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BEFORE THE ARIZONA CORPORATION COMMISSION

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- 1
- 2 **JEFF HATCH-MILLER**
Chairman
- 3 **MARC SPITZER**
Commissioner
- 4 **WILLIAM MUNDELL**
Commissioner
- 5 **MIKE GLEASON**
Commissioner
- 6 **KRISTIN MAYES**
Commissioner
- 7

AZ CORP COMMISSION
DOCUMENT CONTROL

8 **IN THE MATTER OF THE APPLICATION**
 9 **OF DIECA COMMUNICATIONS DBA**
 10 **COVAD COMMUNICATIONS COMPANY,**
 11 **ESCHELON TELECOM OF ARIZONA, INC.,**
 12 **MCLEODUSA TELECOMMUNICATIONS**
 13 **SERVICES, INC., MOUNTAIN**
 14 **TELECOMMUNICATIONS, INC., XO**
 15 **COMMUNICATIONS SERVICES, INC. AND**
 16 **QWEST CORPORATION REQUEST FOR**
 17 **COMMISSION PROCESS TO ADDRESS KEY**
 18 **UNE ISSUES ARISING FROM TRIENNIAL**
 19 **REVIEW REMAND ORDER, INCLUDING**
 20 **APPROVAL OF QWEST WIRE CENTER**
 21 **LISTS.**

DOCKET NOS. T-03632A-06-0091
 T-03406A-06-0091
 T-03267A-06-0091
 T-03432A-06-0091
 T-04302A-06-0091
 T-01051B-06-0091

NOTICE OF FILING DIRECT
TESTIMONIES OF DAVID L.
TEITZEL, RACHEL TORRENCE,
RENÉE ALBERSHEIM AND TERESA
K. MILLION

17 Please take notice that Qwest Corporation hereby files the Direct Testimonies of
 18 David L. Teitzel, Rachel Torrence, Renée Albersheim and Teresa K. Million, copies of
 19 which are attached, with associated exhibits.

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Arizona Corporation Commission
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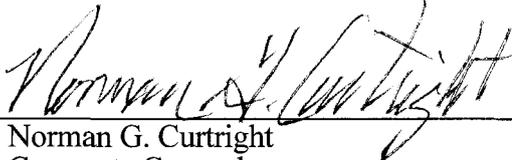
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RESPECTFULLY SUBMITTED this 23rd day of June, 2006.

QWEST CORPORATION

By: 
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1 ORIGINAL and 13 copies hand-delivered
2 for filing this 23rd day of June, 2006, to:

3 Docket Control
4 ARIZONA CORPORATION COMMISSION
5 1200 West Washington Street
6 Phoenix, AZ 85007

7 COPY of the foregoing hand delivered
8 this 23rd day of June, 2006, to:

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COPY of the foregoing mailed
this 23rd day of June, 2006, to

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23	Airespring, Inc. 6060 Sepulveda Boulevard, Suite 220 Van Nuys, CA 91411	BT Communications Sales, LLC 11440 Commerce Park Drive Reston, VA 20191
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P.O. Box 19360
Shreveport, LA 71149 | Connect CCCAZ, Inc.
124 W. Capital Avenue, Suite 250
Little Rock, AR 72201 |
| 2 | | |
| 3 | BullsEye Telecom, Inc.
25900 Greenfield Road, Suite 330
Oak Park, MI 48237 | Covista, Inc.
721 Broad Street, Suite 200
Chattanooga, TN 34702 |
| 4 | | |
| 5 | Buy-Tel Communications, Inc.
6409 Colleyville Boulevard
P.O. Box 1170
Colleyville, TX 76034 | Mark DiNunzio
Cox Arizona Telcom, LLC
1550 W. Deer Valley Road
Phoenix, AZ 85027 |
| 6 | | |
| 7 | | |
| 8 | CCG Communications, LLC
321 Walnut Street, Suite 170
Newton, MA 02460 | Cypress Communications Operating
Company, Inc.
15 Piedmont Center, Suite 100
Atlanta, GA 30305 |
| 9 | | |
| 10 | | |
| 11 | CenturyTel Solutions, LLC
100 Centurytel Drive
Monroe, LA 71203 | DIECA Communications, Inc.
Covad Communications Company
3420 Central Expressway
Santa Clara, CA 95051 |
| 12 | | |
| 13 | | |
| 14 | CI ² , Inc.
200 Galleria Parkway, Suite 1200
Atlanta, GA 30339 | dPI-Teleconnect, Inc.
2997 LBJ Freeway, Suite 225
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| 15 | | |
| 16 | Citizens Long Distance Company
4 Triad Center, Suite 200
Salt Lake City, UT 84180 | DSLnet Communications, LLC
545 Long Wharf Drive, 5 th Floor
New Haven, CT 06511 |
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| 18 | Citynet Arizona, LLC
113 Platinum Drive
Bridgeport, WV 26330 | Electric Lightwave, Inc.
4 Triad Center, Suite 200
Salt Lake City, UT 84180 |
| 19 | | |
| 20 | CM Tel (USA) LLC
770 Wilshire Boulevard, 7 th Floor
Los Angeles, CA 90017 | En-Touch Systems, Inc.
13105 Northwest Freeway, Suite 1020
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1015 - 31 st Street, NW
Washington, DC 20007 | Ernest Communications, Inc.
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<p>8 FirstMile Services, LLC 9 dba FirstMile Technologies 10 750 Liberty Drive 11 Westfield, IN 46074</p>	<p>GTC Telecom 3151 Airway Avenue, Suite P-3 Costa Mesa, CA 92626</p>
<p>12 France Telecom Corporate Solutions, LLC 13 Bldg 3, 2nd Floor, Room 2829 14 Herndon, VA 20171</p>	<p>HJH Telecom, Inc. dba Reliant Communications, Inc. 801 International Parkway, 5th Floor Lake Mary, FL 32746</p>
<p>15 Citizens Telecommunications Co 16 Of the White Mountains 17 dba Frontier Communications of 18 the White Mountains 19 4 Triad Center, Suite 200 20 Salt Lake City, UT 84180</p>	<p>IDT America, Corp. 520 Broad Street Newark, NJ 07102</p>
<p>21 Global Connection Inc. of America 22 3957 Pleasantdale Road 23 Atlanta, GA 30340</p>	<p>Intellical Operator Services, Inc. dba ILD 5000 Sawgrass Village Circle, Suite 30 Ponte Vedra Beach, FL 32082</p>
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<p>27 Global Crossing North America Networks 28 1080 Pittsford Victor Road 29 Pittsford, NY 14534</p>	<p>KMC Data, LLC 1755 North Brown Road Lawrenceville, GA 30043</p>
<p>30 Global Crossing Telecommunications, Inc. 31 1080 Pittsford Victor Road 32 Pittsford, NY 14534</p>	<p>KMC Telecom V, Inc. 1755 N. Broad Road Lawrenceville, GA 30043</p>

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4	Quincy, MA 02169	Louisville, KY 40223
5	Matrix Telecom, Inc. 2912 Lakeside Drive	Max-Tel Communications, Inc. P.O. Box 280
6	Oklahoma, OK 73120	Alvord, TX 76225-0280
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12	Cedar Rapids, IA 52406	
13	Mountain Telecommunications, Inc. 1430 W. Broadway, Suite 206	Mpower Communications Corp. 171 Sully's Trail, Suite 202
14	Tempe, AZ 85282	Pittsford, NY 14534
15	National Brands, Inc. dba Sharenet Communications	New Access Communications, LLC 801 Nicollet Mall, Suite 350
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18	New Edge Network, Inc. dba New Edge Networks	North County Communications Corporation 3802 Rosencrans, Suite 485
19	3000 Columbia House Boulevard, Suite 106	San Diego, CA 92110
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21	NOS Communications, Inc. dba International Plus	Now Communications, Inc. 1695 High Street, Suite B
22	4380 Boulder Highway Las Vegas, NV 89121	Jackson, MS 36205
23		
24	NTC Network LLC 633 West 5 th Street, 56 th Floor	NTERA, Inc. 1020 N.W. 163 rd Drive
25	Los Angeles, CA 90071	Miami, FL 33169
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2	Two Conway Park 150 Field Drive, Suite 300	
3	Lake Forest, IL 60045	
4	Orbitcom. Inc. 1701 N. Louise Avenue	Pac-West Telecom, Inc. 1776 W. March Lane, Suite 250 Stockton, CA 95207
5	Sioux Falls, SD 57107	
6	Payroll Advance, Inc. dba The Phone Connection	Preferred Carrier Services Dbas Phones For All/Teléfonos Para Todos
7	808 S. Baker Street	14681 Midway Road, Suite 105
8	Mountain Home, AR 72653	Addison, TX 75001
9	Premiere Network Services, Inc. 1510 N. Hampton Road, Suite 120	QuantumShift Communications, Inc. 126 Alcosta Boulevard, Suite 418 San Ramon, CA 94583
10	DeSoto, TX 75115	
11	Qwest Communications Corporation 1801 California Street, Room 1240	Regal Diversified, Inc. dba Regal Telephone Company
12	Denver, CO 80202	1119 W. Kent, Suite J Missoula, MT 59801
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8 Bellevue, WA 98006 Los Angeles, CA 90071
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10 One Technology Center dba WLNI, LLC
11 Mail Drop: TC13B One Technology Center
12 Tulsa, OK 74103 Mail Drop: TC-7B
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14 XO Communications Services, Inc. XO Communications, Inc.
15 1730 Rhode Island Avenue NW, Suite 1000 1730 Rhode Island Avenue NW, Suite 1000
16 Washington, DC 20036 Washington, DC 20036
17 Xspedius Management Co of Pima County, Xspedius Management Co. Switched Services,
18 LLC LLC
19 14405 Laurel Place, Suite 200 7125 Columbia Gateway Drive, Suite 200
20 Laurel, MD 20707 Columbia, MD 21046
21
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Diane Kypar

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
MARC SPITZER
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN MAYES

IN THE MATTER OF THE APPLICATION OF	)	DOCKET NO. T-03632A-06-0091
DIECA COMMUNICATIONS DBA COVAD	)	T-03267A-06-0091
COMMUNICATIONS COMPANY, ESCHELON	)	T-04302A-06-0091
TELECOM OF ARIZONA, INC., MCLEODUSA	)	T-03406A-06-0091
TELECOMMUNICATIONS SERVICES, INC.,	)	T-03432A-06-0091
MOUNTAIN TELECOMMUNICATIONS, INC.,	)	T-01051B-06-0091
XO COMMUNICATIONS SERVICES, INC. AND)	
QWEST CORPORATION REQUEST FOR)	
COMMISSION PROCESS TO ADDRESS KEY)	
UNE ISSUES ARISING FROM TRIENNIAL)	
REVIEW REMAND ORDER, INCLUDING)	
APPROVAL OF QWEST WIRE CENTER LISTS)	

DIRECT TESTIMONY

OF

DAVID L. TEITZEL

QWEST CORPORATION

JUNE 23, 2006

PUBLIC VERSION

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EXECUTIVE SUMMARY

My testimony presents Arizona business access line data that, along with the collocation data presented by Qwest witness Rachel Torrence, should be used to determine which Arizona wire centers are “non-impaired” without Competitive Local Exchange Carrier (“CLEC”) access to certain DS1/DS3 loop and transport Unbundled Network Elements (“UNEs”). My testimony describes the methodology that the FCC established in its Triennial Review Order on Remand (“*TRRO*”),¹ which Qwest utilized to establish the number of business access lines in each wire center. As described in my testimony, Qwest closely followed the FCC’s definition of “business lines” outlined at paragraph 105 of the *TRRO* and in 47 CFR § 51.5:

The BOC wire center data that we analyze in this Order is based on ARMIS 43-08 business lines, plus business UNE-P, plus UNE-Loops²

TRRO-related proceedings have been completed in a number of other states, and Commissions in California, Georgia, Florida, Illinois, Indiana, Ohio, South Carolina, Texas and other states have approved methodologies for the identification of RBOC business line counts that are very similar to the methodology that Qwest has used in Arizona and its other states. As I discuss in my testimony, these state Commissions

¹ FCC 04-290; CC Docket No. 01-338, released February 4, 2005.

² The FCC’s rules are further defined in 47 CFR § 51.5, where the FCC clarified that each 64 kilobit per second (kbps) equivalent channel in a digital access line shall be counted as one “business line.”

have found that these methodologies are reasonable and in compliance with the FCC's guidelines.

As described in greater detail in the direct testimony of Qwest witness Renee Albersheim, the FCC has determined in the *TRRO* that wire centers containing at least 60,000 business lines and four or more fiber collocators are non-impaired with regard to DS1 local loops, and wire centers containing at least 38,000 business lines and at least four fiber collocators are non-impaired with respect to DS3 local loops. In addition, the FCC determined that wire centers are "non-impaired" with respect to DS1 interoffice transport if the wire centers at both ends of a transport route contain at least 38,000 business lines or have at least four fiber-based collocators ("Tier 1" wire centers), and are non-impaired with respect to DS3 interoffice transport if both wire centers at each end of the transport route contain at least 24,000 business lines or at least three fiber-based collocators ("Tier 2" wire centers).

Based on Qwest's analysis of both business line counts and fiber collocation data, the Phoenix Main, Phoenix North and Tempe wire centers meet the non-impairment standard for DS3 unbundled loops. A total of seven wire centers, including Phoenix East, Phoenix Main, Phoenix Northeast, Phoenix North, Thunderbird, Tempe and McClintock, meet the FCC's transport threshold for "Tier 1" non-impairment status. Three Arizona wire centers, Mesa, Scottsdale Main and Tucson Main, meet the FCC's transport threshold for "Tier 2" non-impairment status. The Commission should find that

the business line data I am presenting, along with the fiber collocation data presented by Ms. Torrence, support these non-impairment classifications.

1 **I. IDENTIFICATION OF WITNESS**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is David L. Teitzel. My business address is Room 3214, 1600 7th Ave.,
4 Seattle, WA.

5 **Q. WHAT IS YOUR POSITION WITH QWEST AND WHAT ARE YOUR**
6 **RESPONSIBILITIES?**

7 A. My title is Staff Director and I am a member of Qwest Service Corporation's ("QSC")³
8 Public Policy organization. In that position I develop and present company advocacy
9 in matters relating to the manner in which Qwest Corporation ("Qwest") is regulated
10 for retail services. These matters include regulatory reform in dockets before state
11 Commissions as well as before the FCC.

12 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE?**

13 A. I received a Bachelor of Science degree from Washington State University in 1974.
14 Since then, I have been continuously employed by Qwest and its predecessor
15 companies. I have held a number of management positions in various departments,
16 including Regulatory Affairs, Network and Marketing. As a Marketing product
17 manager, I was responsible for product management of Basic Exchange, Centrex
18 and IntraLATA Long Distance services. I have also served as a Market Manager for
19 Qwest Dex directories in the Puget Sound region. I was named to my current
20 position in March 1998.

21 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN ARIZONA?**

22 A. Yes. I testified in Qwest's 1999 Arizona Rate Case proceeding, the Arizona Sector
23 271 docket regarding Qwest's reentry into the interLATA long distance market, filed

³ QSC performs support functions, such as regulatory support, for other Qwest entities.

1 written testimony in the state Triennial Review proceeding and testified in Qwest's
2 recent Arizona Price Regulation Plan docket. I have also testified as an expert
3 witness in numerous state regulatory dockets in Colorado, Idaho, Iowa, Minnesota,
4 Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah,
5 Washington and Wyoming.

6 **II. PURPOSE OF TESTIMONY**

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

8 A. The purpose of my testimony is to describe the methodology that Qwest employed
9 to develop counts of business access lines in Arizona wire centers. This data, along
10 with the collocation data provided by Ms. Torrence, is used to determine which wire
11 centers are to be classified as "non-impaired" under terms of the FCC's *TRRO*. In
12 addition, my testimony demonstrates that Qwest's method for counting business
13 access lines in the Arizona wire centers is in full compliance with the "business line"
14 definitions outlined in the *TRRO* and the FCC's rules.

15 **III. FCC BUSINESS LINE DEFINITIONS**

16 **Q. IN ITS *TRRO*, DID THE FCC PROVIDE A DEFINITION OF "BUSINESS LINES"**
17 **FOR PURPOSES OF DETERMINING WHETHER A PARTICULAR WIRE CENTER**
18 **MEETS THE THRESHOLD TEST FOR NON-IMPAIRMENT?**

19 A. Yes. At paragraph 105 of its *TRRO*, the FCC defined "business lines" as follows:

20 The BOC wire center data that we analyze in this Order is based on
21 ARMIS 43-08 business lines, plus business UNE-P, plus UNE-loops.
22 Further, the FCC's rules regarding implementation of *TRRO* requirements (47 CFR §
23 51.5) define "business line" as follows:

1 A **business line** is an incumbent LEC-owned switched access line used to
2 serve a business customer, whether by the incumbent LEC itself or by a
3 competitive LEC that leases the line from the incumbent LEC. The
4 number of **business lines** in a wire center shall equal the sum of all
5 incumbent LEC business switched access lines, plus the sum of all UNE
6 loops connected to that wire center, including UNE loops provisioned in
7 combination with other unbundled elements. Among these requirements,
8 **business line** tallies:

9
10 (1) Shall include only those access lines connecting end-user
11 customers with incumbent LEC end-offices for switched services.

12 (2) Shall not include non-switched special access lines.

13 (3) Shall account for ISDN and other digital access lines by counting
14 each 64 kbps-equivalent as one line. For example, a DS1 line
15 corresponds to 24 64 kbps-equivalents, and therefore to 24
16 **"business lines."** (emphasis added).
17
18

19 In the FCC's "business line" definition above, it is important to note that the FCC
20 explicitly defines a business line as encompassing retail lines provided by Qwest as
21 well as wholesale lines provided by Qwest to competitive LECs, and that each of the
22 FCC's three qualifiers in the above definition apply equally to retail and wholesale
23 business lines. For example, the requirement defined in subitem (3) above
24 regarding counting the full 64 kpbs-equivalent channel capacity (also known as
25 "DS0" channel capacity) of digital access lines clearly applies to Qwest's retail digital
26 business services as well as DS1 and DS3 wholesale digital access lines. In this
27 instance, all retail and wholesale DS1 digital lines should be counted as 24 lines,
28 since the DS1 contains capacity for 24 DS0 channels, and all retail and wholesale
29 DS3 lines should be counted as 672 lines, since DS3 lines contain 672 DS0
30 channels.

1 **Q. DO THE FCC'S RULES MEAN THAT ALL LINES IDENTIFIED AS SERVING**
2 **BUSINESS CUSTOMERS ARE TO BE INCLUDED IN THE COUNT OF BUSINESS**
3 **LINES FOR EACH WIRE CENTER?**

4 A. Yes. The FCC's directives are very clear: all lines owned by an ILEC that are used
5 to serve business customers,⁴ whether they are provided on a retail or wholesale
6 basis, should be included in the business line count for each wire center.

7 **Q. HAS THE FCC DETERMINED THAT ALL UNE LOOPS SHOULD BE INCLUDED**
8 **IN THE BUSINESS LINE COUNTS?**

9 A. Yes. The FCC's business line definition recognizes that UNE loops are generic
10 wholesale services and that an ILEC has no means of determining whether a CLEC
11 is utilizing a UNE loop to serve a residential or a business customer. Thus, the
12 FCC's rules (47 CFR § 51.5) clearly state that the sum of all UNE loops should be
13 included in an ILEC's count of business lines.

14 **Q. DOES THE FCC'S BUSINESS LINE DEFINITION MANDATE THAT MULTI-**
15 **CHANNEL CIRCUITS, SUCH AS DS1 CIRCUITS, SHOULD BE COUNTED IN**
16 **TERMS OF THE 64-KBPS CHANNEL CAPACITY OF EACH SUCH CIRCUIT?**

17 A. Yes. Subsection (3) of the "business line" definition of 47 CFR § 51.5 clearly states
18 that each 64 kilobit channel⁵ within a high-capacity digital line, such as a DS1,
19 should be counted as a separate business line. For example, since a DS1 line has a

⁴ The FCC's definition in 47 CFR § 51.5 excludes any business lines that are served by loop facilities not owned by the ILEC, such as lines served via CLEC-owned fiber facilities, lines served via coaxial cable facilities owned by cable MSOs, wireless services used in lieu of Qwest's business lines, etc.

⁵ A 64 kilobit per second channel is also known as a Voice-Grade Equivalent ("VGE") channel. Qwest reports access lines in its annual FCC ARMIS data in terms of VGEs in service.

1 capacity of 1,544 kilobits per second, it would be counted as containing 24 separate
2 business lines.⁶

3 **Q. IN THE TRRO, DID THE FCC INDICATE A PREFERENCE FOR SIMPLICITY IN**
4 **THE METHODOLOGY USED TO COUNT BUSINESS ACCESS LINES?**

5 A. Yes. The FCC stated that "business line counts are an objective set of data that
6 incumbent LECs have already created for other regulatory purposes," and that "by
7 basing our definition in an ARMIS filing required of incumbent LECs, and adding
8 UNE figures, which must also be reported, we can be confident in the accuracy of
9 the thresholds, *and a simplified ability to obtain the necessary information.*" TRRO,
10 ¶ 105. (Emphasis added.) Clearly, the FCC's intent is that incumbent LECs should
11 utilize data "already created for other regulatory purposes," and should follow the
12 FCC's simple and unambiguous definition to count business lines in determining
13 which wire centers meet the non-impairment thresholds established in the TRRO.

