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BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF U S WEST
COMMUNICATIONS, INC.'S
COMPLIANCE WITH § 271 OF THE
TELECOMMUNICATIONS ACT OF 1996

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) Docket No. T-00000A-97-0238
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**AT&T'S COMMENTS ON THE SEPTEMBER 14
FINAL REPORT ON UNBUNDLED LOOPS**

AT&T Communications of the Mountain States, Inc. and AT&T Local Services on behalf of TCG Phoenix (collectively, "AT&T") submit the following comments on the September 14 proposed Final Report on Unbundled Loops ("Report").

I. COMMENTS

A. Checklist Item 4 - Unbundled Loops

- 1. Staff's Proposed Report should be revised to require Qwest to alter certain of its Loop intervals (Loop-36).**

In its recommendation, Staff concludes that CLECs are essentially barred in this proceeding from proposing changes to the Standard Interval Guide (SIG), Exhibit C to the SGAT, because, according to Staff, the SIG intervals were an integral part of the

development of the PIDs for both OP-3 and OP-4, AT&T was involved in the development of the PIDs that directly relate to the intervals discussed in the SIG and that any concerns over intervals should be addressed in the TAG. Based upon these conclusions, Staff apparently concludes that Qwest's intervals provide the CLECs with nondiscriminatory access to loops and, therefore, are not objectionable.

Staff's conclusions are wholly improper, violate numerous rules of evidence and procedure, and result in the adoption of discriminatory service intervals. The Staff's conclusions ignore unrefuted evidence presented by AT&T of what was considered in both the TAG and ROC process, ignore the fact that there were disagreements of the parties on the few intervals that Qwest brought to the TAG and ROC process and how those issues were resolved for purposes of commencing the test and why they were resolved for testing purposes in that manner. The Staff grossly overstates facts in an effort to sweep all of the loop-related intervals in the SIG into their conclusion. The Staff ignores the fact that Qwest has the burden of proving that the SIG intervals are either 1) at parity with what Qwest provides at retail to its customers or 2) afford the CLEC a meaningful opportunity to compete.

The evidence is unrefuted that the SIG was never presented to ROC or to the TAG for its approval.¹ Therefore, there was no agreement on the SIG that was reached as part of a collaborative process. Nor did ROC or the TAG formally approve any of the standard intervals in the SIG.² The reason the SIG was not presented to ROC or the TAG is simple: ROC and the TAG do not control the approval of standard intervals.³ The

¹ AZ Tr. (05/16/01), pp. 1630-1658; Multistate Tr. (06/05/01), pp. 162, 164 (Attachment A).

² AZ Tr. (05/16/01), Multistate Tr. (06/05/01), p. 162.

³ *Id.*, p. 164.

approval of standard intervals is not a task that is an integral part of the OSS testing process and is more appropriately the role of the individual state commission.

Qwest did not, as part of the TAG or ROC process, present any evidence to support its claim that any of the SIG intervals (or PID measures) it was proposing were at parity. That is Qwest's burden, not the CLEC's. To meet this burden, Qwest would have had to present evidence 1) of its provisioning of comparable elements in its retail operations or 2) that the measures it was proposing afford CLECs a meaningful opportunity to compete. Qwest made no such showing during the PID discussions and it has made no such showing in this proceeding. Instead, during the PID discussions, Qwest proposed measures and simply asserted that those measures represented parity or, if there was no retail analog, were otherwise appropriate. With respect to the OP-3 and OP-4 measures, the CLECs objected to those measures as not affording parity and, rather than engaging in protracted debate that would have dramatically delayed testing, the parties established benchmarks for testing purposes, leaving for another day the issue as to what the intervals should be in order to provide nondiscriminatory access to CLECs. Accordingly, Qwest did not meet its burden of proving that the SIG intervals are parity or that they provide CLECs with a meaningful opportunity to compete. And importantly, because the parties to ROC and the TAG could never agree on what parity was, no service intervals were established as part of an open and collaborative process.⁴

The record is likewise clear that during the course of the TAG and ROC negotiations on OP-4, there was significant disagreement on the appropriate loop

⁴ Therefore, Qwest's reliance on the FCC's Section 217 order in the Verizon Massachusetts proceeding is not dispositive here.

intervals and whether there were retail analogs for certain loop types. Qwest originally stated that there was no retail analogue for Analog Loops, Non-Loaded Loops and ADSL-Qualified loops.⁵ Some CLECs suggested that the most comparative analog was residential and business POTs with dispatch.⁶ Qwest and some other CLECs disagreed. These other CLECs were concerned that this analog would not afford them a meaningful opportunity to compete.⁷ According to Qwest, it engaged in extensive negotiations with Covad and WCOM.⁸ Because the parties could not agree on these issues, the parties agreed to use a benchmark for analog loops, non-loaded loops and ADSL-qualified loops as the pass-fail criteria.⁹ Based upon the record, Qwest brought into these discussions its proposed intervals for these loop types for order quantities of 9-16 loops, e.g., six days, for purposes of establishing the average to be used in establishing the benchmark.¹⁰ There was no discussion as to whether these intervals were the appropriate standard intervals for loop quantities 9-16.¹¹ There was no discussion of the intervals for other quantities for these same loop types or the intervals for any other loop types.¹²

Because the SIG intervals were never presented at TAG or ROC and there was significant disagreement over what intervals would provide parity during the development of the PIDs (for these intervals, a benchmark was established), Qwest has made no showing as to whether the intervals it has proposed in the SIG are at parity with the intervals it offers to its retail customers. The fact that Qwest brought certain of its

⁵ AZ Tr. (05/16/01), pp. 1635-36.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ AZ Tr. (05/16/01), pp. 1645-46; Multistate Tr. (06/05/01), pp. 163, 166 – 67.

¹⁰ *Id.*, pp. 194 - 95.

¹¹ *Id.*, pp. 194, 198.

¹² *Id.*

proposed loop intervals up in the discussion of the establishment of the benchmarks for OP-3 and OP-4 does not meet the burden of proof required by law. The record is clear that the parties disputed what intervals constituted parity or provided the CLECs with a meaningful opportunity to compete. Thus, the fact that they agreed to a benchmark as a settlement for purposes of testing, so as not to interminably delay testing from going forward, does not alter Qwest's obligation to demonstrate that its intervals provide CLECs with nondiscriminatory access to loops.

However, as a practical matter, the concerns raised by AT&T with respect to analog loops have been addressed through Qwest's recent revisions to the SIG to add Quick Loop with LNP, an issue AT&T raised in its initial brief.¹³ However, AT&T and other CLECs have raised concerns about other loop intervals that should be addressed by this Commission.

In making its broad ruling, Staff skirts the fact that for DS1 loops, Qwest is proposing intervals that are different from the SIG intervals that were in effect when the PID measure for that loop type was established. Staff's recommendation that the DS-1 interval is appropriate is internally inconsistent with its other recommendations. On the one hand, the Staff accepts the SIG as precedential because it concludes that it was integral to the development of the PIDs, yet Staff allows Qwest to unilaterally alter the original "agreed-to intervals" for the DS1 intervals proposed in the SIG, without CLEC consent or other authorization by the state commission. Staff cannot have it both ways. Either intervals are open for review here, or Qwest must be bound by the original SIG intervals and it cannot propose new DS1 intervals here. It would be antithetical and a

¹³ See, Qwest WEB Change Notification Form, dated September 28, 2001. (Attachment B).

clear violation of fundamental due process to allow Qwest the discretion to change the SIG at its whim, but at the same time refuse the CLECs the opportunity to challenge the SIG.

With respect to DS-1 loops, in the initial filing made by Qwest witness Karen Stewart in this workshop, Qwest proposed the very intervals AT&T is requesting.¹⁴ Those were the same intervals that existed in the SIG at the time the PIDs were developed. Qwest now claims that it changed these intervals unilaterally because the revised intervals represent retail parity.¹⁵ This change was not agreed to as part of any collaborative process. Qwest notified CLECs of these changes to the standard intervals for DS-1s in the ROC process, but did not seek the approval or agreement of the ROC participants for these changes. Nor were these changes discussed by the ROC or TAG participants.

AT&T objects to Qwest's revised intervals. AT&T disputes that these measures represent parity or provide CLECs with a meaningful opportunity to compete. AT&T is the largest purchaser of DS-1s from Qwest on the "retail" side.¹⁶ As is the case with the wholesale intervals, Qwest arbitrarily and unilaterally changed the intervals offered to retail customers in the last year.¹⁷ For years prior to that, Qwest provided DS-1s pursuant to the intervals AT&T is proposing here.¹⁸ It now uses these arbitrarily altered retail

¹⁴ AZ Tr. (05/16/01), p. 1669.

¹⁵ *Id.*, pp. 1670-71.

¹⁶ *Id.*, p. 1673.

¹⁷ *Id.*

¹⁸ *Id.*, p. 1671 - 73.

intervals to argue parity.¹⁹ Qwest should be required to revise its DS-1 intervals.

Finally, the repair intervals established in the SIG do not reflect retail parity. Qwest proposes in its SIG a 24-hour repair interval. Qwest argues that this interval is appropriate because it has service quality obligations on the retail side under state commission rules that establish a 24-hour repair interval.²⁰ That is not the legal measure of parity. Parity is measured based upon the service Qwest provides to its retail customers, itself or its affiliates, not the standard established by state commissions.²¹ That is the only measure that will provide CLECs with a meaningful opportunity to compete, particularly where Qwest is performing better than the state service standard.

For its retail customers, Qwest's mean time to restore is 10 hours.²² That is the parity figure that should be used as the basis for establishing the wholesale service interval. Thus, the 12-hour interval proposed by AT&T is clearly appropriate and should be reduced to a 10-hour interval to be at parity with retail. If Qwest is not required to do better than a 24-hour interval on the wholesale side, CLECs will never be able to come close to matching the 10-hour repair time that Qwest's retail customers receive. In addition, Qwest's mean time to restore on the wholesale side is currently running at 4 hours, so it is clear that AT&T's proposal for a 10-hour repair interval is realistic.²³

¹⁹ Qwest's reliance on other RBOC intervals is not dispositive as the proper inquiry is whether Qwest's intervals are at parity with what Qwest provides in its retail operations. However, it is notable that BellSouth's UNE Interval Table reflects a 5-day interval for 2 and 4 wire analog loops. BellSouth UNE Interval Table, Issue 4B – February 2001, (Attachment A to AT&T's Legal Brief). Qwest has argued that the BellSouth interval is actually longer than portrayed, but the assumptions it relies upon only applies for LSRs that are submitted manually or that require manual intervention.

²⁰ AZ Tr. (05/16/01), pp. 1690, 1692.

²¹ *Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA services in Michigan*, CC Docket No. 97-137, Memorandum Opinion and Order, FCC 97-298, ¶ 139 (released August 19, 1997).

²² AZ Tr. (05/16/01), pp. 1687 - 90.

²³ *Id.*, pp. 1689 - 90.

For these reasons, Qwest has not carried its burden of demonstrating that its intervals provide the CLECs with nondiscriminatory access to unbundled loops. AT&T and other parties have raised many concerns regarding Qwest's intervals in this proceeding that call into question the legitimacy of the intervals set forth in the SIG. CLECs should not be foreclosed from advocating changes to the SIG in the Section 271 workshops. Staff's finding should be revised.

2. Qwest must provide CLECs with access to Qwest's databases or other records that contain Loop information, including LFACs (Loop-4(b)).

Qwest is required to provide access to its LFACs database and any other database or source that contains information regarding Qwest's loop plant. Qwest refuses to provide such access. The Staff apparently sides with Qwest on this issue. While acknowledging the Qwest has an obligation to provide CLECs with the same information that Qwest has in any of its databases or internal records, the Staff concludes that "AT&T's request for access to the LFAC's database should be satisfied through the availability of such information in Qwest's Raw Loop Data Tool."²⁴ Staff goes on to state:

Staff believes that Qwest has made information available to the CLECs through its numerous loop qual tools which Qwest has represented is the same information to which its retail representatives have access. Absent evidence demonstrating that such information is insufficient or of inferior quality to what Qwest's own retail representatives have access, Staff is hesitant to order that the CLECs have access to yet another Qwest database particularly when issues of confidentiality are present.²⁵

Staff's conclusion is contrary to clear and unequivocal obligations established by the FCC in the *UNE Remand Order* and recent Section 271 orders.

²⁴ Report, p. 45.

²⁵ *Id.*

only information that is useful in the provision of a particular type of xDSL that SWBT offers. SWBT must provide loop qualification information based, for example, on an individual address or zip code of the end users in a particular wire center, NXX code or on any other basis that SWBT provides such information to itself. Moreover, SWBT must also provide access for competing carriers to the loop qualifying information that SWBT can itself access manually or electronically.²⁷

In this case the FCC has established the parity standard as any loop or loop plant information that “any Qwest employee has access to,” not what is accessible to Qwest’s retail operations, and that information may not be filtered or digested. Staff’s findings inappropriately limit the information Qwest must give CLECs access to the information that is available to Qwest’s retail representatives and would inappropriately allow Qwest to filter or digest the loop and loop plant information by allowing Qwest to determine that information it loads onto the raw loop data tool. These findings are contrary to law and must be revised.

As the FCC indicates, CLECs need access to loop and loop plant information so they can make an independent judgment at the pre-ordering stage about whether a requested end user loop is capable of supporting the advanced services equipment the requesting carrier intends to install. In addition, CLECs need access to this loop

²⁷ *In the Matter of Joint Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Kansas and Oklahoma*, Memorandum Opinion and Order, CC Docket No. 00-217, FCC 01-29, ¶ 121 (released January 22, 2001) (“*BellSouth Kansas/Oklahoma 271 Order*”)(Citations omitted).. See also *UNE Remand Order*, ¶ 430; *In the Matter of Application of Verizon New England Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions) And Verizon Global Networks Inc., For Authorization to Provide In-Region, InterLATA Services in Massachusetts*, Memorandum Opinion and Order, CC Docket No. 01-8, FCC 01-130, ¶ 54 (released April 16, 2001) (“*Massachusetts Verizon 271 Order*”) (Empahsis added).

information in order to determine whether they can provision service to areas that are served by IDLC loops.²⁸

During the course of the loop workshops, obtaining information regarding where loop or loop plant information resides in Qwest's database(s) or back office systems that are accessible by any Qwest employee has been like pulling teeth. Qwest has dodged these queries or has spun a record so confusing that it is impossible to tell what systems CLECs are entitled to access under the *UNE Remand Order*. However, in the Colorado Loops workshop, Qwest conceded that at least some loop plant information was in LEIS and LEAD, which are subsets of LFACs and that its engineers have access to this information.²⁹ Irrespective of where it resides, if there is loop or loop plant information that is accessible to any Qwest employee, the FCC orders mandate that CLECs are entitled to access that same information.

