are very different than the

1 proposal that Covad makes, and go far beyond what Covad requests here. For example, the  
2 High Tech Broadband Coalition and the Telecommunications Industry Association proposed  
3 that an ILEC be allowed to retire copper if and only if the ILEC provided access to those fiber  
4 broadband facilities for both new and existing customers via a voluntary agreement that would  
5 be available on a non-discriminatory basis to other carriers.<sup>9</sup> That is a far cry from what  
6 Covad proposes here. Allegiance went even farther, arguing that ILECs should not be  
7 allowed to retire copper loops at all. Clearly, Covad's proposal is much more limited in  
8 scope, purpose, and duration. It has the advantages of maintaining existing service and  
9 customer choice envisioned by the FCC, without the drawbacks of the proposals discussed  
10 above, which may have discouraged carriers' investment in next generation facilities.  
11 Because of the consumer and competitive good inherent in the Covad proposal, it should be  
12 adopted by the Commission.

13 **Q. PLEASE EXPLAIN WHY MS. STEWART'S SUPPOSED CONCERNS REGARDING**  
14 **THE AMBIGUITY OF COVAD'S "ALTERNATIVE SERVICE" PROPOSAL IS A**  
15 **RED HERRING.**

16 A. Qwest attacks Covad's alternative service proposal, essentially on three grounds: first, it has  
17 no legal basis (this issue is addressed above and in my Direct Testimony); second, it is so  
18 vague that it gives no direction to Qwest as to how to comply with its terms; and third, that it  
19 would deny Qwest the right to recover its costs, as required by 252(d)(1). These arguments  
20 do not survive serious analysis.

---

<sup>8</sup> TRO, ¶ 271.

<sup>9</sup> See Comments of the High Tech Broadband Coalition, April 5, 2002, *In the Matter of the Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket Nos. 01-338, 96-98, and 98-147, at pages 36-37; Comments of the Telecommunication Industry Association, April 5, 2002, *In the Matter of the Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket Nos. 01-338, 96-98, and 98-147, at pages 17-18; Comments of Allegiance Telecom, Inc., April 5, 2002, *In the Matter of the Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket Nos. 01-338, 96-98, and 98-147, at page 25.

1 Qwest's second point, that the proposal is not properly defined, fails to take into  
2 account that the two critical characteristics of any alternative service, service quality and price  
3 stability, are clearly defined. Contrary to Qwest's protestations otherwise, clear and obvious  
4 metrics exist to determine whether a given customer's service is "degraded" by the move to an  
5 alternative service: availability of the connection, and the speed of that connection, measured  
6 in kilobits per second (kbps). Qwest's professed ignorance as to what Covad's proposal  
7 means is questionable at best, given its adamant refusal to discuss any of these terms and the  
8 multitude of situations in which language in interconnection agreements has obvious, though  
9 not precisely explained implications.

10 One need not look far to find an example- Qwest's own proposal regarding copper  
11 retirement contains equally general language when it states that "Qwest and CLEC will jointly  
12 coordinate the transition of current working facilities to the new working facilities so that  
13 service interruption is held to a minimum." This language can be read to mean that Qwest  
14 will provide access to fiber feeder and distribution facilities, even FTTH loops, or it can be  
15 read to mean that Qwest will provide something less. Also, what constitutes "minimum"  
16 service disruption under Qwest's proposal? This language is open to a certain level of  
17 interpretation, perhaps even a greater level than Covad's proposed language.

18 **Q. WHAT ABOUT MS. STEWART'S CLAIM ON PAGE 12 OF HER DIRECT**  
19 **TESTIMONY, THAT COVAD'S ALTERNATIVE SERVICE PROPOSAL WILL NOT**  
20 **ALLOW QWEST TO RECOVER ITS COSTS?**

21 **A.** Ms. Stewart claims that Covad's proposal fails to provide Qwest with a means of recovering  
22 its costs for providing an alternative service. Implicit in this argument is an assumption that  
23 whatever means Qwest uses to provide the service will be more expensive than the current  
24 method of providing service to Covad. As an example of this, Qwest compares the rate it is  
25 permitted to charge for line sharing in Arizona (about \$2.50) to the more expensive (yet

1           somehow still undefined) alternative service. This is nothing more than a collateral attack on  
2           this Commission's rate for line sharing.

3           Ms. Stewart's statements also ignore the fact that all of the rates for its wholesale  
4           services are set on the basis of *average* costs. To the extent certain alternative arrangements  
5           raise Qwest's actual costs, this is best addressed in a review of Qwest's wholesale rates.  
6           Some specific arrangements may be more expensive, some less expensive. Qwest's overly  
7           literal interpretation of section 252(d)(1) would logically lead to the conclusion that every  
8           wholesale arrangement that, for whatever reason, falls below the average cost of providing  
9           that element would violate the Act. Such an analysis would make it impossible for this  
10          Commission to set wholesale rates at all.

11          In addition, it is difficult to understand how the deployment of state-of-the-art, or at  
12          least improved, fiber technology could result in higher network costs. For years, Qwest and  
13          the other ILECs have decried the unfairness of TELRIC pricing, arguing that its assumption of  
14          state-of-the art network components unfairly *reduces* their wholesale rates. Qwest now turns  
15          that argument on its head, arguing that the same state-of-the-art network is actually more  
16          expensive to operate.

17          Covad's proposal fundamentally stands for the proposition that Qwest cannot  
18          unilaterally change its wholesale rates by re-configuring its network. If Qwest believes there  
19          are benefits to such a reconfiguration, it should be able to perform it, but allowing Qwest to  
20          shift costs of reconfiguration onto its competitors will distort its decisions, and replace  
21          marketplace thinking with regulatory calculations.  
22  
23  
24  
25

1 **Q. QWEST HAS ALSO SUGGESTED IN OTHER ARBITRATIONS THAT COVAD**  
2 **CAN SIMPLY RESELL QWEST DSL WHEN IT'S COPPER RETIREMENT**  
3 **ACTIVITIES PULL THE RUG OUT FROM UNDERNEATH EXISTING COVAD**  
4 **CUSTOMERS. EXPLAIN WHY THAT WILL NOT WORK.**

5 A. The answer is one of simple economics (discussed below and in my Direct Testimony) and  
6 significant barriers to actual use. With respect to the economics issue, as the FCC apparently  
7 concluded in the TRO, a carrier providing ADSL service (which is the primary service type  
8 that would be impacted by Qwest's copper retirement) earns \$18 in revenue per customer.<sup>10</sup>  
9 Based on my modification to a pricing exhibit that was submitted in connection with the  
10 Minnesota interconnection agreement arbitration proceeding and is attached hereto as Exhibit  
11 MZ-8, there is only one resale option available to Covad for which costs would not exceed  
12 revenue. And when you tack on the cost of the ISP service -- generally about \$8 -- (which is  
13 required in order to surf the net but which is not included in the costs set out in Exhibit MZ-8,  
14 none of the resale options Qwest purportedly makes available would allow Covad to provide  
15 service without its costs exceeding its revenue by a significant amount.

16 **Q. WHAT ABOUT MS. STEWART'S COMMENT, AT PAGE 7 OF HER DIRECT**  
17 **TESTIMONY, THAT COVAD COULD COLLOCATE A REMOTE DSLAM TO**  
18 **SERVE CUSTOMERS IMPACTED BY A FIBER FEEDER REPLACEMENT? WHY**  
19 **ISN'T THAT A VIABLE OPTION?**

20 A. Ms. Stewart's comment flies in the face of reality. Qwest has testified openly in other  
21 proceedings that it would cost at least \$90,000 to collocate a remote DSLAM. No provider,  
22 whether ILEC or CLEC, can afford to expend that kind of capital to support service to a small

1 handful of customers particularly given industry average churn rates that show customers  
2 change providers about every two years. It would only make sense to make that kind of  
3 capital investment if the carrier knew or reasonably could anticipate, *in advance*, that it would  
4 be able to obtain and retain enough customers to make the investment a rationale one. This,  
5 of course, is the essence of capital investment decision-making, since every carrier makes that  
6 kind of evaluation and judgment before committing capital to any kind of project.

7 That rational – and in today’s economy, absolutely necessary – kind of decision-  
8 making is not a possibility here, given that (1) Covad would not be able to make that kind of  
9 judgment before the need for a remote DSLAM arose; and (2) by the time Covad could  
10 collocate a remote DSLAM, the fiber feeder would be in place and the customers would have  
11 already lost their Covad service. For these same reasons, the supposed ability to coordinate a  
12 transition of service from all copper to a hybrid loop is not realistic, given the time and  
13 monetary constraints that would result in the disconnection of the customer before any  
14 supposed transition could possibly occur.