14 **Q. HAVE OTHER STATE COMMISSIONS EXAMINED THE BUSINESS ACCESS**
15 **LINE DATA FILED BY RBOCS IN "NON-IMPAIRMENT" DOCKETS THAT ARE**
16 **SIMILAR TO THIS PROCEEDING?**

17 A. Yes. Several dockets have been completed in other state jurisdictions to determine
18 whether RBOCs have properly calculated business access line counts, based on the
19 FCC's guidelines, in order to determine which wire centers meet the TRRO's criteria
20 for non-impairment. Later in my testimony I will demonstrate that the findings of
21 most state Commissions are consistent with the methodology that Qwest has used
22 to count business access lines in Arizona.

⁶ As noted above, 47 CFR § 51.5 specifically states that "a DS1 line corresponds to 24 64 kbps-equivalents, and therefore to 24 'business lines.'"

1 **IV. NON-IMPAIRED WIRE CENTERS IN ARIZONA**

2 **Q. PLEASE BRIEFLY REVIEW THE FCC'S NON-IMPAIRMENT STANDARDS FOR**
3 **DS1 AND DS3 UNBUNDLED LOOPS.**

4 A. As Ms. Albersheim describes in her testimony, the FCC determined that CLECs are
5 not competitively impaired without access to DS1 unbundled loops in wire centers
6 with more than 60,000 business lines and four or more fiber-based collocators, and
7 are not competitively impaired without access to DS3 unbundled loops in wire
8 centers with more than 38,000 business lines and four or more fiber-based
9 collocators.

10 **Q. PLEASE BRIEFLY REVIEW THE FCC'S NON-IMPAIRMENT STANDARDS FOR**
11 **DS1 AND DS3 UNBUNDLED INTEROFFICE TRANSPORT.**

12 A. As Ms. Albersheim describes, the FCC determined that CLECs are not competitively
13 impaired without DS1 interoffice transport for routes connecting wire centers with at
14 least 38,000 business lines or at least four fiber-based collocators ("Tier 1" wire
15 centers).⁷ The FCC also determined that CLECs are not impaired without DS3
16 interoffice transport for routes connecting wire centers with at least 24,000 business
17 lines or at least three fiber-based collocators ("Tier 2" wire centers).

18 **Q. BASED ON BUSINESS LINE AND FIBER COLLOCATION DATA AS OF**
19 **DECEMBER 2003, WHICH QWEST WIRE CENTERS IN ARIZONA ARE**
20 **CLASSIFIED AS NON-IMPAIRED FOR DS1 AND DS3 UNBUNDLED LOOPS?**

21 A. Based on Qwest's analysis of both business line counts and fiber collocation data,
22 three wire centers in Arizona meet the non-impairment standard for DS3 unbundled
23 loops: Phoenix Main, Phoenix North and Tempe. The initial analysis did not result

⁷ Please see the direct testimony of Qwest witness Renee Albersheim for a description of the FCC's "tier" structure for "non-impairment" designation of wire centers.

1 in any Arizona wire centers being classified as non-impaired with respect to DS1
2 unbundled loops.

3 **Q. BASED ON THE BUSINESS LINE AND FIBER COLLOCATION DATA AS OF**
4 **DECEMBER 2003, WHICH ARIZONA WIRE CENTERS ARE CLASSIFIED AS**
5 **“TIER 1” AND “TIER 2” FOR INTEROFFICE TRANSPORT?**

6 A. Based on Qwest’s analysis, seven Arizona wire centers meet the FCC’s transport
7 threshold for “Tier 1” non-impairment status. These wire centers are: Phoenix East,
8 Phoenix Main, Phoenix Northeast, Phoenix North, Thunderbird, Tempe and
9 McClintock. Three Arizona wire centers--Mesa, Scottsdale Main and Tucson Main--
10 meet the FCC’s transport threshold for “Tier 2” non-impairment status.⁸

11 **Q. HAVE YOU PREPARED AN EXHIBIT THAT IDENTIFIES THE BUSINESS LINE**
12 **COUNTS CALCULATED PER THE FCC’S TRRO METHODOLOGY?**

13 A. Yes. Highly-Confidential Exhibit DLT-1 provides the business access line counts for
14 each of the wire centers identified above in which Qwest relied on business access
15 line data,⁹ calculated in accordance with the FCC’s TRRO definitions.

16 **V. QWEST’S BUSINESS LINE COUNT METHODOLOGY**

17 **Q. WHAT TYPES OF BUSINESS LINES HAS QWEST INCLUDED IN ITS ANALYSIS**
18 **OF ARIZONA WIRE CENTERS?**

19 A. In conformance with the FCC’s directives, the Qwest analysis includes: (1) Qwest
20 retail business lines, (2) all UNE loops and (3) business UNE-P lines.

⁸ Of these wire centers, Qwest relied on business line counts in determining Tier 1 or Tier 2 status for Thunderbird, McClintock, Mesa, Scottsdale Main and Tucson Main. Additionally, Qwest relied on business line counts plus fiber collocation data in determining DS3 loop non-impairment status for the Phoenix Main, Phoenix North and Tempe wire centers. Accordingly, my testimony addresses only business line counts for those eight wire centers. For the remaining wire centers, Qwest relied strictly on the fiber collocation data discussed in the direct testimony of Ms. Torrence.

1

A. Qwest Retail Business Lines

2 **Q. IN DEVELOPING WIRE CENTER-SPECIFIC COUNTS OF QWEST RETAIL**
3 **SWITCHED BUSINESS LINES IN SERVICE, HAS QWEST FOLLOWED THE**
4 **FCC'S DIRECTIVE TO UTILIZE ARMIS REPORT 43-08 DATA?**

5 A. Yes. Qwest utilized the data in Table 3 of its FCC ARMIS 43-08 report for the
6 *December 2003* timeframe as the basis for its business line count, since this was the
7 most current data available when Qwest conducted its analysis.¹⁰ Consistent with
8 the ARMIS business access line definitions, the Qwest analysis includes all Qwest
9 retail switched business lines in the Arizona wire centers as reported in ARMIS,
10 including "single line business switched access lines" from column C, "multiline
11 business switched access lines" from column D, and "payphone lines" from
12 column E.

13 **Q. IN ORDER TO SATISFY THE FCC'S DIRECTIVES, IS IT NECESSARY TO**
14 **ADJUST THE ARMIS 43-08 DATA FOR HIGH-CAPACITY BUSINESS LINES?**

15 A. Yes. As I discussed in the previous section of my testimony, the FCC mandated in
16 its *TRRO* that all 64 kilobit per second channels in a high-capacity digital line should
17 be included in the business line counts when determining which wire centers satisfy
18 the FCC's non-impairment threshold test. Therefore, Qwest multiplied all actual
19 high-capacity digital business lines in service in December 2003, by wire center, by

⁹ Qwest relied solely on fiber collocation information in determining non-impairment for the Phoenix East and Phoenix Northeast wire centers. Therefore, business access line information for these two wire centers is not shown in Highly Confidential Exhibit DLT-1.

¹⁰ Qwest filed December 2003 ARMIS data with the FCC in April 2004. This same data was available on February 4, 2005, when the FCC directed Qwest and the other RBOCs to submit the list of wire centers that met the FCC's non-impairment criteria. Qwest did not file 2004 ARMIS data until April 2005, and Qwest filed its 2005 ARMIS data on March 31, 2006. The use of 2003 data is not only appropriate, it is fully consistent with the FCC's intent, as expressed at paragraph 105 of its *TRRO*. According to the FCC, determinations must be based on "an objective set of data that incumbent LECs already have created for other regulatory purposes."

1 the appropriate Voice-Grade Equivalent factor to comply with the FCC's rules.¹¹ For
2 example, since each DS1 circuit has a capacity of 24 VGE channels, Qwest
3 multiplied each digital PBX business trunk that utilizes a DS1 circuit by 24 for
4 inclusion in the Arizona business line count for each wire center.

5 **Q. HAVE MANY OTHER STATE COMMISSIONS FOUND THAT THIS**
6 **METHODOLOGY COMPLIES WITH THE TRRO REQUIREMENTS?**

7 A. Yes. Qwest has utilized the same approach that Commissions in other states have
8 examined and found to be in compliance with *TRRO* requirements. For example, in
9 its *TRRO* proceeding, the Florida Commission found:

10 We also agree with BellSouth that unused capacity on channelized
11 high capacity loops should be counted in the business lines. As noted
12 by BellSouth witness Tipton, the FCC rules specifically state that "the
13 business line tallies...shall account for ISDN and other digital access
14 lines by counting each 64 kbps-equivalent as one line." (47 CFR §
15 51.5). The FCC rule further explains by way of example that a DS1
16 line should be counted as 24 business lines because it corresponds to
17 24 64 kbps-equivalents.¹²

18 In similar fashion, in its *TRRO* proceeding, the South Carolina Commission found:

19 Additionally, the federal rule requires ISDN and other digital access
20 lines, whether BellSouth's lines or *CLEC UNE lines*, to be counted at
21 their full system capacity; that is, each 64 kbps-equivalent is to be
22 counted as one line. The FCC's rule plainly states that "a DS1 line
23 corresponds to 24 64 kbps-equivalents, and therefore to 24 'business
24 lines.'" The FCC has made it clear its "test requires ILECs to count

¹¹ Qwest reports DS0 channels in service, at the statewide level, to the FCC as a component of the count of business access lines in service shown in ARMIS Report 43-08, Table 3. To comply with the FCC's *TRRO* rules, this adjustment is required to reflect full DS0 capacity of DS1 and DS3 business lines in service.

¹² *In re: Petition to Establish Generic Docket to Consider Amendments To Interconnection Agreements Resulting from Changes in Law, by BellSouth Telecommunications, Inc.*, Docket No. 041269-TP, Order No. PSC-06-0172-FOF-TP (issued March 2, 2006) ("*Florida TRO/TRRO Order*"), at p. 37.

1 business lines on a voice grade equivalent basis. In other words, a
2 DS1 loop counts as 24 business lines, not one.”¹³

3 As stated at page 4 of this testimony, the FCC’s *TRRO* implementation rules at 47
4 CFR 51.5 explicitly apply to retail and wholesale business lines. In this context, it is
5 clear that these orders fully comply with the requirements of the *TRRO* regarding the
6 adjustment of high capacity digital business lines to reflect the full voice grade
7 capacity of those services in determining access line counts in the wire center non-
8 impairment analyses.

9 **B. Unbundled Loops**

10 **Q. HAS QWEST INCLUDED ALL UNBUNDLED LOOPS IN ITS BUSINESS LINE**
11 **WIRE CENTER IMPAIRMENT ANALYSIS?**

12 A. Yes. Qwest included all UNE loops for each wire center in its business line counts,
13 as the FCC directed in paragraph 105 of the *TRRO* and in 47 CFR § 51.5.
14 Consistent with the FCC’s “business line” definition, Qwest did not attempt to
15 “remove” UNE loops that may be used to serve residential customers. In fact, the
16 clear language in the *TRRO* and associated rules specifies that there is no basis to
17 distinguish between “business” UNE loops and “residential” UNE loops, and that all
18 UNE loops must be included in the business line count for each wire center. In
19 particular, 47 CFR § 51.5 defines what constitutes “business lines” as follows:

20 The number of business lines in a wire center shall equal the sum of all
21 incumbent LEC business switched access lines, plus the sum of all UNE
22 loops connected to that wire center, including UNE loops provisioned in
23 combination with other unbundled elements. (Emphasis added.)

¹³ *In re: Petition of BellSouth Telecommunications, Inc. to Establish Generic Docket to Consider Amendments to Interconnection Agreements Resulting from Changes of Law*, Docket No. 2004-316C, Order No. 2006-136 (issued March 10, 2006) (“*South Carolina TRRO Order*”), at p. 44. (Footnotes omitted.)

1 The FCC clearly specifies that "LEC business switched access lines" must be
2 included in an RBOC's line count, but it excludes the "business" qualifier in its
3 mandate regarding the treatment of UNE loops in the count. In other words, the
4 FCC's rules require all UNE loops to be included in an RBOC's business line count,
5 for purposes of assessing whether the FCC's non-impairment criteria have been
6 met.

7 **Q. HAVE COMMISSIONS IN OTHER STATE TRRO PROCEEDINGS INTERPRETED**
8 **THE FCC'S UNE LOOP STANDARD IN THE MANNER YOU HAVE DESCRIBED?**

9 A. Yes. Commissions in numerous other states have examined this issue, and have
10 determined that all UNE loops must be included in the business line counts. For
11 example, the California Commission, in its January 27, 2006 order adopting
12 amendments to SBC California's interconnection agreements, found:

13 The CLECs would have us believe that the term UNE loops should be
14 considered those "used to serve a business customer." However, the
15 FCC's rule Section 51.5 mirrors the language in ¶ 105 which states in part:
16 "The BOC wire center data that we analyze in this Order is based on
17 ARMIS 43-08 business lines, plus business UNE-P, plus UNE-loops."
18 Since the FCC uses the phrase "UNE loops" in both the discussion and in
19 its rule, we must assume that that is exactly what the FCC meant. . . .
20 SBC states that the FCC stressed that it wanted a rule that would be easy
21 to administer, using data readily available to ILECs. According to SBC,
22 they do not have the information necessary to determine how a CLEC is
23 using its UNE loops. When SBC provides a UNE loop to a CLEC, the loop
24 is terminated at a collocation arrangement. SBC does not know the
25 service that the CLEC actually provides to the end user over the loop.
26 Similarly, SBC does not possess the information necessary to distinguish
27 between the UNE loops the CLECs are using to provide business service
28 and the UNE loops the CLECs are using to provide residential service to
29 an end user. . . . We agree with SBC that they do not have the information
30 necessary to distinguish UNE loops used by CLECs to serve residential
31 customers versus business customers. Also, the FCC's language is clear

1 that all UNE loops are to be included in the count. SBC's proposed
2 language relating to Issue 3 is adopted in Section 0.1.10."¹⁴

3 In its *TRRO* proceeding, the Indiana Commission found:

4 The FCC's rule, 47 C.F.R. 5 51.5, defines "business lines" to include all
5 UNE loops connected to a wire center at issue, regardless of the type of
6 customer served. Moreover, when the FCC conducted a sample run of
7 how to compute "business lines" in a wire center in paragraph 105 of the
8 *TRRO*, it used all UNE loops in the wire center, with no exclusions. One
9 reason for this was that the FCC wanted to establish a simple, objective
10 test that relied on data the ILECs already have and which could be easily
11 verified. SBC Indiana's proposal for computing "business lines" uses the
12 exact same data and categories that the FCC relied on in the *TRRO*. We
13 will not ignore the FCC's use of all UNE loops in its dry run nor will we
14 redefine "business lines" in a manner that conflicts with the FCC's
15 approach. Finally, we agree with SBC Indiana that the CLECs' proposal to
16 exclude certain UNE loops is inconsistent with the FCC's impairment
17 analysis, which used the same type of data that SBC Indiana proposes to
18 continue to use here. We also note that the Illinois and Ohio commissions
19 both held for SBC on this issue in their *TRO/TRO Remand Order*
20 implementation dockets.¹⁵

21 In its *TRRO* proceeding, the Illinois Commission found:

22 The FCC's definition of business lines specifically includes "...the sum of
23 all incumbent LEC business switched access lines, plus the *sum of all*
24 *UNE loops* connected to that wire center, including UNE loops provisioned
25 in combination with other unbundled elements." (47 C.F.R. §51.5)
26 (emphasis added). The phrase "all UNE loops" encompasses residential
27 customers and non-switched services. CLECs' contention that the FCC
28 intentionally limited its count to business lines because transport
29 deployment has been driven largely by high bandwidth and the service

¹⁴ *Application of Pacific Bell Telephone Company, d/b/a SBC California for Generic Proceeding to Implement Changes in Federal Unbundling Rules Under Sections 251 and 252 of the Telecommunications Act of 1996.*, Application 05-07-024, Decision 06-01-143 (adopted January 26, 2006), at pp 10-11.

¹⁵ *In the Matter of the Indiana Utility Regulatory Commission's Investigation of Issues Related to the Implementation of the Federal Communication Commission's Triennial Review Remand Order and the Remaining Portions of the Triennial Review Order*, Cause No. 42857, Issue 3 (approved January 11, 2006), at p. 16. (Footnotes omitted.)

1 demands of business making business lines a more accurate predictor of
2 impairment than total lines, is likewise inconsistent with the FCC's
3 definition. CLECs' contention that SBC "seeks" to include "the sum of all
4 UNE loops connected to the wire center" including UNE loops that serve
5 residences is obviously incorrect, since the FCC's definition already
6 includes the quoted language. SBC's position on this issue is fully
7 consistent with the data the FCC relied upon to set the impairment
8 thresholds and this is why we find SBC's proposed language more
9 preferable.¹⁶

10 In its *TRRO* proceeding, the Ohio Commission found:

11 Moreover, the FCC explicitly required adding the sum of all UNE-loops
12 connected to that wire center knowing that some of those loops would
13 include residential customers. Incumbents are unable to determine if the
14 end user is a business or residential customer since the incumbents
15 terminate the UNE loop to a collocation arrangement and thus do not
16 know the class of customer beyond that point.¹⁷

17 In its *TRRO* proceeding, the Florida Public Service Commission found:

18 We note that the CFR specifies that "the number of business lines in a
19 wire center shall equal the sum of all incumbent LEC business switched
20 access lines, plus the sum of all UNE loops connected to the wire center,
21 including UNE loops provisioned in combination with other unbundled
22 elements." (47 CFR 51.5) We note that the rule refers to ILEC "business"
23 switched access lines, but does not specify any particular UNE loops;
24 rather, it says "all" UNE loops connected to the wire center, including UNE
25 loops provisioned in combination with other unbundled elements. This is
26 consistent with the language from the text of the *TRRO*, cited above. We
27 find that this distinction is significant and indicates that ILEC switched
28 business access lines and UNE loops should be treated differently.
29 Accordingly, we disagree with CompSouth witness Gillan's adjustment to
30 UNE-L, which is based upon his assumption that UNE-L should include

¹⁶ Arbitration Decision, *Petition for Arbitration pursuant to Section 252(b) of the Telecommunications Act of 1996 with Illinois Bell Telephone Company to Amend Existing Interconnection Agreements to Incorporate the Triennial Review Order and the Triennial Review Remand Order*, ICC Docket No. 05-0442 (Nov. 2, 2005) ("*Illinois TRO/TRRO Order*"), at p. 30.

¹⁷ Arbitration Award, *In re Establishment of Terms and Conditions of an Interconnection Agreement Amendment*, PUCO Case No. 05-887-TP-UNC (Nov. 9, 2005) ("*Ohio TRO/TRRO Order*"), at p. 30.

1 only those lines used to provision business service, rather than being
2 counted at full capacity as done by BellSouth.¹⁸

3 In its *TRRO* proceeding, the Georgia Commission found:

4 For the counting of business lines, the FCC rule appears to contemplate
5 the inclusion of all UNE loops, and not just those that are business UNE
6 loops. It is not necessary to read the first sentence out of the definition in
7 order to reach this conclusion. The first sentence includes in the definition
8 of "business line" that it serve a "business customer." However, the next
9 sentence of the line instructs on the manner in which such lines shall be
10 calculated. In setting forth what shall be included in the calculation, the
11 rule modifies the sum of all incumbent LEC switched access lines with the
12 word "business." There is no confusion that this part of the addition is
13 limited to business lines. Yet, in the same sentence, when discussing the
14 sum of all UNE loops connected to that wire center, the rule does not
15 similarly use the modifier "business." If, because of the prior sentence, it
16 would have been duplicative to state that these were business UNE loops,
17 as CompSouth suggests, then the switched access lines need not have
18 been identified as business in the first part of the sentence. That the
19 switched access lines were expressly limited to business lines, and the
20 UNE loops were not so limited, indicates that the limitation does not apply
21 to the UNE loops. In the discussion of business line counts in the *TRRO*,
22 the FCC again refers to "business UNE-P, plus UNE-loops." (§ 105) This
23 conclusion is consistent with the policy goals expressed by the FCC. That
24 the FCC states it intended to measure business "opportunities" in a wire
25 center provides support for why its method to calculate business lines
26 would potentially include non-business lines.¹⁹

27 In its *TRRO* proceeding, the South Carolina Commission found:

28 Moreover, the text of the FCC's definition of "business line" calls for the
29 inclusion of "all UNE loops," and BellSouth included all UNE loops in its
30 count (i.e., those loops offered as stand-alone loops or in combination with
31 dedicated interoffice transport). The CLECs apparently take issue with
32 this, arguing that in doing so, BellSouth has wrongly included some loops

¹⁸ *Florida TRO/TRRO Order*, at p. 37.

¹⁹ *Generic Proceeding to Examine Issues Related to BellSouth Telecommunications, Inc's. Obligations to Provide Unbundled Network Elements*, Ga. PSC, Docket No. 19341-U (February 7, 2006) ("*Georgia TRRO Order*"), at pp. 19-20.