In addition, Exhibit 5 Qwest 9 demonstrates that Qwest has the ability to use LFACs to locate loop information. Specifically, Step 3 of the FOC trial process indicates that once Qwest receives an accurate LSR, it will access LFACS to attempt to assign pairs not in need of conditioning and create a design of the loop.³⁰ As Exhibit 5 Qwest 9 reveals, Qwest takes this step for CLECs

because LFACS may reveal information not available through the RLDT, especially with regard to loops not already connected to a switch. The RLDT provides information from the Loop Qualification Database (LQDB), which in turn is derived from LFACS and other sources. But the LQDB covers only loops connected to a switch. LFACS, on the other hand, contains information for all facilities, even those not connected to a

²⁸ *Id.*

²⁹ CO Tr.(05/25/01), p. 74-76 (Attachment C).

³⁰ 5 Qwest 9, p. 3.

switch, but does not contain some of the information available through the RLDT, such as the results of the MLT.³¹

That is precisely why CLECs need access to LFACs or whatever databases or records have loop plant and spare facilities information. They need the ability to determine if they can provision service in an area that is served by IDLC with the services they seek to provide, just as Qwest' engineers do.

Because of the uncertainty Qwest has injected into the record on this issue, the Commission should include a provision in the SGAT stating Qwest's obligation to afford CLECs access to all loop and loop plant information that Qwest employees have access to and, in order to determine where this information resides, the Commission should permit CLECs to audit, on an ongoing basis, Qwest's records, back office systems and databases in Arizona, to assure that Qwest is providing nondiscriminatory access. This is what SBC agreed to provide in Texas and what the Texas Commission has ordered SWBT to do because of the uncertainty surrounding where this information resides.³²

By denying competing carriers access to loop qualification information as required by the *UNE Remand Order*, Qwest fails to meet its obligation to provide nondiscriminatory access to unbundled loops and Qwest fails to afford its competitors a meaningful opportunity to compete. Accordingly, AT&T recommends the following provision be added to the SGAT to afford CLECs the access to Qwest's loop information that is permitted under the Act and FCC orders:

³¹ *Id.*, footnote 2.a

³² See Attachment D, *Petition of IP Communications Corporation to Establish Expedited Public Utility Commission of Texas Oversight Concerning Line Sharing Issues*, Public Utility Commission of Texas, Arbitration Award, Docket Nos, 22168 and 22469, pp. 105-07 (dated July 13, 2001).

Qwest shall provide to CLEC on a non-discriminatory basis access to all company's records, back office systems and databases where loop or loop plant information, including information relating to spare facilities, resides that is accessible to any Qwest employee or any affiliate of Qwest. CLECs shall have the ability to audit Qwest's company records, back office systems and databases in each state to determine that Qwest is providing the same access to loop and loop plant information to CLECs that any Qwest employee has access. Such audit will be in addition to the audit rights contemplated by Section 18 of this Agreement, but the processes for such audit shall be consistent with the processes set forth in Section 18. CLEC agrees the access afforded to CLEC to Qwest's records, back office systems and databases and the use by the CLEC of any information obtained under this section shall be limited to performing loop qualification and spare facilities checks.

3. Qwest's Obligation to Build/Held Order Policy (Loop-2(b)).

This issue involves whether Qwest has the obligation to expand its existing facilities to meet CLEC demands. AT&T agrees with the Staff's conclusions regarding Qwest's new held order policy. However, in its conclusions, Staff states:

Staff does not believe that Qwest must build out to encompass any and every conceivable CLEC request. On the other hand, Qwest cannot simply ignore the need for additional facilities if customer demand is there. Qwest has acknowledged that it is the Carrier of Last Resort ("COLR") for its service areas in Arizona and as such it is obligated to provide service to all customers within its service areas, and that it will build out as required to meet its COLR and/or Eligible Telecommunications Carrier ("ETC") obligations. Staff believes Qwest should be required to construct additional facilities as it would normally construct in such circumstances if the particular request(s) for service had been made to Qwest rather than the CLEC. Qwest should be required to make conforming changes to its SGAT to reflect this requirement.³³

AT&T seeks clarification of this statement. In order to ensure parity treatment between Qwest's retail operations and its wholesale operations, Qwest must construct unbundled loops to meet CLEC demand throughout its current service territory. It is not clear whether this was what Staff intended in the section cited above.

³³ Report, p. 48.

The Telecommunications Act of 1996 (“Act”) requires Qwest and other incumbent local exchange companies (“LECs”) to provide access to UNEs “on rates, terms and conditions that are just, reasonable, and nondiscriminatory.”³⁴ Qwest currently builds facilities for its own retail customers and does not reject orders for its retail customers so that its retail customer’s demand is factored into Qwest’s build decisions.³⁵ Qwest rejects CLEC orders under similar situations and refuses to consider CLEC forecasts in its build decisions. This differing treatment clearly discriminates against Qwest’s wholesale customers because Qwest refuses to track CLEC demand and by failing to take CLEC held orders into account in developing its construction plans. As a result, Qwest’s retail customers will always be ahead of CLECs in the queue for new facilities because Qwest will always possess superior and advanced knowledge regarding its own build plans.

The Administrative Law Judge in Washington supports AT&T’s request that Qwest must build unbundled loops throughout its service territory. In her Workshop 2 Initial Order, the ALJ explains that “the incumbent LEC is still required to provide access to UNEs within its existing network even if it must construct additional capacity within its network to make the UNEs available to competitors.”³⁶ The term “existing network” is not limited to actual facilities in place, as Qwest contends, but

applies to the “area” (end offices, serving wire centers, tandem switches, interexchange carrier points of presence, etc.) that Qwest’s interoffice facilities service. The same concept applies on the loop side of Qwest’s

³⁴ 47 U.S.C. § 251(c)(3).

³⁵ CO Tr. (05/24/01), pp. 146-48, 171-72; (Attachment E); OR Tr. (07/19/01), pp. 130-58 (Attachment F).

³⁶ *In re Investigation Into US WEST’s Compliance With Section 271*, WUTC Docket Nos. UT-003022 & 003040, Thirteenth Supp. Order, ¶ 79 (July 24, 2001) (“Washington Initial Order”) Attachment G).

network where Qwest is obligated to construct additional loops to reach customers' premises whenever local facilities have reached exhaust.³⁷

The Washington Initial Order requires Qwest to “construct new facilities to any location currently served by Qwest when similar facilities to those locations have exhausted.”³⁸

An additional reason that Qwest must be required to build facilities for CLECs is that CLECs are already paying for the build of new facilities in the price they pay for UNEs.³⁹ In Arizona, fill factors were used in the calculation of UNE prices. A fill factor is used to ensure that sufficient capacity is always available. Once a certain percentage fill is achieved, a new facility is built. If a fill factor of 50% were used in the calculation of UNE prices, then the CLEC is being charged for a whole facility when only 50% of the facility is only being used to 50% of its capacity. The effect of using fill factors, especially low fills, is that the CLEC is being charged to build new facilities in order to ensure that the fill level remains constant and Qwest does not run out of capacity. The fact that fill is included in UNE pricing means that CLECs are being charged for building new capacity, yet because of Qwest's new policy, only Qwest would be the beneficiary of that new capacity. That is inappropriate and a clear basis for rejecting Qwest's SGAT language in Section 9.1.2.

The Report should be clarified to require Qwest to construct UNEs, except for interoffice transport, to meet CLEC demand throughout its service territory.

³⁷ *Id.*

³⁸ *Id.* ¶ 80.

³⁹ CO Tr. (05/24/01), pp. 139-41 (Attachment E).

4. **Spectrum Management (Loop-9(a-c)).**

a. **Remote DSL Deployment.**

Qwest has testified that it has plans to deploy and is in fact deploying ADSL and VDSL terminals in remote premises throughout its region.⁴⁰ As this remote deployment becomes more widespread, whole neighborhoods will be cut off from being able to obtain advanced services from competitive providers. Qwest's expert witness on spectrum issues, Mr. Boudhaouia admitted as much: "As we – as an industry – start[] marketing [advanced] services to the customer and especially going to the remote DSL deployment, the probability of interfering . . . with the services is going to go a lot higher."⁴¹ Thus, following the deployment of Qwest's DSL at a remote terminal, a customer's sole option for advanced services would be for the customer to purchase these services from Qwest.

It would appear that, on this issue, the Report concludes that the Commission should await further decisions by the FCC.⁴² Staff's proposed resolution of this issue allows Qwest to continue to deploy these technologies in remote locations without regard to whether such deployment will be spectrally incompatible with central office based advanced services. Staff's position is contrary to the Act and impedes competition to more rural areas of the State.

The Act bars state commissions from adopting rules or policies that create barriers to entry.⁴³ These technologies are barriers to entry because they interfere with the performance of central office based CLEC services, making such services unavailable.

⁴⁰ See Attachment G to AT&T's Legal Brief.

⁴¹ Multistate Tr. (5/1/01), p. 291.

⁴² Report, p. 55, ¶ 198.

⁴³ 47 U.S.C. § 253(a).

The Commission should require Qwest to deploy its technology in a spectrally compatible manner in order to ensure that this nascent area of competition is allowed to flourish and is not encumbered by Qwest's actions in deploying remote DSL and repeaters.

However, in the event Staff's recommendation is not altered and Qwest continues to deploy ADSL and VDSL technology and repeaters without regard to spectrum compatibility concerns, it should do so at its own risk. If it is later determined that Qwest must replace or alter the technology it has deployed in order to ensure spectrum compatibility, Qwest should bear those costs. Having sought to require Qwest to deploy its facilities in a more spectrum compatible manner now, CLECs should not be forced to bear any cost that Qwest must incur down the road for its failure to deploy technology in a responsible and pro-competitive manner.

II. CONCLUSION

For all the reasons set forth herein, AT&T urges that the Staff's proposed Findings be revised in the manner set forth herein.

Respectfully submitted this 3rd day of October, 2001.

**AT&T COMMUNICATIONS
OF THE MOUNTAIN STATES, INC.
AND AT&T LOCAL SERVICES ON
BEHALF OF TCG PHOENIX**

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1 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

2 Case No. USW-T-00-3

3 In the Matter of US WEST Communications, Inc.'s Motion
4 for an Alternative Procedure to Manage the Section 271
5 Process.

5 STATE OF IOWA
6 DEPARTMENT OF COMMERCE
7 UTILITIES BOARD

7 Docket No. INU-00-2

8 IN RE: US WEST COMMUNICATIONS, INC.

9 -----

10 DEPARTMENT OF PUBLIC SERVICE REGULATION
11 BEFORE THE PUBLIC SERVICE COMMISSION
12 OF THE STATE OF MONTANA

12 Docket No. D2000.5.70

13 IN THE MATTER OF the Investigation Into US West
14 Communications, Inc.'s, Compliance with Section 271
15 of the Telecommunications Act of 1996.

15 -----

16 STATE OF NORTH DAKOTA
17 PUBLIC SERVICE COMMISSION
18 Case No. PU-314-97-193
19 US West Communications, Inc., Section 271 Compliance
20 Investigation.

19 -----

20 BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

21 Docket NO. 00-049-08

22 In the Matter of the Application of US West

1 BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

2 Docket No. 70000-TA-00-599

1 would be situations where something changes within the
2 organization, and we need to notify people, and we may
3 do it through team meetings, there may be some even
4 half-day off-site sessions, because, basically it's
5 bringing them up to speed on any of the additional
6 changes that occurred.

7 Specifically what would be focussed on
8 would be the things that they need to be able to do
9 their job, whether that's information on the product,
10 so they understand the products, or in terms of our
11 network employees, what they need to do to provision
12 the different services. What are the technical
13 parameters and what do they have to do that. That
14 formal and informal training process has always been
15 part of our overall structure.

16 Throughout the workshops, Qwest heard
17 many concerns raised regarding employee information.
18 And one of the things that we have worked hard, kind of
19 struggled through, is keeping everybody up to date and
20 current. You know, if you look at what's happened over
21 the last several months, a lot of it has been
22 negotiated and changed through the workshop process.
23 And to get that information to all employees
24 simultaneously has been something that we're working
25 through. But, again, it raised a new awareness in

1 but rather the afterwards. What do you need to do to
2 get things working. That's really where the service
3 manager concept came into play. And Qwest is in the
4 process, now, of doing that service manager separation.

5 In conjunction with that, there is an,
6 again, another set of formal processes going on where
7 there will be a curriculum created for service
8 managers. Let's say, to be a service manager, here are
9 the kind of the things that you need to be aware of,
10 and it will include things like product training, it
11 includes the process information, what happens in the
12 overall process. And, again, this will be a
13 combination of classroom training, Web-based training
14 and informal training where they receive an update of
15 information as it becomes available. The sales manager
16 also will have a similar process. So, we're going
17 through this reeducation of our forces to convey,
18 here's where things are at today. Here's how they are
19 changing, and here's everything that has also changed,
20 because a lot has changed. The SGAT process -- the
21 SGAT has caused changes in our process, I should say.

22 The informal training has to do with
23 several different functions in the way we do informal
24 training. And one of the things that we have had, that
25 we have always done, and we'll continue to do, are

1 MR. ANTONUK: I wanted to point that out
2 for the folks who just come on board. You're another
3 one of those we've been picking on routinely for quite
4 a while.

5 MR. CAMPBELL: I would like to talk just
6 a minute about the processes we put in place, about all
7 of the work that's been done in the previous workshops,
8 and language that's been agreed to. As you know, we've
9 been across all of the interconnection checklist items
10 now. There have been significant language changes. It
11 is this last expectation that's produced documentation
12 and other activities necessary to meet those
13 commitments, whether it be product catalogue
14 information, name changes, such as we changed the word
15 "wire center" to "premise," and "collocation" and all
16 of the way to the new products and services that we may
17 be offering as a result of our negotiations.

18 What we have set up in and have kicked
19 off, and it's now an ongoing entity, was teams around
20 each of the checklist items in product sets. We sat
21 down with the witnesses, the witness support team, our
22 public policy folks, and subject matter witnesses, such
23 as myself, and created matrices, literally, from the
24 SGAT language, of changes and impacted changes to
25 documents, and so captured in work matrices. Now, once

1 level. We have also overlaid a governance structure of
2 the senior leadership to review twice a week the
3 progress coming out of these teams, and I believe there
4 are 18 different teams that are working at the product
5 level, working these changes.

