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BEFORE THE ARIZONA CORPORATION CC

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman
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2006 OCT 13 P 2:11

AZ CORP COMMISSION
DOCUMENT CONTROL

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 REMAN ORDER, INCLUDING
APPROVAL OF QWEST WIRE CENTER
LISTS.

DOCKET NO. 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 ERRATA

Staff of the Arizona Corporation Commission ("Staff") hereby files the following Errata to
Armando Fimbres' Responsive Testimony filed on September 22, 2006.

Executive Summary Page:

8. The word "conversation" should be changed to read "conversion" in the first line of
the paragraph and the word "did" should be added after the word "Qwest" in the second line of the
paragraph.

9. The word "copies" should be added after the word "with" in the second line of the
paragraph.

Page 6, Line 14: Change the word "State" to "Staff."

Page 9, Line 11: Change the word "by" to "of."

Page 10, Line 4: Delete the word "an."

Page 10, Line 12: Add the word "to" after the word "weeks."

Page 15, Line 4: Change the word "mute" to "moot."

Page 17, Line 18: Delete the word "Since."

...

DOCKETED BY [initials]

OCT 13 2006

DOCKETED
Arizona Corporation Commission

1 Page 18, Line 1: Change the period to a comma after the word "equivalent" to read
2 "equivalent," and also change "immediate" to "immediately."

3 Page 18, Line 20: Add the word "when" after the word "that."

4 Page 18, Line 23: Add the words "change to the" before the word "physical."

5 Page 18, Line 25: Delete the words "not bear."

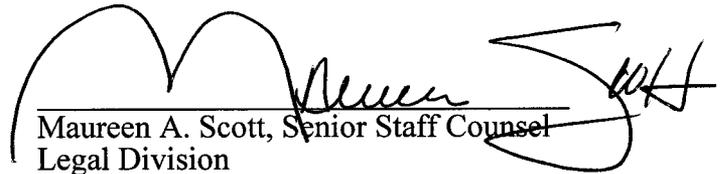
6 Page 20, Line 10: Change the word "conversation" to "conversion."

7 Page 20, Line 11: Add the word "did" before the word "when."

8 Page 20, Line 14: Add the word "copies" after the word "with."

9 Also, attached are the corrected pages to replace the pages originally filed.

10 RESPECTFULLY SUBMITTED this 13th day of October, 2006.

11
12
13 
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20 Original and thirteen (13) copies
21 of the foregoing were filed this
22 13th day of October, 2006 with:

23 Docket Control
24 Arizona Corporation Commission
25 1200 West Washington Street
26 Phoenix, Arizona 85007

27 Copies of the foregoing mailed this
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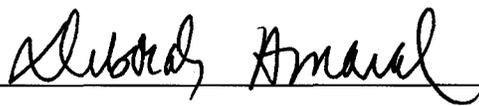
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EXECUTIVE SUMMARY

Staff Recommends:

1. The use of December 2004 ARMIS 43-08 data. Qwest should be required to provide its initial Non-Impaired Wire Center list and any additional information including Fiber-Based Collocator data and UNE data based upon year-end 2004 data within 30 days of a Commission order.
2. ARMIS business line count data should be used as reported to the FCC, with no adjustments.
3. CLEC residential and non-switched lines should be included in the UNE-loop data.
4. EELs should be included in the UNE-loop data.
5. Qwest should be allowed to block UNE orders only for wire centers on an approved Commission Non-Impaired Wire Center List.
6. Qwest and the Joint CLECs submit an interim UNE blocking process to Staff for approval within 60 days of a Commission order in this proceeding.
7. Qwest and the Joint CLECs utilize the Change Management Process to develop a permanent UNE blocking process to be implemented within 12 months of a Commission order in this proceeding.
8. Qwest should waive all conversion charges for converting UNE to private line circuits or its equivalent, similar to what Qwest did when it waived its conversion charges associated with UNE-P cutovers.
9. The process for future changes to Non-Impaired Wire Centers designations should be commenced by a Qwest petition to the Commission, with copies to the Joint CLECs and the Staff. Parties to the Commission proceeding should have 60 days to file comments on Qwest's petition and to request a hearing. The ALJ should issue a Recommended Opinion and Order for decision by the Commission.