1 that serve residential customers in its count of business loops. The
2 Commission finds that BellSouth's count is appropriate.²⁰

3 Finally, in its recent *TRRO* docket, the Texas Commission found:

4 Further, the Commission is not persuaded by the Joint CLEC's assertion
5 that a further examination regarding the type of customer being served by
6 UNE loops is required, since that requirement would go beyond the FCC's
7 directive in ¶ 105 of the *TRRO*. The Commission notes that the FCC
8 indicated that when counting business lines the ILEC should include
9 ARMIS 43-08 business lines (i.e., business line service for ILEC
10 customers), plus UNE-P business lines (i.e., business lines service by
11 CLEC customers using UNE-P), plus UNE loops. The Commission is
12 persuaded that if the FCC intended that only UNE loops serving business
13 customers should be counted, it would have stated this in ¶ 105 of the
14 *TRRO*.²¹

15 The findings from other states mandate the inclusion of all UNE loops in the count of
16 business lines, which is in alignment with the methods Qwest used to count
17 business access lines in Arizona. Clearly, Qwest's reading of the *TRRO*'s
18 requirement to include all UNE loops in its wire center line count is compliant with
19 paragraph 105 of the *TRRO* and the FCC's rules in 47 CFR § 51.5, and is consistent
20 with the business line count methods employed by other RBOCs as approved by
21 numerous Commissions.

22 **Q. IN FOLLOWING THE FCC'S DIRECTIVES, DID QWEST INCLUDE ALL 64**
23 **KILOBIT VOICE-GRADE EQUIVALENT ("VGE") CHANNELS ASSOCIATED**
24 **WITH DIGITAL UNBUNDLED LOOPS?**

25 **A.** Yes. For example, Qwest multiplied all DS1 unbundled loops in Qwest's December
26 2003 wholesale database—the same vintage of data upon which Qwest's retail
27 business line count for its ARMIS 43-08 report was based—by a VGE factor of 24,

²⁰ *South Carolina TRRO Order*, at p. 42.

²¹ *Texas TRRO Order*, at p. 30.

1 consistent with the FCC's guideline (47 CFR § 51.5) that all 64 kbps channels of
2 capacity in a digital circuit should be counted as separate business lines.

3 **Q. IS THIS TREATMENT OF DS1 LOOP COUNTS CONSISTENT WITH THE**
4 **FINDINGS OF OTHER COMMISSIONS IN TRRO-RELATED PROCEEDINGS?**

5 A. Yes. As noted earlier, many Commissions determined that the FCC's rules require
6 retail high capacity digital lines, such as ISDN-PRI, to be counted in terms of 64
7 kbps channels, or VGEs. In similar fashion, these Commissions also determined
8 that, consistent with the FCC's rules, *DS1 unbundled loops* provided to CLECs
9 should be counted as 24 VGE lines. For example, as noted earlier, the Florida
10 Commission found:

11 We also agree with BellSouth that unused capacity on channelized high
12 capacity loops should be counted in the business lines. As noted by
13 BellSouth witness Tipton, the FCC rules specifically state that "the
14 business line tallies...shall account for ISDN and other digital access lines
15 by counting each 64 kbps-equivalent as one line." (47 CFR § 51.5). The
16 FCC rule further explains by way of example that a *DS1 line should be*
17 *counted as 24 business lines* because it corresponds to 24 64 kbps-
18 equivalents.²²

19 As noted earlier, the South Carolina Commission found:

20 Additionally, the federal rule requires ISDN and other digital access lines,
21 whether BellSouth's lines *or CLEC UNE lines*, to be counted at their full
22 system capacity; that is, each 64 kbps-equivalent is to be counted as one
23 line. The FCC's rule plainly states that "a DS1 line corresponds to 24 64
24 kbps-equivalents, and therefore to 24 'business lines'" The FCC has
25 made it clear its "test requires ILECs to count business lines on a voice
26 grade equivalent basis. In other words, a DS1 loop counts as 24 business
27 lines, not one."²³

²² Florida TRO/TRRO Order, at p. 37. (Emphasis added.)

²³ South Carolina TRRO Order, at p. 44. (Footnotes omitted, emphasis added.)

1 In addition, the Texas Commission found:

2 According to AT&T Texas, both ARMIS 43-08 rules and the FCC's
3 business line definition require that digital access lines be calculated by
4 counting each 64 kbps-equivalent as one line. For example, a DS1 line
5 corresponds to 24 64 kbps-equivalents, and therefore 24 business lines.
6 According to AT&T Texas, this same approach applies to UNE lines and
7 non-UNE lines.²⁴

8 The Commission finds that AT&T Texas' counting and reporting of UNE-L
9 capacity complies with the FCC's definition of a business line in 47 C.F.R.
10 §51.5 as well as the FCC's specific instruction on reporting such lines
11 found in ¶105 of the TRRO, described in Issue 1A, *supra*.²⁵

12 **Q. IN ADDITION TO STAND-ALONE UNBUNDLED LOOPS, DID QWEST INCLUDE**
13 **ENHANCED EXTENDED LOOPS ("EELS") IN ITS UNBUNDLED LOOP COUNT?**

14 A. Yes. An EEL essentially consists of an unbundled loop plus interoffice transport,
15 and is utilized by a CLEC to provide service to a customer located in a particular
16 wire center when the CLEC is collocated in a different wire center. Thus, EEL loops
17 are appropriately included in the count of unbundled loops for the wire center in
18 which the unbundled loop terminates.

19 **Q. HAS THERE BEEN UNANIMOUS AGREEMENT AMONG STATE COMMISSIONS**
20 **REGARDING THE APPROPRIATE DEFINITION OF "BUSINESS LINES" IN NON-**
21 **IMPAIRMENT PROCEEDINGS?**

22 A. No. One Commission, the North Carolina Utilities Commission, issued an order on
23 March 1, 2006 in which it found, in part, that BellSouth should not include UNE loops
24 used by CLECs to serve residential customers, nor the full system capacity of digital
25 access lines in the total number of BellSouth business access lines as defined in 47

²⁴ Texas TRRO Order, at p. 32. (Emphasis added.)

²⁵ Texas TRRO Order, at p. 33.

1 CFR § 51.5.²⁶ However, the North Carolina Commission's treatment of the circuit
2 count associated with business lines is inconsistent with the requirements of the
3 *TRRO* and is plainly contrary to the majority of decisions issued by other state
4 Commissions.

5 **Q. HAVE SOME STATE COMMISSIONS DETERMINED THAT ADDITIONAL**
6 **BUSINESS LINES—OVER AND ABOVE THOSE INCLUDED IN QWEST'S**
7 **ANALYSIS—SHOULD BE INCLUDED IN THE RBOC'S BUSINESS ACCESS LINE**
8 **COUNTS?**

9 A. Yes. For example, the Georgia Public Service Commission found that BellSouth's
10 inclusion of High-Speed Digital Service Lines ("HDSL") is consistent with the
11 guidelines of subsection (3) of the "business line" definition of 47 CFR § 51.5
12 regarding treatment of each 64 kilobit channel within a digital circuit as a separate
13 business line.²⁷ For example, a 1.5 megabit HDSL line is considered to be
14 equivalent to 24 (64 kbps) VGE channels, as is a DS1 loop. Although BellSouth's
15 counting of HDSL lines as 24 separate business lines makes sense, Qwest
16 conservatively did not include HDSL lines in its *TRRO* business line counts in
17 Arizona.

18 **C. UNE-P**

19 **Q. DID QWEST INCLUDE BUSINESS UNE-PLATFORM ("UNE-P") LINES IN ITS**
20 **WIRE CENTER BUSINESS LINE COUNTS AS REQUIRED BY THE TRRO?**

²⁶ *In the Matter of Proceeding to Consider Amendments to Interconnection Agreements Between BellSouth Telecommunications, Inc. and Competing Local Providers Due to Changes of Law, Order Concerning Changes of Law, NC PUC, Docket No. P-55, Sub. 1549 (March 1, 2006), at p. 5.*

²⁷ In its order, the Georgia Commission stated: "The Commission adopts BellSouth's position and determines that HDSL-capable copper loops are the equivalent of DS1 loops for the purpose of evaluating impairment." *Georgia TRRO Order*, at p. 4.

1 A. Yes. As paragraph 105 of the *TRRO* requires, Qwest includes business UNE-P
2 lines in its wire center line counts, utilizing the same December 2003 data vintage
3 that it used for its ARMIS retail business line and UNE loop data.

4 **Q. IN DECEMBER 2003, DID QWEST'S TRACKING SYSTEMS SEPARATELY**
5 **IDENTIFY RESIDENTIAL AND BUSINESS UNE-P LINES?**

6 A. No. UNE-P pricing, like pricing for stand-alone UNE loops, was not sensitive to any
7 particular class of service, and there was no business reason to separately track
8 residential or business UNE-P lines. Thus, Qwest's wholesale tracking systems
9 recognized UNE-P strictly as a generic wholesale service.

10 **Q. SINCE QWEST'S WHOLESALE UNE-P TRACKING SYSTEMS WERE UNABLE**
11 **TO DISTINGUISH BETWEEN RESIDENTIAL AND BUSINESS UNE-P, HOW DID**
12 **QWEST DETERMINE THE NUMBER OF "BUSINESS UNE-P" LINES IN EACH**
13 **WIRE CENTER?**

14 A. Each UNE-P line has a specific telephone number associated with the line, and thus
15 Qwest can calculate a reasonable estimate of residential and business UNE-P lines
16 utilizing the white pages directory listings database. Since virtually all residential
17 telephone lines are listed in Qwest's white pages directory listings database,²⁸ the
18 number of residence UNE-P listings provides a reliable estimate of the number of
19 residence UNE-P lines. An estimate of the business UNE-P lines can be developed
20 by subtracting the residence UNE-P lines from the total UNE-P lines.

21 **Q. WHY ARE BUSINESS UNE-P LINES NOT DIRECTLY ESTIMATED BASED ON**
22 **THE NUMBER OF BUSINESS UNE-P LISTINGS?**

²⁸ The white pages directory listings database includes all types of listings (e.g., listed, non-listed and non-published) associated with a telephone number for a physical access line.

1 A. In the residential access line category, the vast majority of physical telephone lines
2 have single assigned telephone numbers, and residential customers proactively
3 indicate when service is established whether they want their telephone number to be
4 treated as fully listed (in which case the telephone number would be published in the
5 residential section of the printed telephone directory), non-listed (in which case the
6 telephone number would not be published in the printed directory, but would be
7 available through directory assistance), or non-published (in which case the
8 telephone number would not be published in the printed directory or be available in
9 directory assistance).

10 However, not all business lines have an associated listing. In many instances, multi-
11 line businesses choose to publish only the main telephone number in the white
12 pages, and choose not to have any of their remaining lines retained in the white
13 pages database. For example, an insurance agency may have multiple agents with
14 direct telephone numbers, but decide to list only one telephone number for the
15 agency in the white pages directory. In other instances, a single PBX trunk might
16 have multiple telephone numbers assigned to it, but only one telephone number
17 listed in the directory. Large Centrex systems also commonly have a large number
18 of access lines but few telephone numbers that are retained in the white pages
19 database.

20 Accordingly, in view of the high degree of complexity in associating business
21 telephone numbers with physical access lines, a much more reliable estimate of
22 UNE-P business lines in service can be achieved by simply subtracting residential
23 UNE-P telephone number listings (which are associated very closely with the
24 number of actual residential lines in service) from total UNE-P lines in service.

1 **Q. HAS QWEST PREVIOUSLY USED THE WHITE PAGES DIRECTORY LISTINGS**
2 **DATABASE TO DISTINGUISH BETWEEN RESIDENTIAL AND BUSINESS UNE-P**
3 **LINES?**

4 A. Yes. In the Section 271 proceedings at both the state and federal levels, Qwest was
5 required to identify the number of CLEC residential lines in service in Arizona. As
6 part of this process, Qwest utilized the white pages directory listings database to
7 determine the number of UNE-P telephone numbers that were retained in the
8 residential section of the database as a proxy for the number of residential UNE-P
9 lines in service at that time. Further, in the recent Washington order regarding
10 *TRRO* issues, the presiding ALJ found:

11 Qwest's method for calculating business UNE-P lines is appropriate, as it
12 is consistent with methods the Commission has accepted in past
13 proceedings for calculating residential or business UNE-P lines. There is
14 no need for Qwest to recalculate the data using QPP data or to count only
15 business UNE-P white page listings.²⁹

16 **Q. HOW HAVE OTHER RBOCS ADDRESSED THE ISSUE OF DISTINGUISHING**
17 **BETWEEN RESIDENTIAL AND BUSINESS UNE-P LINES?**

18 A. Other RBOCs have developed wholesale service tracking systems that identify the
19 specific types of service associated with a UNE-P line, and these carriers therefore
20 have been able to easily distinguish between residential and business UNE-P lines.
21 As noted above, Qwest's wholesale service tracking systems were not designed with
22 this capability.

23 **Q. DID QWEST INCLUDE LINE COUNTS FOR HIGH-CAPACITY UNE-P CIRCUITS**
24 **ON A VOICE-GRADE EQUIVALENT BASIS?**

²⁹ *In the Matter of the Investigation Concerning the Status of Competition and Impact of the FCC's Triennial Review Remand Order on the Competitive Telecommunications Environment in Washington State.* Docket UT-053025, April 20, 2006, ¶ 42.

1 A. Yes. For high capacity UNE-P circuits, Qwest used the same VGE-based approach
2 that was used for high-capacity retail and UNE loop circuits, which I described earlier
3 in my testimony. For example, services such as "UNE-P DSS"³⁰ and "UNE-P ISDN
4 PRI"³¹ are served via a DS1 loop. Thus, Qwest multiplied the quantity of these UNE-
5 P circuits by a "VGE-equivalence" factor of 24 to reflect the number of 64 kilobit
6 channels associated with these UNE-P DS1 lines.

³⁰ UNE-P DSS is UNE-P service provided in a "Digital Switched Service" digital PBX trunk configuration and includes a DS1 loop.

³¹ UNE-P ISDN-PRI is UNE-P service provided in an "ISDN-Primary Rate" configuration and includes a DS1 loop.

1 **VI. SUMMARY AND RECOMMENDATION**

2 **Q. COULD YOU PLEASE SUMMARIZE YOUR DIRECT TESTIMONY?**

3 A. Yes. In my testimony, I describe the methodology that Qwest utilized to establish
4 the number of business access lines in Arizona wire centers to determine which wire
5 centers are classified as "non-impaired" under the terms of the FCC's *TRRO*. As
6 specified in paragraph 105 of the *TRRO* and the FCC's associated implementation
7 rules, Qwest combined (1) switched business lines from ARMIS Report 43-08,
8 (2) business UNE-P lines and (3) UNE loops in service as of December 2003 to
9 determine the relevant number of "business lines" in each Qwest Arizona wire
10 center. I also discuss that a number of state Commissions have already examined
11 RBOCs' methodologies for counting business lines pursuant to the *TRRO*'s
12 definitions. These methodologies are very similar to the methodology that Qwest
13 employed in Arizona (and its other states), and such Commissions have concluded
14 that these methodologies comply with the FCC's requirements. Based on Qwest's
15 analysis of the data that the FCC's definitions require, three Arizona wire centers
16 qualify for DS3 UNE loop non-impairment status, while ten wire centers meet the
17 FCC's criteria with respect to Tier 1 or Tier 2 unbundled interoffice transport non-
18 impairment classification (including eight for which Qwest relied on the combination
19 of business access line plus fiber collocation data; non-impairment for the remaining
20 two wire centers was determined strictly by fiber collocation data).

21 **Q. WHAT ACTION DO YOU RECOMMEND THE COMMISSION TAKE IN THIS**
22 **PROCEEDING?**

23 A. The Commission should find that the business line data I have presented in Highly
24 Confidential Exhibit DLT-1, along with the fiber collocation data presented by Ms.
25 Torrence, supports the following non-impairment determinations:

- 1 • The Phoenix Main, Phoenix North and Tempe wire centers meet the non-
2 impairment standard for DS3 unbundled loops,

- 3 • Seven Arizona wire centers—Phoenix East, Phoenix Main, Phoenix
4 Northeast, Phoenix North, Thunderbird, Tempe and McClintock—meet the
5 FCC’s transport threshold for “Tier 1” non-impairment status, and

- 6 • Three Arizona wire centers—Mesa, Scottsdale Main and Tucson Main—meet
7 the FCC’s transport threshold for “Tier 2” non-impairment status.

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

9 **A. Yes, it does.**

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
MARC SPITZER
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN MAYES

IN THE MATTER OF THE APPLICATION OF	)	DOCKET NO. T-03632A-06-0091
DIECA COMMUNICATIONS DBA COVAD	)	T-03267A-06-0091
COMMUNICATIONS COMPANY, ESCHELON	)	T-04302A-06-0091
TELECOM OF ARIZONA, INC., MCLEODUSA	)	T-03406A-06-0091
TELECOMMUNICATIONS SERVICES, INC.,	)	T-03432A-06-0091
MOUNTAIN TELECOMMUNICATIONS, INC.,	)	T-01051B-06-0091
XO COMMUNICATIONS SERVICES, INC. AND)	
QWEST CORPORATION REQUEST FOR)	
COMMISSION PROCESS TO ADDRESS KEY)	
UNE ISSUES ARISING FROM TRIENNIAL)	
REVIEW REMAND ORDER, INCLUDING)	
APPROVAL OF QWEST WIRE CENTER LISTS)	

EXHIBITS

OF

DAVID L. TEITZEL

QWEST CORPORATION

JUNE 23, 2006

REDACTED

Arizona Corporation Commission

Docket No. T-03632A-06-0091

T-03267A-06-0091

T-04302A-06-0091

T-03406A-06-0091

T-03432A-06-0091

T-01051B-06-0091

Qwest Corporation

Highly Confidential Exhibit DLT-1

Exhibits of David L. Teitzel

Page 2, June 23, 2006

REDACTED

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
DIECA COMMUNICATIONS DBA COVAD)
COMMUNICATIONS COMPANY, ESCHELON)
TELECOM OF ARIZONA, INC., MCLEODUSA)
TELECOMMUNICATIONS SERVICES, INC.,)
MOUNTAIN TELECOMMUNICATIONS, INC.,)
XO COMMUNICATIONS SERVICES, INC. AND)
QWEST CORPORATION REQUEST FOR)
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DOCKET NO. T-03632A-06-0091
T-03267A-06-0091
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T-03406A-06-0091
T-03432A-06-0091
T-01051B-06-0091

STATE OF WASHINGTON)
COUNTY OF KING)

AFFIDAVIT OF
DAVID L. TEITZEL

) : SS

David L. Teitzel, of lawful age being first duly sworn, deposes and states:

1. My name is David L. Teitzel. I am a Staff Director – Public Policy for Qwest Services Corporation in Seattle, Washington. I have caused to be filed written direct testimony in Docket Nos. T-03632A-06-0091, T-03267A-06-0091, T-04302A-06-0091, T-03406A-06-0091, T-03432A-06-0091, T-01051B-06-0091.
2. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

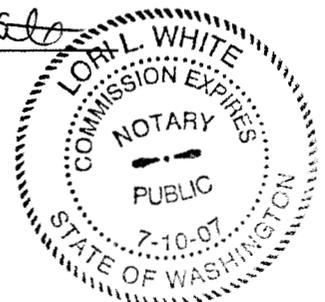
Further affiant sayeth not.

David L. Teitzel
David L. Teitzel

SUBSCRIBED AND SWORN to before me this 15 day of June, 2006.

Lori L. White
Notary Public

My Commission Expires: 7/10/07



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

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REVIEW REMAND ORDER, INCLUDING)	
APPROVAL OF QWEST WIRE CENTER LISTS)	

**DIRECT TESTIMONY
OF
RACHEL TORRENCE
ON BEHALF OF
QWEST CORPORATION
JUNE 23, 2006**

PUBLIC VERSION

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ATTACHED EXHIBITS

Exhibit RT-1	Fiber-Based Collocation Architectures
Exhibit RT-2	March 29, 2005 Letter to CLECs
Highly Confidential Exhibit RT-3	Table of CLEC Correspondence
Highly Confidential Attachment A to RT-3.....	CLEC/Qwest Correspondence
Highly Confidential Exhibit RT-4.....	Field Verification Spreadsheets
Confidential Exhibit RT-5.....	Field Verification Letter to Field Forces
Highly Confidential Exhibit RT-6.....	List of Collocators by Wire Center
Highly Confidential Exhibit RT-7.....	Table CLEC Challenges to Data

EXECUTIVE SUMMARY

The FCC's Triennial Review Remand Order ("*TRRO*") established new rules applicable to Incumbent Local Exchange Carriers ("ILECs") regarding their unbundling obligations for high-capacity loops and dedicated interoffice transport¹, and laid down a clear methodology by which an ILEC could identify wire centers where Competitive Local Exchange Carriers ("CLEC") would not be impaired without the availability of these unbundled network elements ("UNEs"). Qwest filed a list of its non-impaired wire centers in Arizona. Qwest is requesting this Commission to acknowledge the validity and accuracy of its list of non-paired Arizona wire centers as the list is accurate and in compliance with the requirements set forth in *TRRO*. The wire centers on the list were identified using appropriate methodologies and process. This testimony details the efforts that Qwest has undertaken in identifying fiber-based collocators within Arizona wire centers, one of two determinative factors in satisfying the identification of non-impaired wire centers.