6 So, as we move through this, we will be
7 closing the gaps on the SGAT language that's been
8 agreed to, that we have promised to get back to you all
9 on. And with that will be a notification, at the end
10 of this, in terms of our compliance with our
11 understandings that have been agreed to in these
12 workshops. That's kind of, in general, how we're
13 handling all of the changes in agreement that's come
14 through the language process.

15 MR. ANTONUK: Anything else from Qwest?

16 MS. LISTON: Not at this time.

17 MR. ANTONUK: Okay. Questions?

18 MS. FRIESEN: Good afternoon, Jean. I
19 don't think I have had the pleasure of working with you
20 before, so if you don't mind, could you tell me what
21 your background is.

22 MS. LISTON: Right now I am the 271
23 witness for unbundled loops. And I have worked in
24 telecommunications for 24 years, starting way back in
25 Bell Laboratories in the beginning and came to -- have

1 presidents within network. And what they have done,
2 within the network organization, is, again, assigned
3 key people, the way Bill was talking about with
4 different teams. We have different key people working
5 through different issues. So, one of the things we
6 have talked around, with the loop organization, within
7 the loop workshops, was a new center that got created
8 for coordination. And there's a leader -- network
9 leaders associated with that, Fred Escobal. I have
10 been working with Fred on that. Each one of them has a
11 leader who is now responsible for making sure that
12 changes happen. The same within service delivery. I
13 would be working with service delivery leadership.

14 MS. FRIESEN: So there's a network.

15 MS. LISTON: It's usually at the vice
16 president level.

17 MS. FRIESEN: Okay. So that's the
18 network organization. Then there's a service delivery
19 organization, correct?

20 MS. LISTON: Yes.

21 MS. FRIESEN: Are there other
22 organizations that you know of?

23 MS. LISTON: The other organizations that
24 we would have interface quite a bit with would be our
25 technical -- the IT organization. That would do system

1 organization. They were its own organization within
2 wholesale, separate from the service delivery
3 organization. When we reorganized, we kept the sales
4 organization independent. We moved the service
5 managers underneath the service delivery vice
6 president. So they are actually -- service managers
7 and service directors are actually part of the service
8 delivery.

9 MS. FRIESEN: Sales and service managers
10 are part of the service delivery?

11 MR. CAMPBELL: Sales is still its own
12 organization, and just the servicing aspect of what
13 used to be the old account managing role is now in
14 service delivery and service delivery is our centers
15 and front-end organization that processes the orders.

16 MS. FRIESEN: Okay. So, let's go back to
17 the formal training that you spoke of. The new
18 curriculum that was developed, it was given to the
19 service manager folks?

20 MS. LISTON: Yeah. The service
21 manager -- the curriculum is in the process of being
22 finalized. So we're still working through the
23 actual -- all of the various piece-parts of it, that
24 would be in the curriculum. We have started the
25 training -- we'll continue doing the training, I should

1 products and processes and those kinds of things. And
2 then doing that in parallel with finalizing the
3 curriculum.

4 MS. FRIESEN: Do you intend to provide
5 these finalized curriculums to the state commissions in
6 this forum so we can take a look at that?

7 MS. LISTON: I don't think there's been
8 any discussion of that, up to this point in time. So
9 that hasn't been something that we had anticipated
10 doing.

11 MS. FRIESEN: That might be very helpful
12 and necessary, from the CLEC perspective, to be able to
13 see what you are training your folks to do and how.
14 So, to the extent you can provide that, during this
15 process, at the earlier time it's done I think that
16 would be great.

17 You have mentioned also, Jean, a
18 certification process for wholesale service folks. And
19 I assume that the certification process applies to all
20 people in the three categories that you've described
21 are working on this particular issue, this training
22 issue. That would be network, service delivery and
23 technical support; is that correct?

24 MS. LISTON: No. Let me clarify that.
25 The certification process was the generic umbrella, if

1 include that they have seen the video, and then there's
2 question-and-answer information that they have to be
3 able to answer, saying that they understand the
4 process. So, that would be one of the modules within
5 the certification. And so, then, for each of the
6 various piece-parts of their job, whether it be the
7 tech pubs associated with how they have to test the
8 various services, those kind of things, wiring in the
9 Central Office, it would be geared to their specific
10 job with the various products associated with the
11 wholesale.

12 MS. FRIESEN: Okay. Who is creating --
13 seems to me there are few steps I am not capturing in
14 your presentation. And I understand, as Mr. Campbell
15 testified, that you produce matrices that apparently
16 outline, I guess, what's in the current SGAT. And from
17 those matrices, I am curious to know how you get to a
18 technical publication, or some kind of message to the
19 guys down in network that these are the things you need
20 to focus on and these are the processes you need to
21 develop. How do you get from --

22 MS. LISTON: Okay. When Bill went
23 through the team that's being created, for reviewing
24 SGAT language, the team consists of key
25 representatives, subject matter experts, staff

1 that new option, come back to the team with their
2 methods and procedures, make sure that they are in
3 compliance with the SGAT, and then turn around, then
4 bring that back into their organization to do the
5 formal or informal training. Depending upon how big
6 the change is, they would make the determination if
7 it's formal or informal.

8 MS. FRIESEN: Okay. Mr. Campbell, you
9 talked a little bit about your -- some phrases, I
10 guess. I know we have had some discussions in the past
11 about something called "collocation policies." Could
12 you tell me how you get from the matrices down to the
13 thing called the "collocation policy" that's then
14 disseminated among CLECs? Is there a chain that --

15 MR. CAMPBELL: As part of process that
16 we'll be undertaking is identifying those changes so
17 not only things like the product catalogue that you
18 would see on the Website, also the technical
19 publications are being addressed as part of the changes
20 that are coming through, as a result of the language
21 changes. To the best of our ability, our subject
22 matter experts, as Jean described, for instance, in
23 collocation, won't be just one network person. It will
24 be a person representing our CPMC organization, the
25 product management organization, outside plant, IOF

1 is literally hundreds and hundreds of changes that have
2 been initiated as a result of these workshops. With
3 that are some very tight time frames to turn around the
4 requirements of getting that back into our external
5 documentation. With that are resourcing issues,
6 jeopardies associated with some of the development
7 commitments. What the governance team is doing is
8 helping us to identify work and break through those
9 obstacles so we meet the commitments.

10 MS. FRIESEN: I would like you to run
11 through an example for me so I can just make sure I
12 understand what you guys have talked about. Let's go
13 back to our collocation example, and let's talk about
14 what the service representative in the Central Office
15 that's turning over a collocation cage, with any policy
16 papers, anything like that, what kind of training he
17 would receive before he does that, he or she? Can you,
18 given Ms. Liston's description of sort of the way the
19 new things are going, can you describe for me what we
20 can expect him to have been through.

21 MR. CAMPBELL: If I can describe -- let
22 me pick a specific something, like space optioning,
23 which is a brand new capability. With that will be
24 product descriptions that will be going into the
25 product catalogue, and process work and definition work

1 change, to a distributed organization, all of your
2 Central Office folks, or our engineering folks that may
3 be in different locations. And that may be
4 informational letters going out, or training through
5 their supervisor, which is then carried down into the
6 geographic organization and review with specific
7 technicians.

8 We also have forums internally, where we
9 pull people together to go through the changes. One of
10 these vehicles is what we call a queue show. Something
11 that we're able to pull people together on line, and do
12 kind of like a video kind of training. So, it's across
13 the board, and it's tailored to meet each specific
14 situation.

15 MS. FRIESEN: So the person in the
16 collocation -- the person handling collocation that's
17 in the wire center, would he or she be at all familiar
18 with the individual CLECs' interconnection agreement at
19 the time he or she is turning the space over to that
20 CLEC or do they ever see that?

21 MR. CAMPBELL: The person who is turning
22 over the space in the Central Offices is what we call a
23 "state interconnection manager." The state
24 interconnection manager is familiar with the
25 differences in the interconnection agreements between

1 MS. FRIESEN: Okay.

2 MR. MENEZES: Could I just ask, how is it
3 that they know the differences between the
4 interconnection agreements? Do they read them? Are
5 they summarized by someone else for them? Are they
6 available? Do they have -- I mean, do they have them
7 there in their offices? I am just curious what their
8 access is to those documents. How they know what they
9 contain?

10 MR. CAMPBELL: Speaking from my
11 experience with the state interconnection
12 organization -- I was part of that sometime ago -- we
13 generally reviewed the interconnection agreements as
14 they were coming through, at least for those who were
15 doing collocation with us. Generally it's a handful of
16 cocarriers at any one given time that is doing
17 activity. Now, that's at the state interconnection
18 spot.

19 Now, if you want to talk about how we
20 identified other differences, perhaps, in the ordering
21 center, in network, where there could be interval
22 differences and other specifics associated with the
23 interconnection agreement, there are actually job aides
24 that will identify, by cocarrier, what the requirements
25 are. So, for instance, someone may have a 56 day

1 person who was turning that space over that the
2 collocation policy was inconsistent with their
3 interconnection agreement. Now, in that instance,
4 where you have the CLEC in the wire center ready to
5 take the space, and the service -- and I am assuming it
6 was a state interconnection service manager ready to
7 turn it over, if a dispute arises at that point in
8 time, what are they instructed to do, if anything?

9 MR. CAMPBELL: Well, for starters, I
10 don't recollect Covad's testimony reflecting exactly
11 the situation that you described, so I can't talk to
12 that specific situation. But, in general, if they get
13 out to a Central Office -- and this has occurred
14 before, either as part of a preview prior to turning
15 over, or it's an actual turnover where there may be an
16 issue, the state interconnection manager will often
17 call right from the Central Office to get resolution or
18 work directly with the customer contact around what the
19 issue is with an agreement to resolve it.

20 MS. FRIESEN: Who would they call?

21 MR. CAMPBELL: It depends upon what the
22 situation is.

23 MS. FRIESEN: Let's hypothetically use
24 the Covad example and you don't have to, you know,
25 agree that that's true. Let's just use that.

1 go ahead and take the space?

2 MR. CAMPBELL: The state interconnect
3 manager has a wide range of empowerment to do what's
4 right at the time. These are individuals who have
5 many, many years of experience with the business, in
6 network, in engineering, in construction, and they are
7 generally very solid as it relates to what needs to
8 happen at a specific site in a specific situation.

9 MS. FRIESEN: And do you know about how
10 many of these people there are, how many, for your
11 14-state region?

12 MR. CAMPBELL: I was looking to see if
13 Barry was here. I believe it is eight or nine. Each
14 of the larger states, of course, have a single state
15 interconnection manager, and then there's a -- some
16 aggregation with some of the smaller states to those
17 folks.

18 MS. FRIESEN: Go back to the matrix that
19 I assume you're helping to create.

20 MR. CAMPBELL: Yes.

21 MS. FRIESEN: How or who determines the
22 documents that are impacted and processes that are
23 impacted in, let's use collocation, for example.

24 MR. CAMPBELL: It's a twofold process, as
25 I described. One is with some of the guidance of those

1 understand. If it's been resolved, but we don't agree
2 with the outcome. If it's been resolved, it's been
3 resolved -- it's been captured in the matrix. If we
4 don't agree, and we have pushed it into impasse, then
5 it's unresolved. We have not captured it.

6 MS. FRIESEN: Let me clarify. If an ALJ,
7 for example, let's take the Washington ALJ tells you
8 you have to do something with respect to
9 interconnection, and it was an impasse issue, and it
10 came out in favor of the CLECs, Qwest doesn't
11 necessarily agree with that conclusion, is that going
12 into your matrix, the ALJ's decision?

13 MR. CAMPBELL: At this point in time,
14 it's not. And I may look for some advice here, because
15 I am not as familiar with the processes that occur
16 around the appeal and the ultimate ruling that comes
17 from the specific state staffs, as to the ALJ ruling
18 has been accepted, because, oftentimes, it's a
19 recommendation that needs to be accepted. Once we
20 understand we have a commitment, is, basically, what I
21 am trying to say, is when we pick it up and we'll go
22 over the item.

23 MS. FRIESEN: How are you handling -- you
24 have got seven states in this proceeding, and if you
25 get seven different decisions on a particular issue,

1 across the 14 states.

2 MS. FRIESEN: To the extent you have any
3 processes that are sort of regionwide.

4 MR. CAMPBELL: Uh-hum.

5 MS. FRIESEN: How will you handle
6 differing functions in those processing centers? How
7 are they informed of different state requirements?

8 MR. CAMPBELL: I can only speak to the
9 centers that I am familiar with, such as the CPMC,
10 which I referenced before, which is the order taking
11 portion of collocation. Within that center, the folks
12 who are taking the orders have, by interconnection
13 agreement, a matrix that identifies, for instance, what
14 the intervals are. And so there is uniqueness at
15 ground level for what the requirements are.

16 MR. MENEZES: If I could just ask a few
17 questions. Ms. Liston, I think you indicated you are
18 the unbundled loop witness --

19 MS. LISTON: That's correct.

20 MR. MENEZES: -- for these proceedings,
21 and that you communicate back to network, service
22 delivery, and the IT groups on what's happening in the
23 workshops, so that they can prepare for implementing
24 those things.

25 MS. LISTON: That's correct. And other

1 any further process that deals with that?

2 MR. CAMPBELL: That's what we do today.
3 That's what we live with today. We have different
4 terms and conditions and multiple interconnection
5 agreements. The beauty, at least in my eyes of these
6 proceedings, is that it gives an opportunity for some
7 uniformity that has not existed. So, to the extent
8 that individual cocarriers negotiate interconnection
9 items different than the SGAT, that's what we have been
10 dealing with all along.

11 MR. MENEZES: Are you, Mr. Campbell,
12 familiar with the policies -- collocation policies that
13 have come out -- I don't have it in front of me -- in
14 the last few months on decommissioning, for example,
15 transferring responsibility for the collocation space?

16 MR. CAMPBELL: Yes.

17 MR. MENEZES: Those are two I can think
18 of. Those came out after or right at the end of the
19 collocation workshops in some of the states that we
20 were attending. And those included many things that
21 were not in the SGAT. In spite of opportunities that
22 we had in the workshops to discuss those things, those
23 details are not brought forward in the workshops, and
24 we didn't discuss them. And Qwest issued those as
25 policies that -- to CLECs. They were sent out to

1 okay? We made it clear, specially in the second round
2 of communication, that these were available for your
3 use, given these are the terms and conditions, if you
4 want to move forward with this kind of activity. You
5 always have the opportunity to negotiate with us
6 additional addendums to your interconnection agreement,
7 or to have this added as an addendum to the SGAT. What
8 we were responding to was a meat-market cocarrier need
9 for a definition around those two items.