1 **4. BUSINESS LINE COUNTS**

2 **Q. Do the Joint CLECs believe that Qwest inappropriately manipulates the ARMIS 43-**
3 **08 Business Line Count information?**

4 A. Yes. The Joint CLECs believe that - (1) Qwest manipulates its ARMIS data in a way that
5 overstates its own line counts; (2) Qwest erroneously includes CLEC residential and non-
6 switched lines in its switched business line count; and (3) Qwest inappropriately counts
7 DS1 and DS3 loops as total potential capacity rather than total capacity in use.” Issues 1
8 and 3 are related and pertain to Qwest’s decision to not use ARMIS 43-08 data exactly as
9 reported to the FCC. Issue 2 pertains to the inclusion of all UNE loops rather than just
10 those serving only business accounts.

11
12 **Q. Do other State Commissions and the RBOCs agree on the adjustment of the ARMIS**
13 **43-08 information?**

14 A. Information which Staff has reviewed indicates that at least seven State Commissions
15 have issued orders supporting the use of ARMIS 43-08 information exactly as reported.
16 BellSouth and Qwest support adjustment of the ARMIS 43-08 data while Verizon and
17 AT&T (SBC) support use of ARMIS 43-08 data as reported.

18
19 **Q. What is Staff’s position regarding the adjustment of ARMIS 43-08 data, as done by**
20 **Qwest?**

21 A. Staff’s review of the ARMIS 43-08 instructions and the TRRO leads it to believe that the
22 use of ARMIS 43-08 data exactly as reported is consistent with the TRRO requirements.
23 The FCC appeared to support “...a simplified ability to obtain the necessary
24 information...”² and the simplest approach is to use data exactly as reported in ARMIS

² Direct Testimony Of David L. Teitzel, Qwest Corporation, June 23, 2006, page 5, line 9.

1 **Q. Are there differences of interpretation Qwest and the Joint CLECs on the FCC's**
2 **TRRO Fber-Based Collocator guidelines?**

3 A. Yes. The Joint CLECs object to the information used to determine Fiber-Based
4 Collocators including the information contained in Qwest's internal databases as well as
5 the information derived by Qwest through its field verification process.

6
7 **Q. Can you summarize the five areas of objections raised by the Joint CLECs?**

8 A. Yes. The Joint CLECs have concerns⁶ about (1) Qwest communications with Fiber-Based
9 Collocators (2) communications sent by Qwest to its field personnel, (3) the validity of
10 Qwest field verification information, (4) incorrect inclusion by Qwest CLEC-to-CLEC
11 connections as part Fiber-Based Collocators, and (5) inclusion by Qwest of affiliated
12 companies as separate Fiber-Based Collocators.

13
14 **Q. Are Qwest's internal Fiber-Based Collocator databases accurate?**

15 A. Qwest internal databases are accurate to the degree that information is entered properly
16 and, thereafter, updated, maintained and protected properly. Staff recognizes that
17 information provided to Qwest by any external party can become outdated through the
18 reorganization of such parties, e.g., mergers and acquisitions, and are even subject to
19 errors or misunderstandings at many points in the submission and entry processes that
20 require feedback from the information owners to correct the information. As the Joint
21 CLECs and Qwest represent in their respective testimony, the validity of the Fiber-Based
22 Collocator information is critical for an accurate and confident determination of Non-
23 Impaired Wire Centers. Had Qwest not voluntarily undertaken its verification steps, either
24 the Joint CLECs or Staff would likely have found need for such steps.

⁶ Testimony Of Douglas Denney On Behalf The Joint CLECs, July 28, 2006, pages 10 – 15.