¹ Unbundling obligations for mass market local circuit switching were also addressed, but are not included in this proceeding.

1 I. IDENTIFICATION OF WITNESS

2
3 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION WITH
4 QWEST CORPORATION.

5 A. My name is Rachel Torrence. My business address is 700 W. Mineral Ave.,
6 Littleton, Colorado. I am employed as a Director within the Network Policy Group
7 of Qwest Services Corporation, parent company of Qwest Corporation. I am
8 testifying on behalf of Qwest Corporation ("Qwest").

9
10 Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE, TECHNICAL TRAINING,
11 AND PRESENT RESPONSIBILITIES.

12 A. I have been employed in the telecommunications industry for more than 32
13 years. I began my career in 1973 and have worked my entire career for Qwest
14 and its predecessors, The Mountain States Telephone and Telegraph Company
15 ("Mountain Bell"), and US WEST Communications, Inc. For the major part of my
16 career, I have been employed in Network operations in these companies; within
17 Qwest that organization is known as the Local Network Organization. As an
18 employee of the Local Network Organization, I held engineering positions in the
19 Long Range Planning, Capacity Provisioning and Tactical Planning organizations
20 and have had responsibility for projects that focuses on ensuring network

1 efficiency and maintaining adequate levels of network capacity. My years in the
2 Local Network Organization have provided me with an extensive
3 telecommunications background and much in-depth experience with virtually all
4 aspects of the public switched telephone network ("PSTN").

5 In 1997, I accepted a position within the Technical, Regulatory and
6 Interconnection Planning Group. My responsibilities as a member of an
7 Interconnection Negotiations Team included maintaining the network integrity of
8 the PSTN and ensuring the technical feasibility of various interconnection
9 arrangements between Qwest and wireline and wireless co-providers, with an
10 emphasis on emerging technologies.

11 In 2001, I accepted my current position as a Director within the Technical and
12 Regulatory Group, now known as Network Policy, where I am responsible for
13 ensuring compliance with the 1996 Telecommunications Act, other federal
14 regulations and state regulations. My responsibilities include, but are not limited
15 to, providing technical and network expertise during regulatory proceedings
16 before the Federal Communications Commission ("FCC") and state commissions
17 on issues relating to the network elements and architectures used in both
18 wireline and wireless networks. In addition, I represent Qwest on the Network
19 Reliability and Interoperability Council (NRIC), a body created by the FCC, and

1 on committees addressing the reliability and interoperability of wireline networks,
2 wireless networks and emerging cyber-networks.

3

4 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

5 A. I attended the University of Arizona, Chapman University and Pima Community
6 College where I studied Electronic Engineering, Management Theory, and
7 Behavioral Science. In addition, I have more than 3800 hours of continuing
8 education in the telecommunications field and I hold various telecommunications
9 certifications in both wireline and wireless disciplines.

1 In compiling a list of its wire centers no longer subject to unbundling obligations,
2 Qwest relied on the two determinative factors that the FCC established in the
3 *TRRO* for evaluating impairment in wire centers: (1) the number of business lines
4 in a wire center, and (2) the number of fiber-based collocators in a wire center.

5 As such, the purpose of my direct testimony is two-fold. First, as evidence of the
6 validity and accuracy of the list, I describe the process that Qwest undertook
7 when identifying fiber-based collocators within its Arizona wire centers. I explain
8 how Qwest took the FCC's very specific criteria for defining a fiber-based
9 collocator and applied those exact criteria in assessing the number of fiber-based
10 collocators within its Arizona wire centers. Second, my testimony presents the
11 list of fiber-based collocators within Qwest's Arizona wire centers.

1 III. THE TRIENNIAL REVIEW REMAND ORDER SPECIFICALLY DEFINED WHAT
2 CONSTITUTES A FIBER-BASED COLLOCATOR.
3
4

5 Q. PLEASE EXPLAIN IN GREATER DETAIL THE FRAMEWORK UNDER WHICH
6 CLECS ARE NO LONGER DEEMED IMPAIRED, AND HOW THE NUMBER OF
7 FIBER-BASED COLLOCATORS IS A CRITICAL FACTOR IN MAKING A
8 DETERMINATION OF NON-IMPAIRMENT.

9 A. In her direct testimony, Ms. Renee Albersheim of Qwest gives a broad general
10 summary of both the Triennial Review Order ("TRO") and the TRRO. In addition,
11 the following summary gives a clear and concise view of how the number of fiber-
12 based collocators is a critical element of the non-impairments tests as set forth in
13 the TRRO.

14 **DS1 Transport**

- 15 • DS1 Transport Unbundling Test. Unbundling of DS1 inter-office
16 transport is required on all routes except those connecting two wire
17 centers with **four or more fiber-based collocators**, or 38,000 or
18 more business lines (i.e., "Tier 1" wire centers).³

19
20 **DS3 / Dark Fiber Transport**

- 21 • DS3 / Dark Fiber Transport Unbundling Test. Unbundling of DS3
22 and dark fiber inter-office transport is required on all routes except
23 those connecting wire centers where both of the wire centers
24 contain **three or more fiber-based collocators**, or 24,000 or
25 more business lines (i.e. "Tier 1" or "Tier 2" wire centers).

³ While defined in more detail in Ms. Albersheim's testimony, depending on the level of competitive presence in a given wire-center, a wire center will be ranked in one of three tiers. "Tier 1" wire centers serve a minimum of 38,000 business lines or contain a minimum of four fiber-based collocators in the wire center. "Tier 2" wire centers serve 24,000 business lines or contain a minimum of three fiber based collocators in the wire center. Wire centers not meeting Tier 1 or 2 parameters are ranked as "Tier 3" wire centers.

1
2 **DS1 Loops**

- 3 • Available as UNEs except in wire centers with 60,000 or more
4 business lines and **four or more fiber-based collocators**.

5
6 **DS3 Loops**

- 7 • Available as UNEs except in wire centers with at least 38,000
8 business lines and **four or more fiber-based collocators**.

9
10 Simply put, the number of fiber-based collocators and the number of business
11 lines are the two determining factors in the FCC's tests for wire center
12 impairment. Exhibit RA- 3, attached to Ms. Albersheim's direct testimony is a
13 simplified graphic illustration of the impairment tests.

14
15 **Q. HOW DID THE TRRO DEFINE A "FIBER-BASED COLLOCATOR" FOR**
16 **PURPOSES OF DETERMINING NON-IMPAIRMENT?**

17 **A.** The TRRO was quite specific in defining what constituted a "fiber-based
18 collocator." It defined a fiber-based collocator as any carrier, unaffiliated with the
19 incumbent LEC, that maintains a collocation arrangement in an incumbent LEC
20 wire center, with active electrical power supply, and that operates a fiber-optic
21 cable or comparable transmission facility that (1) terminates at a collocation
22 arrangement within the wire center; (2) leaves the incumbent LEC wire center
23 premises; and (3) is owned by a party other than the incumbent LEC or any
24 affiliate of the incumbent LEC. (TRRO, ¶ 102.) Dark fiber obtained from an

1 incumbent LEC on an infeasible right of use ("IRU") basis is treated as non-
2 incumbent LEC fiber-optic cable. (*TRRO*, ¶ 102, fn. 292.) Two or more affiliated
3 fiber-based collocators in a single wire center are collectively counted as a single
4 fiber-based collocator. (*TRRO*, ¶ 102; see also 47 CFR § 51.5 ("Rule 51.5").)
5 Fixed-wireless collocation arrangements are included "if the carrier's alternative
6 transmission facilities both terminate in and leave the wire center." (*TRRO*,
7 ¶ 102.) Finally, a competitor's collocation arrangement counts toward the
8 qualification of a wire center for a particular tier irrespective of the services that
9 the competing carrier offers. (*Id.*)

10
11 **Q. YOU TESTIFIED THAT THE OTHER ELEMENT CRITICAL TO THE**
12 **IMPAIRMENT TEST IS THE NUMBER OF BUSINESS LINES. HOW DID THE**
13 **TRRO DEFINE "BUSINESS LINES" FOR PURPOSES OF DETERMINING**
14 **NON-IMPAIRMENT?**

15 **A.** In his direct testimony, Mr. David Teitzel of Qwest discusses how business lines
16 were defined within the *TRRO*. Furthermore, his testimony details how Qwest
17 compiled the data it presented to the FCC when identifying which of its wire
18 centers would no longer be subject to unbundling requirements when
19 provisioning dedicated inter-office transport and high-capacity loops.

1 **IV. QWEST'S PROCESS FOR IDENTIFYING FIBER-BASED COLLOCATORS**
2 **IS BASED ON A LITERAL READING OF THE PARAMETERS SET FORTH IN**
3 **THE TRRO.**

4
5 **Q. HOW DID QWEST IDENTIFY THE NUMBER OF FIBER-BASED**
6 **COLLOCATORS WITHIN ITS ARIZONA CENTRAL OFFICES?**

7 A. Qwest took the criteria set forth in the *TRRO* for determining a fiber-based
8 collocator, and adopted the *TRRO*'s definition for fiber-based collocators
9 verbatim. (*TRRO*, ¶ 102.) As such, the criteria that Qwest used in identifying
10 fiber-based collocators within its wire centers were:

- 11 a. having a collocation
12 b. the collocation is being served by an active power supply.
13 c. the collocation operating a fiber-optic cable or comparable transmission
14 facility that:
15 (1) terminates at a collocation arrangement within the wire center;
16 (2) leaves the incumbent LEC's wire center premises; and
17 (3) is owned by a party other than the incumbent LEC or any affiliate of the
18 incumbent LEC.
19 d. in instances where two or more affiliated fiber-based collocators, or a single
20 collocator, had multiple collocations in a single wire center, they were
21 collectively counted as a single-fiber-based collocator.

22
23 Exhibit RT-1 is a graphic depiction of typical collocation architectures depicting
24 each of the elements identified above.

25
26 **Q. THE TRRO ALSO SET CRITERIA REGARDING DARK FIBER USERS AND**
27 **FIXED WIRELESS PROVIDERS AS FIBER-BASED COLLOCATORS. WHY**

1 **ARE THEY NOT ADDRESSED IN QWEST'S CRITERIA AS OUTLINED**
2 **ABOVE?**

3 A. When Qwest undertook its efforts to identify fiber-based collocators as defined by
4 the *TRRO*, Qwest decided not to include fixed wireless providers and dark fiber
5 users in counts of fiber collocators. Qwest took a very conservative approach for
6 the sake of increased accuracy, and thus focused its attention on the majority of
7 qualifying collocators, which were fiber-based collocators. Qualifying fixed
8 wireless and dark fiber users operating with an IRU constitute a very small
9 percentage of the total numbers of collocators, and thus identifying and verifying
10 these types of collocators would have required an extensive research effort for
11 relatively little gain. Given the short timeframe within which Qwest was to
12 accomplish its task, it seemed a more prudent approach to concentrate on
13 compiling an accurate list of the types of fiber-based collocators that constitute
14 the vast majority of fiber-based collocators within Qwest's Arizona wire centers.

15
16 **Q. DESCRIBE THE PROCESS THAT QWEST UNDERTOOK IN IDENTIFYING**
17 **THE NUMBER OF FIBER-BASED COLLOCATORS IN ARIZONA.**

18 A. Qwest undertook two distinct efforts in identifying the number of fiber-based
19 collocators within in its wire centers not only in Arizona, but in all other states
20 within its serving territory. Qwest's initial effort used its collocation tracking and

1 inventory records and billing data. The second effort, which was a
2 comprehensive validation of the data compiled during the initial effort,
3 incorporated CLEC responses to Qwest's requests for confirmation of data and
4 actual field verifications of wire centers. The final product was a list of fiber-based
5 collocators in operation as of March 11, 2005.

6
7 **Q. PLEASE DETAIL THE INTIAL EFFORT WHICH RESULTED IN THE FIRST**
8 **FILING WITH THE FCC.**

9
10 **A.** For the initial effort, Qwest utilized an internal database that tracks all CLEC-
11 submitted and approved collocation requests in order to develop a list of fiber
12 collocations. This list was then edited to extract all collocations that did not have
13 a record indicator for fiber entrance facilities (as this would be an indicator that
14 the fiber was provided by a carrier other than Qwest or one of its affiliates). After
15 the extractions were completed, the resulting list of fiber-based collocations was
16 sent to Qwest's Collocation Project Management Center for verification that there
17 was active power in those collocations. That center verified the presence of
18 active power through records indicating billing for power usage. Next, Qwest's
19 Wholesale Markets team validated the list against February 2005 billing data,
20 providing confirmation that the carrier was indeed being billed for collocation.

1 The resulting list was further verified by Qwest Central Office Technicians and
2 State Interconnection Managers. As I have previously stated, because of the
3 relatively short timeframe before a final determination of the number collocators
4 was to be filed with the FCC, Qwest chose to take a conservative and
5 comprehensive approach that would yield a smaller but more accurate result.
6 Given the limited time Qwest had between receipt of the FCC's request for the
7 wire center list and the date that list was to be submitted to the FCC, if
8 questionable collocations could not be substantially validated during the limited
9 time frame, they were not included.

10 Finally, Qwest analyzed the resulting list to ensure that multiple collocations at a
11 single wire center by the same or affiliated carriers, or multiple collocations by a
12 single carrier, were counted as only one fiber-based collocator. The number of
13 fiber-based collocators in any given wire center was counted as of the date of the
14 TRRO's release, February 2005. The resulting list was filed with the FCC on
15 February 18, 2005.

16
17 **Q. DID QWEST ATTEMPT TO VALIDATE ITS LIST THROUGH ANY EXTERNAL**
18 **SOURCES?**

19 **A.** As further verification of the accuracy of its initial list, on March 29, 2005, Qwest
20 sent a letter to each CLEC advising them of the wire centers in which Qwest

1 showed the CLEC to have a fiber-based collocation as reflected by the data on
2 the initial list. In that March 29, 2005 letter, Qwest requested that the CLEC
3 make sure its records agreed with Qwest's records and, if there was a
4 discrepancy, that the CLEC provide documentation to Qwest regarding the
5 collocation in question. Qwest requested that any such documentation be
6 provided by April 12, 2005. Exhibit RT-2 is a copy of the letter Qwest sent on
7 March 29, 2005 to each CLEC requesting validation of their fiber-based
8 collocations.

9
10 **Q. DID ANY CLECs RESPOND TO THE REQUESTS FOR VALIDATION OF**
11 **THEIR FIBER-BASED COLLOCATION DATA IN ARIZONA?**

12 **A.** Yes. Six of the twelve fiber-based collocators operating in Arizona responded to
13 the letter that Qwest sent asking for validation of their fiber-based collocation
14 data. Only one of the responding collocators challenged Qwest's fiber-based
15 collocator designations. The challenges were regarding the counting of affiliates
16 and the use of dark fiber. I discuss the challenges to Qwest's collocation data
17 later in Section V of my testimony. Highly Confidential Exhibit RT-3 is table
18 illustrating which collocators responded to the letter and summarizing the issues.
19 Attachment A to Exhibit RT-3 is the correspondence that was exchanged
20 between Qwest and the responding carriers.

1

2 **Q. WHY DID QWEST BELIEVE IT WAS NECESSARY TO UNDERTAKE A**
3 **SECOND EFFORT TO VALIDATE THE LIST OF NON-IMPAIRED WIRE**
4 **CENTERS?**

5 A. While Qwest was relatively confident in the accuracy of the initial list of non-
6 impaired wire centers, it recognized that because of its conservative approach,
7 the list might not necessarily be complete. In taking the approach that it did,
8 Qwest recognized there was potential for undercounting the number of
9 collocators. Additionally, the possibility of mergers and acquisitions that had not
10 been properly communicated by CLECs to Qwest created potential for mis-
11 counting. Therefore, if there was any question as to whether or not two given
12 carriers were affiliated, the carriers were counted as one collocator, rather than
13 two. Furthermore, the databases that Qwest used as a source to identify fiber-
14 based collocations were designed for a much different purpose, and thus
15 included all types of collocation. Qwest was now reviewing these databases for
16 much more specific information on collocations that would not necessarily have
17 been included in the records. Again, however, if there was any doubt as to
18 whether a collocator met the FCC's definition of a fiber-based collocator, Qwest
19 did *not* include the carrier in the count of collocators. Finally, responses to the

1 letters that Qwest sent to collocating CLECs indicated that changes to the initial
2 list might be necessary.

3
4 **Q. DESCRIBE THE SECOND EFFORT WHICH RESULTED IN QWEST RE-**
5 **FILING ITS WIRE CENTER LIST WITH THE FCC.**

6 A. As previously stated, Qwest recognized that while its initial list was accurate, it
7 was not necessarily complete. Again, Qwest looked to the language of the
8 *TRRO* for direction in compiling a more comprehensive list of fiber-based
9 collocators operating in Arizona. The tier determinations as filed with the FCC
10 were used as a baseline. Lists of Tier 1 and Tier 2 fiber-based collocations were
11 sorted by wire center. For each wire center, all identified collocations were
12 entered into a template spreadsheet. The purpose of the spreadsheet was to
13 facilitate the documentation of the following via field verifications:

- 14 a. Verification of Operator/Carrier Name. What name, if any, was
15 stenciled on the collocation space? If stenciled, did the name on the
16 space match that of the operator/carrier on record?
- 17 b. Verification of Power. Upon visual inspection, was there active power
18 to the collocation space? Were complete electrical circuits in place to
19 Qwest power systems? If possible, could billing be verified?

1 c. Verification of Fiber Facilities. Could fiber be visually verified? Was it
2 an express fiber⁴? Upon a visual inspection, did the fiber terminate on
3 equipment within the collocation space? Did the fiber leave the wire
4 center premises?

5 The parameters which were to be verified were taken directly from the criteria set
6 forth in the *TRRO* in defining a fiber-based collocation. The spreadsheet was
7 sent to Qwest's field personnel, who were to populate the form with the requisite
8 information on the fiber-based collocators that had been identified by the initial
9 effort. The physical verification of each wire center that was part of the second
10 effort not only validated the inclusion of the collocators identified in the initial
11 effort, but allowed for the verification of collocations that had not previously been
12 included.

13 During the first week of June, 2005, Qwest sent the template spreadsheet
14 document to its Arizona central office field personnel and such personnel were
15 then directed to physically inspect the identified wire centers and to (1) verify the
16 information for the fiber-based collocations identified and listed in the initial FCC
17 filing, (2) add any fiber-based collocations that met the criteria but that were not
18 captured in the initial list, and to document the criteria, (3) investigate disputes or

⁴ Express fiber is a CLEC provided fiber that is brought directly in to the collocation with no Qwest provided entrance facility.

1 data, if any, provided by CLECs in their responses to Qwest's letter, and (4)
2 provide any pertinent anecdotal information or comments they may have had
3 regarding any of the collocations. Highly Confidential Exhibit RT-4 contains the
4 verification spreadsheet template and copies of the Collocation Verification
5 Worksheets that were populated as field validation was completed for Tier 1 and
6 Tier 2 wire centers.⁵

7 Qwest then edited the initial list of fiber-based collocators to reflect the
8 information gathered through the physical field verifications. This verified list was
9 used in determining the list of Qwest non-impaired wire centers that Qwest filed
10 with the FCC on July 8, 2005.

11
12 **Q. WITH THE FIELD VERIFICATION HAVING BEEN COMPLETED IN JUNE**
13 **2005, CAN IT BE ASSUMED THAT THE FIBER-BASED COLLOCATIONS**
14 **WERE IN PLACE AS OF THE MARCH 11, 2005 DATE?**

15 **A.** Yes. Consistent with the fact that the effective date of the *TRRO*, March 11,
16 2005, was, in fact, the effective date for removing unbundling obligations where
17 non-impairment criteria are met, Qwest's personnel in the field only included
18 those collocations that met the criteria as of the March 11, 2005 date. Such

⁵ The worksheets were populated manually with no electronic copy. A blank template was included in the exhibit to clarify the highlighted column headers which did not copy well and may be difficult to read.

1 personnel did not include any collocations that may have met the criteria after the
2 March 11, 2005 date. Confidential Exhibit RT-5 is a copy of the letter sent to
3 Qwest's field personnel with instructions regarding what was to be included in the
4 field verification.

1 **V. QWEST FILED A REVISED LIST OF UNIMPAIRED WIRE CENTERS WITH**
2 **THE FCC THAT REFLECTED A COMPREHENSIVE AND ACCURATE**
3 **REVIEW OF FIBER-BASED COLLOCATORS**
4
5

6 **Q. PLEASE PROVIDE THE LIST OF FIBER-BASED COLLOCATORS BY**
7 **ARIZONA WIRE CENTER THAT QWEST USED IN DEVELOPING THE LIST**
8 **OF NON-IMPAIRED WIRE CENTERS THAT IT RE-FILED WITH THE FCC ON**
9 **JULY 8, 2005.**

10 A. Highly Confidential Exhibit RT-6 is the list of fiber-based collocators in Arizona
11 that Qwest used in determining the final list of non-impaired wire centers in this
12 state.
13

14 **Q. PLEASE IDENTIFY THE ARIZONA WIRE CENTERS IN WHICH THERE WERE**
15 **CHANGES IN THE NUMBER OF FIBER COLLOCATORS, AND EXPLAIN THE**
16 **REASONS FOR THE CHANGES IN BOTH THE NUMBER OF FIBER-BASED**
17 **COLLOCATORS AND THE CHANGES IN TIER DESIGNATION.**

18 A. Five wire centers were impacted as a result of the CLEC reviews and field
19 verifications of fiber-based collocators identified in Arizona wire centers. While
20 the number of collocators was impacted in various wire centers, no wire center's
21 tier designation changed.