10 MR. MENEZES: Okay. For those two
11 examples, that may be Qwest's response, but, in
12 general, when policies come out that add terms that
13 conflict with the SGAT, or the interconnection
14 agreement held by the CLEC, how does Qwest deal with
15 that? I mean, the CLEC -- we have examples where CLECs
16 run into problems in getting business accomplished
17 because of the policies. And, so, squaring that, you
18 know, I know we have talked about this some. I am
19 still not clear how that's really squared in a timely
20 manner so CLECs can proceed without --

21 MR. CAMPBELL: One of the recommendations
22 that Qwest had made in earlier workshops, as additional
23 capabilities or product sets became available, we would
24 make them available across the board, based upon the
25 terms and conditions that were being initially

1 accepted BFR through our processes to satisfy the
2 commitment. To the extent that the BFR generates a
3 requirement for development of some standardization of
4 the product, for instance, then it would go through the
5 normal product development cycle, which includes
6 development of the methods and procedures and training
7 and communication that we have talked about before.

8 MR. MENEZES: Okay. So, it is Qwest's
9 policy that when a BFR comes out, let's say, for the
10 first time, and you don't anticipate demand sufficient
11 to commit resources to the development of a product,
12 Qwest would walk that through and sort of hand, like
13 you said, hand-carry or handhold it through the process
14 to get the customer in-service?

15 MR. CAMPBELL: Correct.

16 MR. MENEZES: Okay. Thank you. Now, I
17 am not sure if this is for Ms. Liston or Mr. Campbell.
18 We talked about training, both formal and informal, and
19 I am a little unclear on certification, but just
20 generally, are employees required to take this
21 training?

22 MS. LISTON: Yes, they are. And, in
23 fact, part of the process that we'll go through with
24 the certification and the service manager training I
25 talked about earlier, will be, you know, checking to

1 of this. Does Qwest have any process flows that show,
2 for example, the subject matter expert has information
3 disseminated to, you know, three boxes on a chart that
4 are product, network, IT and so forth. Is there any
5 documentation that explains what you all are doing to
6 communicate all of this information throughout the
7 organization and get your people to a place where they
8 will be able to comply with the SGAT, or
9 interconnection requirements, whatever they may be?

10 MR. CAMPBELL: I am sorry. You are
11 looking for a single document that describes --

12 MR. MENEZES: It's not necessarily a
13 single document.

14 MR. CAMPBELL: Okay.

15 MR. MENEZES: I am just wondering if all
16 of this is oral. It seems to me it's hard to have
17 consistent communication and it's difficult to clearly
18 communicate what people are supposed to know or do.
19 And so I am asking, what is the documentation that's
20 used to explain the process, to communicate to
21 employees, to inform upper management about what you
22 are doing to gain compliance with the obligations and
23 the SGAT or interconnection agreements. And I don't
24 expect that it's necessarily one document. But I would
25 expect that there is documentation that does this.

1 defined.

2 MS. LISTON: I think, just to put it in a
3 little bit of perspective, when we talked through the
4 tracking of the matrix, and all of those kinds of
5 activities within that activity, there are the
6 responsibilities for each one of the organizations.
7 And, so, there's a reporting process built-in to that
8 tracking that says, have you covered your issues, okay,
9 whether it's the M&Ps and training and that kind
10 of stuff. Then there's a positive reporting required.
11 Then that reporting documentation is then passed onto
12 senior leadership, saying we have got 100 items on the
13 list. We have got closure on, you know, 90 of them.
14 Within all of the organizations, we still got this gap
15 on this additional. So we're required, then, to
16 report, on a regular basis, to leadership, how many
17 issues have been completely closed or resolved, or how
18 many are still open.

19 So, even though we don't have, per se, a
20 process flow chart, inherent in what Bill talked about
21 earlier, with this matrix and tracking issues, is the
22 various organizations responsibility and accountability
23 by saying, we have completed our job and then have a
24 requirement for reporting that up to the leadership --
25 to the team leadership. We don't have process flow.

1 MR. CAMPBELL: No. Products is part of
2 the wholesale organization. Service delivery is part
3 of the wholesale organization.

4 MR. MENEZES: Okay. So is products part
5 of who gets --

6 MS. LISTON: (Nodding in the
7 affirmative.)

8 MR. MENEZES: So, that's a fourth.

9 MR. CAMPBELL: Products is actually
10 getting the matrices and leading the teams. You talk
11 about -- there are literally physical teams that are
12 meeting, discussing the requirements in the matrices.

13 MR. MENEZES: Okay. Thank you. So the
14 product team is responsible for this matrix.

15 MR. CAMPBELL: Correct.

16 MR. MENEZES: And disseminating the
17 information. People who get this information in
18 network, service delivery and IT have a responsibility
19 to put that information into documents that they're
20 responsible for, to provide that information in their
21 day-to-day work activities and report back to someone.

22 MR. CAMPBELL: Report back to the team.

23 MR. MENEZES: To the product manager
24 team.

25 MS. LISTON: Right.

1 MR. CAMPBELL: As defined by Qwest, or as
2 defined, also, by our requirements underneath the
3 interconnection agreement? I think it's both.

4 MS. FRIESEN: Why don't you explain that
5 dichotomy to me then, because I am not sure I
6 understand.

7 MR. CAMPBELL: Qwest -- if we had the
8 opportunity to define the product, we may define one
9 set. Interconnection agreements or SGAT agreements or
10 others also create requirements for us to offer
11 capabilities to the corproviders. We put those together
12 in what I call, generically, "product"; that is the
13 requirement to have capabilities with terms and
14 conditions pricing, intervals that are orderable by
15 cocarriers for the services that they are looking for
16 providing to their customers.

17 MS. FRIESEN: Okay. So, if the law says
18 Qwest must provide an interconnection point, a single
19 point of interconnection, per LATA, upon request, okay?
20 And the SGAT says that, or a contract says that, am I
21 to understand that that is now a product in Qwest's
22 mind that they must create?

23 MR. CAMPBELL: Assuming your example, and
24 it is a requirement, then the requirement generates
25 terms and conditions and pricing, which we call a

1 that to an offering, that we offer physical

2 collocation.

3 MS. FRIESEN: Now, it's not just one

4 product definition? It would be several.

5 MR. CAMPBELL: I use that as an

6 illustrative.

7 MS. FRIESEN: Let's keep going.

8 Cageless?

9 MR. CAMPBELL: Cage, we would provide

10 that. To the extent cageless is provided, we would

11 provide that.

12 MS. FRIESEN: This product information,

13 are there catalogues that inform people of what the

14 products are?

15 MR. CAMPBELL: Not only inform our

16 people, inform you. That's what's in the product

17 catalogue, to make sure that you understand what the

18 terms and conditions are.

19 MS. FRIESEN: For every product offer

20 today, I should be able to find a product definition in

21 the product catalogue, the things we used to call an

22 IIRG, we're now calling PCAT; is that correct?

23 MR. CAMPBELL: Correct.

24 MS. YOUNG: Jean, this is Barb Young with

25 Sprint. I just have a couple quick questions. Maybe I

1 uniqueness, we often get called by the service manager
2 or the old account teams to consult with them and/or
3 the customer as to what the specific situation is. So,
4 generally, we support them, based upon their
5 requirements and their customers' requirements.

6 MS. YOUNG: So, for example, let's use
7 the situation where a CLEC has come to you, requested a
8 service that, for whatever reason, Qwest cannot
9 provision at that time. Say it's a facility issue,
10 whatever. If the service manager was looking for
11 alternatives, are there alternatives for this customer?
12 Would they look for product, then, to help them out
13 with what those alternatives might be for that
14 customer? Is that how that would work?

15 MR. CAMPBELL: That could be a situation
16 where, for whatever reason, specific facilities were
17 not available. If, in talking with the customer, they
18 say, hey, maybe there's an alternative, maybe we can go
19 do this. And if there's uncertainty as to whether or
20 not you could go do this, they would consult with the
21 product manager for that product and assess whether or
22 not that's a capability that's offered today.

23 MS. YOUNG: Okay. Then, how does the
24 service manager relate to the state interconnection
25 manager? Are they in the same group? Is it a

1 arose out of the suggestion that Penny Baker made this
2 morning, and I suggested that we defer that until she
3 returns, which, thankfully, she just did.

4 The concern is, I am not sure what this
5 means procedurally when, I guess, we essentially reopen
6 the record in order for Qwest to present updated
7 numbers. And I guess I am concerned, most especially,
8 that if those numbers come in, and if they would prompt
9 a desire on the part of our office, or on the part of
10 anyone else who's been involved in these procedures, to
11 want to take discovery with respect to those new
12 numbers, or, conceivably, to file responsive testimony.
13 I don't see where the procedural schedule accommodates
14 that. And I thought that making inadequate air in
15 resolution of that concern, that I probably ought to
16 object to the procedure.

17 MR. ANTONUK: Okay. If I can just
18 remember the schedule we set forth. Qwest was going to
19 provide the updated information a week from Friday,
20 then, presumably, well, I shouldn't say presumably, I
21 think we agreed that if anyone wanted to bring the
22 witnesses back, they could make that request within a
23 day or two. But we did not discuss discovery.
24 Certainly discovery would be available, with respect to
25 the updated information. The problem I think we're

1 mean, I don't know whether these numbers are going to
2 look much different from the numbers we have now or
3 not. If they're substantially the same numbers, then
4 we still have substantially the same record in this
5 case.

6 My question would be, I guess, would be
7 what's the point, and if the numbers are substantially
8 different, they may change the general complexion of
9 how the whole thing should have played out, in which
10 event -- and this could go on time and time again. It
11 could happen once, and by the time you get all that
12 aired, it can happen again. I am not sure there's
13 adequate closure in what's being proposed. I am not
14 trying to throw a monkey wrench in. I am just trying
15 to understand how this is likely to play out, and the
16 more I think about it, the more concerned I get.

17 MR. ANTONUK: Okay. AT&T.

18 MR. HARMON: Yes. Over the lunch hour, I
19 too thought about it some more, and had some questions,
20 perhaps, to ask or get clarified. And that is, in my
21 review of Mr. Teitzel's direct testimony that is
22 nonconfidential, it includes charts that have some of
23 the numbers from the confidential exhibits attached as
24 part of his direct testimony. So, I am concerned or
25 wondering if their anticipation is, when he changes or

1 where the whole thing is happening all over again. And
2 the big exhibit, the one that has the critical
3 information in it is the one that's going to change, or
4 the two that are going to change. And I understand
5 those are the confidential DLT-1 and 2; isn't that
6 right?

7 MR. MUNN: No. It's actually DLT-2 and
8 Public DLT-3.

9 MR. HARMON: Okay.

10 MR. MUNN: Frankly, I don't understand
11 the concern, No. 1, with discovery regarding the
12 updated DLT-2 and DLT-3, since my records don't show we
13 received any written discovery addressing the original
14 DLT-2 or DLT-3, so I don't --

15 MR. GRAZIANO: That would be incorrect.

16 MR. MUNN: -- see that's a big issue. I
17 am not saying you can't ask anything about the next
18 ones. I don't say that as a big issue.

19 MR. GRAZIANO: That would be incorrect.
20 Discovery was taken.

21 MR. HARMON: Discovery was taken. In
22 fact, that was your discovery responses on the
23 confidential exhibit, or the exhibit that was attached
24 to Mr. Teitzel's direct testimony as Exhibit DLT-2,
25 which was marked today, and I was prepared to quiz

WEB CHANGE NOTIFICATION FORM:

Attention: Changes have been made to the Qwest's Wholesale Markets Web Page
URL <http://www.qwest.com/wholesale/>

Document(s) Affected: Service Interval Guide for Resale and Interconnection Services (SIG)

Effective Date: September 28, 2001

The new Service Interval Guide for Resale and Interconnection Services (SIG) will be posted to the Wholesale Markets Web page at the following URL <http://www.qwest.com/wholesale/guides/sig/index.html>

If you do not see the following updates, hit the reload button on your Netscape Navigator, or refresh under view within Internet Explorer.

All updates are consistent with the information available in the Statement of Generally Available Terms (SGAT) URL <http://www.qwest.com/about/policy/sgats/>

Section	Sub Section	UPDATE / ACTIVITY
Interconnection – Other Services Page 70	Physical Remote Collocation	New section added to the SIG. Provides additional Remote Collocation Information
Interconnection - Other Services Page 71	Virtual Remote Collocation	New section added to the SIG. Provides additional Remote Collocation Information
Interconnection – Other Services Page 72	Adjacent Remote Collocation	New section added to the SIG. Provides additional Remote Collocation Information
Unbundled Services Page 80	QuickLoop + LNP	New section added to the SIG. Provides additional QuickLoop + LNP information
Unbundled Services Page 85	Ocn Capable Unbundled Loops	New section added to the SIG. Provides additional Ocn information
Unbundled Services Page 86	Intra-Building Cable (IBC) 2 Wire / 4 Wire Qwest Dispatch	New section added to the SIG. Provides additional Intra Building Cable information
Unbundled Services Page 87	Multi – Tenant Environment MTE – POI Determine Cable Ownership	New section added to the SIG. Provides additional MTE – POI information
Unbundled Services Page 87	MTE – POI Inventory of CLEC Cable	New section added to the SIG. Provides additional MTE- POI information
Unbundled Services Page 87	MTE – POI Rearrangement of Facilities	New section added to the SIG. Provides additional MTE- POI information
Unbundled Services Page 87	MTE – POI Construction of SPOI	New section added to the SIG. Provides additional MTE- POI information
Unbundled Services Page 92	N/A	Changed the wording that prefaces the Unbundled Dark Fiber due date intervals. The new language is to accommodate the Colorado, Arizona, and multi-state orders that require Qwest to offer dark fiber that Qwest has a right to access but may be outside Qwest local Calling Area, in an independent telephone company territory, purchased from another company or part of

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

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO
Docket No. 97I-198T - Workshop 5

* * *

IN THE MATTER OF THE INVESTIGATION OF US WEST
COMMUNICATIONS, INC.'S COMPLIANCE WITH SS 271(c)
OF THE TELECOMMUNICATIONS ACT OF 1996.