15 I must emphasize here that Covad is not involved in the Qwest network planning  
16 process, so Covad would rarely, if ever, have the amount of time necessary to undertake the  
17 kind of decision-making necessary to justify, if that’s even possible, the investment in a  
18 remote DSLAM.

19 **Q. MS. STEWART ALSO APPEARS TO CLAIM AT PAGES 6-7 OF HER DIRECT**  
20 **TESTIMONY THAT QWEST’S COPPER RETIREMENT NOTICE IS LEGALLY**  
21 **SUFFICIENT. PLEASE EXPLAIN WHY IT IS NOT.**

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<sup>10</sup> TRO, n.807.

1 A. First, it is important to know that, while Ms. Stewart states that the parties have agreed upon  
2 the language contained in Section 9.1.15, that is not entirely accurate. While the parties do  
3 agree on the language Qwest has proposed, Covad believes that additional language (set out in  
4 my Direct Testimony) should also be included. So it is not a fair characterization for Ms.  
5 Stewart to state that the parties have agreed upon notice language when there is an ongoing  
6 dispute about Section 9.1.15.

7 More importantly, 47 C.F.R. § 51.327 prescribes the “minimum” standards notices of  
8 network changes. Qwest’s copper retirement notices do not meet these “minimum” standards.  
9 For instance, notices must, according to the rule, include the “location(s) at which the changes  
10 will occur”<sup>11</sup> as well as the “reasonably foreseeable impact of the planned changes.”<sup>12</sup>

11 Qwest chooses to read these requirements in an unreasonably narrow fashion, and has  
12 declined to provide such vital information as what Covad customers, if any, will be impacted  
13 by the retirement project. The vague notices issued by Qwest (see Exhibit MZ-3, attached to  
14 my Direct Testimony) are useful only as a starting point for a major research project to  
15 determine whether a given retirement will impact Covad’s customers. In response to each and  
16 every notice of a copper retirement project, Covad would have to determine whether any of its  
17 customers would actually be affected and it is not even clear that, with the information  
18 provided, we can actually do that.

19 Any notice that can be read to comply with the FCC’s rules must specifically inform  
20 competitive LECs whether the retirement threatens service to its existing customers. The  
21 FCC rule clearly places the burden on ILECs to determine the “reasonably foreseeable

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<sup>11</sup> 47 C.F.R. § 51.327(a)(4).

<sup>12</sup> 47 C.F.R. § 51.327(a)(6).

1 impact” of its retirements. Qwest’s interpretation of this language, which would not require  
2 specific notice of the customers affected, is so devoid of substance that it must be rejected as  
3 an unreasonable interpretation of the rule.

4 Furthermore, the FCC’s rules regarding network modifications clearly require a  
5 description of the type of changes planned (Information provided to satisfy this requirement  
6 must include, as applicable, but is not limited to, references to technical specifications,  
7 protocols, and standards regarding transmission, signaling, routing, and facility assignment as  
8 well as references to technical standards that would be applicable to any new technologies or  
9 equipment, or that may otherwise affect interconnection)...<sup>13</sup>

10 Covad’s notice proposals embody this requirement, by specifying that notices contain  
11 information regarding “old and new cable media, including transmission characteristics;  
12 circuit identification information; and cable and pair information.”<sup>14</sup> Covad believes the  
13 information it seeks, and which Qwest refuses to provide, is clearly within the scope of the  
14 FCC rule. Not only is it within the scope of the rule, it is necessary to lend any meaning  
15 whatsoever to the notice requirement. And as stated in my Direct Testimony, there is nothing  
16 burdensome about requiring Qwest to provide the categories of information specified by  
17 Covad. Qwest has this information in its possession; it just chooses not to share it.  
18  
19  
20

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<sup>13</sup> 47 C.F.R. § 51.327(a)(5).

<sup>14</sup> Covad Proposed Section 9.1.15.

1 **Q. YOU STATED THAT ANY INVESTIGATION OF THE QWEST COPPER**  
2 **RETIREMENT NOTICES WOULD BE A “MAJOR RESEARCH PROJECT.”**  
3 **PLEASE ELABORATE.**

4 A. Qwest has suggested elsewhere that it would be relatively simple for Covad to determine what  
5 kind of impact to its customer base would result from a copper retirement notice. That  
6 statement is flat out wrong.

7 We took a December 9, 2004 copper retirement notice from Qwest – attached hereto  
8 as Exhibit MZ-9 which is network disclosure announcement #511. Per Ms. Stewart’s  
9 testimony in the Utah arbitration, we first contacted the three individuals identified on the  
10 notice and attachment (Eric Yohe, Elena Donaghy and Shirley Tallman) since Ms. Stewart  
11 represented that those individuals would be able to answer additional questions that we might  
12 have regarding Covad specific impacts. Only one of the three points of contact responded,  
13 and even then was not able to provide any information regarding Covad-specific impacts,  
14 directing Covad instead to use Qwest’s raw loop data tool.

15 Based on Qwest’s refusal to provide any information about Covad-specific impacts,  
16 Covad then undertook the effort, for just one of the retirements identified (there are a total of  
17 32 retirements identified on just this one notice), to determine whether there were any impacts  
18 to Covad’s customer base. For just one of the thirty two retirements identified, it took 4 man  
19 hours to determine that there were no impacts to Covad’s customer base. If Covad were  
20 required to review all 32 impacted central offices included in just this one notice, it would  
21 take 128 hours (i.e. sixteen 8 hour days) to determine if there were any impacts at all.

1           Clearly, foisting this enormous burden onto Covad is unreasonable and inappropriate  
2           when Qwest can easily determine the carriers and services impacted by a copper retirement.<sup>15</sup>  
3           It appears that, despite the ease with which this information can be provided, Qwest has  
4           subsequently determined it will no longer provide this information. I say this based upon Ms.  
5           Stewart's testimony at hearing in the Utah arbitration proceeding between Covad and Qwest  
6           in December 2004, in which she stated that Qwest's retirement notice process "has evolved,"  
7           and Qwest no longer provides information regarding a retirement's impact on the CLEC  
8           community.<sup>16</sup> The unreasonableness of Qwest forcing CLECs to undertake this enormous  
9           effort is only underscored when one considers the fact that Qwest generally would have  
10          several months to determine what, if any, impacts exist, whereas CLECs might have as few as  
11          9 business days.<sup>17</sup>

12   **Q.   WHY DO YOU SAY THAT QWEST MIGHT HAVE SEVERAL MONTHS TO**  
13   **DETERMINE THE IMPACTS OF A COPPER RETIREMENT?**

14   A.   The copper feeder that Qwest is retiring is virtually always the result of routine network  
15          maintenance or requirements for additional POTS capacity. Given my thirty years'  
16          experience with Qwest (formerly US WEST) and its network planning processes, it would  
17          take a minimum of 6 months, and more typically over 12 months, for Qwest to (1) determine  
18          that a particular feeder route should be retired; (2) seek the level of approval necessary for the

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<sup>15</sup> An e-mail from Shirley Tallman of Qwest to Elizabeth Balvin of Covad explains the process that Qwest can undertake to identify CLEC lines impacted by a retirement. This e-mail is attached to my direct testimony as Exhibit MZ-5.

<sup>16</sup> Utah Public Service Commission Docket No. 04-2277-02, *In the Matter of the Petition of DIECA Communications, Inc., D/B/A Covad Communications Company, for Arbitration to Resolve Issues Relating to an Interconnection Agreement With Qwest Corporation*, Hearing Transcript (December 8, 2004) at Page 125, line 9 through 126, line 6. A copy of this portion of the Utah transcript is attached to my testimony as Exhibit MZ-10.

<sup>17</sup> 47 C.F.R. § 51.333(c).

1 kind of capital expenditure that a copper retirement with fiber replacement would require; and  
2 (3) implement the copper retirement with feeder replacement. It is beyond dispute that a part  
3 of this planning process would include a determination of the impacts on Qwest's retail  
4 customers which, according to Ms. Stewart, could easily include an identification of CLEC  
5 customer impacts – and all of which could be done with enough time to allow for alternative  
6 services to be provide to both retail and wholesale customers. Rather than do this, though,  
7 Qwest chooses to provide so little information to, and impose such a significant burden on  
8 CLECs as to make the notices Qwest provides worthless.