1 **Q. Since Qwest undertook verification steps, why do the Joint CLECs still have**
2 **objections in this area?**

3 A. In querying the Fiber-Based Collocators identified in Qwest's databases, the Joint CLECs
4 believe that the two weeks given by Qwest to Collocators to respond was inadequate.
5 Qwest counted all non-respondents as positive confirmation of the collocator status
6 reflected in Qwest's databases. The inadequate response time casts doubt upon the
7 validity of the results of Qwest's field verification.

8
9 **Q. What is Staff's position regarding Qwest's method of requesting feedback from**
10 **CLECs?**

11 A. Staff believes two weeks is simply inadequate. Staff recommends that CLECs have 60
12 days to respond rather than two weeks to alleviate any concerns in this area.

13
14 **Q. Do the Joint CLECs disagree with the field verification methodology used by Qwest**
15 **to confirm the Fiber-Based Collocators?**

16 A. Yes. The Joint CLECs are concerned about the communications⁷ sent by Qwest
17 management to Qwest field personnel and offer examples of events in Colorado and
18 Minnesota intended to support their concern regarding Qwest's field verification results in
19 Arizona.

20
21 Staff believes the Confidential communications by Qwest management to Qwest field
22 personnel does not merit the concern raised by the Joint CLECs. Staff finds the letter to
23 be clear and direct. That Qwest provides an explanation of the TRRO guidelines
24 pertaining to Non-Impaired Wire Centers to field personnel is not unreasonable.

⁷ Direct Testimony Of Rachel Torrence, Qwest Corporation, June 23, 2006, Confidential Exhibit, RT-5.

1 (5) Staff recommends transition from UNEs to alternative services occur within 90 days of
2 a Commission decision.

3
4 (6) The issue of back billing is made moot by Staff's position in point 5, above.

5
6 **Q. Does Staff have any concerns regarding the blocking of UNE orders by Qwest in wire**
7 **centers under review?**

8 A. No. Staff has no concerns for wire centers under review. As Ms. Albersheim states at
9 page 18 of her testimony, "Qwest will only block orders for UNEs in wire centers the
10 Commission has formally designated as being non-impaired. If non-impairment status is
11 under dispute, Qwest will not block orders for UNEs until the dispute is resolved and non-
12 impairment in the wire center becomes effective."

13
14 Staff agrees with the Joint CLECs, however, that Qwest's statement highlights the
15 importance of a Non-Impaired Wire Center update process that provides sufficient notice
16 for all parties to participate reasonably. Staff agrees as the Joint CLECs state on page 45
17 of their testimony – "The ability to block a competitor's orders is an extremely potent anti-
18 competitive weapon. By blocking CLEC orders, Qwest can bring a CLEC's business to a
19 stop."

20
21 **Q. Does Staff have any concerns regarding the blocking of UNE orders by Qwest in wire**
22 **centers that have already been reviewed?**

23 A. The concern, as expressed by the Joint CLECs on pages 50 - 54 of their testimony, is
24 much broader than Staff understands Qwest's intentions. Under no conditions does Staff
25 support the unilateral blocking of UNE orders in wire center under dispute for designation

1 **Q. Does Staff agree with Qwest's portrayal of the conversion process and its associated**
2 **costs?**

3 A. Staff understands that the basic reason for the conversion process and associated costs
4 described by Qwest is the need to change from the CRIS billing system to the IABS
5 billing system. The Joint CLECs, however, counter that the conversion process, and
6 associated costs, is "for the convenience of Qwest, at the inconvenience of the CLECs and
7 at risk to the end user customer (of the CLECs)"¹⁷.