Pursuant to continuation, the Technical Workshop
5 was held at 8:35 a.m., May 25, 2001, at 3898 Wadsworth
Boulevard, Lakewood, Colorado, before Facilitators
Hagood Bellinger and John Schultz.

APPEARANCES

(As noted in the transcript.)

1 we can tell, speaking to the other ILECs, they are
2 providing mediated access strictly for raw loop data
3 information. And it appears that it sounds very
4 similar to what we have been doing for quite a while.

5 MR. WILSON: Is there any capability in
6 LFACs that Qwest uses to get reports on spare
7 facilities?

8 MR. HUBBARD: I think we talked about
9 that the other day, Ken. And to get spare facilities a
10 user would use another database that LFACs actually
11 feeds into.

12 MR. WILSON: Which is what?

13 MR. HUBBARD: The LEIS, L-E-I-S, and
14 LEAD, L-E-A-D, two other different systems. They are
15 engineering tools only. And LFACs provides feed into
16 it, provides work orders and stuff. That's where the
17 engineers get their accounts, if you will.

18 MR. WILSON: Oh, so, these two databases
19 or systems use the LFACs information to allow an
20 engineer to look at spare facilities. Is that how it
21 works?

22 MR. HUBBARD: That's kind of the way that
23 it works, yeah. LFACs feeds the number of work orders
24 into the system, if you will, by account. So, that's
25 where an engineer would go to look.

1 MR. WILSON: So, for instance, if you
2 wanted to see how much integrated digital loop carrier
3 was out there, or how much spare copper was available,
4 in an area where there was IDLC, you can use LEIS or
5 LEAD to do that?

6 MR. HUBBARD: An engineer -- that's an
7 engineering tool that engineers would use. I don't
8 know everything that LFACs has in it. I am sure a lot
9 of information that LFACs -- and all of the information
10 is in the raw loop data tool. And I haven't pulled it,
11 so I don't know what exactly LFACs feeds into; that
12 Jean can address that more, or she already has
13 addressed it several times.

14 MS. LISTON: And I think, Ken, what's
15 important to realize is that the pieces that Jeff is
16 talking about are kind of subsets within the LFACs
17 database, LEIS and LEAD. The information is stored in
18 that whole module. Whether we call it LFACs or whether
19 we call it the subpieces within the LEIS and LEAD, it
20 is the data that's presented and provided, then, into
21 the raw loop data tool.

22 What the upgrade to the raw loop data
23 tool is working through is how to capture the spare
24 facility information and bring it forward, in some
25 fashion or meaningful representation, into the raw loop

1 data tool. I have not seen the specs on how that's
2 going to be accomplished. We have some real concerns,
3 when you look, about how you do it, because, again,
4 we're talking about spare facilities, but it's
5 piece-parts. We're not talking about, you know, we
6 don't necessarily always have finished loops or
7 end-to-end connects.

8 MR. WILSON: And I think this interest
9 from the CLECs stems from an ability to look and see in
10 a neighborhood how much spare facilities there were of
11 what type. So that you could know if you could market
12 either loops, where there's IDLC, or advanced services,
13 where there's digital loop carrier. And maybe one
14 avenue would be to get access to these other two
15 systems, LEIS and LEAD, rather than LFACs, since you
16 have said that LFACs is not immediately usable to make
17 queries about spare facilities.

18 MS. LISTON: I guess what I am trying to
19 say, Ken, in terms of spare facility information, Qwest
20 is going to be incorporating that information into the
21 tools that are available to the CLECs. We're putting
22 raw loop information -- I mean we're putting spare
23 facility information into the raw loop data tools. We
24 have got a platform built to do that. And to go to
25 another avenue for a tool, that's an engineering tool,

DOCKET NO. 22168

PETITION OF IP COMMUNICATIONS CORPORATION TO ESTABLISH EXPEDITED PUBLIC UTILITY COMMISSION OF TEXAS OVERSIGHT CONCERNING LINE SHARING ISSUES	§ § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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DOCKET NO. 22469

PETITION OF COVAD COMMUNICATIONS COMPANY AND RHYTHMS LINKS, INC. AGAINST SOUTHWESTERN BELL TELEPHONE COMPANY FOR POST-INTERCONNECTION DISPUTE RESOLUTION AND ARBITRATION UNDER THE TELECOMMUNICATIONS ACT OF 1996 REGARDING RATES, TERMS, CONDITIONS AND RELATED ARRANGEMENTS FOR LINE SHARING	§ § § § § § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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ARBITRATION AWARD

quickly to be able to determine whether a particular loop will support xDSL service.⁵¹⁶

The Arbitrators are not convinced that the loop qualification process for line sharing is any different than for stand-alone loops, nor should it be provided in a different manner. The Arbitrators find nothing in the record to indicate that line sharing creates a unique situation in terms of loop qualification.⁵¹⁷ The Arbitrators agree with SWBT that this Commission has already ordered SWBT to provide real-time access to all loop qualification information that SWBT possesses.⁵¹⁸ Therefore, the Arbitrators find that SWBT must continue to provide loop qualification in the same manner that this Commission ordered in the xDSL Arbitration, that is, real time access to all loop qualification information contained in SWBT's databases or backend systems. Any outstanding concerns of CLECs regarding SWBT's failure to properly provide the required information should be addressed in the audit, as described in DPL Issue No. 24.

- 24. Should SWBT be required to allow CLECs to audit their backend systems, databases and records to determine what loop provisioning and loop plant information is available to SWBT?**

CLECs' Positions

Rhythms believes that SWBT should be required to allow CLECs to audit their backend systems.⁵¹⁹ Rhythms asserts that CLECs are entitled to all information about the loop or loop plant that is useful for provisioning xDSL services and that is available to any SWBT employee.⁵²⁰ However, Rhythms points out that CLECs do not know precisely how much of this information exists or where it is contained in SWBT's records, backend systems and databases.⁵²¹ While SWBT has agreed to provide 45 data fields from all of its OSS backend systems and databases, Rhythms points out that just one of SWBT's OSS -- LFACS -- has more

⁵¹⁶ *UNE Remand Order* ¶ 431.

⁵¹⁷ Tr. at 866-876.

⁵¹⁸ In addition, the Commission has established a metric for SWBT to provide actual loop makeup information through a manual process, within 3 business days when the information is not contained in SWBT's databases. If SWBT can provide its retail ADSL personnel with actual loop makeup information in a shorter time frame, then the interval for CLECs should be parity with that timeframe.

⁵¹⁹ Ayala Direct at 22.

⁵²⁰ *UNE Remand Order* ¶ 426.

than 100 data fields.⁵²² Thus, Rhythms believes the Commission should order SWBT to allow CLECs to audit on an ongoing basis the company's records, backend systems and databases in Texas, including but not limited to: LFACS, FACS, TIRKS, LEAD/LEIS, ASON, ACIS, SWITCH, WFA/C, WFA/DO, SOAC, LMOS, MARCH, Premis, LASR, FOMS/FUSA, and ARES.⁵²³ IP and Sage support Rhythms' position on this issue.

SWBT's Position

SWBT indicated that it has already agreed in principal to an audit so that CLECs will be able to verify that SWBT is indeed providing them with all appropriate information.⁵²⁴ SWBT stated that the following language was added to the Plan of Record POR, which should alleviate any questions:

To ensure CLECs that SBC's EDI and DataGate pre-order functions have access to and return all information related to loop make-up information that is contained in SBC's systems and databases, SBC will allow CLECs to review/audit SBC's systems and processes to establish the fact that SBC has made all data fully available.⁵²⁵

Arbitrators' Decision

Because SWBT has agreed to an audit in principal, the Arbitrators believe that this issue is generally resolved. The Arbitrators do not agree with SWBT however that a region-wide audit as part of the POR will be sufficient to ensure that CLECs in Texas are receiving the appropriate information. To the extent any systems and/or databases are unique to Texas, SWBT is ordered to allow CLECs to include such systems in the audit. Anything less would not be a proper barometer of what information is available to CLECs in Texas. It will be up to SWBT to show how certain systems/and or databases are or are not similar to the ones on a region-wide basis. The Arbitrators agree with Rhythms that minimally SWBT shall allow CLECs to audit the company's records, backend systems and databases in Texas, including but not limited to:

⁵²¹ Ayala Direct at 22.

⁵²² Tr. at 813.

⁵²³ Ayala Direct at 23.

⁵²⁴ Jacobson Direct at 11.

⁵²⁵ *Id.*

LFACS, FACS, TIRKS, LEAD/LEIS, ASON, ACIS, SWITCH, WFA/C, WFA/DO, SOAC, LMOS, MARCH, Premis, LASR, FOMS/FUSA, and ARES. The Arbitrators believe that allowing CLECs to audit SWBT's backend systems will provide CLECs assurances that SWBT is indeed providing the required information.

25. Should SWBT be required to update its databases permanently with loop provisioning information compiled during a manual loop qualification request?

CLECs' Positions

Rhythms argues that SWBT should be required to update its databases permanently when it performs a manual loop qualification on behalf of the CLEC. Rhythms cites the FCC's directive in UNE Remand Order, "that incumbent LECs will be updating their electronic database for their own xDSL deployment and to the extent their employees have access to the information in an electronic format, that same format should be made available to new entrants."⁵²⁶ Rhythms is concerned that SWBT may not permanently update its records, as SWBT utilizes a temporary storage database for a period of 90 days.⁵²⁷ Rhythms believes that the Commission should order SWBT to permanently update its records and specify terms and conditions to avoid confusion on this issue.⁵²⁸ IP and Sage support Rhythms' position on this issue. IP also alleges that SWBT is not permanently updating databases with information gained as a result of manual loop qualification requests as SWBT had pledged. IP argues that this information is "dropping off" SWBT's databases 90 days after it is entered.⁵²⁹

SWBT's Position

SWBT has committed to updating its records in LFACS database for any manual loop qualification that performs for CLECs.⁵³⁰ SWBT indicated that a temporary database was used

⁵²⁶ Rhythms Initial Brief at 91, citing *UNE Remand Order* ¶ 429.

⁵²⁷ Ayala Direct, Att. C.

⁵²⁸ *Id.*

⁵²⁹ Tr. at 931-932.

⁵³⁰ Tr. 823-824.

1 BEFORE THE PUBLIC UTILITIES COMMISSION
2 OF THE STATE OF COLORADO
3 Docket No. 97I-198T - Workshop 5
4 * * *
5 IN THE MATTER OF THE INVESTIGATION OF US WEST
6 COMMUNICATIONS, INC.'S COMPLIANCE WITH SS 271(c)
7 OF THE TELECOMMUNICATIONS ACT OF 1996.

8 -----

9 Pursuant to continuation, the Technical Workshop
10 5 was held at 8:35 a.m., May 24, 2001, at 3898 Wadsworth
11 Boulevard, Lakewood, Colorado, before Facilitators
12 Hagood Bellinger and John Schultz.

13 APPEARANCES
14 (As noted in the transcript.)

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1 primary basic local exchange service with regard to
2 your carrier-of-last-resort obligations. I think that
3 varies somewhat, but my understanding of what's
4 included in that is just residential, one-party
5 service, or is business included in that?

6 MS. LISTON: The primary business line is
7 included also.

8 MS. YOUNG: So, in the event that you
9 would have, on the retail side, a multi-line business
10 customer calling up and requesting additional lines,
11 and you have no facilities left, are those orders being
12 rejected also?

13 MS. LISTON: For additional lines, they
14 would be rejected.

15 MS. YOUNG: So it's not showing up?

16 MR. BELLINGER: Wait a minute. You said
17 retail, right?

18 MS. YOUNG: Uh-hum.

19 MS. LISTON: Oh, I am sorry. Thank you.

20 MS. YOUNG: Retail. A multi-line
21 business customer asks for additional lines, you are
22 totally out of facilities, are those orders getting
23 rejected or do those show up in our held-order status?

24 MS. LISTON: Retail side shows up in our
25 held-order status.

1 MS. YOUNG: Even though you really have
2 no obligation to build in that scenario either?

3 MS. LISTON: We don't have a POLR
4 obligation to build in that scenario. We do take the
5 held order -- we do take the order. It goes held, and
6 it can sit, and sometimes can sit for a long time. So
7 there isn't -- so the orders do -- they are taken, they
8 are held. I know for myself, when I called in for any
9 additional lines, we didn't have facilities, there was
10 no commitments made to me that I would get an
11 additional line or when I would get it. Basically, I
12 was a retail customer. You can place the order if you
13 want. We don't know for sure if you will get it, or
14 when it will come, and the decision was left to me, and
15 whether or not I wanted to place the order.

16 MS. YOUNG: Would it show up in your held
17 order as far as your retail service quality reporting
18 goes?

19 MS. JENNINGS-FADER: We can maybe
20 clarify.

21 MS. QUINTANA: We can clarify that the
22 definition of held orders only goes to basic local. It
23 does not go to additional lines.

24 MS. YOUNG: Okay. So, it's just primary
25 rest and bis?

1 MS. JENNINGS-FADER: Yes.

2 MS. YOUNG: That's the only thing that
3 shows up in reporting, then. Okay. Thanks. That's
4 what I was getting at.

5 MR. BELLINGER: Okay. Any other comments
6 on this? Okay.

7 MR. DIXON: This is Tom --

8 MS. DOBERNECK: Okay.

9 MR. BELLINGER: I really called on
10 Sarah, Tom.

11 MR. DIXON: I didn't know who you called
12 on.

13 MS. KILGORE: Just a follow-up on what
14 Barb said. So, Jean, basically you said your retail
15 customers are given the option of placing an order,
16 knowing it's just going to sit there until facilities
17 become available, if they ever do. And that sounds
18 like a different policy than what you said to the
19 CLECs. I just wanted to make sure that I understood
20 that correctly.

21 MS. LISTON: You did.

22 MR. BELLINGER: Tom.

23 MR. DIXON: Thank you. I have some
24 questions, Jean, relating to, first, 9.1.2.1, which is
25 the section that's referenced with this loop issue.

1 copy, please?

2 MR. BELLINGER: We have been exploring
3 this for over an hour, hour and a half now. We've
4 built quite a record on it.

5 MR. DIXON: I would just like a copy.

6 MR. BELLINGER: I'm not questioning you,
7 Tom; I was really not referring to you.

8 MR. DIXON: I'm sorry.

9 MR. BELLINGER: I was thinking we've
10 beaten this up pretty good. If there is something new
11 we can take it, but I don't know that -- we know it's
12 at impasse. I don't know what else to do with it, you
13 know?