1 Table 1 below summarizes the changes that resulted from the CLEC reviews and
2 physical field verification in Arizona's Tier 1 and Tier 2 wire centers.

3 Table 1

Wire Center	Change in Number of Collocators	Change in Tier Designation
PHOENIX-EAST	No change	No change in Tier designation, remained Tier 1
PHOENIX-MAIN	15 collocators initially identified. 2 collocators double counted because of mergers/acquisitions. 1 collocator double counted because of pivot table error in spreadsheet. Count dropped by 3 from 15 to 12 collos. 2 transfer of assets noted with no change in collocator count.	No change in Tier designation, remained Tier 1
PHOENIX-NORTH	No change	No change in Tier designation, remained Tier 1
PHOENIX-NORTHEAST	No change	No change in Tier designation, remained Tier 1
TEMPE-MAIN	Number of collocations dropped from 10 to 7 due to transfer of responsibility not captured.	No change in Tier designation, remained Tier 1
TEMPE-MCLINTOCK	Confirmation of dark fiber decreased number of collos from 1 to 0.	No change in Tier designation, remained Tier 1
MESA-MAIN	Confirmation of dark fiber decreased number of collos from 2 to 1.	No change in Tier designation, remained Tier 2
SCOTTSDALE	No change	No change in Tier designation, remained Tier 2

TUCSON-MAIN	1 collocator initially identified. Field verification confirmed existence of 1 additional collo, ultimately increased total to 2.	No change in Tier designation, remained Tier 2
-------------	---	--

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Highly Confidential Exhibit RT-7 details the CLECs with specific challenges and/or specific impacting circumstances.

Q. DOES THE FACT THAT QWEST MADE CHANGES TO THE NUMBER OF FIBER-BASED COLLOCATORS IN NUMEROUS ARIZONA WIRE CENTERS REFLECT NEGATIVELY UPON THE RELIABILITY OF QWEST'S DATA?

A. Absolutely not. As I have previously stated, in its initial compilation of data, Qwest took a very conservative approach in listing the number of collocators. Evidence of the merits of such the conservative approach taken by Qwest in determining the tier designations of its Arizona wire centers is the fact that after the reviews and field verification, the tier designations remained unchanged.

Furthermore, Qwest's research found that the mis-designation of the collocator in the Tempe-McLintock and Mesa-Main wire centers was primarily due to inventory information gathered during a period of time during which Qwest was transitioning to a new database tracking tool, and thus some data on collocations provisioned during that period may have been erroneously categorized. All collocations provisioned during that timeframe were reviewed a second time to ensure accuracy.

1

2 **Q. DOES QWEST'S PROCESS FOR IDENTIFYING FIBER-BASED**
3 **COLLOCATORS SUBSTANTIATE ITS POSITION THAT THE LIST OF NON-**
4 **IMPAIRED ARIZONA WIRE CENTERS IS ACCURATE AND SHOULD BE**
5 **VALIDATED BY THE ARIZONA COMMISSION?**

6 A. Yes. Qwest took great pains to ensure that fiber-based collocators in Arizona
7 wire centers were accurately counted. Its process for identifying qualifying
8 collocators produced an accurate and verified count. This accurate and verified
9 data on the number of fiber-based collocators was one of two determinative
10 factors in determining which Arizona wire centers were non-impaired. The
11 resulting list of non-impaired Arizona wire centers, having relied on this accurate
12 and verified data, is by extension just as accurate and should be validated by this
13 Commission.

1 tracking records, power records and billing records and through physical
2 inspections. Qwest made extensive efforts to obtain an accurate inventory of the
3 fiber-based collocators in Arizona wire centers based on the reasonably available
4 information to which it had access. As such, the list of Qwest's non-impaired
5 Arizona wire centers should be validated by this Commission.

1

VII. CONCLUSION

2

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

4 **A.** Yes it does. Thank you.

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF	)	DOCKET NO. T-03632A-06-0091
DIECA COMMUNICATIONS DBA COVAD	)	T-03267A-06-0091
COMMUNICATIONS COMPANY, ESCHELON	)	T-04302A-06-0091
TELECOM OF ARIZONA, INC., MCLEODUSA	)	T-03406A-06-0091
TELECOMMUNICATIONS SERVICES, INC.,	)	T-03432A-06-0091
MOUNTAIN TELECOMMUNICATIONS, INC.,	)	T-01051B-06-0091
XO COMMUNICATIONS SERVICES, INC. AND)	
QWEST CORPORATION REQUEST FOR)	
COMMISSION PROCESS TO ADDRESS KEY)	
UNE ISSUES ARISING FROM TRIENNIAL)	
REVIEW REMAND ORDER, INCLUDING)	
APPROVAL OF QWEST WIRE CENTER LISTS)	

EXHIBITS

OF

RACHEL TORRENCE

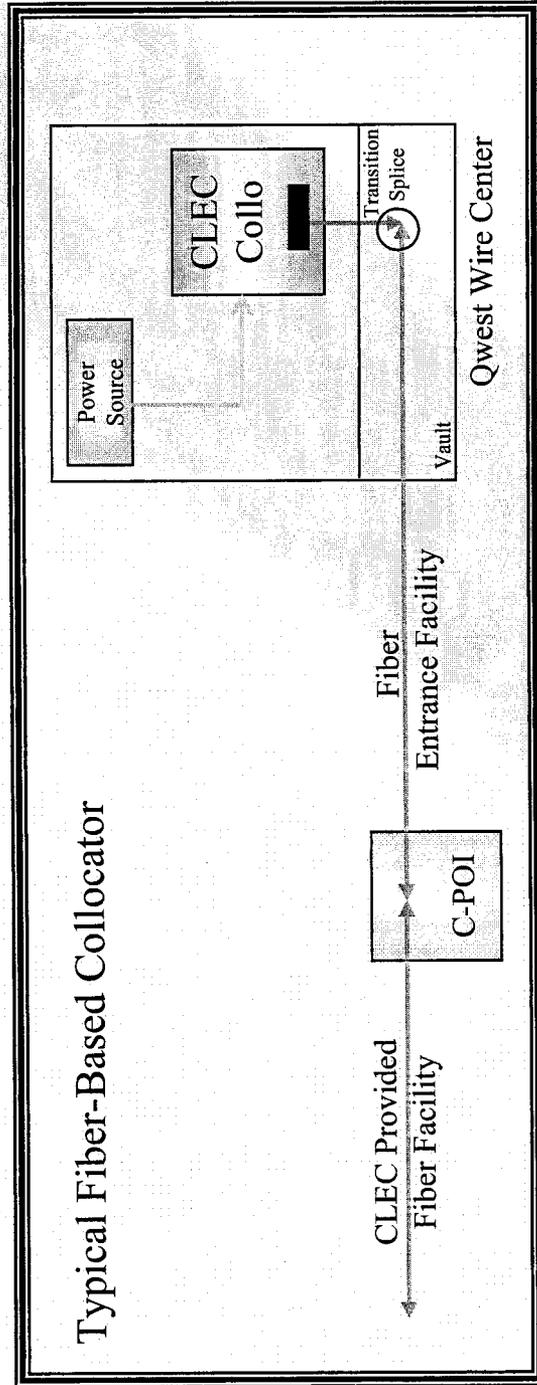
ON BEHALF OF

QWEST CORPORATION

JUNE 23, 2006

Fiber-Based Collocation Architectures

Arizona Corporation Commission
 DOCKET NO. T-03632A-06-0091,
 T-03267A-06-0091, T-04302A-06-0091,
 T-03406A-06-0091, T-03432A-06-0091,
 T-01051B-06-0091
 Qwest Corporation
 Direct Testimony of Rachel Torrence
 Exhibit RT-1
 June 23, 2006, Page 1



Note: For the sake of clarity and simplicity, not all elements along a fiber route have been depicted (i.e. other manholes, distribution Panels, other collocations).

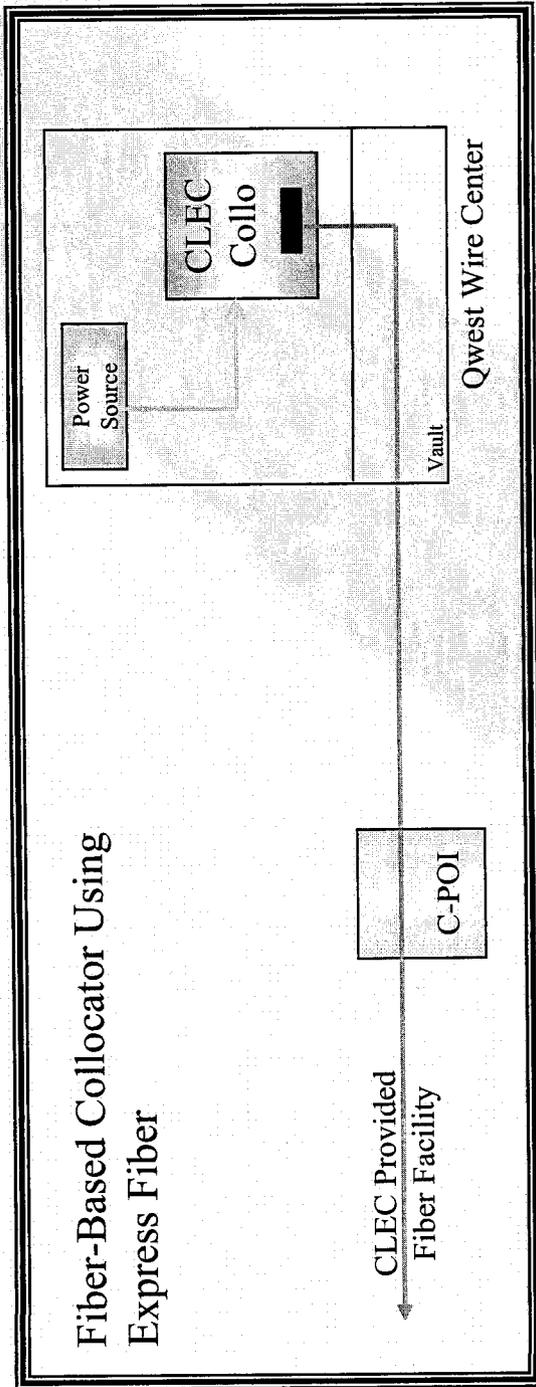
The CLEC brings its fiber to a Collocation Point of Interface (C-POI) where it is spliced to an entrance facility, obtained from Qwest into its wire center, and which extends from the C-POI, through the wire center vault (where it is converted to fire rated central office inside cable), into the wire center central office, and into the CLEC collocation space where the CLEC terminates the fiber onto CLEC equipment within the collocation space.

Qwest provides power to the collocation space for CLEC equipment.

Qwest

Fiber-Based Collocation Architectures

Arizona Corporation Commission
DOCKET NO. T-03632A-06-0091,
T-03267A-06-0091, T-04302A-06-0091,
T-03406A-06-0091, T-03432A-06-0091,
T-01051B-06-0091
Qwest Corporation
Direct Testimony of Rachel Torrence
Exhibit RT-1
June 23, 2006, Page 2



Note: For the sake of clarity and simplicity, not all elements along a fiber route have been depicted (i.e. other manholes, distribution Panels, other collocations).

The CLEC has brought its own fiber to a Collocation Point of Interface (C-POI) where it hands off a sufficient length of fiber for Qwest to extend it from the C-POI, through the vault and into the CLEC collocation space where CLEC terminates the fiber onto CLEC equipment within the collocation space. (In an express entrance, the fiber entering the vault must be fire rated central office inside cable.)

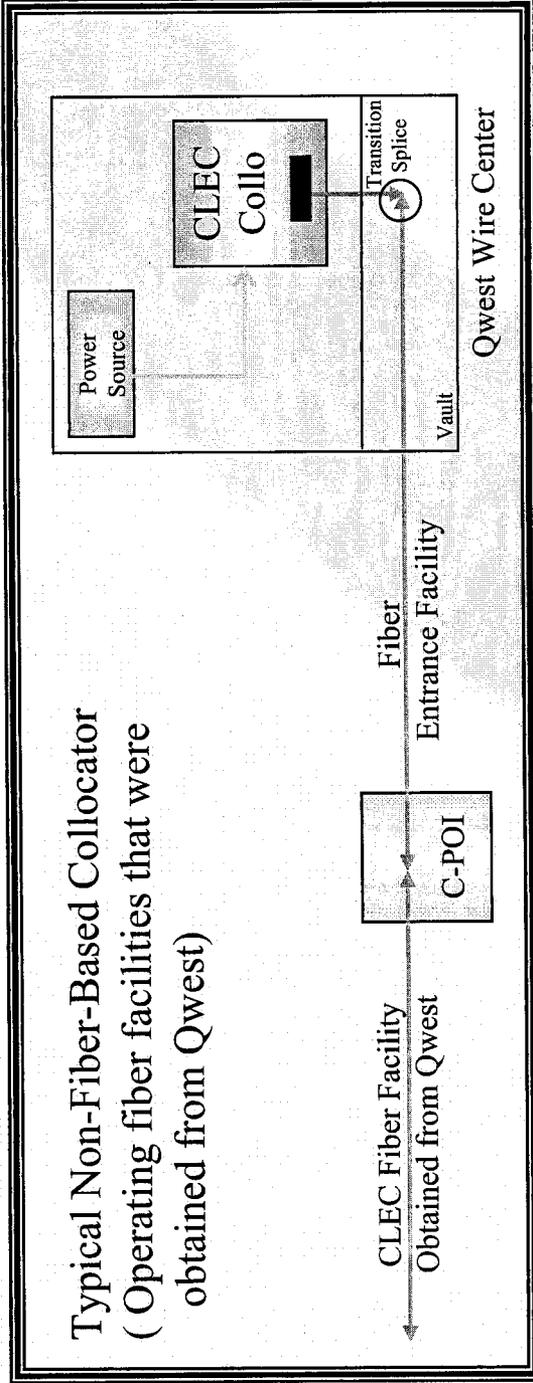
Qwest provides power to the collocation space for CLEC equipment.

Qwest

Fiber-Based Collocation Architectures

Arizona Corporation Commission
 DOCKET NO. T-03632A-06-0091,
 T-03267A-06-0091, T-04302A-06-0091,
 T-03406A-06-0091, T-03432A-06-0091,
 T-01051B-06-0091
 Qwest Corporation
 Direct Testimony of Rachel Torrence
 Exhibit RT-1
 June 23, 2006, Page 3

Typical Non-Fiber-Based Collocator
 (Operating fiber facilities that were
 obtained from Qwest)



Note: For the sake of clarity and simplicity, not all elements along a fiber route have been depicted (i.e. other manholes, distribution panels, other collocations).

The CLEC obtains fiber from Qwest which extends from the CLEC network to a Collocation Point of Interface (C-POI) where it is spliced to an entrance facility, also obtained from Qwest for entry into its wire center, and extends from the C-POI through the wire center vault (where it is converted to fire rated central office inside cable), into the CLEC collocation space, where the CLEC terminates the fiber onto CLEC equipment within the collocation space.

Qwest provides power to the collocation space for CLEC equipment.

Announcement Date: June 10, 2005
Effective Date: NA
Document Number: Notifications Team to complete
Notification Category: Notifications Team to complete
Target Audience: Notifications Team to complete
Subject/Product Name: CLEC Legal Ownership and Relationship Information –
Action Requested

On March 29, 2005 Qwest transmitted a notice (PROC.03.29.05.A.001332.Collocation_TRO_FCC_Order) to all fiber-based collocators. This notice reminded collocating companies of the threshold criteria outlined in the FCC's Triennial Review Remand Order, FCC-04-290 ("TRRO"). This notice also provided customer-specific data regarding Qwest's fiber collocation records and asked customers to contact Qwest by April 12, 2005, if there was any disagreement about the fiber collocation data.

As a result of that notice, some collocators have responded with concerns associated with CLEC mergers, acquisitions and relationships that may not have been captured in Qwest's fiber collocation records. Qwest is interested in ensuring that its fiber collocation records are accurate.

Qwest has been made aware of the following information regarding your company that may impact the fiber collocation data:

[INSERT POTENTIAL OWNERSHIP LINKAGE DATA HERE]

By close of business on June 24, 2005, please draft and transmit via certified mail a letter that includes:

- a. A verification of the relationship information described above, and;
- b. Additional information about other relationship information that could have an impact on Qwest's fiber collocation customer records, and;
- c. A confirmation that these relationships meet the requirements of the FCC's Order [INSERT THE CITE ON 10% OWNERSHIP], and;
- d. A confirmation that these relationships were in place as of February 11, 2005.

CONFIDENTIAL
DISCLOSE & DISTRIBUTE SOLELY TO QWEST EMPLOYEES WITH A NEED TO KNOW

6/23/2006

Please address the letter to:
Mary Retka, Director Legal Issues
Qwest Services Corporation
700 W. Mineral Ave, Room MN G20.13
Littleton, CO 80120-0000

If you have any questions or would like to discuss this request, please contact Mary Retka via email: Mary.Retka@Qwest.com .

Sincerely

Qwest

CONFIDENTIAL
DISCLOSE & DISTRIBUTE SOLELY TO QWEST EMPLOYEES WITH A NEED TO KNOW

6/23/2006

2

Arizona Corporation Commission
Docket Nos. T-03632A-06-0091, T-03467A-06-0091,
T-04302A-06-0091, T-03406A-06-0091,
T-03432A-06-0091, T-01051B-06-0091

Qwest Corporation
Direct Testimony of Rachel Torrence
Highly Confidential Exhibit RT-3

June 23, 2006

CLEC Name	Responded to Qwest Letter	Summary of Correspondence	Position Exhibit RT-2, Attachment A
<h1>REDACTED</h1>			

Arizona Corporation Commission
DOCKET NO. T-03632A-06-0091,
T-03267A-06-0091, T-04302A-06-0091,
T-03406A-06-0091, T-03432A-06-0091,
T-01051B-06-0091
Qwest Corporation
Direct Testimony of Rachel Torrence
Exhibit RT-3, Attachment A
June 23, 2006

REDACTED

Arizona Corporation Commission

Docket No. T-03632A-06-0091

T-03267A-06-0091

T-04302A-06-0091

T-03406A-06-0091

T-03432A-06-0091

T-01051B-06-0091

Qwest Corporation

Direct Testimony of Rachel Torrence

Highly Confidential Exhibit RT-4

June 23, 2006

Cover Page

RT-4

REDACTED

REDACTED

REDACTED

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CONFIDENTIAL

Arizona Corporation Commission
Docket No. T-03632A-06-0091
T-03267A-06-0091
T-04302A-06-0091
T-03406A-06-0091
T-03432A-06-0091
T-01051B-06-0091
Qwest Corporation

Direct Testimony Of Rachel Torrence
Qwest Confidential Exhibit RT-5
Spirit of Service June 23, 2006

Memorandum

REDACTED

REDACTED

REDACTED



Arizona Corporation Commission
Docket Nos. T-03632A-06-0091, T-03467A-06-0091,
T-04302A-06-0091, T-03406A-06-0091,
T-03432A-06-0091, T-01051B-06-0091

Qwest Corporation
Direct Testimony of Rachel Torrence
Highly Confidential Exhibit RT-6
June 23, 2006

Co un t	WC CLLI	CLEC Name	State	CO Name	Total Collos by WC	T i e r	
<h1>REDACTED</h1>							

REDACTED

REDACTED

Arizona Corporation Commission

Docket Nos. T-03632A-06-0091, T-03467A-06-0091,
T-04302A-06-0091, T-03406A-06-0091,
T-03432A-06-0091, T-01051B-06-0091

Qwest Corporation

Direct Testimony of Rachel Torrence

Highly Confidential Exhibit RT-7

June 23, 2006

Wire Center	Carrier	Nature of Dispute	Resolution
REDACTED			

REDACTED

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
DIECA COMMUNICATIONS DBA COVAD)
COMMUNICATIONS COMPANY, ESCHELON)
TELECOM OF ARIZONA, INC., MCLEODUSA)
TELECOMMUNICATIONS SERVICES, INC.,)
MOUNTAIN TELECOMMUNICATIONS, INC.,)
XO COMMUNICATIONS SERVICES, INC. AND)
QWEST CORPORATION REQUEST FOR)
COMMISSION PROCESS TO ADDRESS KEY)
UNE ISSUES ARISING FROM TRIENNIAL)
REVIEW REMAND ORDER, INCLUDING)
APPROVAL OF QWEST WIRE CENTER LISTS.)