9 When Qwest feels there is a need to make a significant capital expenditure in the  
10 existing network, they undertake a study to evaluate multiple alternatives including what is  
11 called “PMO” or present method of operation and compares the results of the study prior to  
12 submitting the proposal for approval. The following elements are taken into consideration  
13 when performing what used to be called a “CUCRIT” (capital utilization criteria) evaluation:

14 PMO Data

- 15 -Current Revenue
- 16 -Current Expense
- 17 -Regulatory Requirements

18 Alternative (S) Data

- 19 -Estimated Expense (Savings Over PMO)
- 20 -Estimated Revenue (Additional Due To New Service Or Possibly Acquisition Of
- 21 Competitors Customers)
- 22 -Capital Requirement
- 23 -Regulatory Requirements
- 24
- 25

26 The CUCRIT study can then vary things like the time periods, cost of money and inflation  
27 rates to determine the best proposal based upon the resulting NPVS. Covad's proposal would  
28 simply require that Qwest include a small negative amount in the expense category to account

1 for any additional cost they may incur for providing us with an alternative service. When a  
2 typical feeder replacement would result in a capital expenditure in excess of \$1,000,000 it is  
3 quite obvious that a small expense like the continuance of Covad service would have little  
4 impact on this type of decision. Further, expense savings could easily amount to over \$50,000  
5 a year.

6 **ISSUE 5 – REGENERATION: SHOULD QWEST PROVIDE REGENERATION BETWEEN**  
7 **CLEC COLLOCATIONS, AND WHAT, IF ANYTHING, SHOULD QWEST BE**  
8 **ALLOWED TO CHARGE COVAD FOR REGENERATION?**  
9 **(Sections 8.2.1.23.1.4 [proposed]; 8.3.1.9 [proposed]; and 9.1.10 [propose deletion])**

10  
11 **Q. MR. NORMAN PROFESSES SOME CONFUSION AS TO COVAD’S PROPOSAL ON**  
12 **THE REGENERATION ISSUE. CAN YOU CLARIFY COVAD’S POSITION?**

13 A. Covad’s position on regeneration is that Qwest must provide CLEC to CLEC cross-connects  
14 with regeneration (where necessary) as a wholesale service on the same rates, terms and  
15 conditions as for ILEC to CLEC cross-connects, and not as a retail tariff finished service.  
16 Further, Covad believes that, from a pricing standpoint, CLEC to CLEC cross-connects with  
17 regeneration should be treated precisely like the pricing for ILEC to CLEC regeneration. I  
18 have set out Covad’s revised language on this issue below:

19 8.2.1.23.1.4 CLEC is responsible for the end-to-end service design that  
20 uses ICDF Cross Connection to ensure that the resulting service meets its  
21 Customer’s needs. This is accomplished by CLEC using the Design Layout  
22 Record (DLR) for the service connection. Depending on the distance  
23 parameters of the combination, regeneration may be required. Qwest shall  
24 assess charges for CLEC to CLEC regeneration, if any, on the same terms  
25 and conditions, and at the same rates as for ILEC to CLEC regeneration.

26  
27 8.3.1.9 Channel Regeneration Charge. Required when the distance from  
28 CLEC’s leased physical space (for Caged or Cageless Physical Collocation)  
29 or from the collocated equipment (for Virtual Collocation) to the Qwest  
30 network (“ILEC to CLEC regeneration”), to CLEC’s non-contiguous  
31 Collocation space (“CLEC to CLEC regeneration”), or to the Collocation  
32 space of another CLEC (“CLEC to CLEC regeneration”) is of sufficient

1 length to require regeneration based on the ANSI Standard for cable  
2 distance limitations. Channel Regeneration Charges shall not apply until  
3 the Commission approves a wholesale Channel Regeneration Charge. After  
4 approval of such charge, Channel Regeneration Charges shall be assessed  
5 for ILEC to CLEC and CLEC to CLEC regeneration on the same terms and  
6 conditions, and at the same rates. If CLEC requests Channel Regeneration  
7 in spite of the fact that it is not required to meet ANSI standards, Qwest will  
8 provide such regeneration and CLEC will pay the Channel Regeneration  
9 Charge described herein.  
10

11 **Q. DO YOU KNOW HOW THE ARIZONA COMMISSION HAS RESOLVED THE**  
12 **PRICING OF ILEC TO CLEC REGENERATION?**

13 A. Yes. As set out in my Direct Testimony, Qwest has been precluded from charging for ILEC  
14 to CLEC regeneration at this time. From Covad's perspective and according to its proposal,  
15 Qwest should not be permitted to charge for CLEC to CLEC regeneration unless and until the  
16 Commission permits it to charge for ILEC to CLEC regeneration.

17 **Q. PLEASE PROVIDE SOME TECHNICAL BACKGROUND REGARDING THE NEED**  
18 **FOR REGENERATED CLEC TO CLEC CROSS CONNECTIONS.**

19 A. Just as with ILEC-CLEC cross-connect regeneration, CLEC to CLEC cross-connect  
20 regeneration is a function of distance and time. It is a function of distance because as a signal  
21 travels across a cable, the signal strength weakens and thus may require regeneration, or  
22 boosting, to maintain the appropriate technical parameters. It is a function of time because  
23 two CLECs that collocated in 1999 in contiguous or adjacent space and who have a cross-  
24 connect may not require regeneration, but a cross-connect between one of the 1999 collocators  
25 and a 2004 collocator several floors and linear feet away may require regeneration. Note that  
26 the 2004 collocator likely will be placed in a location farther away than a 1999 collocator

1 because all of the collocation spaces near the 1999 collocator were taken by other CLECs  
2 that collocated prior to the 2004 CLEC.

3 In the case of Qwest and the 2004 collocator, regeneration would currently be  
4 provided at no charge. However, the same does not hold true if the 2004 collocator wishes to  
5 cross-connect with the 1999 collocator. In the latter scenario, the 2004 collocator would have  
6 to pay for regeneration, which results in the 2004 collocator being penalized for being later in  
7 time in the form of additional costs of which Qwest and other CLECs remain free. That is an  
8 unfair, discriminatory result and should not be permitted by the Commission.

9 In addition, because Qwest does not charge for ILEC to CLEC regeneration, Qwest  
10 has created a pricing advantage for itself in providing services to collocating CLECs, most  
11 notably services that may otherwise be competitive, like high capacity transport.

12 **Q. MR. NORMAN CITES TO SOME TESTIMONY OF REX KNOWLES IN THE**  
13 **ARIZONA COST PROCEEDING AT PAGES 9-10 OF HIS DIRECT TESTIMONY TO**  
14 **SUPPORT THE QWEST LITIGATION POSITION THAT QWEST PLACES CLECS**  
15 **CLOSE TOGETHER. PLEASE RESPOND.**

16 A. In the first place, Mr. Knowles is not employed by or a consultant to Covad (he is an  
17 employee of XO), nor was Mr. Knowles representing Covad in that Arizona cost proceeding  
18 despite Mr. Norman's vague reference to him as a "CLEC representative." Further, while I  
19 know who Mr. Knowles is, I have limited knowledge of his specific background or experience  
20 with the Qwest network or in Qwest central offices and therefore cannot speak to the accuracy  
21 of his statement. What I can say, however, is that my testimony here, and the need for  
22 regeneration is based on my very extensive, first-hand and personal experience rolling out the  
23 Covad network in the Qwest region. When doing this, I was in Qwest central offices on a

1 virtually daily basis and know precisely what I am talking about. My experience confirms  
2 that CLEC to CLEC regeneration is a very real issue and must be addressed.

3 **Q. MR. NORMAN STATES AT PAGE 10 THAT "COVAD'S PROPOSED LANGUAGE**  
4 **HAS NO SUSTAINABLE BASIS IN LAW." DO YOU AGREE WITH MR.**  
5 **NORMAN'S INTERPRETATION OF QWEST'S LEGAL OBLIGATIONS?**

6 A. I do not. Qwest must perform CLEC to CLEC cross-connects as required by FCC rules.  
7 Indeed, as the FCC stated in its Fourth Report and Order,

8 We find that pursuant to Section 201 that it would be unjust and unreasonable  
9 for an incumbent LEC to refuse to provision cross-connects between collocated  
10 competitive LECs. We also find that, in the alternative, such a refusal would be  
11 unjust, unreasonable and discriminatory within the meaning of Section  
12 251(c)(6).<sup>18</sup>  
13

14 At its most fundamental, this issue is not whether Qwest must provide CLEC to CLEC  
15 cross-connects (Qwest surely has to agree that it must do so), but rather whether Qwest must  
16 provide regeneration for that CLEC to CLEC cross-connect in order to ensure that the signal  
17 traveling from one CLEC collocation space to a different collocation space maintains the  
18 appropriate specifications. I believe that law, logic and technical issues dictate that Qwest is  
19 under an obligation to provide CLEC to CLEC regeneration on the same terms and conditions  
20 as for ILEC to CLEC regeneration.