14 Megan?

15 MS. DOBERNECK: I have just one question.

16 MR. BELLINGER: Okay.

17 MS. DOBERNECK: Jean -- this little
18 preface there -- if I understand on the retail side, if
19 it's -- if an order is held for more than 30 days, the
20 customer has the choice of hanging on or not; is that
21 correct?

22 MS. LISTON: Um, there isn't a -- there
23 is no 30-day provision on the retail side. It's an
24 up-front decision: Do you want to place the order or
25 don't you want to place the order? We currently have

1 no facilities.

2 MS. DOBERNECK: Isn't it correct that
3 under Qwest's retail tariff that for your retail
4 customers if an order is held for more than 30 days
5 that they are -- that they then receive a credit every
6 month past 30 days during which that order is held?

7 MS. LISTON: That's the -- under our COLR
8 requirements, so it's only for primary basic service.

9 MS. DOBERNECK: Okay, thank you.

10 MS. LISTON: And I don't know if -- I
11 don't know what the Colorado rules are in terms of how
12 that's handled, so I don't know if it's specifically a
13 credit. But it's the only for the services under COLR
14 rules.

15 MS. DOBERNECK: Thank you.

16 MR. BELLINGER: I think we're at impasse
17 without any doubt.

18 MS. DeCOOK: Hagood, I have a question
19 for you.

20 MR. BELLINGER: Yes.

21 MS. DeCOOK: It seems to me that we have
22 multiple issues under this -- this loop issue and maybe
23 we want to create an A and B. It seems to me that A is
24 the held-order issue and B is the build issue.

25 MS. SACILOTTO: Well, can we put B into

1 CICMP letter. The letter was part of my rebuttal
2 testimony, and the exhibits.

3 MS. SACILOTTO: The April 2nd rebuttal?

4 MS. LISTON: JML-8.

5 MS. WAYS DORF: Okay. Thank you.

6 MR. BELLINGER: Okay. Mike.

7 MR. ZULEVIC: Yeah. I have been trying
8 to work through something in my mind here, having to do
9 with the obligation to build. If we send in an order,
10 and it is rejected because of no facilities, there is
11 an option, then, that Qwest would offer, that you would
12 build additional facilities for us if we pay for it,
13 outside of your normal bill.

14 MS. LISTON: Under the special
15 construction, yes.

16 MR. ZULEVIC: Okay. The thing that's
17 running through my mind has to do with the way that
18 Qwest recovers its costs for facilities in the first
19 place. Can that -- and that you assume, in developing
20 your cost, that there is a certain fill factor
21 associated with the facility, the plant facility that
22 you are looking at setting rates for. And let's say
23 it's 90 percent fill factor, and in a, again, for
24 outside plant. And you reach 100 percent because --
25 and that's what caused our order to be rejected,

1 because of no facilities. Haven't you actually
2 ultimately recovered more than you should have
3 recovered for that particular plant, because you are at
4 100 percent fill rather than 90 percent, at which you
5 set your rates?

6 MS. LISTON: I don't think I would
7 characterize it that way. And, again, I am going to go
8 on record as saying I am not the cost witness. But my
9 understanding of the fill factors has to do with some
10 basic assumptions that are made in the cost study, but
11 are not driving for additional facilities or building
12 facilities or anything like that. And, so, I disagree.
13 I would defer to the experts in terms of cost issues,
14 but I don't think that the fill factor relates to --
15 directly to the issue on whether we have an obligation
16 to build or have an additional recovery process in
17 there.

18 MR. WILSON: Well, I would disagree with
19 that. I was involved, to some extent, in the use of
20 fill factors in the models, and there was also a large
21 dispute between Qwest, or U S West at that time, and
22 the CLEC community, about what the fill factor should
23 be. And Qwest was arguing that the fill factor should
24 be low, because that effectively raises the price of
25 the loops. And CLECs were arguing for higher fill

1 factors.

2 And I think, as Mr. Zulevic has
3 indicated, if the Qwest policy of not building for
4 CLECs is maintained, then, effectively, the fill
5 factors will be higher than was anticipated. Said
6 another way, it is my opinion that the fill factors
7 do -- and the resulting costs to the CLECs do imply
8 building new facilities, and if we are not getting
9 that, then we are paying for facilities that we're not
10 getting.

11 MS. LISTON: Well, we disagree on that,
12 and it is directly a cost issue. My understanding of
13 the fill factor is it's based on our existing network
14 plant issues, on what we traditionally run at, and is
15 not related directly to the build policy.

16 MR. BELLINGER: Mana.

17 MS. JENNINGS-FADER: I would like to go
18 back to the PIDs, please. And I have done what
19 research I can do sitting here, and it includes looking
20 at my old-fashioned paper copy of the PIDs. OP-15 has
21 two measures contained within it. Measure A -- OP-15A
22 measures the average number of business days that
23 pending orders are delayed beyond the original due date
24 for reasons attributed to Qwest. OP-15B is a report of
25 the number of pending orders measured in the numerator

1 APPEARANCES

2

3 Mr. Larry Reichman, Attorney at Law
Appearing on behalf of Qwest Communications;

4 Mr. Chuck Steese, Attorney at Law
Appearing on behalf of Qwest Communications;

5

6 Ms. Kara Sacilotto, Attorney at Law,
Appearing on behalf of Qwest Communications;

7 Ms. Ann Hopfenbeck, Attorney at Law
Appearing on behalf of WorldCom, Inc.;

8

9 Mr. Steven Weigler, Attorney at Law,
Appearing on behalf of AT&T Communications;

10 Ms. Rebecca DeCook, Attorney at Law, (by telephone),
Appearing on behalf of AT&T Communications;

11

12 Ms. Sarah Kilgore, Attorney at Law,
Appearing on behalf of AT&T Communications;

13 Ms. Lise K. Strom, Attorney at Law,
Appearing on behalf of Electric Lightwave, Inc.
14 and Time Warner Telecom;

15 Ms. Jean Liston, Witness for Qwest Corporation;

16 Mr. Dennis Pappas, Witness for Qwest Corporation;

17 Ms. Karen Stewart, Witness for Qwest Corporation;

18 Ms. Mary LaFave, (by telephone), Witness for Qwest
Corporation;

19

20 Mr. Chris Viveros, Witness for Qwest Corporation;

21 Mr. Ken Wilson, Witness for AT&T Communications;

22 Mr. Tim Peters, Witness for Electric Lightwave, Inc.

23 Staff: Mr. Tom Harris
Mr. David Booth

24

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Colloquy 130

1 section of this workshop.

2 ALJ ARLOW: All right. So that that will be
3 flagged and then raised.

4 MR. STEESE: That has been dealt with in
5 detail in the general terms workshops, which we'll be
6 dealing with here, as I understand it, in September.

7 ALJ ARLOW: Right. That's Part 2 of
8 Workshop 4.

9 MR. STEESE: Correct.

10 ALJ ARLOW: All right. Next item, Oregon
11 Loop-20. This was one which is also picking up on
12 9.2.2.3.1 earlier, along with 9.2.4.3.1.2.4.

13 AT&T, would you like to discuss the held order
14 policy that you're concerned with or should we have
15 Qwest start with describing the held order policy.

16 MR. STEESE: If we can do that, that would be
17 preferable.

18 ALJ ARLOW: Go ahead.

19 MS. LISTON: The Qwest policy is that we do
20 not -- we believe that the FCC has required an
21 unbundling of the existing network. And that it does
22 not have a requirement to build a new network for the
23 CLECs. Part of that overall philosophy is we believe
24 that there is not an obligation for building. Qwest has
25 made several concessions throughout the workshop. And

Colloquy 131

1 has also included some information for the CLECs. The
2 way that the existing build -- the way we handle orders
3 when they come in from the CLECs for unbundled loops, is
4 if there is a growth job that's planned that would meet
5 the demand of the CLEC's order, Qwest will take that
6 order, hold it and notify the CLEC that it's being held
7 and that the expected ready for service date for that
8 facility is, and we would give them the information. So
9 if there is a growth job in progress, or it's planned,
10 we will hold the CLEC's order for that particular job.
11 However, if there is no job planned, or if there's an
12 incompatibility between what the CLECs are asking for
13 and what the network facilities are, and specifically
14 this occurs when CLECs ask for a two-wire non-loaded
15 loop, they specifically want a copper facility. And
16 many times the area that they're going into is only
17 served by pair gain. And we don't have plans that we'd
18 ever be putting additional copper in the ground in that
19 specific community. In those situations, we would
20 reject the order, send it back to the CLEC and say,
21 there are no facilities that meet your requirements in
22 that area.

23 Qwest in another jurisdiction did create a new
24 provision that we will make available, be effective
25 August 1st, that will make this information available.

Colloquy 132

1 We'll have a Website available where we will post any
2 growth jobs, outside plant growth jobs that are in
3 excess of a \$100,000. And we will make that information
4 available, so the CLECs will know where our future
5 growth plans are. And we've included that in our SGAT.

6 We've done some -- oh, the other thing that we
7 will do is if the order is for a primary service, we
8 will provision it also, based on our provider of last
9 resort responsibilities.

10 We looked across other jurisdictions, other
11 ILECs.

12 ALJ ARLOW: Excuse me. Just so I can
13 understand where the position of Qwest is now, primary
14 service is POTS or POTS plus what else?

15 MR. STEESE: Whatever obligations we have on
16 the retail side, we carry over to the wholesale side.

17 ALJ ARLOW: Okay.

18 MS. LISTON: If a CLEC wanted us to build for
19 them, we would do that under special construction. We
20 looked across at other ILECs. And it's -- we saw that
21 that was the same policy that's being used by the other
22 ILECs also, that if there was a need for building, that
23 they would build on special construction.

24 ALJ ARLOW: Mr. Wilson?

25 MR. WILSON: With regard to the first issue on

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1 Loop-20, the Qwest change in its policy on holding
2 orders where facilities are not available, there are two
3 factors here. One, the new policy that going forward
4 instead of taking orders where they are claiming the
5 facilities are not available and holding them, they are
6 now going to reject those orders. Let me deal with that
7 first. I think this creates some problems. The first
8 is, and we will get to that a little bit more on part
9 (b) of this, as to Qwest's obligation to build
10 facilities. But the concern that is unique to part (a)
11 is the effect this will have on the metrics and the way
12 that the metrics are calculated for the provisioning of
13 loops. The effect of this on the CLEC side is that we
14 won't have any more long held orders for -- because of
15 facilities not available. But Qwest, on the retail
16 side, does not have such a policy. They will not
17 necessarily cancel an order for a retail customer. They
18 may hold that. And it may be held for a long time.
19 This will make their intervals look longer in relation
20 to CLEC orders in an arbitrary way. And the same with
21 internal provisioning of facilities for themselves. It
22 will arbitrarily make their orders look like they are
23 taking longer to work. And so then your parity
24 comparison will be out of whack, because the CLECs are
25 getting orders canceled, but Qwest has some orders that

Colloquy 134

1 are held for facilities that take a long time. So I

2 think it creates an apples and oranges situation in the

3 metrics that probably the ROC needs to address.

4 ALJ ARLOW: And you're concerned that Qwest

5 will therefore look better than it deserves to look with

6 respect to its held order ratios and providing parity

7 between the CLECs and its own retail arm?

8 MR. WILSON: Yes. Both in the duration of the

9 interval and in the intervals for held orders,

10 because now orders for facilities will not be held for

11 CLECs. So it will make a couple of the metrics look

12 better for Qwest.

13 ALJ ARLOW: Now, is your concern for this,

14 one, that Qwest will therefore give substandard held

15 order holding periods for CLECs because it will be able

16 to use its own held order line showing that you're

17 getting at least as good a treatment so that the overall

18 level of service will go down?

19 MR. WILSON: It could do that. It could have

20 that effect.

21 ALJ ARLOW: Now, are you -- does the OSS among

22 its, I guess its PIDs, does it have a standard for how

23 long a held order should be, regardless of whether there

24 is parity between the CLEC and the ILEC's retail arm or

25 is it all relative?

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1 MR. WILSON: A lot of -- most of the loops are
2 parity, so it's relative. There are a few with
3 benchmarks, but most are relative. And in the end, I
4 believe that the -- the backsliding penalties will be
5 based on parity.

6 ALJ ARLOW: Is there a way that an absolute
7 standard could be inserted in this that would take away
8 your concerns?

9 MR. WILSON: I haven't thought of that. It's
10 an interesting question.

11 ALJ ARLOW: Has this question been addressed
12 in any other 271 application filed with the FCC that
13 you're aware of?

14 MR. WILSON: I'm not aware of a cancelation
15 policy like this.

16 ALJ ARLOW: And this has been vented in each
17 of the other jurisdictions in which you've already held
18 this workshop?

19 MR. WILSON: To some extent. I actually had
20 done more thinking about the effect on the metrics since
21 the Washington workshop last week. This new policy
22 actually is fairly recent. And it came after some of
23 the loop workshops.

24 ALJ ARLOW: Ms. Hopfenbeck?

25 MS. HOPFENBECK: WorldCom concurs in this

Colloquy 136

1 concern, and did address this in our testimony about --
2 concerned about the rejection of orders when there are
3 facilities available. I have a question to ask Qwest
4 based on the SGAT lite that was distributed to the
5 parties here, because the SGAT lite that I have has
6 9.2.4.3.1.2.4, the provision that we're talking about,
7 deleted. And so I had come into the workshop thinking
8 you had modified your policy because that's the
9 provision that says that if facilities are not
10 available, and there's no facility build order pending,
11 Qwest will reject the order. But that's been deleted
12 from the SGAT. So I wanted to know what your intent was
13 with that or whether that's a mistake.

14 MS. LISTON: I think that was as a result of
15 the Washington workshop. We realized that that
16 information was also in the description, and right now
17 I'm blanking on the SGAT number, where we talk about the
18 entire build policy, and I think it's section 9.1
19 someplace. And we realized in Washington we had it in
20 two different places, and said because the section 9.1
21 was more inclusive and dealt with all the issues, that
22 it was more appropriate to just leave it alone there and
23 not have this reference in 9.2 also.

24 MS. HOPFENBECK: So I think just so that we
25 are all clear here about the issue we're discussing, we

Colloquy 137

1 ought to modify Oregon Loop issue 20 to reference the
2 appropriate section talking about the no build policy.