DOCKET NO. T-03632A-06-0091
T-03267A-06-0091
T-04302A-06-0091
T-03406A-06-0091
T-03432A-06-0091
T-01051B-06-0091

STATE OF COLORADO)
COUNTY OF ARAPAHOE)

AFFIDAVIT OF
RACHEL TORRENCE

SS

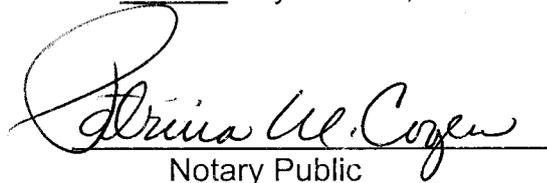
Rachel Torrence, of lawful age being first duly sworn, deposes and states:

1. My name is Rachel Torrence. I am a Senior Staff Witnessing Representative – for Qwest Services Corporation in Littleton, Colorado. I have caused to be filed written direct testimony in Docket Nos. T-03632A-06-0091, T-03267A-06-0091, T-04302A-06-0091, T-03406A-06-0091, T-03432A-06-0091, T-01051B-06-0091.
2. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

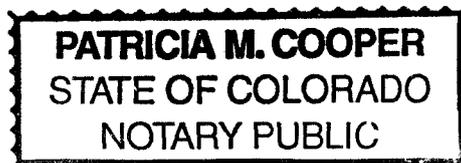
Further affiant sayeth not.


Rachel Torrence

SUBSCRIBED AND SWORN to before me this 20th day of June, 2006.


Notary Public

My Commission Expires: 5-4-08



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
MARC SPITZER
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN MAYES

IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. T-03632A-06-0091
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APPROVAL OF QWEST WIRE CENTER LISTS)	

DIRECT TESTIMONY

OF

RENÉE ALBERSHEIM

QWEST CORPORATION

JUNE 23, 2006

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EXECUTIVE SUMMARY

This testimony provides a brief history of the Triennial Review process that the FCC has undertaken. It also explains the results of the Triennial Review Remand Order ("*TRRO*"). In the *TRRO*, the FCC established rules for determining "non-impaired" wire centers which are used to determine requirements for providing unbundled high-capacity loops and unbundled dedicated transport. This testimony also introduces the witnesses that explain Qwest's methodologies for counting fiber-based collocators and business lines in order to establish which wire centers in Arizona are non-impaired. Qwest asks this Commission to approve Qwest's list of non-impaired wire centers in Arizona so that Qwest may implement the rules that the FCC established in the *TRRO*.

1 I. IDENTIFICATION OF WITNESS

2

3 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

4 A. My name is Renée Albersheim. I am employed by Qwest Services Corporation,
5 parent company of Qwest Corporation ("Qwest"), as a Staff Advocate. I am
6 testifying on behalf of Qwest. My business address is 1801 California Street, 24th
7 floor, Denver, Colorado, 80202.

8

9 Q. PLEASE DESCRIBE YOUR EDUCATION BACKGROUND AND EMPLOYMENT
10 EXPERIENCE.

11 A. I have been working in Qwest's Global Wholesale Markets organization since
12 December 2003. Before December 2003, I had worked in Qwest's Information
13 Technologies Wholesale Systems organization since joining Qwest in October 1999.
14 As a Staff Witnessing Representative, I provide support for Qwest's responses to
15 regulatory issues associated with the 1996 Telecommunications Act, FCC orders,
16 state commission decisions, and other legal and regulatory matters.

17

18 Prior to becoming a Qwest employee, I worked for 15 years as a consultant on many
19 systems development projects and in a variety of roles, including the following:
20 programmer and systems developer, systems architect, project manager,
21 information center manager and software training consultant. I worked on projects in
22 a number of different industries, including: oil and gas; electric, water and telephone
23 utilities; insurance; fast food; computer hardware; and the military. I also designed
24 and developed a number of applications, including electronic interfaces. During that
25 time, I worked on several of Qwest's Operations Support Systems ("OSS") as a

1 consultant on Human Resources and Interactive Access Billing Systems ("IABS")
2 projects.

3
4 In addition to working full-time at Qwest, I also earned a Juris Doctor degree from
5 the University of Denver College of Law and passed the Colorado Bar Examination
6 in October 2001. Prior to attending law school, I received a Master of Business
7 Administration in Management Information Systems from the University of Colorado
8 College of Business and Administration in 1985 and a Bachelor of Arts degree from
9 the University of Colorado in 1983.

10
11 **Q. HAVE YOU TESTIFIED BEFORE THIS COMMISSION BEFORE?**

12 A. Yes, I presented testimony to this Commission in Phase II of Cost Docket No. T-
13 00000A-00-0194. I also presented testimony in the interconnection agreement
14 arbitration between Covad and Qwest, Docket No. T-03632A-04-0425.

15
16 **Q. HAVE YOU TESTIFIED BEFORE OTHER STATE REGULATORY**
17 **COMMISSIONS?**

18 A. As a witness for Qwest's Global Wholesale Markets organization, I have filed written
19 testimony and appeared before the commissions in Colorado, Minnesota, New
20 Mexico, Utah, Washington and Wyoming. In my job as a witness on matters dealing
21 with Qwest's interconnection agreements and operations support systems, I have
22 also submitted written testimony in Idaho, Iowa, North Dakota, Oregon, South
23 Dakota, Montana, and Nebraska.

24
25

1
2
3 **II. PURPOSE OF TESTIMONY**

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

5 A. The purpose of my testimony is to put this case into context by giving a high-level
6 summary and the appropriate background for the case, as well as to introduce
7 Qwest's other witnesses who will testify in more detail about the specific issues in
8 the case. For example, I will explain the origins of the FCC's Triennial Review
9 Remand Order ("*TRRO*") that is at issue in this proceeding. I will also explain the
10 unbundling changes mandated by the *TRRO*, and will discuss the portion of the
11 *TRRO* that is being addressed by this Commission in this proceeding. Finally, as I
12 mentioned, I will introduce each of Qwest's witnesses, and will briefly describe the
13 testimony that they will provide in support of Qwest's positions in this case.

14 **III. A BRIEF HISTORY OF *TRO/TRRO***

15
16 **Q. PLEASE BRIEFLY DESCRIBE THE GENESIS OF THE FCC'S TRIENNIAL
17 REVIEW.**

18 A. In 2001, the FCC initiated a proceeding to review its policies on unbundling under
19 the Telecommunications Act of 1996 ("the Act").¹ The FCC sought "comment on
20 how best to update its rules and make them more 'granular' to reflect competitive
21 conditions in different markets."² The FCC's intent was to ensure that its unbundling

¹ *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket Nos. 01-338, 96-98, 98-147, Notice of Proposed Rulemaking, 16 FCC Rcd 22781 (2001) ("*Triennial Review NPRM*").

² http://www.fcc.gov/wcb/cpd/triennial_review/.

1 rules were faithful to the requirements of the Act, but at the same time reflected
2 changes in the marketplace for telecommunications services and advances in
3 technology, and remove unbundling obligations in response to these changes.³
4

5 **Q. WHAT WAS THE RESULT OF THE TRIENNIAL REVIEW?**

6 A. Upon completion of the Triennial Review, the FCC published its Triennial Review
7 Order ("TRO") in October 2003.⁴ This order created a revised list of unbundled
8 network elements ("UNEs"), removed unbundling requirements for broadband
9 services in order to encourage investment in broadband facilities, and established a
10 significant role for state commissions to determine impairment in markets for
11 dedicated transport and mass market switching.
12

13 **Q. DID THESE NEW RULES COMPLETE THE TRIENNIAL REVIEW PROCESS?**

14 A. No. A number of impacted parties appealed the TRO to the D.C. Circuit Court of
15 Appeals. The court upheld a number of the rules that the FCC had established in
16 the TRO, but most relevant to this proceeding, the court vacated and remanded the
17 FCC's findings of nationwide impairment for mass market switching and dedicated
18 transport. The court also vacated the FCC's delegation of authority to state
19 commissions to conduct granular impairment analysis as established in the TRO.
20 *United States Telecom Ass'n v. FCC*, 359 F.3d 554 (2004) ("*USTA II*"). The court

³ *In the Matter of Review of Unbundled Access to Network Elements, Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, Order on Remand, CC Docket No. 01-338, WC Docket No. 04-313, 20 FCC Rcd 2533, at 2 (2004).

⁴ *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket Nos. 01-338, 96-98, 98-147, Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, 19 FCC Rcd 16978, 17145 (2003) ("*Triennial Review Order*" or "*TRO*").

1 determined that the FCC did not properly relate the possibility of competitive
2 deployment of facilities in one market to the actual deployment of facilities in similar
3 geographic markets. *Id.* at 575.
4

5 **Q. HOW DID THE FCC RESPOND TO THE USTA II DECISION?**

6 A. In August 2004, the FCC issued an Interim Order and Notice of Proposed
7 Rulemaking ("*NPRM*") eliminating a number of sections of the *TRO*, and sought
8 comment on a response to *USTA II*. The FCC then published the *TRRO* on
9 February 4, 2005.⁵
10

11 **Q. WHAT RULES ESTABLISHED BY THE *TRRO* ARE RELEVANT TO THIS**
12 **PROCEEDING?**

13 A. Among other things, the *TRRO* clarifies ILEC obligations to provide unbundled
14 access to dedicated interoffice transport and high-capacity loops. The *TRRO* also
15 clarifies the "impairment" standard. Impairment is now evaluated as it relates to the
16 capabilities of a "reasonably efficient competitor." *TRRO*, at ¶ 24. Using this
17 standard, the *TRRO* establishes route-by-route unbundling requirements for
18 dedicated interoffice transport depending on the number of "business lines"⁶ and

⁵ *In the Matter of Review of Unbundled Access to Network Elements, Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, Order on Remand, CC Docket No. 01-338, WC Docket No. 04-313, 20 FCC Rcd 2533, (2004) ("*Triennial Review Remand Order*" or "*TRRO*").

The *TRRO* was just affirmed by the DC Circuit Court of Appeals on June 16, 2006. See *Covad Communs. Co. v. FCC*, 2006 U.S. App. LEXIS 14826 (D.C. Cir. June 16, 2006). The decision is also available at <http://www.cadc.uscourts.gov/bin/opinions/allopinions.asp>.

⁶ 47 CFR § 51.5 defines a "business line" as follows: "A business line is an incumbent LEC-owned switched access line used to serve a business customer, whether by the incumbent LEC itself or by a competitive LEC that leases the line from the incumbent LEC."

1 "fiber-based collocators"⁷ in particular wire centers. For DS1 and DS3 loops, the
2 FCC uses a methodology similar to its treatment of high-capacity transport.
3 Specifically, the FCC establishes a wire center-by-wire center analysis method to
4 determine whether a wire center is subject to actual or potential competition based
5 on the specific criteria, including the number of business lines and fiber-based
6 collocators in that wire center. These new criteria, and the associated analyses
7 methods, will be discussed in greater detail in the next section.

8
9 **Q. DID THE FCC REQUIRE ILECs TO TAKE ANY IMMEDIATE ACTION IN**
10 **RESPONSE TO THE TRRO?**

11 A. Yes. Based on the transition plan outlined in the *TRRO* at paragraphs 142 through
12 145 and paragraphs 195 through 198, ILECs such as Qwest were required to file a
13 list of non-impaired wire centers coincident with the effective date of the *TRRO*.
14 Qwest also received a letter from the FCC requesting the list of non-impaired wire
15 centers. This letter is attached as Exhibit RA-1. Qwest filed a list of non-impaired
16 wire centers in February 2005. As discussed in the testimony of Qwest witness Ms.
17 Torrence, the list was amended in July 2005.⁸ The current list of non-impaired wire
18 centers in the state of Arizona is attached as Exhibit RA-2.

19
⁷ 47 CFR § 51.5 defines a "fiber-based collocator" as follows: "A fiber-based collocator is any carrier, unaffiliated with the incumbent LEC, that maintains a collocation arrangement in an incumbent LEC wire center, with active electrical power supply, and operates a fiber-optic cable or comparable transmission facility that (1) Terminates at a collocation arrangement within the wire center; (2) Leaves the incumbent LEC wire center premises; and (3) Is owned by a party other than the incumbent LEC or any affiliate of the incumbent LEC, except as set forth in this paragraph."

⁸ In August 2005, Qwest submitted a list which corrected a typographical error in the CLLI code of one wire center. The wire centers listed did not change.

1 **Q. GIVEN THAT THE FCC HAS ESTABLISHED THE RULES FOR DETERMINING**
2 **NON-IMPAIRMENT, WHY HAS QWEST COME BEFORE THIS COMMISSION?**

3 A. Qwest is not asking this Commission to issue an order regarding the *TRRO* rules
4 themselves. The FCC intended the unbundling rules established in the *TRRO* to be
5 largely self-effectuating and implemented through negotiations between ILECs and
6 CLECs. *TRRO*, at ¶ 233. Rather, Qwest is simply asking this Commission to
7 approve the list of non-impaired wire centers in Arizona that Qwest has created to
8 implement the rules that the FCC established in the *TRRO*. Following a discussion
9 of the new impairment standards that the FCC established, I will introduce the
10 witnesses who will discuss Qwest's data in support of this list in more detail.
11

12 **IV. NON-IMPAIRMENT THRESHOLDS FOR TRANSPORT AND THE WIRE CENTER**

13 **TIER STRUCTURE**

14
15 **Q. WHAT IS THE WIRE CENTER TIER STRUCTURE THAT THE FCC**
16 **ESTABLISHED IN THE *TRRO* FOR HIGH-CAPACITY TRANSPORT?**

17 A. The FCC created a three-tier structure to classify wire centers based on their
18 potential to support competitive transport deployment. Per the FCC,

19 "Tier 1" wire centers are those with the highest likelihood for actual and
20 potential competitive deployment, including wholesale opportunities.

21 "Tier 2" wire centers also show a very significant but lesser likelihood of actual
22 and potential competitive deployment.

23 "Tier 3" wire centers are those that show a generally low likelihood of
24 supporting actual or potential competitive transport deployment.

25 *TRRO*, at ¶ 111.

1

2 **Q. WHAT CRITERIA DID THE FCC USE TO DETERMINE WHICH WIRE CENTERS**
3 **CAN BE CLASSIFIED AS TIER 1 WIRE CENTERS FOR HIGH-CAPACITY**
4 **TRANSPORT?**

5 A. The FCC defines "Tier 1" wire centers as those with four or more fiber-based
6 collocators, or with 38,000 or more business lines. 47 CFR § 51.319(e)(3)(i). The
7 FCC determined that these thresholds indicate that very extensive CLEC transport
8 deployment exists or is likely to exist in these wire centers, and that competitors are
9 likely to provide transport services on a wholesale basis. *TRRO*, at ¶ 112.

10

11 **Q. WHAT CRITERIA DID THE FCC USE TO DETERMINE WHICH WIRE CENTERS**
12 **CAN BE CLASSIFIED AS TIER 2 WIRE CENTERS FOR HIGH-CAPACITY**
13 **TRANSPORT?**

14 A. The FCC defines "Tier 2" wire centers as those with three or more fiber-based
15 collocators, or with 24,000 or more business lines. 47 CFR § 51.319(e)(3)(ii).
16 These thresholds suggest that multiple carriers have overcome the costs of
17 deployment and that there are revenues available to substantiate deployment.
18 *TRRO*, at ¶ 118.

19

20 **Q. WHAT CRITERIA DID THE FCC USE TO DETERMINE WHICH WIRE CENTERS**
21 **CAN BE CLASSIFIED AS TIER 3 WIRE CENTERS FOR HIGH-CAPACITY**
22 **TRANSPORT?**

1 A. The FCC considers all wire centers that are not Tier 1 or Tier 2 wire centers as "Tier
2 3" wire centers. 47 CFR § 51.319(e)(3)(iii). Put another way, all wire centers with
3 fewer than three fiber-based collocators or with fewer than 24,000 business lines are
4 Tier 3 wire centers.

5

6 **Q. WHAT IS THE SIGNIFICANCE OF THE FCC'S WIRE CENTER TIER STRUCTURE**
7 **FOR HIGH-CAPACITY TRANSPORT?**

8 A. The FCC uses these tiers as indicators of non-impairment and bases its unbundling
9 requirements for DS1, DS3 and dark fiber interoffice transport on these tiers. Please
10 see Exhibit RA-3 for an illustration of the wire center tier structure and the non-
11 impairment criteria.

12

13 **Q. WHAT ARE THE UNBUNDLING REQUIREMENTS FOR DS1 TRANSPORT?**

14 A. The FCC determined that there is no impairment for DS1 interoffice transport
15 between Tier 1 wire centers. As a result, ILECs such as Qwest are not obligated to
16 provide unbundled DS1 interoffice transport on routes connecting two Tier 1 wire
17 centers. 47 CFR § 51.319(e)(2)(ii)(A).

18

19 **Q. WHAT ARE THE UNBUNDLING REQUIREMENTS FOR DS3 TRANSPORT?**

20 A. The FCC concluded that there is no impairment for DS3 interoffice transport on
21 routes connecting wire centers where both of the wire centers are either Tier 1 or
22 Tier 2 wire centers. The FCC determined that competitive transport facilities have
23 been or can be deployed between such wire centers, and that significant revenue
24 opportunities make such deployments economically feasible. Therefore, ILECs such

1 as Qwest are not obligated to provide unbundled DS3 interoffice transport on routes
2 connecting either Tier 1 or Tier 2 wire centers. 47 CFR § 51.319(e)(2)(iii)(A).

3
4 **Q. WHAT ARE THE UNBUNDLING REQUIREMENTS FOR DARK FIBER**
5 **TRANSPORT?**

6 A. The FCC concluded that there is no impairment for dark fiber interoffice transport on
7 routes connecting wire centers where both of the wire centers are either Tier 1 or
8 Tier 2 wire centers. The FCC determined that competitive transport facilities have
9 been or can be deployed between such wire centers, and that significant revenue
10 opportunities make such deployments economically feasible. Therefore, ILECs such
11 as Qwest are not obligated to provide unbundled dark fiber interoffice transport on
12 routes connecting either Tier 1 or Tier 2 wire centers.
13 47 CFR § 51.319(e)(2)(iv)(A).

14
15 **V. NON-IMPAIRMENT THRESHOLDS FOR UNBUNDLED DS1 AND DS3 LOOPS**

16
17 **Q. DID THE FCC USE THE WIRE CENTER TIER STRUCTURE TO ESTABLISH**
18 **NON-IMPAIRMENT THRESHOLDS FOR HIGH-CAPACITY LOOPS?**

19 A. No. However, the FCC uses a methodology similar to its treatment of high-capacity
20 transport in that it establishes a wire center-by-wire center unbundling requirement
21 to determine whether a wire center is subject to actual or potential competition for
22 high-capacity loops, based upon business line counts and fiber-based collocator
23 counts.

24

1 **Q. WHAT IS THE IMPAIRMENT THRESHOLD FOR UNBUNDLED DS1 LOOPS?**

2 A. Per the FCC, there is no impairment in any building within a service area of a wire
3 center that contains 60,000 or more business lines and four or more fiber-based
4 collocators. 47 CFR § 51.319(a)(4)(i). Therefore, ILECs such as Qwest are not
5 obligated to provide unbundled DS1 loops in these wire centers.
6

7 **Q. WHAT IS THE IMPAIRMENT THRESHOLD FOR UNBUNDLED DS3 LOOPS?**

8 A. The FCC determined that there is no impairment in any building within a service
9 area of a wire center that contains 38,000 or more business lines and four or more
10 fiber-based collocators. 47 CFR § 51.319(a)(5)(i). Therefore, ILECs such as Qwest
11 are not obligated to provide unbundled DS3 loops in these wire centers.
12

13 **Q. IS THERE AN IMPAIRMENT THRESHOLD FOR UNBUNDLED DARK FIBER
14 LOOPS?**

15 A. No. The FCC determined that there is no impairment for dark fiber loops.
16 Therefore, ILECs such as Qwest are no longer obligated to provide unbundled dark
17 fiber loops in any wire center. 47 CFR § 51.319(a)(6)(i).
18

19 **VI. QWEST'S PROCEDURES FOR ESTABLISHING NON-IMPAIRED WIRE CENTERS**

20

21 **Q. HAS QWEST ESTABLISHED PROCEDURES FOR COUNTING FIBER-BASED
22 COLLOCATORS AND NUMBERS OF BUSINESS LINES?**

23 A. Yes. These FCC-based methodologies will be discussed in detail by other Qwest
24 witnesses in this proceeding.

1

2 **Q. WHICH QWEST WITNESS WILL EXPLAIN QWEST'S DATA REGARDING**
3 **FIBER-BASED COLLOCATORS?**

4 A. Qwest witness Rachel Torrence will discuss Qwest's count of fiber-based
5 collocators. Ms. Torrence will provide the results of Qwest's fiber-based collocation
6 counts in Arizona wire centers.

7

8 **Q. WHICH QWEST WITNESS WILL EXPLAIN THE PROCEDURE THAT QWEST**
9 **USES TO COUNT BUSINESS LINES?**

10 A. Qwest witness David L. Teitzel will discuss Qwest's count of business lines. Mr.
11 Teitzel will provide the results of Qwest's business line counts in Arizona wire
12 centers.

13

14 **Q. WHAT IS THE RESULT OF A DETERMINATION OF NON-IMPAIRMENT FOR DS1**
15 **OR DS3 TRANSPORT OR FOR CERTAIN HIGH-CAPACITY LOOPS?**

16 A. Put very simply, the associated circuits will need to be converted from UNEs to
17 alternative Qwest services, to wholesale services obtained from another carrier, or
18 self-provisioned by the CLEC.