21 **Q. WHAT LAW AND LOGIC ARE YOU RELYING UPON?**

22 A. While I am not a lawyer, my understanding is that the FCC's Fourth Report and Order makes  
23 very clear what Qwest's obligations are with respect to CLEC to CLEC cross-connects and,  
24 by extension, CLEC to CLEC regeneration. In the Fourth Report and Order, the FCC

1 reconfirmed the fact that ILECs must provision cross-connects for CLECs<sup>19</sup> or, at a minimum,  
2 allow CLECs to self-provision those cross-connects.<sup>20</sup>

3 More importantly, for purposes of resolving the regeneration dispute, the FCC made  
4 clear that this legal requirement to provision CLEC cross-connects was made pursuant to  
5 Section 251(c)(6) of the Act. What this means from a decisional perspective is key. Section  
6 251(c)(6) is the section of the Act that addresses collocation and which affirmatively requires  
7 that ILECs permit CLECs to collocate in a central office in order to interconnect with other  
8 carriers and to access UNEs. There is no doubt that ILEC to CLEC cross-connects are  
9 designed specifically to meet these statutory purposes. And since the FCC grounded its  
10 authority to require CLEC to CLEC cross-connects in Section 251(c)(6), CLEC to CLEC  
11 cross-connects likewise are designed to fill the same purposes and must have all the same  
12 attributes and properties, such as regeneration, that an ILEC to CLEC cross-connect would  
13 have.

14 A fundamental fact underlying regeneration is that it is generally provided to ensure  
15 that carriers can actually interconnect and access UNEs at applicable industry standards. As a  
16 consequence, since CLEC to CLEC cross-connects serve the identical purpose as an ILEC to  
17 CLEC cross-connect, they should be supplied with regeneration (just as an ILEC to CLEC

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<sup>18</sup> *In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, FCC 01-204, Fourth Report and Order (2001) at ¶ 59.

<sup>19</sup> *Id.*

<sup>20</sup> Interestingly, the entirety of the FCC's discussion on this issue was not whether allowing CLECs to provision cross-connects themselves relieved ILECs of the obligation to provision cross-connects for CLECs (which is what Qwest suggests) but rather addressed the fact that the FCC could not *require* ILECs to permit CLECs to self-provision CLEC to CLEC cross-connects. Regardless of whether Qwest can avoid provisioning the cross-connect itself by allowing CLECs to self-provision a cross-connect, the FCC's conclusion that Section 251 gave it the authority to require Qwest to provision CLEC to CLEC cross-connects ultimately means that any such cross-connect must be practically, realistically and technically the same as an ILEC to CLEC cross-connect. If not, then Qwest has failed to comply with the non-discrimination requirements of Section 251. In real world terms, this means that the CLEC to CLEC cross-connect must be made available on the same rates, terms and conditions as ILEC to CLEC cross-connects.

1 cross-connect is) when necessary to ensure appropriate technical signals on the same rates,  
2 terms and conditions.

3 The FCC left no room for question on this point. Because a Section 251(c)(6)  
4 obligation carries with it the obligation that Qwest act in a non-discriminatory manner when  
5 provisioning collocation elements such as cross-connects, Qwest cannot provide a particular  
6 service, like regeneration, for one Section 251(c)(6) cross-connect (here, ILEC to CLEC  
7 cross-connects) and then refuse to provide regeneration on the same rates, terms and  
8 conditions for another type of Section 251(c)(6) cross-connect (here, CLEC to CLEC cross-  
9 connects). To find otherwise would result in collocation, interconnection and access to UNEs  
10 that is different from (i.e. inferior) to the quality of the interconnection and access Qwest  
11 accords to itself and therefore would be discriminatory. Moreover, since the FCC has already  
12 previously defined the requirement of "equal in quality" interconnection as a requirement that  
13 Qwest design interconnection facilities to meet the *same technical criteria and service*  
14 *standards, including transmission standards*, that are used within the Qwest network<sup>21</sup>, there  
15 is no legitimate or good faith reason to treat CLEC to CLEC regeneration on different rates,  
16 terms and conditions than an ILEC to CLEC regeneration.

17  
18  
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1 **Q. MR. NORMAN APPEARS TO CLAIM AT PAGE 4 OF HIS DIRECT TESTIMONY**  
2 **THAT THE KEY DIFFERENCE BETWEEN ILEC TO CLEC REGENERATION**  
3 **AND CLEC TO CLEC REGENERATION IS DRIVEN BY THE FACT THAT IN THE**  
4 **FORMER SCENARIO, CLECS ARE ACCESSING THE QWEST NETWORK WHILE**  
5 **IN THE LATTER SCENARIO THEY ARE NOT. PLEASE EXPLAIN WHY MR.**  
6 **NORMAN'S STATEMENT IS INACCURATE AND MISLEADING.**

7 A. Mr. Norman appears to be making the case that it should be free to charge retail rates for  
8 CLEC to CLEC regeneration because in that scenario the CLEC is not using the Qwest  
9 network. That is just not accurate. There is absolutely no certainty that the CLEC to CLEC  
10 cross-connect for which regeneration is required is to allow Covad to access the transport  
11 facilities of another carrier as Mr. Norman suggests. To the contrary, the regeneration may be  
12 required to connect two Covad collocation spaces, both of which currently do utilize Qwest's  
13 own transport network. And even if the cross-connect was between Covad and another CLEC  
14 collocator, it is not necessarily a given that the other CLEC would not use the Qwest transport  
15 network.

16 More importantly, Mr. Norman's testimony ignores a key fact – regardless of whom  
17 Covad or the other cross-connecting CLEC is using for its transport needs, Covad and that  
18 CLEC are both using the Qwest network to provide service to their own end user customers.  
19 For instance, regardless of who provides transport for Covad, Covad is still using UNE loops,  
20 UNE interconnection tie pairs, Qwest network power and so on and so forth in order to  
21 provide service to its customers. Thus, under any circumstance, Covad is using services from

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<sup>21</sup> *Local Competition Order*, ¶224.

1 the Qwest "network (e.g. unbundled loops) and which are purchased through the ICA" and for  
2 which Qwest receives compensation from Covad.

3  
4 **Q. YOU ALSO MENTIONED THAT THERE ARE TECHNICAL REASONS FOR**  
5 **REQUIRING QWEST TO PROVIDE THE REGENERATION RATHER THAN**  
6 **CLECS, AS QWEST SUGGESTS SHOULD OR COULD HAPPEN.**

7 A. Let me provide a little context here. Qwest has stated that it will make available regeneration  
8 as a finished service rather than as a wholesale product subject to TELRIC pricing standards  
9 and the review of this Commission. As I explained above, that would violate Qwest's  
10 obligations under Section 251, and as I explained in my Direct Testimony, is cost-prohibitive.

11 Qwest poses as an alternative that CLECs provide regeneration themselves, either as  
12 the signal leaves the collocation of one CLEC, as it arrives at the second collocation space, or  
13 at both ends of the cross-connection. Again, as I explained in my Direct Testimony at pages  
14 44 and 45, the most technologically efficient and cost-effective way to regenerate a signal is  
15 via a mid-span boost, which is precisely what Qwest does when regeneration is required for  
16 an ILEC to CLEC cross-connect. In fact, if the cable length that will be used to provide a DS3  
17 circuit exceeds about 600 feet, which is fairly common in large multi-floor central offices,  
18 regeneration must be done at a mid-point and cannot possibly be transmitted at a high enough  
19 level to reach the other end without risking "bleed over" into adjacent cabling.

20 **Q. WHAT DO YOU MEAN WHEN YOU SAY THE SIGNAL WILL "BLEED OVER"**  
21 **INTO ADJACENT CABLING?**

22 A. What I mean is that the Covad-regenerated signal would cause digital cross-talk and lead to  
23 spectrum interference with the signals being transmitted over all adjacent transmission cables

1 using the same cable racking, such that the signals transmitted by other carriers are completely  
2 "scrambled." In other words, the Covad-regenerated signal would disrupt the  
3 communications network of those carriers, which may also include Qwest. Just as there are  
4 specifications requiring regeneration over certain cable lengths, there are also specifications  
5 around how high a signal level can be transmitted in order to maintain the integrity of the  
6 network.