3 MR. STEESE: I have that section. It's
4 section 9.1.2.1 and several subsections thereunder.

5 MS. HOPFENBECK: And I would like to, so that
6 we bring out the facts, Mr. Wilson alluded to the way
7 Qwest deals with retail customers, I want to ask a few
8 questions of Ms. Liston.

9 Ms. Liston, isn't it true that when a retail
10 customer does place an order for facilities, and there
11 are no facilities available, Qwest will hold that order
12 for the retail customer regardless of whether or not
13 there is a build job scheduled that would cover that
14 retail customer's request?

15 MS. LISTON: The current Qwest retail policy
16 is to alert the customer that there is no facilities,
17 and then it is customer decision on whether or not they
18 place the order. If they elect to place the order, then
19 we will take it. I know that information is given to
20 them, you know, as I'll talk as myself as a retail
21 customer when I called in and asked for an additional
22 line, there were none. And they said, you know, we
23 don't have any plans to build for it, and I elected not
24 to place the order for my additional line at home. It
25 is left to the customer. But if they wanted us to take

Colloquy 138

1 the order, we will.

2 MS. HOPFENBECK: That's all I have.

3 ALJ ARLOW: Ms. Kilgore?

4 MS. KILGORE: To follow up on that question,
5 one of the things that Qwest did is we talked about this
6 issue in other workshops, was agree to provide CLECs
7 with notice of major network facility builds. I think
8 it's section 9.1.2.1.4, plant engineering jobs that
9 exceed \$100,000 in total cost. I guess the question
10 that I have is -- I have several questions relating to
11 that notice process. If, number one, do you have any
12 idea, Ms. Liston, how far in advance a CLEC or the ICONN
13 database would be populated with a build notification?

14 MS. LISTON: The information I've been given
15 on how that will work is once the job is approved and
16 funded, and we know that we're going ahead with the
17 plans, we would load it into the ICONN database. I
18 don't know how long that period of time is specifically,
19 and I don't know if it varies by job. But I know once
20 we know that it's for real, it's going to happen, it's
21 approved and funded, then it would go into the
22 database.

23 MS. KILGORE: Do you have like a guesstimate
24 of average, is it three months or, I mean, how far in
25 advance does funding happen?

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1 MS. LISTON: I don't know.

2 MS. KILGORE: Secondly, the purpose of the
3 notice of advance builds was to give CLECs the
4 opportunity to know that they can begin providing
5 services in that location once that build is completed,
6 so that they can start thinking about how to market to
7 that area, et cetera. And my question is, once that --
8 that build is completed, how would held orders be
9 provisioned? In other words, we've heard that Qwest
10 will keep a held order for its own retail customers,
11 even if there's no build scheduled. And a CLEC would
12 not know that it could start taking orders for that area
13 until that notification of a build comes out and until a
14 build is actually planned, as I understand your policy.
15 So when you start provisioning customers -- and I'm
16 assuming that there would still be a limited
17 availability of facilities there -- how would those
18 customers be provisioned? Would they be in queue based
19 on when their order was placed?

20 MS. LISTON: Well, there's several factors
21 that go in. And one I want just to address that you
22 kind of touched on the edge of. And that is what --
23 about how it would be built in terms of the facilities
24 being made available. When Qwest does a major growth
25 job, it takes into consideration the facility needs for

Colloquy 140

1 that community. And it will look at many factors. And
2 it would look at the overall growth in the area to
3 determine how much they would grow. Because once you're
4 digging up or placing additional plant, it makes sense
5 to go ahead and put spare and excess capacity in at the
6 same time. So that it is taken into consideration, even
7 if there aren't held orders.

8 There is a priority process, and I don't know
9 all the details on it, but if we're in a situation where
10 we had any emergency services that were in that held
11 order situation, they would take first priority. So
12 there's some emergency services that take first
13 priority. Primary services where we have customers
14 without any service would be the next highest priority.

15 Then there is a process that goes through and
16 they start -- they start then implementing as much as
17 they can as fast as they can. There are some instances
18 where it does go by application date, where the
19 application date is looked at in terms of the actual
20 facility plant. But usually what happens is once that
21 facility is in place, then it's a fairly quick process
22 to get all the orders, that are in queue, processed as
23 quickly as possible, once we turn up the circuit.

24 Once the information is in the ICONN database,
25 the CLECs will -- then we would be in a situation where

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1 we have a planned job, and CLECs would be able to
2 provision, you know, put in their orders, so that they'd
3 be able to get into queue also.

4 MS. KILGORE: Okay. And then just one final
5 question, if you know, Ms. Liston. Would Qwest use held
6 order information in its facility build plans? I think
7 you just mentioned, you know, that you take into account
8 the demand of that area, the needs of that area. Would
9 held orders be something that Qwest would look at for
10 that?

11 MS. LISTON: Held orders is one factor that's
12 looked at when they're getting ready to do a growth
13 job. But it's not the only factor. And the overall
14 growth of the area is then looked at also.

15 MS. KILGORE: So according to your policy, you
16 will no longer maintain held order records for CLECs
17 for, I guess, non-essential service, so doesn't that
18 mean that there's a fairly large portion or potentially
19 large portion of information that you won't be
20 considering in your build plans?

21 MS. LISTON: In terms of specific orders that
22 may have been held, and they weren't for primary
23 service, yes, you're right. They wouldn't be in the
24 held order. However, as I talked through with some of
25 the engineers in Washington this very question, and what

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1 they said is the way the process usually works is that
2 the held order really just serves as the trigger for,
3 you know, that we have to look for a potential growth
4 job. But that they really go into several other
5 factors, economic factors and growth factors within the
6 community. And to the extent that we can see the area
7 is growing or, you know, new subdivisions and new
8 buildings going up, that information is taken into
9 consideration. Who's going to be the provider of the
10 service doesn't really matter, but rather we know that
11 the area is growing, because that's how the engineers
12 would look at making the decisions from the growth
13 position -- for the growth job. So, the provider isn't
14 really key, but rather that the community is growing and
15 needs the additional facilities.

16 MS. KILGORE: But just to follow up, I'm not
17 necessarily concerned about which CLEC has which held
18 orders, but rather that those held orders are no longer
19 a part of the consideration process. It could have
20 been, as you described, if this customer had been a
21 Qwest retail customer, they might have, when you said,
22 we don't have facilities and we're not planning to
23 build, they might have said we still want you to hold
24 our order. CLECs now don't have that option with
25 Qwest. They don't have that ability to say we still

Colloquy 143

1 want that held order to sit there. So I'm thinking
2 there's a piece of information that may be missing.
3 MR. STEESE: If I can jump in here and address
4 one other issue. I'm going to get back something
5 Mr. Wilson said, and then tie it into the questions that
6 were just asked. Mr. Wilson suggested that somehow this
7 would skew our metrics, because somehow information
8 would be included for Qwest and not included for the
9 CLECs. In fact, it's exactly the opposite. When you
10 look at the primary time when this occurs, when a held
11 order is placed on a loop facility, it's one of two
12 situations. It's primary facility. It's where we would
13 have an obligation to build, and it would be then
14 flagged as something we have an obligation to do.
15 The other is DSL service. They -- the
16 customer only has service over carrier system or
17 something that won't support DSL, and they want copper.
18 And, in fact, we have a history of a year and a half or
19 so, where, in fact, we had huge volumes of held orders
20 where customer X was served over a loop that would never
21 support DSL. And we had no plans to build copper
22 facilities there. So it was held forever, with no plan
23 to build and no need to build and no obligation to
24 build. And so the opposite occurs. And that is that
25 the metrics are skewed against Qwest, because on the DSL

Colloquy 144

1 side, if we don't have a loop to support it, we reject
2 the order outright. We tell the customer, sorry, we
3 can't provide the service. And so all we're doing is
4 the exact same thing effectively for the DLEC.

5 And let me add one other thing. We negotiated
6 an agreement with the DLECs in Colorado on an FOC trial
7 that I think you spoke of earlier today. And the exact
8 policy of reject -- or if there's a build plans, tell us
9 about it and give us that date, or give us the due date,
10 was exactly what was negotiated in the FOC trial and
11 exactly was agreed to by all parties.

12 ALJ ARLOW: Mr. Wilson, what would be the
13 advantage of staying on a list for held orders if there
14 is no chance that the order will ever be filled? Why
15 would you want to be on that list?

16 MR. WILSON: Well --

17 ALJ ARLOW: Not to change the metrics.

18 MR. WILSON: The situation that Mr. Steese was
19 arguing, which might lead to the -- to the example that
20 you are raising, was not the one that I was really
21 addressing. I mean, I'm not sure that the cure for that
22 problem is what Qwest is doing.

23 ALJ ARLOW: That sounds like the other side of
24 the same coin. They said we can't fulfill the order, so
25 we're going to reject it. You're saying you can't

Colloquy 145

1 fulfill the order, but hold it anyway.

2 MR. WILSON: I was looking at situations where
3 they probably will build facilities in the future. And,
4 in fact, it can throw the CLEC out of the queue,
5 because their policy is first come first serve. And if
6 they reject the CLEC order, but keep the retail order
7 alive, when they do get facilities, the CLEC will be
8 lower in the queue. And, in fact, it could lead to the
9 CLEC not getting facilities ever, and you could -- they
10 could theoretically build and keep building for retail
11 and not provisioning for wholesale at all.

12 ALJ ARLOW: Ms. Liston, do they hold those
13 orders indefinitely, years?

14 MS. LISTON: I don't know if they're held
15 indefinitely. I don't know the answer to that
16 question.

17 One of the things though --

18 ALJ ARLOW: I think we ought to find out. I
19 mean, if there's no limit, it's one thing to hold
20 something because it's within your planning period. And
21 here may be an overall master plan to, let's say, expand
22 in an area, but you haven't yet mapped out the
23 particular local construction plan that would be
24 sufficiently detailed to warrant putting it on your
25 Website. That may be part of like a general growth plan

Colloquy 146

1 for like your three-year outside plant construction plan
2 or something along that line.

3 MS. LISTON: I think I may have misunderstood
4 the question. Is it -- are you looking for how long do
5 we hold the order, a held order?

6 ALJ ARLOW: Yes. Let's say, for example, you
7 got a retail order in for some facilities. Those
8 facilities are not available. Okay. And you don't have
9 the construction plan yet for the area where those
10 facilities would be available.

11 MS. LISTON: Okay.

12 ALJ ARLOW: How long do you hold that? Do you
13 reject it?

14 MS. LISTON: I just wanted to make sure I
15 understood the question before we try to get the
16 answer.

17 ALJ ARLOW: All right. The answer is you
18 don't know.

19 MS. LISTON: I don't know.

20 ALJ ARLOW: They can hold something in
21 perpetuity?

22 MR. STEESE: Can I as a clarifying question
23 there, Judge?

24 ALJ ARLOW: Sure.

25 MR. STEESE: I'm confused about the type of

Colloquy 147

1 service we're actually providing here. I mean, there
2 are situations where it's primary service and/or we have
3 COLR obligations. And certainly there the CLEC would
4 submit the order. And then I'm looking at the other
5 types of loops that would be available. And they would
6 be DSL type loops, where we would reject orders on our
7 side. And then the other is high capacity loops. And
8 so what type of loop is Mr. Wilson actually speaking of
9 here that we are allegedly holding indefinitely for
10 ourselves that they can't get access to?

11 ALJ ARLOW: Well, that will help if you -- I
12 thought you might agree on that. I thought that was
13 pretty well understood.

14 MR. STEESE: I don't understand myself.

15 MS. HOPFENBECK: Well, I mean, I asked you
16 that question, if we -- I asked Jean the question if you
17 receive a retail order for a loop, and I did not specify
18 what time, but there's no facility available, and
19 there's not an engineering job that would cover, would
20 you hold that order. She answered yes. I assumed that
21 meant you would do that no matter what type of loop the
22 retail customer ordered. But I think you have to answer
23 that question first. I mean, is there a different
24 policy depending on what the retail customer orders?
25 Because I assumed it wasn't primary service, because

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1 primary service, I think you've indicated, you will
2 build for.

3 ALJ ARLOW: You have to build for primary
4 service.

5 MS. HOPFENBECK: Right. So --.

6 MS. LISTON: There are, once we get into some
7 of the high capacity loops, there are some differences
8 in the rules according to taking an order. And that is
9 that if it was in a situation where it was a high
10 capacity loop, Qwest would do an evaluation on it to see
11 if it makes sense for us to place facilities. And many
12 times what we'll do is look at a term agreement policy.
13 We will go back to the customer and say, we have to
14 build new facilities? And the only way that we could do
15 it if is we signed a, you know, three-year, four-year,
16 five-year, whatever year contract on it. There are
17 cases where we do say we will not build and we don't
18 take the order on high capacity.

19 Where we would be taking orders from the end
20 user customer would be traditionally in a basic exchange
21 type order, where --

22 MS. HOPFENBECK: A second line, for example.

23 MS. LISTON: It could be a second line or a
24 multiple line.

25 MS. HOPFENBECK: What about DS1?

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1 MS. LISTON: I don't know -- I don't know the
2 specific rules on DS1 in terms of how we take the orders
3 or if we hold them. I believe on -- well, I'm not
4 sure. I think DS1 has some term agreements also
5 associated with DS1. So it would be the same kind of
6 situation that we would only build if we either had a
7 term agreement or something like that. Basically it's
8 to see whether or not we can get the recovery of the
9 cost that it would be to put the facilities in the
10 ground.

11 ALJ ARLOW: I guess to me the example would
12 be, let's say, somebody wants DSL service, but they're
13 more than 18,000 feet from the central office. Now it
14 may happen that you're going to install a remote switch
15 closer to the customer in a couple of years. And then
16 once you install that remote switch to handle traffic,
17 whatever, you'll be able to provide DSL out of that
18 remote, because it's less than 18,000 feet. Is that
19 potentially an example that makes sense?

20 MR. STEESE: It would be a DSLAM, but yes,
21 instead of a remote switch it would be remote deployment
22 of a DSLAM.

23 ALJ ARLOW: Remote deployment of a DSLAM.
24 Okay. Now, in that situation, you would keep a held
25 order for the customer or not?

Colloquy 150

1 MS. LISTON: No. In that situation we would
2 not take the order for the customer at all. Again, we
3 go back to some of the discussion we had earlier on our
4 DSL policy. And that is if we're not able to provision
5 the loop -- if the tool comes up and says that it does
6 not qualify for DSL service, we do not accept the order
7 at that point in time. So for DSL, Qwest would not
8 accept that order at all.