8
9 **Q. At page 4, lines 12 – 14, Qwest states "However, if Qwest were not allowed to charge**
10 **the CLEC for its costs to perform the conversion, the CLEC's economic assessment**
11 **of the alternatives would be distorted, possibly leading it to choose Qwest's facilities**
12 **in situations where another alternative, such as building its own facilities, is more**
13 **economically sustainable." What is Staff's opinion?**

14 A. Qwest's attempt to defend potential conversion charges by representing benefits to the
15 CLECs is puzzling. Non-recurring charges capable of distorting the CLECs' economic
16 assessment of alternatives would have to equal hundreds or even thousands of dollars,
17 presumably per circuit – difficult levels to cost justify for conversions that require no
18 physical service changes. Ms. Million provides no examples of recurring charges in her
19 testimony.

20
21 **Q. Does Staff believe any party other than Qwest benefits from the UNE to private line**
22 **circuit (or its equivalent) conversion?**

23 A. No. The benefits, a fall-out of Non-Impaired Wire Centers designations by the
24 Commission, seem clearly to the benefit of Qwest. If UNEs, today, are being provided at

¹⁷ Testimony Of Douglas Denney On Behalf The Joint CLECs, July 28, 2006, page 64, lines 6 - 7.

1 prices below those of private line circuits or their equivalent, Qwest immediately gains a
2 margin benefit in all Non-Impaired Wire Centers designated by the Commission.

3
4 **Q. What is Staff's reaction to the UNE to private line circuit, or its equivalent,**
5 **conversion process described by Ms. Million beginning at page 5?**

6 **A.** If there is no physical change in a UNE to private line circuit, or its equivalent, conversion
7 or no value-added service improvements, then the changes must be for reasons other than
8 end-user service.

9
10 Qwest believes its charges are justified by a need to move billing from CRIS to IABS.
11 The move, however, is driven by Qwest's billing needs, not the service needs of UNE
12 customers destined to be private line circuit or their equivalent customers.

13
14 Qwest also states it must change the circuit identifier ("circuit ID") to reflect the
15 conversion but, yet once again, Qwest identifies no associated change in services or
16 facilities for customers converting from UNEs to private lines or their equivalent so there
17 appears to be no value gained by the CLECs. CLECs also express a concern that the
18 change in circuit IDs has the potential to cause outages to CLEC customers.

19
20 Qwest also argues that when the conversion process is initiated several manual steps are
21 involved requiring associated quality control checks, such as reviewing the accuracy of
22 Work Force Administration ("WFA") and Service Order Assignment Control ("SOAC").
23 The relevance to the Joint CLECs of these manual steps, where no change to the physical
24 service is being made to the service offering, is not apparent to Staff. Information, once
25 validated for UNE circuits, should remain valid.

- 1 3. CLEC residential and non-switched lines should be included in the UNE-loop data.
- 2 4. EELs should be included in the UNE-loop data.\Qwest should be allowed to block
- 3 5. UNE orders only for wire centers on an approved Commission Non-Impaired Wire
- 4 Center List.
- 5 6. Qwest and the Joint CLECs submit an interim UNE blocking process to Staff for
- 6 approval within 60 days of a Commission order in this proceeding.
- 7 7. Qwest and the Joint CLECs utilize the Change Management Process to develop a
- 8 permanent UNE blocking process to be implemented within 12 months of a
- 9 Commission order in this proceeding.
- 10 8. Qwest should waive all conversion charges for converting UNE to private line circuits
- 11 or its equivalent, similar to what Qwest did when it waived its conversion charges
- 12 associated with UNE-P cutovers.
- 13 9. The process for future changes to Non-Impaired Wire Centers designations should be
- 14 commenced by a Qwest petition to the Commission, with copies to the Joint CLECs
- 15 and the Staff. Parties to the Commission proceeding should have 60 days to file
- 16 comments on Qwest's petition and to request a hearing. The ALJ should issue a
- 17 Recommended Opinion and Order for decision by the Commission.

18
19 **Q. Has Staff had an opportunity to review the most current ARMIS data?**

20 A. No. Until the Commission decides which data to use Staff did not believe it to be
21 productive to review the information at this time for the purpose of determining the initial
22 Non-Impaired Wire Center list.

23
24 **Q. Does this conclude your Testimony?**

25 A. Yes, it does.