7 **Q. OBVIOUSLY REGENERATION IN THE COLLOCATION SPACE IS OFTEN**  
8 **IMPOSSIBLE AND WILL LEAD TO SIGNIFICANT PROBLEMS. COULD COVAD**  
9 **AVOID THESE PROBLEMS BY PROVIDING MID-SPAN REGENERATION?**

10 **A.** It is not possible for a CLEC to provide mid-span regeneration. In the first place, it would  
11 require the construction of an entirely new collocation space and the placement of  
12 regeneration equipment. In other words, it would cost a CLEC a minimum of **\*\*\*BEGIN**  
13 **CONFIDENTIAL** [REDACTED] **END CONFIDENTIAL\*\*\*** just in  
14 collocation costs to be able to provide mid-span regeneration and take up to 130 days before  
15 such capability would be available. The time and cost associated with regeneration of one,  
16 single cross-connect makes it utterly infeasible. No carrier, Qwest or CLEC, can afford to  
17 waste time and capital in such a fashion.

18 Further, it is unclear to me whether a CLEC actually could provide mid-span  
19 regeneration. Based on my years of experience in Qwest central offices, the mid-span point  
20 could fall in a location in the central office to which CLECs do not have access (i.e. a  
21 switching equipment room or an MDF or COSMIC frame). In this case, even if a CLEC were  
22 inclined to do so, it would be precluded from providing its own mid-span regeneration.

1 Q. EVEN ASSUMING THAT THERE WERE NO TECHNICAL FACTORS  
2 PRECLUDING REGENERATION WITHIN A CLEC'S EXISTING COLLOCATION,  
3 ARE THERE COST AND TIME BARRIERS ASSOCIATED WITH THIS  
4 SOLUTION?

5 A. Yes. In order to accommodate the regeneration equipment, Covad would have to augment its  
6 collocation space in order to add the equipment. Assuming contiguous space is available  
7 (which may not be the case), Covad again would incur between \*\*\*BEGIN  
8 CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\* and it would  
9 take approximately 130 days to get the space up and running. As I already stated, this is just  
10 not a realistic or feasible solution. It is also discriminatory, because collocation would be  
11 available only on terms, both technical and financial, that are clearly inferior to that Qwest  
12 makes available to itself.

13 Q. MR. NORMAN STATES ON PAGES 4 AND 5 THAT IN A CLEC-TO-CLEC  
14 CONNECTION, QWEST HAS NO CONTROL OVER OR INVOLVEMENT WITH  
15 THE FACILITIES, IS THIS TRUE?

16 A. Absolutely not. Qwest has a great deal of control over the placement of CLECs in collocation  
17 spaces within the central office. While I agree that Qwest currently provisions collocation  
18 requests on a first come, first served basis, Qwest reserves space for itself prior to  
19 consideration of CLEC applications, which results in Qwest's ability to dictate all of the  
20 locations that will then be available to CLECs for collocation. A first come, first served  
21 policy does not overcome the space reservation and allocation decisions Qwest has already  
22 made; it simply allows the CLEC to take the best of the space that remains available at the  
23 time it submits its application. Consequently, before collocators even enter the picture, Qwest

1 has already made some critical decisions that may result in regeneration being required by  
2 CLECs. There is nothing that a CLEC can do about that.

3 **Q. WHAT ABOUT THE FACT THAT COVAD CAN DO A WALK THROUGH AHEAD**  
4 **OF TIME AND REQUEST THAT IT BE PLACED IN A PARTICULAR LOCATION**  
5 **IN A CENTRAL OFFICE?**

6 A. As I stated above, while Qwest provisions collo applications on a first come, first served basis  
7 and permits CLECs to do a walk through to evaluate space, these activities only occur *after*  
8 Qwest has made its own space allocation and reservation decisions to most effectively meet  
9 its needs. As I stated above, this right does not undo or overcome decisions Qwest has  
10 *already made* with respect to where it will place its own equipment and reserve space for  
11 future growth. Now, if a walk through were to result in Qwest relinquishing its own currently  
12 used or reserved space to a CLEC, then I might be inclined to agree with Mr. Norman's  
13 testimony. But, since that is not the case and CLECs must simply select the best of Qwest's  
14 "leftovers", I fundamentally disagree with Mr. Norman's suggestion that CLECs control space  
15 allocation decisions.

16 **Q. IS MR. NORMAN'S STATEMENT ON PAGE 5 THAT "QWEST'S ABILITY TO**  
17 **CHARGE A MARKET RATE ENCOURAGES THE CLEC TO INVEST IN ITS OWN**  
18 **FACILITIES" REALISTIC?**

19 A. No.

20 **Q. WHY NOT?**

21 A. At a minimum, Mr. Norman's statement ignores reality. Two CLECs cross-connecting within  
22 a central-office are, by definition, facilities-based CLECs. In the case of Covad, for example,  
23 we've already collocated the facilities that allow our network to function. No further

1 incentive is required, since we are already facilities-based. In reality, the Qwest position is a  
2 barrier to investment. If CLECs are required to connect to one another where regeneration is  
3 required using Qwest's proposal, it is highly unlikely that other CLECs will find it  
4 economically feasible to pay Qwest for a finished service to have access to the network of a  
5 competitive facility provider. This fact will make facilities-based CLECs less inclined to  
6 build additional capacity into their networks.

7 **Q. HAS THE FCC CONSIDERED THE COMPETITIVE EFFECTS OF ILEC POLICIES**  
8 **REGARDING CLEC-TO-CLEC CROSS-CONNECTS?**

9 A. Yes. In ruling that ILECs were required to provide central office cross-connects between  
10 CLECs, despite the fact that ILECs were not required to allow CLECs to *self-provision* these  
11 cross-connects, the FCC said that:

12 if an incumbent LEC refuses to provision cross-connects between  
13 competitive LECs collocated at the incumbent's premises, the  
14 incumbent would be the only LEC that could interconnect with all or  
15 even any of the competitive LECs collocated at a common, centralized  
16 point – the central office.<sup>22</sup>

17 The FCC went on to explain that this would have a negative effect on the availability of  
18 competitive transport options for CLECs,<sup>23</sup> and that allowing central office cross-connects  
19 between CLECs is essential to the development of a competitive market for transport  
20 services.<sup>24</sup>

21 Even if CLECs have the option to self-provision a cross-connect (something the  
22 ILECs opposed at the time the Fourth Report and Order was written), ILECs must allow these  
23 cross-connections on non-discriminatory terms. If they do not, they create the exact

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<sup>22</sup> *Fourth Report and Order*, ¶ 63.

<sup>23</sup> *Id.*

1 competitive problems the FCC intended to solve in the Fourth Report and Order. For  
2 instance, if the cross-connect can only be accomplished in a way that is cost-prohibitive, while  
3 cross-connection to Qwest is readily available at reasonable rates, Qwest has an unfair pricing  
4 advantage over its competitors in the wholesale transport market, as well as other markets,  
5 and carriers are more likely to purchase Qwest's services.

6 I'll provide an example: suppose Covad had the option of aggressively partnering  
7 with a voice CLEC to jointly provide a data and voice bundle to customers. At the same time,  
8 Covad could partner with Qwest to provide a similar bundled service through a commercial  
9 agreement. If a CLEC-to-CLEC cross-connect is available only at inflated Qwest retail rates,  
10 Qwest would be the only viable partner.

11 **Q. MR. NORMAN SUGGESTS, BEGINNING AT THE BOTTOM OF PAGE 7 THAT**  
12 **CLECS SHOULD ORDER A "FINISHED SERVICE" IN THE FORM OF A**  
13 **PRIVATE LINE OR ACCESS SERVICE WHEN THE CLEC COLLOCATIONS ARE**  
14 **SO FAR APART THAT REGENERATION IS REQUIRED. IS THIS A VIABLE**  
15 **ALTERNATIVE?**

16 **A.** As a matter of principle, section 251(c)(6) of the Act requires a non-discriminatory, wholesale  
17 service offering based on the same pricing standards that apply to other wholesale collocation  
18 elements. As a practical matter, any product priced at a reasonable level will alleviate most of  
19 the discrimination experienced by Covad. In Utah, Mr. Norman testified that Qwest's  
20 federally tariffed EICT product is a reasonably priced, viable alternative. This could be the  
21 case today, but without this Commission's ruling that CLEC to CLEC cross connections with  
22 regeneration are required wholesale offerings, Qwest can unilaterally raise these rates,

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<sup>24</sup> *Id.*, ¶ 65.