9 ALJ ARLOW: Okay. What I want to find out is,
10 and I hope this is not the case, that the debate is over
11 a hypothetical situation that has not existed, in fact,
12 yet.

13 MR. WILSON: No, Your Honor. Generally what I
14 think of is DS1 service, as a service where an order can
15 go held. We have lots of held orders for facilities not
16 available for DS1s. It's been a proverbial problem in
17 the Qwest network. And they may, at a later time,
18 decide to build it. So that's at least the example that
19 I think of. These other examples may also occur,
20 DS1.

21 MS. HOPFENBECK: But DSL is different than
22 DS1.

23 ALJ ARLOW: Right.

24 MS. HOPFENBECK: Yeah. And DSLs, I mean, I
25 understand a request for DSL that they don't take as

Colloquy 151

1 being a little different situation, because that doesn't
2 suggest there's not a loop there. It's just that
3 there's no DSL qualified loop there. And I think what
4 we're talking about here is the situation where the --

5 ALJ ARLOW: Is the actual installation of loop
6 facilities, right. But in DS1, we would require a
7 bigger cable.

8 MS. HOPFENBECK: Right.

9 MR. STEESE: But in theory, some DLECs would
10 want us to actually install a copper loop instead of
11 pair gain on a 1, 2 basis. And that's certainly
12 something that Qwest is not prepared to do.

13 ALJ ARLOW: But you wouldn't do that as a held
14 order for your own customer, either.

15 MR. STEESE: That's exactly correct.

16 ALJ ARLOW: So what I'm trying to do is to
17 find out where there's a lack of parity here, because
18 that seems to be the basic argument, saying that you
19 will -- you will keep a held order for your own retail
20 customer, and then potentially the CLEC would lose a
21 place in queue because it had a rejected order. And
22 from everything that Qwest has been saying so far is
23 that we reject an order that doesn't work for our
24 customers either?

25 MS. HOPFENBECK: There are some circumstances,

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1 as I understand it, in which Qwest will accept an order
2 from its retail customer. And that's -- I think that
3 Qwest --

4 ALJ ARLOW: Do the parties agree on that? Do
5 the parties agree that there is a circumstance where
6 that would occur?

7 MS. LISTON: I think the circumstance that
8 we've talked about is a second, third, fourth line into
9 a premise, where it's a basic line, would be the retail
10 comparable to what the CLECs are asking for.

11 ALJ ARLOW: Let's say, for example, that the
12 CLEC then has bought a copper loop. Let's say they've
13 bought an unbundled loop or whatever to somebody's home
14 and they're providing residential service to that
15 person. That person then goes to AT&T or WorldCom and
16 says, I want a second, third or fourth line. You would
17 reject that for them, but you would hold it for your own
18 Qwest customer?

19 MS. LISTON: That could occur.

20 MR. STEESE: If there was no COLR
21 obligations. I don't recall off the top how many lines
22 were obligated --

23 ALJ ARLOW: They've taken over sort of the
24 carrier. It's a Carrier of Last Resort service, local
25 residential service. They've got the first line, the

Colloquy 153

1 first line. The second and third line is not the

2 Carrier of Last Resort service is what you're saying?

3 MR. STEESE: I don't recall Oregon's tariffs

4 is what I'm saying, and how many lines. I don't know if

5 it goes beyond the first line. I just don't know.

6 ALJ ARLOW: Let's say lines three and four.

7 Let's talk about lines three and four. Those aren't

8 Carrier of Last Resort requirements. They don't require

9 the third and fourth line. But if it's a Qwest

10 customer, you're stating that you will hold the order

11 for the third or fourth line, but if that first or

12 second line is a CLEC customer, because they have bought

13 the unbundled loop from you, and let's say it's going

14 through their switch. Okay. You will not hold an order

15 for a second or third line for them to buy on an

16 unbundled basis to attach to their switch?

17 MS. LISTON: I think if we went back to the

18 third or fourth line, and said, if they were -- if it

19 was going in and it was third or fourth line, and a CLEC

20 asked for it, regardless of who had line one or two, but

21 if a CLEC asked for another facility to that home, and

22 there were no facilities available, we would not accept

23 the order from the CLEC.

24 ALJ ARLOW: But you would do it for your own

25 retail customer?

Colloquy 154

1 MS. LISTON: If the customer asked us to do
2 that, yes.

3 ALJ ARLOW: Okay. So that's, okay, that's the
4 disparity. Okay. That helps me a lot to understand --

5 MS. LISTON: Right.

6 ALJ ARLOW: -- what the question of equal
7 treatment is that's being raised by WorldCom.

8 MR. STEESE: Can I ask one question in that
9 regard, because I'd like to know if WorldCom or AT&T or
10 ELI have ever run into a situation where they've
11 attempted to order a third or fourth line and we
12 rejected it.

13 MS. HOPFENBECK: Well, considering we're only
14 ordering local loops out of the access service tariff
15 right now, we're not getting rejected, because we're
16 ordering retail service from you.

17 MR. STEESE: So you're ordering high cap
18 loops.

19 MS. HOPFENBECK: No. We're not always
20 ordering high cap loops. It's just that we haven't been
21 able to do business with you as UNEs since we started,
22 so 80 percent of our services are UNE loop services that
23 we're providing. We're using special access facilities
24 and not UNEs.

25 MR. STEESE: DS1 and DS3.

Colloquy 155

1 MS. HOPFENBECK: Not, I don't think so, no.

2 MR. STEESE: Do you have DSO special access?

3 MS. HOPFENBECK: Yes. That's what I have been
4 told.

5 ALJ ARLOW: Well, is this a factual question
6 we can get resolved over a break or not?

7 MS. HOPFENBECK: So, I guess, no, this, I
8 think this goes to the thing is, is that Qwest -- one of
9 the things that they're concerned about is that we're
10 making issues out of circumstances that haven't happened
11 yet. And the reason why some of these things haven't
12 happened yet, is that we haven't, while we're doing
13 business with them in these states, because it's only
14 been very recently that, and really since the merger of
15 Qwest and U.S. West, and since Qwest decided it wanted
16 to get into the long distance market, that they have
17 been really stepping up to the plate and starting to
18 provision these things. The reason why we haven't
19 ourselves run into this situation is largely because
20 we're not playing in that arena yet. But believe me, we
21 intend to.

22 ALJ ARLOW: This appears to be the argument
23 about the reasonable requirement for construction as
24 opposed to meeting any requests for construction. I
25 think there was some FCC, I guess, it was in the UNE

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1 remand order or somewhere, I think, that may have been
2 discussed about what the construction obligations are
3 under 271.

4 MS. HOPFENBECK: But the POLR obligation -- I
5 mean, I think I would like to explore with them just a
6 little bit about that, because that may -- the issue may
7 be slightly different in Oregon given how Oregon
8 Commission has defined Basic Exchange Service. The
9 Oregon Commission has a very broad definition of Basic
10 Exchange Service, that includes PBX trunks, for example,
11 and multi-line residential and business service. And
12 does Qwest consider that its POLR obligation runs to all
13 lines that are defined as Basic Exchange Service?

14 MR. STEESE: If you look at section 9.1.2.1 of
15 the SGAT, it says, and we understand that different
16 states interpret POLR obligations different ways, so we
17 have attempted to say we will build to the extent
18 necessary to meet our Carrier of Last Resort
19 obligations. And so what might be a requirement to
20 build in Oregon, may be different than Arizona. It may
21 be different than Colorado.

22 MS. HOPFENBECK: Right. And I just wondered
23 if you knew what your view of that was here. And I was
24 giving you the definition of basic in order to
25 trigger -- if you don't know, I gather you don't know.

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1 MR. STEESE: I do not know.

2 MS. HOPFENBECK: Okay.

3 MR. PETERS: Your Honor, if I could clarify on
4 the DS1 issue, because I'm a little confused now on what
5 Qwest's policy is. I understand that if ELI were to
6 order a DS1 UNE loop, and Qwest determined that there
7 was no facilities, that they will reject the order. And
8 by rejecting the order, it's not going to show up on any
9 of the performance measures that are coming out of the
10 ROC, because it's as if the order never existed. Now,
11 as an analog, let's assume that a Qwest customer ordered
12 services that Qwest would provision traditionally over a
13 DS1 facility. Would that same process or that same
14 policy apply to that retail end user's order? So let's
15 say, it's for 15 business lines, and normally Qwest
16 would provision a T1 facility to handle that. Or maybe
17 you have a service that implies that on a high cap
18 facility on the customer premises, would that order
19 simply be, retail order simply be rejected at that
20 point?

21 MS. LISTON: I think we've already testified
22 that we don't reject our retail orders immediately
23 because of lack of facilities. And I think that's what
24 you're asking, but I'm not sure.

25 MR. PETERS: Yes, I am. Because I think you

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1 testified --

2 MS. LISTON: And I think I've answered that
3 several times already, that we don't reject them.

4 MR. PETERS: Okay. What if it's out of --
5 what is your policy if a carrier or an end user orders
6 out of the special access tariff, a high cap facility, a
7 T1? When you say retail, does that apply to the special
8 access tariff as well?

9 MS. LISTON: I do not know. I don't know what
10 the special access policy is on held orders.

11 Your Honor, there is something that I wanted
12 to get in earlier on the record. And that is at one
13 time -- I mean, at one time we were accepting all the
14 orders from the CLECs. And what happened was we were in
15 a situation where the CLECs were giving us lots of
16 feedback on how difficult it was to deal with the
17 backlog of orders, the held orders. And we really wound
18 up in a situation where we had three very large buckets
19 of orders. One of the buckets that was an extremely --
20 well, it was very large, and I don't remember the
21 percentages. I apologize for that. Was held for
22 customer reasons. Where we were in a situation where we
23 had actually built facilities. We had found spare
24 facilities. Whatever the situation was, that we were
25 actually in a position where we now could provide the



BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

In the Matter of the Investigation Into)	
)	
U S WEST COMMUNICATIONS, INC.'s)	DOCKET NO. UT-003022
)	
Compliance With Section 271 of the)	
Telecommunications Act of 1996)	
.....)	DOCKET NO. UT-003040
)	
In the Matter of)	THIRTEENTH
)	SUPPLEMENTAL ORDER
U S WEST COMMUNICATIONS, INC.'s)	INITIAL ORDER
)	(WORKSHOP THREE):
Statement of Generally Available Terms)	
Pursuant to Section 252(f) of the)	CHECKLIST ITEM NO. 2, 5,
Telecommunications Act of 1996)	and 6
.....)	

SYNOPSIS

1. This Order proposes resolution of issues raised in Workshop III relating to Qwest’s expected application for approval under Section 271 of the Telecommunications Act of 1996 for authority to provide regional telecommunications services. This Initial Order proposes to find Qwest not in compliance with Checklist Item Nos. 2, 5, and 6.

BACKGROUND AND PROCEDURAL HISTORY

2. This is a consolidated proceeding to consider the compliance of Qwest Communications, Inc. (Qwest), formerly known as U S WEST Communications, Inc. (U S WEST),¹ with the requirements of Section 271 of the Telecommunications Act of 1996 (the Act),² and review and approval of Qwest’s Statement of Generally Available Terms (SGAT) under Section 252(f)(2) of the Act. The general procedural history is included in the Eleventh Supplemental Order, entered March 30, 2001, and will not be repeated here.
3. The Commission held its third workshop in this proceeding in Olympia, Washington on March 12-15, 2001, addressing the issues of Checklist Items Nos. 2, 5, and 6, and provisions of Qwest’s proposed SGAT addressing these issues. The Commission

¹ After this proceeding began, U S WEST merged and has become known as Qwest Communications, Inc. For consistency and ease of reference we will use the new name Qwest in this Order.

² Pub. L. No. 104-104, 110 Stat. 56, *codified at* 47 U.S.C. § 151 *et seq.*

Discussion and Decision

79. Qwest's discussion of "existing" network refers to paragraph 324 of the *UNE Remand Order*.³ While Qwest points to the FCC's reference to limiting unbundling to the incumbent LEC's "existing" network, the FCC says it "did not require incumbent LECs to construct facilities to meet a requesting carrier's requirements where the incumbent LEC has not deployed transport facilities for its own use."⁴ The FCC goes on to state that the "incumbent LEC's unbundling obligation extends throughout its ubiquitous transport network." Later, the FCC explains the incumbent is not required to provision for "point-to-point demand requirements for facilities that the incumbent LEC has not deployed for its own use." In other words, the incumbent LEC's "existing" network includes all points that it currently serves via interoffice facilities, and it is not required to extend its network to new points, based on competitors' requests. However, the incumbent LEC is still required to provide access to UNEs within its existing network even if it must construct additional capacity within its network to make the UNEs available to competitors. Qwest implies that the term "existing network" only applies to the actual facilities that are in place, when in fact existing network applies to the "area" (end offices, serving wire centers, tandem switches, interexchange carrier points of presence, etc.) that Qwest's interoffice facilities serve. This same concept applies on the loop side of Qwest's Inetwork where Qwest is obligated to construct additional loops to reach customers' premises whenever local facilities have reached exhaust.
80. Qwest must modify section 9.1.2 of the SGAT and the appropriate subsections of 9.1.2 to state that Qwest will provide access to UNEs to any location currently served by Qwest's network. Qwest must construct new facilities to any location currently served by Qwest when similar facilities to those locations have exhausted. In situations where locations are outside of currently served areas, Qwest may construct facilities under the same terms and conditions it would construct similar facilities for its own customers in those locations.

³ Notwithstanding the fact that we require incumbents to unbundle high-capacity transmission facilities, we reject Sprint's proposal to require incumbent LECs to provide unbundled access to SONET rings. In the *Local Competition First Report and Order*, the Commission limited an incumbent LEC's transport unbundling obligation to existing facilities, and did not require incumbent LECs to construct facilities to meet a requesting carrier's requirements where the incumbent LEC has not deployed transport facilities for its own use. Although we conclude that an incumbent LEC's unbundling obligation extends throughout its ubiquitous transport network, including ring transport architectures, we do not require incumbent LECs to construct new transport facilities to meet specific competitive LEC point-to-point demand requirements for facilities that the incumbent LEC has not deployed for its own use. *UNE Remand Order*, para. 324.

⁴ *Local Competition Order*, para. 451.

CERTIFICATE OF SERVICE

I certify that the original and 10 copies of AT&T's Comments on the September 14 Final Report on Unbundled Loops in Docket No. T-00000A-97-0238 were sent by overnight delivery on October 2, 2001 to:

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