19

20 **Q. WHICH QWEST WITNESS WILL DISCUSS THE ACTIVITIES ASSOCIATED WITH**
21 **SUCH CONVERSIONS?**

1 A. Qwest witness Teresa K. Million will discuss the activities associated with the
2 conversions of UNEs to alternative Qwest services, including Qwest's assessment of
3 a nonrecurring charge for these conversions.
4

5 **VII. PROCESS FOR UPDATING LIST OF NON-IMPAIRED WIRE CENTERS**

6
7 **Q. SHOULD QWEST BE ALLOWED TO UPDATE THE LIST OF NON-IMPAIRED**
8 **WIRE CENTERS?**

9 A. Yes, Qwest should be allowed to update the list of non-impaired wire centers as
10 often as necessary. While business line updates will only be possible once a year,
11 given that ARMIS data is only prepared and submitted to the FCC once per year, the
12 status of fiber-based collocations are not limited in this way. For example, at any
13 point in time, a new fiber-based collocation could be placed in a central office,
14 changing the status of that central office to non-impaired.⁹
15

16 **Q. DOES QWEST EXPECT TO UPDATE ITS LIST OF NON-IMPAIRED WIRE**
17 **CENTERS IN THE FUTURE?**

18 A. Yes, Qwest expects to update its list of non-impaired wire centers to the extent that
19 additional wire centers meet the FCC criteria in the future. As noted above, the FCC
20 determined that the rules in the *TRRO* are self-effectuating, and that "our unbundling
21 rules are designed to remove unbundling obligations over time."
22 *TRRO*, at ¶ 3. Thus, going forward, if updates to the list of non-impaired wire

⁹ The FCC anticipated such changes as well. "We recognize that some high-capacity loops with respect to which we have found impairment may in the future meet our thresholds for non-impairment. For example, as competition grows, competitive LECs may construct new fiber-based collocations in a wire center that currently has more than 38,000

1 centers are required, Qwest intends to update the list of non-impaired wire centers
2 using the same FCC counting methodologies described in this proceeding.
3

4 **Q. WILL QWEST INCLUDE DATA TO SUPPORT A CLAIM OF NON-IMPAIRMENT,**
5 **WHEN QWEST PROPOSES TO ADD A WIRE CENTER TO THE LIST OF NON-**
6 **IMPAIRED WIRE CENTERS?**

7 A. Of course. Qwest will include supporting data to verify that a new wire center is non-
8 impaired in accordance with the FCC methodology as ordered by this Commission.
9 Qwest has no intention of making a claim of non-impairment without data to support
10 such a claim. Qwest recognizes that some of the supporting data will be highly-
11 confidential CLEC-specific data. To avoid the possibility of delay in the CLECs'
12 ability to review this data, Qwest proposes that this Commission establish a standing
13 non-disclosure agreement or protective order, much like the protective order
14 established for this proceeding. Such an agreement will allow CLECs plenty of time
15 to review the supporting data, and decide whether or not they wish to dispute the
16 addition of a new wire center to the list of non-impaired wire centers.
17

18 **Q. WHAT DATA WILL QWEST INCLUDE IN A FILING TO ADD A WIRE CENTER TO**
19 **THE LIST OF NON-IMPAIRED WIRE CENTERS?**

20 A. Qwest will provide, under the appropriate protective order, sufficient detail to enable
21 the CLECs to validate the access line counts and fiber-based collocator counts used
22 in the future non-impairment analysis. To establish that a wire center has met the
23 business line threshold, Qwest will include, for each wire center:
24

business lines but 3 or fewer collocations. In such cases, we expect incumbent LECs and requesting carriers to negotiate appropriate transition mechanisms through the section 252 process." *TRRO at fn 519.*

- 1 • The latest available ARMIS 43-08 line counts, based on official ARMIS data
2 on file with the FCC.
- 3 • Qwest adjustments to ARMIS 43-08 data to derive 64-kbps equivalents for
4 high-capacity (e.g., DS1 & DS3) services, such as ISDN-PRI.
- 5 • Total wholesale UNE loops (e.g., UNE-L and EEL), shown at the aggregated
6 level for the wire center(s) at issue, and by capacity (voice-grade, DS1, DS3).
7 This information will also be provided on a CLEC-specific basis to each
8 CLEC, under appropriate confidentiality protections, to enable the CLEC to
9 verify its own counts for these services.
- 10 • Qwest calculations to derive 64-kbps equivalents for high-capacity (e.g., DS1
11 and DS3) loops.
- 12 • UNE-P/QPP lines shown at the aggregated level for the wire center(s) at
13 issue and by service type (e.g. QPP-PBX, QPP-ISDN, etc.). QPP lines will
14 also be provided on a CLEC-specific basis to each CLEC, under appropriate
15 confidentiality protections, to enable the CLEC to verify its own counts for
16 these services. UNE-P counts are subject to the limitations discussed in Mr.
17 Teitzel's testimony.

18

19 To establish that a wire center has met the fiber-based collocator threshold, Qwest
20 will include, subject to appropriate confidentiality protections, the following:

21

- 22 • Names of the fiber-based collocators
23 • Physical verification information

24

25 **Q. HAS QWEST ESTABLISHED PROCEDURES FOR TRANSITIONING HIGH-**
26 **CAPACITY UNES WHEN ADDITIONAL WIRE CENTERS ARE FOUND TO BE**
27 **NON-IMPAIRED?**

1 A. Yes. Qwest has memorialized these procedures in section 2.8.4 of the *TRO/TRRO*
2 Amendment to its interconnection agreements. Summarizing this language:

3

- 4 • Qwest will provide notice to the CLECs and this Commission when wire
5 centers are reclassified.
- 6 • Thirty (30) days after such notification, CLECs will no longer order impacted
7 high-capacity UNEs in or between these wire centers.
- 8 • CLECs will have ninety (90) days to transition existing DS1 and DS3 UNEs to
9 an alternative service and 180 days to transition dark fiber.¹⁰

10

11 **Q. WHEN DOES THE TRANSITION PERIOD FOR CONVERSION TO ALTERNATIVE**
12 **SERVICE BEGIN?**

13 A. For undisputed wire centers, the transition period begins 30 days after notification
14 that the wire center is non-impaired. If the status of a wire center is disputed, the
15 transition period will begin when the Commission determines that the wire center is
16 non-impaired.

17

18 **Q. ARE QWESTS TRANSITION PERIODS SUFFICIENT TO ALLOW CLECS TO**
19 **TRANSFER SERVICES WHEN WIRE CENTERS ARE ADDED TO THE NON-**
20 **IMPAIRED LIST?**

21 A. Yes. The FCC recognized that the initial transition to new services would require
22 significant effort and therefore the FCC allowed a one year initial transition. The
23 one-year period outlined in the *TRRO* was to begin upon the effective date of the
24 *TRRO*, March 11, 2005. That transition period has already expired as of March 11,

¹⁰ The transition period would begin 30 days following notice that a new wire center is non-impaired.

1 **2006.** The FCC did not make any statements with regard to transition periods for
2 subsequent wire centers. However, it follows that the transition for additions to the
3 non-impaired wire center list should be shorter than the initial transition. Subsequent
4 transitions are likely to be for only one or two wire-centers at a time. Likewise, there
5 will also be a much smaller subset of services to convert. Accordingly, Qwest
6 believes that the transition periods it established are more than reasonable. A
7 number of CLECs apparently agree, as they have signed Qwest's *TRO/TRRO*
8 Amendment.
9

10 **Q. DOES QWEST AGREE THAT CLECs SHOULD HAVE THE OPPORTUNITY TO**
11 **DISPUTE CHANGES MADE TO THE LIST OF IMPAIRED WIRE CENTERS?**

12 A. Yes. Qwest believes that the CLECs should have the opportunity to raise factual
13 disputes regarding Qwest's data. However, Qwest does not believe the CLECs
14 should have the opportunity to re-litigate the methodology set forth by the FCC.
15

16 **Q. WHAT DOES QWEST CONSIDER AN APPROPRIATE DISPUTE RESOLUTION**
17 **PROCESS?**

18 A. Qwest agrees with the Joint CLECs that a single docket to resolve disputes would
19 be the most efficient process.¹¹ Qwest envisions a process similar to current tariff
20 filing procedures. Qwest would file the updates to the wire center list as well as data
21 supporting the update with this Commission and give notice to all CLECs via the
22 Change Management Process ("*CMP*") notification process that it has determined

¹¹ The FCC stated in the *TRRO* its purpose was to avoid unnecessary litigation. "We are acutely aware of the need to base any test we adopt here on the most objective criteria possible in order to avoid complex and lengthy proceedings that are administratively wasteful but add only marginal value to our unbundling analysis. Most parties seem to agree that long, extended proceedings add significant costs as well as uncertainty about the future state of the rules and an easily administrable test will avoid that uncertainty." *TRRO*, at ¶ 99.

1 that additional wire centers are impaired.¹² Parties would then have 30 days to raise
2 any objection to the addition to the non-impaired wire center list, and if no objection
3 is raised, the wire center list should be deemed approved by operation of law.
4

5 **Q. DOES QWEST INTEND TO BLOCK ORDERS FOR UNEs IN WIRE CENTERS**
6 **UNDER DISPUTE?**

7 A. No. Qwest will only block orders for UNEs in wire centers the Commission has
8 formally designated as being non-impaired. If non-impairment status is under
9 dispute, Qwest will not block orders for UNEs until the dispute is resolved and non-
10 impairment in the wire center becomes effective.
11

12 **Q. SHOULD A DISPUTE PROCEEDING BE ALLOWED TO DELAY THE ADDITION**
13 **OF NEW WIRE CENTERS TO THE LIST OF NON-IMPAIRED WIRE CENTERS?**

14 A. No. Qwest believes that this process should not be used as a means to delay the
15 designation of new wire centers as non-impaired. Therefore, Qwest would ask that
16 any such process be expedited, and that the designation of new non-impaired wire
17 centers should be effective 30 days following the initial notification to CLECs that the
18 wire center status has changed. If a dispute is raised to the change in status, Qwest
19 would not implement a change in rates until the docket is complete; however, Qwest
20 would back bill CLECs to the effective date if the change in wire center status is
21 approved.¹³ Qwest also believes the result of the docket should be binding upon all
22 CLECs.

¹² The CMP is a formal collaborative process between Qwest and its CLEC customers for management of changes to Qwest's operations support systems including pre-ordering, ordering, billing and maintenance and repair processes as mandated by the FCC's 271 requirements.

¹³ The FCC anticipated such a true-up procedure in the *TRRO*. See e.g., *TRRO* at fns. 408, 524, 630.

1

2 **Q. SHOULD RECLASSIFICATION OF A NON-IMPAIRED WIRE CENTER BE PART**
3 **OF A FUTURE INQUIRY?**

4 A. No, there is no need to include such an inquiry within the scope of this or any future
5 docket because in the rules implementing the *TRRO*, the FCC specifically
6 determined that wire centers may not be reclassified.¹⁴

7

¹⁴ For DS1 Loops, see 47 CFR §51.319(a)(4)(i) (“ Subject to the cap described in paragraph (a)(4)(ii) of this section, an incumbent LEC shall provide a requesting telecommunications carrier with nondiscriminatory access to a DS1 loop on an unbundled basis to any building not served by a wire center with at least 60,000 business lines and at least four fiber-based collocators. *Once a wire center exceeds both of these thresholds, no future DS1 loop unbundling will be required in that wire center.*”). (Emphasis added).

For DS3 loops, see 47 CFR §51.319(a)(5)(i) (“ Subject to the cap described in paragraph (a)(5)(ii) of this section, an incumbent LEC shall provide a requesting telecommunications carrier with nondiscriminatory access to a DS3 loop on an unbundled basis to any building not served by a wire center with at least 38,000 business lines and at least four fiber-based collocators. *Once a wire center exceeds both of these thresholds, no future DS3 loop unbundling will be required in that wire center.*”). (Emphasis added).

For DS1 and DS3 loops see also Order on Remand, *In the Matter of Review of Unbundled Access to Network Elements, Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket No. 01-338, WC Docket No. 04-313, p. 94, footnote 466 (FCC rel. February 4, 2005) (“Therefore, once a wire center satisfies the standard for no DS1 loop unbundling, the incumbent LEC shall not be required in the future to unbundle DS1 loops in that wire center. Likewise, once a wire center satisfies the standard for no DS3 loop unbundling, the incumbent LEC shall not be required in the future to unbundle DS3 loops in that wire center.”).

For dedicated DS1 and DS3 transport, see 47 CFR §51.319(e)(3)(i) (“ Once a wire center is determined to be a Tier 1 wire center, *that wire center is not subject to later reclassification as a Tier 2 or Tier 3 wire center.*”) and 47 CFR §51.319(e)(3)(ii) (“ Once a wire center is determined to be a Tier 2 wire center, *that wire center is not subject to later reclassification as a Tier 3 wire center.*”). (Emphasis added).

1
2
3 **VIII. CONCLUSION**

4 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

5 A. My testimony describes the history of the FCC's Triennial Review process, as well
6 as the results of the FCC's *TRRO*. I describe the criteria that the FCC defined to
7 identify non-impaired wire centers. I also introduce the Qwest witnesses who will
8 discuss Qwest's count of fiber-based collocators and business lines. Qwest asks
9 this Commission to adopt Qwest's list of non-impaired wire centers in the state of
10 Arizona so that Qwest may obtain the unbundling relief that the FCC intended in its
11 *TRRO*. Qwest also asks this Commission to adopt Qwest's proposed procedures for
12 designation of non-impaired wire centers in the future.

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

14 A. Yes, it does.

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
MARC SPITZER
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN MAYES

IN THE MATTER OF THE APPLICATION OF	)	DOCKET NO. T-03632A-06-0091
DIECA COMMUNICATIONS DBA COVAD	)	T-03267A-06-0091
COMMUNICATIONS COMPANY, ESCHELON	)	T-04302A-06-0091
TELECOM OF ARIZONA, INC., MCLEODUSA	)	T-03406A-06-0091
TELECOMMUNICATIONS SERVICES, INC.,	)	T-03432A-06-0091
MOUNTAIN TELECOMMUNICATIONS, INC.,	)	T-01051B-06-0091
XO COMMUNICATIONS SERVICES, INC. AND)	
QWEST CORPORATION REQUEST FOR)	
COMMISSION PROCESS TO ADDRESS KEY)	
UNE ISSUES ARISING FROM TRIENNIAL)	
REVIEW REMAND ORDER, INCLUDING)	
APPROVAL OF QWEST WIRE CENTER LISTS)	

EXHIBITS

OF

RENÉE ALBERSHEIM

QWEST CORPORATION

JUNE 23, 2006



Federal Communications Commission
Washington, D.C. 20554

February 4, 2005

Via Facsimile and First Class Mail

Gary R. Lytle
Senior Vice President, Federal Relations
Qwest
607 14th Street, NW, Suite 950
Washington, DC 20005

**Re: Unbundled Access to Network Elements, WC Docket No. 04-313; Review of Section 251
Unbundling Obligations for Incumbent Local Exchange Carriers, CC Docket No. 01-338**

Dear Mr. Lytle:

On February 4, 2005, the Commission released its *Triennial Review Remand Order*, adopting rules governing the unbundling obligations of incumbent LECs regarding, among other things, dedicated transport and high-capacity loops.¹ In crafting impairment thresholds for these elements that relied on readily ascertainable, quantitative criteria, the Commission sought to facilitate prompt implementation of its revised rules, and to minimize disputes regarding the scope of an incumbent LEC's unbundling obligations in any particular case. The Bureau is mindful of the need for certainty within the industry regarding the scope of unbundling obligations. Such certainty depends on the timely incorporation of the *Triennial Review Remand Order's* fact-dependent rules into revised interconnection agreements. To this end, we ask that you provide the Bureau a list identifying by Common Language Location Identifier (CLLI) code² which wire centers in your company's operating areas satisfy the Tier 1, Tier 2, and Tier 3 criteria for dedicated transport, and identifying by CLLI code the wire centers that satisfy the nonimpairment thresholds for DS1 and DS3 loops.³ We ask that you submit this information into the above-referenced dockets by February 18, 2005.

The Bureau believes that this information will expedite the implementation of the Commission's rules implementing the Act. I thank you in advance for your prompt reply to this request.

Sincerely,

/s/

Jeffrey J. Carlisle
Chief, Wireline Competition Bureau

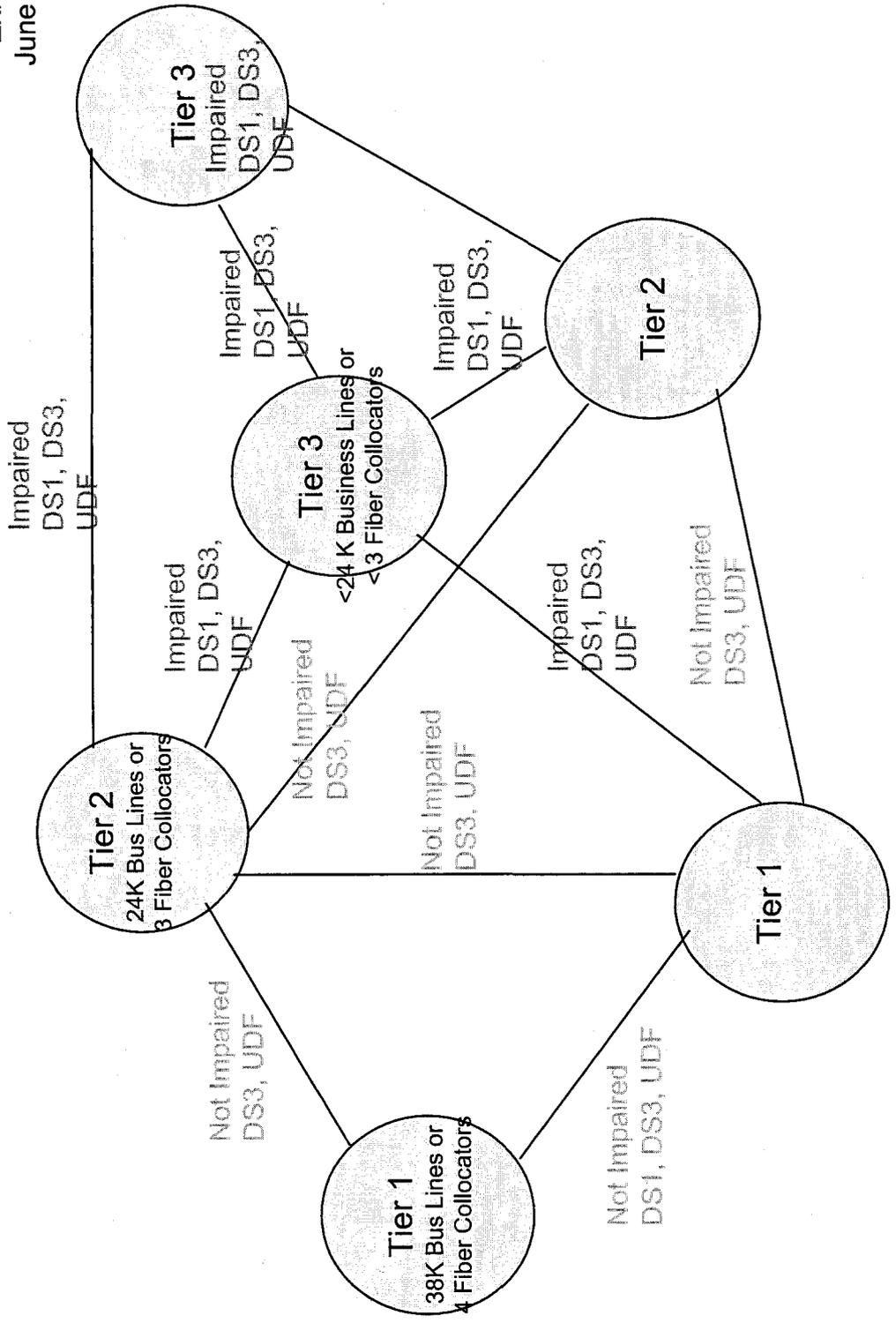
¹ *Unbundled Access to Network Elements; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, WC Docket No. 04-313, CC Docket No. 01-338, Order on Remand (*Triennial Review Remand Order*).

² The CLLI code is an eight character code that identifies a particular wire center.

³ *Id.* at para. 120 (defining Tier 1 wire centers); *id.* at para. 126 (defining Tier 2 wire centers); *id.* at para. 131 (defining Tier 3 wire centers); *id.* at para. 185 (defining wire center nonimpairment threshold for DS3 loops); *id.* at para. 189 (defining wire center nonimpairment threshold for DS1 loops); *see also id.*, App. B, 47 C.F.R. §§ 51.319(a)(4)(i), (a)(5)(i), (e)(3).