1           discontinue the service, or otherwise change the terms of the EICT offering. The Commission  
2           can prevent this by confirming Qwest's obligation to provide the cross connection pursuant to  
3           251(c)(6).

4   **Q.    DOES THIS CONCLUDE YOUR TESTIMONY?**

5   A.    Yes, it does.

6

**EXHIBIT**

**MZ-8**

**AZ Wholesale DSL Pricing Exhibit**

Following are the Qwest DSL related products and services that are available for CLECs who wish to purchase Qwest DSL network services on a wholesale basis that will allow for CLEC branding. The following services do not include customer premises CPE (e.g. modems) or the ISP charges associated with providing an end to end DSL service. These wholesale products are for the network portion of DSL service only.

<b>Product</b>	<b>Description</b>	<b>Retail Rate/RC</b>	<b>Retail Rate/NRC</b>	<b>AZ Resold Rate* RC/NRC</b>
Qwest Choice DSL™ (only available in conjunction with Qwest resold voice service)	This service utilizes a CLEC provided modem at the end-user's premises and a Qwest dedicated Digital Subscriber Line Access Multiplexer (DSLAM) port located at the serving Central Office (CO) or a Remote Terminal (RT) and provides up to 256 kilobits per second (Kbps) bi-directional data rates.	\$15.00	\$99.00	\$12.30/\$81.18
Qwest DSL 640K (only available in conjunction with Qwest resold voice service)	This service utilizes a CLEC provided modem at the end-user's premises and a Qwest dedicated DSLAM port located at the serving CO or RT and provides downstream data rates up to 640 Kbps and up to 256 Kbps upstream.	\$28.00	\$99.00	\$22.96/\$81.18
Qwest Choice DSL Deluxe™ (only available in conjunction with Qwest resold voice service)	This service utilizes a CLEC provided modem at the end-user's premises and a Qwest dedicated DSLAM port located at the serving CO or RT and provides for downstream data rates up to 1.5 Mbps and up to 1 Mbps upstream.	\$28.00	\$99.00	\$22.96/\$81.18
Qwest Choice DSL Deluxe™ (Does not require the purchase of any Qwest voice	This service utilizes a CLEC provided modem at the end-user's premises and a Qwest dedicated DSLAM port located at the	\$33.00	\$99.00	\$27.06/\$81.18

**AZ Wholesale DSL Pricing Exhibit**

services.)	serving CO or RT and provides for downstream data rates up to 1.5 Mbps and up to 1 Mbps upstream. This is commonly called Stand Alone DSL or "Naked DSL".			
Qwest DSL Pro™ 640K (only available in conjunction with Qwest resold voice service)	This service utilizes a CLEC provided modem at the end-user's premises and a Qwest dedicated DSLAM port located at the serving CO or RT and provides bi-directional data rates up to 640 Kbps upstream and downstream with professional enhancements including SLAs.	\$66.00	\$99.00	\$54.12/\$81.18
Qwest DSL Pro 1M (only available in conjunction with Qwest resold voice service)	This service utilizes a CLEC provided modem at the end-user's premises and a Qwest dedicated DSLAM port located at the serving CO or RT and provides for downstream data rates up to 1.024 megabits per second (Mbps) and up to 1 Mbps upstream with professional enhancements including SLAs.	\$88.00	\$99.00	\$72.16/\$81.18
Qwest DSL Pro 4M (only available in conjunction with Qwest resold voice service)	This service utilizes a CLEC provided modem at the end-user's premises and a Qwest dedicated DSLAM port located at the serving CO or RT and provides for downstream data rates up to 4 Mbps and up to 1 Mbps upstream with professional enhancements including SLAs.	\$165.00	\$99.00	\$135.30/\$81.18

**AZ Wholesale DSL Pricing Exhibit**

<p><b>Qwest DSL Pro 7M</b> (only available in conjunction with Qwest resold voice service)</p>	<p>This service utilizes a CLEC provided modem at the end-user's premises and a Qwest dedicated DSLAM port located at the serving CO or RT and provides for downstream data rates up to 7 Mbps and up to 1 Mbps upstream with professional enhancements including SLAs.</p>	<p><b>\$275.00</b></p>	<p><b>\$99.00</b></p>	<p><b>\$225.50/\$81.18</b></p>
<p><b>Qwest Integrated Services Digital Network Digital Subscriber Line (Qwest IDSL)</b> (Does not require the purchase of any Qwest voice services.)</p>	<p>This is a network configuration allowing only data services. This service utilizes a CLEC provided modem at the end-user's premises and a Qwest dedicated DSLAM port located at the serving CO or RT and providing up to 144 Kbps both upstream and downstream.</p>	<p><b>\$69.95</b></p>	<p><b>\$99.00</b></p>	<p><b>\$57.36/\$81.18</b></p>

\*The AZ wholesale discount of 18.0% was used to create the resold rate.

**EXHIBIT**

**MZ-9**



December 9, 2004

Elizabeth Balvin  
Covad Communications Company  
7901 Lowry Blvd.  
Denver, CO 80230  
EBalvin@covad.com

TO:Elizabeth Balvin

<b>Announcement Date:</b>	<b>December 9, 2004</b>
<b>First Effective Date:</b>	<b>December 30, 2004</b>
<b>Document Number:</b>	<b>NETW.12.09.04.B.000577.Copper_Retirements</b>
<b>Notification Category:</b>	<b>Network Notification</b>
<b>Target Audience:</b>	<b>CLEC's and ILECs</b>
<b>Subject/Product Name:</b>	<b>Copper Retirements in AZ, CO, ID, MN, MT, NE, NM, and OR</b>

Please route this notice to those in your company who have responsibility for the maintenance and implementation of your telecommunications network.

The attached Network Disclosure Announcement reflects the availability in certain areas of Qwest Communications to deliver new or augmented services.

If you have any questions or would like to discuss this notice please contact your Qwest Sales Manager, Elena Donaghy on (559) 434-9754 or your Qwest Service Manager, Eric Yohe on (303) 382-2678. Qwest appreciates your business and we look forward to our continued relationship.

Sincerely,

Qwest

Note: In cases of conflict between the changes implemented through this notification and any CLEC interconnection agreement (whether based on the Qwest SGAT or not), the rates, terms and conditions of such interconnection agreement shall prevail as between Qwest and the CLEC party to such interconnection agreement.

The Qwest Wholesale Web Site provides a comprehensive catalog of detailed information on Qwest products and services including specific descriptions on doing business with Qwest. All information provided on the site describes current activities and process. Prior to any

Announcement Date:

Page 2 of 2

**Exhibit MZ-9**

modifications to existing activities or processes described on the web site, wholesale customers will receive written notification announcing the upcoming change.

If you would like to unsubscribe to mailouts please go to the ?Subscribe/Unsubscribe? web site and follow the unsubscribe instructions. The site is located at:

<http://www.qwest.com/wholesale/notices/cnla/maillist.html>

cc: Elena Donaghy  
Eric Yohe

Qwest Communications 1600 7th Ave Room 1806 Seattle WA 98008

700 West Mineral  
Littleton, CO. 80120



## Network Disclosure Announcement No. 511

Public Notice of Network Change(s), Pursuant to CFR 47, subsections 51.325 - 51.335.  
Qwest's Internet address: <http://www.qwest.com/disclosures>.

### Copper Retirements in Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, New Mexico & Oregon

**First Implementation Date:** **December 30, 2004** (Due to maintenance issues – Pls See AZ Entry; Due to construction schedule – Pls see AZ Entry; Due to maintenance and service issues – Pls see MN Entry)  
**January 7, 2005** (Due to construction damage – Pls See AZ Entry)  
**January 10, 2005** (Due to maintenance and service issues – Pls See AZ Entry)  
**January 14, 2005** (Due to maintenance and service issues – Pls See NM Entry)  
**January 31, 2005** (Due to service issues – Pls See MT Entry)

*Network Notices will be sent out to all affected CLECs associated with this specific copper retirement in addition to this Network Disclosure filing.*

**Other Implementation Dates: Range from March 13, 2005 – June 15, 2005**

Original Date Posted:

December 8, 2004

**Summary:**

Copper Retirements are necessary to respond to various factors in the Outside Plant, including road construction, maintenance problems, and growth accommodation. Replacement cables may be either copper or fiber. Specific information will be provided with each disclosure.

**Locations, Timing of Deployments & Interface Requirements:**

The following gives additional details on the copper retirement(s):

1	STATE	ARIZONA
	WIRE CENTER	CRAYCROFT
	8-CHARACTER CLLI	TCSNAZCR
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	310571
	FDI Address(es)	5455 E COMANCHE
	Replacing	CABLE
2	STATE	ARIZONA
	WIRE CENTER	FLAGSTAFF
	8-CHARACTER CLLI	FLGSAZSO
	COMPLETION DATE/PLANNED RETIREMENT DATE	30-Dec-04
	DA (s)	210431
	FDI Address(es)	X 20 RL27
	Replacing	CABLE, DUE TO MAINTENANCE ISSUES

3	STATE	ARIZONA
	WIRE CENTER	HIGLEY
	8-CHARACTER CLLI	HGLYAZMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	410121
	FDI Address(es)	X 15620 S RECKER RD
	Replacing	PART OF DA 410121 WILL BE CUT TO DA 410617 TO BE SERVED FROM FIBER NODE/USAM X 3590 E PECOS RD. THE CURRENT ROUTE IS 2.8 MILES OF MIXED GAUGE (ALL COPPER FROM CO). THE NEW ROUTE WILL BE LESS THAN 2400 FT 24 GAUGE FROM THE RT TO THE LONGEST LOOP. THIS CUT WILL COVER THE AREA NORTH OF PECOS RD TO SARAGOSA ST, 172 ST TO 173 WY.
4	STATE	ARIZONA
	WIRE CENTER	PHOENIX NE
	8-CHARACTER CLLI	PHNXAZNE
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	310561
	FDI Address(es)	4201 E FLOWER ST
	Replacing	DEFECTIVE LEAD CABLE
5	STATE	ARIZONA
	WIRE CENTER	PHOENIX SE
	8-CHARACTER CLLI	PHNXAZSE
	COMPLETION DATE/PLANNED RETIREMENT DATE	10-Jan-05
	DA (s)	115731
	FDI Address(es)	3292 S 36TH ST
	Replacing	CABLE, DUE TO MAINTENANCE & SERVICE ISSUES
6	STATE	ARIZONA
	WIRE CENTER	SUPER MAIN
	8-CHARACTER CLLI	SPRSAZMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	15-Mar-05
	DA (s)	412421
	FDI Address(es)	8401 E EMELITA AV
	Replacing	Abandon cables on adot property to allow construction of the red mountain fwy (202) at southern ave and 88 <sup>th</sup> St. There will be no working circuits in the cables.
7	STATE	ARIZONA
	WIRE CENTER	TEMPE
	8-CHARACTER CLLI	TEMPAZMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	30-Dec-04
	DA (s)	411331
	FDI Address(es)	2021 W RIO SALADO PKWY
	Replacing	CABLE, DUE TO CONSTRUCTION SCHEDULE
8	STATE	ARIZONA
	WIRE CENTER	YUMA
	8-CHARACTER CLLI	YUMAAZSE
	COMPLETION DATE/PLANNED RETIREMENT DATE	07-Jan-05
	DA (s)	420321
	FDI Address(es)	X 2100 W 32 ST
	Replacing	CABLE, DUE TO CONSTRUCTION DAMAGE
9	STATE	COLORADO
	WIRE CENTER	CANON CITY

	8-CHARACTER CLLI	CACYCOMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	211425
	FDI Address(es)	X 202 FIELD
	Replacing	CABLE, DUE TO MAINTENANCE ISSUES
10	STATE	COLORADO
	WIRE CENTER	CANON CITY
	8-CHARACTER CLLI	CACYCOMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	20-Mar-05
	DA (s)	311681
	FDI Address(es)	X 1328 SHERMAN; X 1498 CHESTNUT
	Replacing	AERIAL CABLE - WATER DAMAGE
11	STATE	COLORADO
	WIRE CENTER	DENVER
	8-CHARACTER CLLI	DNVRCONO
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	410585
	FDI Address(es)	X 1551 PLATTE
	Replacing	THIS PROJECT WILL ALLOW CONSTRUCTION OF A NEW PEDESTRIAN BRIDGE ACROSS I-25 @ 16TH ST BEING PROVIDE BY THE CITY AND COUNTY OF DENVER. EXISTING BURIED CABLE IS CURRENTLY IN ROAD ROW AND NEEDS TO BE ABANDON IN PLACE. EXISTING SERVICE WILL BE REROUTED THROUGH DISTRIBUTION COUNT FROM SAI X 1551 PLATTE. THIS JOB WILL INCREASE THE LOOP LENGTH BY ~960FT OF 24 GAUGE COPPER.
12	STATE	COLORADO
	WIRE CENTER	FORT LUPTON
	8-CHARACTER CLLI	FTLPCOMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-04
	DA (s)	410132
	FDI Address(es)	X 243 N MCKINLEY AV
	Replacing	REHAB JOB - 26GA AERIAL CABLES WITH 24 GA
13	STATE	IDAHO
	WIRE CENTER	BOISE
	8-CHARACTER CLLI	BOISIDMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	31-Mar-05
	DA (s)	310602; 310701
	FDI Address(es)	X 2680 WARMSPRINGS AV; X 40 RL77
	Replacing	AP'S WITH X BOXES
14	STATE	IDAHO
	WIRE CENTER	BOISE
	8-CHARACTER CLLI	BOISIDNW
	COMPLETION DATE/PLANNED RETIREMENT DATE	30-Mar-05
	DA (s)	410501
	FDI Address(es)	X 8153 W STATE
	Replacing	CABLE, DUE TO MAINTENANCE ISSUES
15	STATE	IDAHO
	WIRE CENTER	BOISE
	8-CHARACTER CLLI	BOISIDSW
	COMPLETION DATE/PLANNED RETIREMENT DATE	30-Mar-05

	DA (s)	410201
	FDI Address(es)	X 6440 S FIVE MILE RD
	Replacing	CABLE. DUE TO MAINTENANCE ISSUES
16	STATE	IDAHO
	WIRE CENTER	BUHL
	8-CHARACTER CLLI	BUHLIDMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	31-Mar-05
	DA (s)	210101
	FDI Address(es)	X 117 BROADWAY AV SO
	Replacing	AERIAL CABLE
17	STATE	IDAHO
	WIRE CENTER	CALDWELL
	8-CHARACTER CLLI	CLWLIDMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	210410; 310103
	FDI Address(es)	X 417 S 12 AV; X 1303 ARLINGTON AV
	Replacing	This work order will provide for replacement of 450 feet of wet, buried 26 gauge lead cable placed in 1939 in da#210410 of the caldwell, idaho exchange. This work order will place 800 feet of aerial 24 gauge cable from da#310103 and cut this leg of distribution cable from DA#210410 to Da#310103.
18	STATE	IDAHO
	WIRE CENTER	IDAHO FALLS
	8-CHARACTER CLLI	IDFLIDMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	31-Mar-05
	DA (s)	410712
	FDI Address(es)	X 803 SATURN AV
	Replacing	AERIAL CABLE
19	STATE	IDAHO
	WIRE CENTER	KETCHUM
	8-CHARACTER CLLI	KTCHIDMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	221401
	FDI Address(es)	301 ST
	Replacing	DEFECTIVE CABLE
20	STATE	IDAHO
	WIRE CENTER	NAMPA
	8-CHARACTER CLLI	NMPAIDMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	210301
	FDI Address(es)	X 124 DAVIS AV
	Replacing	659' AERIAL LEAD CABLE
21	STATE	IDAHO
	WIRE CENTER	POCATELLO
	8-CHARACTER CLLI	PCTLIDMA
	COMPLETION DATE/PLANNED RETIREMENT DATE	31-Mar-05
	DA (s)	410115; 410125
	FDI Address(es)	X 636 W CUSTER; X 1005 N GARFIELD AV
	Replacing	AP'S WITH X BOXES
22	STATE	MINNESOTA
	WIRE CENTER	COON RAPIDS
	8-CHARACTER CLLI	CNROMNND