ST	Wire Center Name	Wire Center CLLI8 Code	Wire Center Classification for Transport Non-Impairment	No Requirement to Unbundle the following
AZ	MCCLINTOCK	TEMPAZMC	Tier 1	
AZ	PHOENIX EAST	PHNXAZE	Tier 1	
AZ	PHOENIX MAIN	PHNXAZMA	Tier 1	DS3 loops
AZ	PHOENIX NORTH	PHNXAZNO	Tier 1	DS3 loops
AZ	PHOENIX NORTHEAST	PHNXAZNE	Tier 1	
AZ	TEMPE	TEMPAZMA	Tier 1	DS3 loops
AZ	THUNDERBIRD	SCDLAZTH	Tier 1	
AZ	MESA	MESAAZMA	Tier 2	
AZ	SCOTTSDALE MAIN	SCDLAZMA	Tier 2	
AZ	TUCSON MAIN	TCSNAZMA	Tier 2	

Transport Impairment



BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
DIECA COMMUNICATIONS DBA COVAD)
COMMUNICATIONS COMPANY, ESCHELON)
TELECOM OF ARIZONA, INC., MCLEODUSA)
TELECOMMUNICATIONS SERVICES, INC.,)
MOUNTAIN TELECOMMUNICATIONS, INC.,)
XO COMMUNICATIONS SERVICES, INC. AND)
QWEST CORPORATION REQUEST FOR)
COMMISSION PROCESS TO ADDRESS KEY)
UNE ISSUES ARISING FROM TRIENNIAL)
REVIEW REMAND ORDER, INCLUDING)
APPROVAL OF QWEST WIRE CENTER LISTS.)

DOCKET NO. T-03632A-06-0091
T-03267A-06-0091
T-04302A-06-0091
T-03406A-06-0091
T-03432A-06-0091
T-01051B-06-0091

STATE OF COLORADO)
COUNTY OF DENVER)

AFFIDAVIT OF
RENEE ALBERSHEIM

SS

Renee Albersheim, of lawful age being first duly sworn, deposes and states:

1. My name is Renee Albersheim. I am a Staff Witnessing Representative – for Qwest Services Corporation in Denver, Colorado. I have caused to be filed written direct testimony in Docket Nos. T-03632A-06-0091, T-03267A-06-0091, T-04302A-06-0091, T-03406A-06-0091, T-03432A-06-0091, T-01051B-06-0091.
2. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Further affiant sayeth not.


Renee Albersheim

SUBSCRIBED AND SWORN to before me this 15 day of June, 2006.


Notary Public

My Commission Expires: 6-26-06

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
MARC SPITZER
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN MAYES

IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. T-03632A-06-0091
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APPROVAL OF QWEST WIRE CENTER LISTS)	

DIRECT TESTIMONY

OF

TERESA K. MILLION

QWEST CORPORATION

JUNE 23, 2006

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EXECUTIVE SUMMARY

My name is Teresa K. Million. I am employed by Qwest Services Corporation, parent company of Qwest Corporation ("Qwest"), as a Staff Director in the Public Policy organization and I am testifying on behalf of Qwest. In my testimony, I describe the work activities that Qwest must perform in the conversion of an Unbundled Network Element ("UNE") circuit to a private line circuit. Qwest is required to perform these work activities in order to transition circuits purchased by Competitive Local Exchange Carriers ("CLECs") from a UNE circuit to a private line circuit. This activity will take place in wire centers where the FCC-ordered criteria has shown that CLECs are not "impaired" without access to DS1 or DS3 UNE loops, or DS1 or DS3 inter-office transport.

Qwest advocates the use of the existing tariff charge which best approximates the costs that Qwest will incur when performing the conversion work activities. Qwest is asking the Commission to recognize that Qwest will incur costs when performing the UNE-to-private line circuit conversions, is entitled to recovery of those costs, and thus has a right to assess such a charge for the work that it performs.

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I. IDENTIFICATION OF WITNESS

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION WITH QWEST.

A. My name is Teresa K. Million. I am employed by Qwest Services Corporation, parent company of Qwest Corporation ("Qwest"), as a Staff Director in the Public Policy organization. In this position, I am responsible for directing the preparation of cost studies and representing Qwest's costs in a variety of regulatory proceedings. My business address is 1801 California St., Room 4700, Denver, Colorado.

Q. PLEASE DESCRIBE YOUR EDUCATION BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. I received a Juris Doctor from the University of Denver, College of Law in 1994 and am licensed to practice law in Colorado. I also have a Master of Business Administration from Creighton University and a degree in Animal Science from the University of Arizona.

I have more than 22 years experience in the telecommunications industry with an emphasis in tax and regulatory compliance. I began my career with Qwest (formerly Northwestern Bell Telephone Company and then U S

1 WEST, Inc.) in 1983. Between 1983 and 1986, I administered Shared
2 Network Facilities Agreements between Northwestern Bell and AT&T that
3 emanated from the divestiture of the Bell System in 1984. I held a variety
4 of positions within the U S WEST, Inc. tax department over the next ten
5 years, including tax accounting, audit, and state and federal tax research
6 and planning. In 1997, I assumed a position that had responsibility for
7 affiliate transactions compliance, specifically compliance with section 272
8 of the Telecommunications Act of 1996 (the "Act"). 47 U.S.C. § 272. In
9 September 1999, I began my current assignment as a cost witness. In
10 this position, I am responsible for managing cost issues, developing cost
11 methods and representing Qwest in proceedings before regulatory
12 commissions.

13 **II. PURPOSE OF TESTIMONY**
14

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

16 A. I have been called upon as a cost expert to describe the work activities
17 that Qwest undertakes in converting a UNE circuit to a private line circuit.
18 Qwest performs these work activities in transitioning circuits that must be
19 converted from UNEs to private line circuits in wire centers that the FCC
20 has deemed "non-impaired." Qwest will utilize a Nonrecurring Charge

1 ("NRC") to recover the costs that it incurs when implementing these
2 conversions.

3 **III. NONRECURRING COSTS**

4
5 **Q. IS QWEST ENTITLED TO CHARGE CLECs FOR THE**
6 **NONRECURRING COSTS OF CONVERTING CIRCUITS FROM UNEs**
7 **TO PRIVATE LINE SERVICES?**

8 A. Yes. Qwest incurs costs in the process of converting UNE transport or
9 high-capacity loops to alternative facilities and arrangements and
10 therefore should be permitted to assess an appropriate tariffed charge. In
11 the case of the conversions of UNEs to alternative facilities, *but for* the
12 conversion, Qwest would not have to incur the costs of performing the
13 associated tasks.

14
15 **Q. DO CLECs HAVE A CHOICE OTHER THAN TO CONVERT THEIR UNE**
16 **CIRCUITS TO QWEST PRIVATE LINE SERVICES?**

17 A. Absolutely. For wire centers that the FCC has determined to be non-
18 impaired, Qwest is no longer required to provide access to DS1 or DS3
19 UNE loops, or DS1 or DS3 inter-office transport. In making such a
20 determination, the FCC has found that sufficient alternatives are available

1 to CLECs in the affected wire centers to preclude CLEC reliance on ILEC
2 facilities in order to maintain a competitive marketplace. What this means
3 is that for such affected wire centers, CLECs have facilities available to
4 them from other carriers, or they have the ability to construct their own
5 facilities, thereby making reliance on Qwest's DS1 and DS3 UNEs
6 unnecessary. Therefore, if a CLEC remains on Qwest's facilities, rather
7 than disconnecting the UNEs and availing itself of alternative facilities, it
8 necessarily does so because it has evidently determined that converting to
9 Qwest's private line service is the most economic choice among the
10 available alternatives. However, if Qwest were not allowed to charge the
11 CLEC for its costs to perform the conversion, the CLEC's economic
12 assessment of the alternatives would be distorted, possibly leading it to
13 choose Qwest's facilities in situations where another alternative, such as
14 building its own facilities, is more economically sustainable. In addition, if
15 Qwest performs the activities associated with a conversion, but is not
16 allowed to charge the CLEC for such activities, the cost burden is shifted
17 to Qwest's end-user customers, placing Qwest at a disadvantage in a
18 marketplace which the FCC determined to be competitive. Thus, to the
19 extent that Qwest incurs costs to facilitate the CLEC's conversion from a
20 UNE to a private line service, Qwest should be entitled to assess an

1 appropriate charge.

2

3 **Q. WHAT STEPS ARE INVOLVED IN THE PROCESS OF CONVERTING A**
4 **UNE CIRCUIT TO A SPECIAL ACCESS/PRIVATE LINE CIRCUIT?**

5 A. The conversion of a UNE circuit to a special private line circuit involves
6 three functional areas within Qwest's ordering and provisioning
7 organizations. The personnel within these three functional areas involved
8 with a conversion are: (1) the Service Delivery Coordinator ("SDC"), (2)
9 the Designer and (3) the Service Delivery Implementor. Within each of
10 these three job functions, there are a variety of steps that Qwest must
11 undertake to assure itself that the data for the converted circuit is
12 accurately recorded in the appropriate systems.

13 First, the SDC must review and confirm the data in the Access Service
14 Request ("ASR") and assure that the data is accurately transferred into
15 two service orders required to change billing from the Customer Record
16 and Information System ("CRIS") billing system to the Integrated Access
17 Billing System ("IABS") billing system.¹ The SDC is the primary contact for

¹ An ASR is an industry-standard order form used by a carrier, such as a CLEC, for the ordering of a carrier-to-carrier service. The CRIS billing system is used for the majority of residential and business account bills for exchange services. It calculates, prints, and mails bills to individual retail end-user customers for retail products, and to CLECs for some interconnect (wholesale) products. The IABS billing system is focused on access or facility-driven billing,

1 the CLEC, and he/she provides the CLEC end-to-end order coordination
2 from request to order completion. In addition, the SDC must change the
3 circuit identifier ("circuit ID") to reflect the fact that the circuit will now be
4 recognized as a private line rather than a UNE circuit once the order is
5 complete.² Finally, the SDC must check the accuracy of Work Force
6 Administration ("WFA") and Service Order Assignment Control ("SOAC")
7 data.³

8 The Designer reviews and validates the circuit design and assures that the
9 design records for the converted circuit match the current UNE circuit, as
10 well as that no physical changes to the circuit are needed. The Designer
11 also reviews the circuit inventory in the Trunk Integrated Record Keeping

whose functionality includes switched and special service orders, meet-point billing, mechanized adjustments for interexchange carriers and other facilities-based CLEC accounts.

² The circuit ID is an alpha/numeric identifier whose sequence of letters and numbers define the characteristics of a particular circuit and which indicates attributes of the circuit, such as the LATA and jurisdiction, as well as the type of circuit, service code and service modifiers. In addition, the circuit ID contains a serial number for the circuit to ensure that no duplication occurs, and an identifier for the region in which the circuit is physically located. The circuit ID follows Telcordia standards and allows lower-level tracking for maintenance and reporting purposes.

³ WFA is a mechanized system which supports and simplifies the coordination, tracking, pricing, and assigning of work requests, while SOAC is a Telcordia system that controls the flow of service order activity from Qwest service order processors ("SOPs") to other "downstream" systems. Based on the service order input, SOAC determines which operations systems need to be involved in activating service, and provides instructions and sequencing to those operations systems.

1 System ("TIRKS") database to ensure accuracy and database integrity.⁴
2 This effort assists other Qwest departments that are "downstream" from
3 the Designer to ensure that there is no service interruption for the CLEC's
4 end-user customer.

5 Finally, the Service Delivery Implementer has overall control for order
6 provisioning. He/she verifies the Record-In and Record-out orders and
7 completes the update of the circuit orders in the WFA system.⁵

8

9 **Q. WHY MUST THE "CIRCUIT ID" BE CHANGED WHEN CONVERTING A**
10 **UNE TO A PRIVATE LINE CIRCUIT?**

11 A. Federal Communications Commission ("FCC") rules require that
12 telephone carriers accurately maintain records that track inventories of
13 circuits. Specifically, 47 C.F.R. 32.12(b) and (c) provides as follows:

14 (b) The company's financial records shall be kept with sufficient
15 particularity to show fully the facts pertaining to all entries in these
16 accounts. The detail records shall be filed in such manner as to be
17 readily accessible for examination by representatives of this
18 Commission.

⁴ The TIRKS database is a Telcordia application that tracks and inventories central office and outside plant facilities. TIRKS contains the inventory information to update equipment components, frame data, circuit assignments, and other data related to telephone equipment.

⁵ Record-In and Record-out orders are the in- and out-service orders that establish the "new" private line service for the CLEC and that disconnect the existing UNE by moving the circuit data from one billing system to another. These in- and out-service orders also reflect the updated circuit data for all the various databases which track circuit status/activity.

1 (c) The Commission shall require a company to maintain financial and
2 other subsidiary records in such a manner that specific information,
3 of a type not warranting disclosure as an account or subaccount,
4 will be readily available. When this occurs, or where the full
5 information is not otherwise recorded in the general books, the
6 subsidiary records shall be maintained sufficient detail to facilitate
7 the reporting of the required specific information. The subsidiary
8 records, in which the full details are shown, shall be sufficiently
9 referenced to permit ready identification and examination by
10 representatives of this Commission [FCC].

11 Thus, Qwest is required to maintain subsidiary records in sufficient detail
12 to align specific circuits with the billing, accounting, and jurisdictional
13 reporting requirements related to the services that these circuits support.
14 These subsidiary records include cable engineering and assignment
15 records, one of which is the circuit identification. In order to sufficiently
16 maintain its subsidiary records to support its accounting for UNEs versus
17 its private line services, Qwest must have accurate circuit identifiers that
18 properly track circuits separately.

19 In addition, the unique circuit ID is maintained as a means of measuring
20 the different *service performance requirements* that apply to UNEs and
21 private line services. For example, UNEs are measured using the
22 "PID/PAP" methodologies established in each of the states during the
23 Section 271 approval process prior to Qwest's re-entry into the interLATA
24 long distance market pursuant to section 271 of the Telecommunications

1 Act of 1996.⁶

2

3 **Q. IS QWEST'S PROCESS FOR CONVERTING A UNE CIRCUIT TO A**
4 **PRIVATE LINE CIRCUIT TRANSPARENT TO THE CUSTOMER?**

5 A. Yes. The process that Qwest has established for converting UNE circuits to
6 private lines is specifically designed to *ensure* that the conversion is
7 transparent to both the end-user customer and the CLEC serving that
8 customer. However, it is important to note that this particular process
9 comes with a cost. Because of the change in the nature of these circuits
10 from UNE products to private line services, and because these circuits are
11 billed, inventoried and maintained differently in Qwest's systems, Qwest
12 must process them as an "order-out" and an "order-in," and thus change the
13 circuit identifiers ("circuit IDs") to move them from one product category to
14 the other. Circuit IDs identify in a number of Qwest's systems, the TIRKS
15 database and the WFA system, among other things, whether a circuit is a
16 UNE or a private line, what type of testing parameters apply, and which

⁶ "PIDs" are Performance Indicator Definitions, which are measures that provide an objective method to judge Qwest's ability to provide wholesale services. The "PAP," or Performance Assurance Plan (also known as the "QPAP"), provides a series of key measures designed to assure CLECs and regulatory bodies of Qwest's commitments to performance in key areas as determined by the PIDs. Each state commission in Qwest's 14-state ILEC region oversees its own PAP, and enforces each of the five functional areas (including electronic gateway availability, pre-order/order, ordering and provisioning, maintenance and repair, and billing) and approximately 41 PIDs that make up the PAP.

1 maintenance and repair center is responsible for that circuit.

2 In order to ensure that the conversion process is transparent to the CLEC
3 and its customers' services, Qwest interjects a number of manual activities
4 into the process so that certain automated steps do not occur that could
5 otherwise result in disruption of those services. The purpose of many of the
6 tasks included in the conversion process is to avoid placing the CLECs'
7 end-user customers at risk. To date, after more than 500 conversions
8 involving this type of circuit ID change Qwest is not aware of any complaints
9 from CLECs about customers whose service has been disrupted by this
10 conversion process.

11

12 **Q. IS QWEST'S CONVERSION OF UNES TO PRIVATE LINE CIRCUITS**
13 **REQUIRED BY THE TRRO?**

14 A. Yes. For wire centers that the FCC has deemed to be "non-impaired,"
15 Qwest is no longer required to provide access to DS1 or DS3 UNE loops or
16 inter-office transport. This FCC determination in the TRRO means that
17 Qwest is no longer required to price these services at Total Element Long
18 Run Incremental Cost ("TELRIC") costs. UNEs are priced at TELRIC costs,
19 and thus, in order for Qwest to be able to price these services at something
20 other than TELRIC, as the TRRO entitles it to do, it is necessary for Qwest

1 to convert them to private line services. What this means from an
2 operational standpoint is that if a CLEC remains on Qwest's facilities at the
3 affected wire centers (instead of disconnecting the UNEs and availing itself
4 of alternative facilities), Qwest must convert those UNEs to private line
5 services. If Qwest were not allowed to convert the UNE circuits to private
6 line circuits, the FCC's non-impairment findings in the *TRRO* would be
7 rendered essentially meaningless. In addition, if Qwest were to perform the
8 activities associated with a conversion, but were not allowed to charge the
9 CLEC for those activities, the cost burden would be unfairly shifted to Qwest
10 and its end-user customers, thereby placing Qwest at a disadvantage in a
11 marketplace which the FCC has determined to be competitive. Thus, to the
12 extent that Qwest incurs costs to facilitate the CLEC's conversion from a
13 UNE to a private line service, Qwest should be entitled to assess an
14 appropriate charge.

15

16 **Q. WHY IS QWEST ADVOCATING THE USE OF THE DESIGN CHANGE**
17 **CHARGE INSTEAD OF A UNIQUE CHARGE FOR THE UNE-TO-**
18 **PRIVATE LINE CONVERSION PROCESS?**

19 **A.** The Design Change charge involves functional areas and work tasks that
20 are similar to those associated with the conversion of a UNE to a private

1 line service or facility. In addition, it provides a conservative estimate of
2 the costs that Qwest will incur when converting CLEC high-capacity loop
3 and transport UNEs to their private line counterparts. The existing Design
4 Change charge reflects the costs and activities associated with Qwest
5 personnel reviewing ASRs, communicating with CLECs and intra-
6 company contacts, validating rates and billing systems, checking WFA
7 and completing the service orders in Qwest's various billing and tracking
8 systems. Similar activities take place when Qwest processes the orders
9 for the conversion of a UNE to a private line circuit. Due to the systems
10 involved in the separate tracking of UNE and private line services, as well
11 as the additional manual efforts that Qwest undertakes to ensure there are
12 no service disruptions for CLEC customers, the UNE-to-private line
13 conversion orders are typically more costly to process than a typical
14 Design Change. The use of the existing Design Change charge avoids
15 the complexity of adding a new charge to Qwest's billing systems, and
16 gives CLECs the benefit of a very conservative charge when compared
17 with the actual activities that Qwest undertakes during this conversion
18 process.

19

20 **Q. SHOULDN'T QWEST'S CHARGE FOR A UNE-TO-PRIVATE LINE**

1 **CONVERSION BE THE SAME AS ITS TELRIC RATE FOR A PRIVATE**
2 **LINE-TO-UNE CONVERSION?**

3 A. No. First, assigning a TELRIC rate for the nonrecurring charge associated
4 with a tariffed *interstate* private line service would be both an inappropriate
5 application of TELRIC rates and outside the scope of this Commission's
6 jurisdiction. Nonrecurring TELRIC charges should only be associated with
7 the establishment of UNE products. In this case, the product being
8 established is a tariffed private line service. Second, the TELRIC rates are
9 for a conversion process that did not anticipate the need to change circuit
10 IDs. It was only after the initial private line-to-UNE conversions took place
11 that Qwest discovered the difficulty it would face in properly tracking the
12 circuits in its systems unless the circuit IDs were required to be changed.
13 Qwest has an existing tariffed NRC that it is recommending as a reasonable
14 charge for converting the UNEs to private line circuits.

15

16 **Q. IS QWEST ASKING THIS COMMISSION TO ACKNOWLEDGE ITS**
17 **RIGHT TO ASSESS AN APPROPRIATE CHARGE FOR THE WORK IT**
18 **PERFORMS IN THE CONVERSION PROCESS?**

19 A. Yes. Qwest is demonstrating with this testimony the nature of the work
20 activities that it will perform in processing the conversions from UNEs to

1 private line circuits that will occur at those wire centers that the FCC has
2 deemed non-impaired. For the reasons stated above, Qwest believes that
3 its existing tariffed Design Change charge represents an appropriate
4 charge to CLECs for Qwest's processing of these conversions. Qwest
5 asks that this Commission acknowledge Qwest's right to assess such a
6 charge for the work that it performs.

7
8 **IV. CONCLUSION**

9
10 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

11 A. My testimony describes the work activities that Qwest must perform with
12 the conversion of a UNE circuit to a private line circuit, and provides the
13 Commission the rationale why Qwest should be allowed to recover its
14 costs for those activities. Qwest is required to perform these work
15 activities in order to transition circuits purchased by CLECs when a UNE is
16 converted to a private line circuit. The FCC has determined that CLECs
17 are not impaired without access to DS1 and DS3 UNEs in these wire
18 centers, and this determination means that there are sufficient alternatives
19 to those UNEs, as well as to Qwest's private line services. If a CLEC uses
20 Qwest private line services and facilities, Qwest should be allowed to
21 charge the CLEC for the activities it undertakes to convert those circuits
22 from UNEs to private line services.

1

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

3 **A. Yes, it does.**