	<b>COMPLETION DATE/PLANNED RETIREMENT DATE</b>	13-Mar-05
	<b>DA (s)</b>	430277; 430300; 430304; 430306; 430307; 430702; 430704; 440500; 440502; 440504; 440505; 440506; 440588 420103; 420105; 420202; 420203; 420205; 420207; 430103; 430104; 430105; 430200; 430202; 430203; 430204; 450301
	<b>FDI Address(es)</b>	1940 103 AV NW; 1715 COON RAPIDS BLVD; 1811 COON RAPIDS BLVD; 1610 NW COON RAPIDS BLVD; 10500 NW ROBINSON DR; 1000 NW EGRET BLVD; 1100 EGRET; 2390 NORTHDAL BLVD; 1970 115 AVE NW; 11301 NW ROBINSON DR; 1830 111 AV NW; 11299 NW HANSON BLVD; 11025 NW OSAGE ST; 2041 NW COON RAPIDS BLVD; 10406 HANSON BLVD; 10480 HANSON BLVD; 11200 YUKON; 2759 S HEIGHTS DR; 9900 NW ZILLA ST; 10000 NW PALM ST; 1401 COON RAPIDS BLVD; 1004 94 AV NW; CNRP BLVD EXT-REDWOOD ST
	<b>Replacing</b>	CABLE RE-ROUTES DUE TO COUNTY ROAD JOB
23	<b>STATE</b>	MINNESOTA
	<b>WIRE CENTER</b>	EVELETH
	<b>8-CHARACTER CLLI</b>	EVLTMNEV
	<b>COMPLETION DATE/PLANNED RETIREMENT DATE</b>	15-Jun-05
	<b>DA (s)</b>	231001
	<b>FDI Address(es)</b>	X 0406
	<b>Replacing</b>	THIS JOB WILL REPLACE APROX. 9000' OF CABLE AND RELOCATE IT DUE TO ROAD RECONSTRUCTION ALONG
24	<b>STATE</b>	MINNESOTA
	<b>WIRE CENTER</b>	FERGUS FALLS
	<b>8-CHARACTER CLLI</b>	FRFLMNFB
	<b>COMPLETION DATE/PLANNED RETIREMENT DATE</b>	30-Dec-04
	<b>DA (s)</b>	490802
	<b>FDI Address(es)</b>	X 460:12
	<b>Replacing</b>	CABLE. DUE TO MAINTENANCE & SERVICE ISSUES
25	<b>STATE</b>	MINNESOTA
	<b>WIRE CENTER</b>	VIRGINA
	<b>8-CHARACTER CLLI</b>	VRGNMNV
	<b>COMPLETION DATE/PLANNED RETIREMENT DATE</b>	15-May-05
	<b>DA (s)</b>	122002
	<b>FDI Address(es)</b>	X 1906
	<b>Replacing</b>	this job is being issued to replace approx. 2870' of BhBH-6 along pike river road, in virginia, minnesota.
26	<b>STATE</b>	MONTANA
	<b>WIRE CENTER</b>	GREAT FALLS
	<b>8-CHARACTER CLLI</b>	GRFLMTMA
	<b>COMPLETION DATE/PLANNED RETIREMENT DATE</b>	31-Jan-05
	<b>DA (s)</b>	212331
	<b>FDI Address(es)</b>	GORE HILL.
	<b>Replacing</b>	REPLACE ATRIAL CABLE WITH UNDERGROUND AT MT AIR GUARD NEW GATE. SHORT TERM DISCLOSURE REQUIRED DUE TO SERVICE ISSUES
27	<b>STATE</b>	NEBRASKA
	<b>WIRE CENTER</b>	GRAND ISLAND
	<b>8-CHARACTER CLLI</b>	GDISNENW
	<b>COMPLETION DATE/PLANNED RETIREMENT DATE</b>	13-Mar-05
	<b>DA (s)</b>	313403
	<b>FDI Address(es)</b>	X 2115 BELLWOOD

**Exhibit MZ-9**

	Replacing	EXISTING FACILITY NEEDS TO BE abandoned. area was replatted. no working circuits in this facility at this time.
28	STATE	NEW MEXICO
	WIRE CENTER	ALBUQUERQUE NORTH
	8-CHARACTER CLLI	ALBQNMNO
	COMPLETION DATE/PLANNED RETIREMENT DATE	14-Jan-05
	DA (s)	311101
	FDI Address(es)	X 411 MATTHEW AV N W
	Replacing	CABLE. DUE TO MAINTENANCE & SERVICE ISSUES
29	STATE	OREGON
	WIRE CENTER	ASTORIA
	8-CHARACTER CLLI	ASTROR64
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	410261
	FDI Address(es)	55 14TH; 75 14TH
	Replacing	300' OF 19GA LEAD CABLE WITH 24GA CABLE
30	STATE	OREGON
	WIRE CENTER	HAROLD
	8-CHARACTER CLLI	PTLDOR08
	COMPLETION DATE/PLANNED RETIREMENT DATE	31-Mar-05
	DA (s)	210152
	FDI Address(es)	X 13511 SE HAROLD
	Replacing	An additional 100' of 24g copper will be added to loop on se knight at se 140 <sup>th</sup> and will change from aerial to underground cable. due to a road project. city or portland wants poles removed by 1-31-05.
31	STATE	OREGON
	WIRE CENTER	OREGON CITY
	8-CHARACTER CLLI	ORCYOR18
	COMPLETION DATE/PLANNED RETIREMENT DATE	30-Apr-05
	DA (s)	210761; 212411; 211882; 211883; 212015; 212666
	FDI Address(es)	X19131 Marjorie ln; x14865 s loder rd; x14645 s maplelane; x20254 s beavercreek rd
	Replacing	RELOCATE EXISTING ABRIAL CABLE ALONG BEAVERCREEK RD BETWEEN MOLALLA AVE AND MARJORIE LN DUE TO CONFLICTS WITH STREET IMPROVEMENT PROJECT.
32	STATE	OREGON
	WIRE CENTER	PRINEVILLE
	8-CHARACTER CLLI	PRVLOR53
	COMPLETION DATE/PLANNED RETIREMENT DATE	13-Mar-05
	DA (s)	232501
	FDI Address(es)	X 9-16R31.121 JUNIPER CANYON RD; X 1 S BENCH RD
	Replacing	REROUTING CABLES FOR DEVELOPMENT

**Additional Information:**

Any customer premises equipment vendor/manufacturer or enhanced services provider desiring additional technical information in conjunction with this Disclosure can contact:

Shirley Tallman  
 700 W. Mineral Ave  
 Littleton, CO 80120  
[Shirley.Tallman@qwest.com](mailto:Shirley.Tallman@qwest.com)

**EXHIBIT**

**MZ-10**



PSC120804.TXT

24 telling you it was these facilities and now it's  
25 going to be this facility, that's letting you know

DEPOMAX REPORTING SERVICES, INC. (801) 328-1188  
125

1 that you can determine are any of my services going  
2 to be impacted by that change in technical parameters  
3 and standards in the replacement. So to some extent,  
4 you know, you need to let us know or you need to  
5 determine by looking at your own services that you  
6 are providing to the customers because we might not  
7 know what those are, whether or not there's going to  
8 be an impact.

9 Q Okay. That's good information. But I want  
10 to make sure that my question was answered which was  
11 does Qwest always provide this statement whether they  
12 believe it impacts the CLEC community or not?

13 A I do not believe that we provide this level  
14 of detail and this kind of statement. As I indicated  
15 this is one of our early on and as this copper  
16 retirement notice has evolved to some extent through  
17 these proceedings, were providing and being more  
18 sensitive about the information that we are  
19 providing. And to some extent we can let you know  
20 there's going to be a change and what that change is  
21 going to be, but we have a better understanding that  
22 really a CLEC needs to look and make their own  
23 determination of whether there's going to be a  
24 negative impact to them or not because we may not  
25 always know all of the services they are providing

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1 across the place. So we're trying to be more  
2 specific and give you the information that lets you  
3 make your own determination. But in this particular  
4 early look, that's my understanding when they looked  
5 at it, they did not think it would impact the CLEC  
6 community.

7 Q Okay. So let's attack it another way.  
8 Let's say Qwest makes its determination and  
9 determines that it will impact the CLEC community.  
10 Will Qwest always include a statement, sort of the  
11 opposite statement of the one made here when they've  
12 made that determination or was the point of what you  
13 just said to say Qwest no longer tries to make that  
14 determination, it just provides what it thinks is  
15 enough network information for CLECs to judge that on  
16 their own?

17 A Qwest wants to make sure that it provides  
18 all of the information that it's required to provide  
19 for the FCC rules. And in providing that information  
20 and providing the information that lets a CLEC  
21 determine whether or not they've got someone in that  
22 location, and there are ways they can do that, they  
23 need to look at the change and technical standards  
24 and make their own judgement whether or not their  
25 customer is impacted. And I think it's one thing for

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1 us to give, you know, probable impact and a probable  
2 impact is we're going from fiber, you know, to copper