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

**DOCKET NO. T-00000A-97-0238**

**IN THE MATTER OF QWEST  
CORPORATION'S COMPLIANCE WITH  
SECTION 252(e) OF THE  
TELECOMMUNICATIONS ACT OF 1996.**

**DOCKET NO. RT-00000F-02-0271**

**ARIZONA CORPORATION COMMISSION,**  
  
**Complainant**

**DOCKET NO. T-01051B-02-0871**

v.

**QWEST CORPORATION,**

**Respondent.**

Arizona Corporation Commission  
**DOCKETED**  
MAY 29 2008

DOCKETED BY *nr*

**COMPLIANCE FILING**

Qwest files the attached final annual (2007-2008) and cumulative three year report regarding Cost Docket Monitoring (the "Final Report"), prepared by independent monitor V.B. Howard & Associates, LLC (the "Consultant"), in compliance with Decision No. 66949.

By its Opinion and Order in Decision No. 66949, the Arizona Corporation Commission adopted the Settlement Agreement between Qwest Corporation ("Qwest") and the Arizona

1 Corporation Commission Staff (Exhibit A to Decision No. 66949). The Order and the  
2 Settlement Agreement required Qwest to pay for an independent, third party monitor to be  
3 approved by Staff to conduct an annual review of Qwest's Wholesale Agreement Review  
4 Committee for a period of three years. (See, ordering clause, pp. 56, line 28 through p. 57, lines  
5 1-2, Decision No. 66949, and paragraph 12, Settlement Agreement, which is Exhibit A to  
6 Decision No. 66949.) The independent third party consultant approved by the Staff was V.B.  
7 Howard & Associates, LLC., who undertook and has completed the three-year long monitoring  
8 within an agreed-upon scope of work.

9 The Consultant's Final Report which is filed today "is the final of three reports issued by  
10 the Consultant and is cumulative." (Final Report, p.2). The prior reports were issued in April  
11 2006 and April, 2007, and delivered to the Staff at those times. The Final Report, however, is  
12 cumulative, repeating the findings and conclusions of the two previous reports.

13 The Final Report contains the following conclusions concerning Qwest's wholesale rate  
14 implementation processes:

- 15 1. "Qwest has made significant strides, both prior to and during this monitoring  
16 period, in addressing the concerns raised by the ACC." (Final Report, p. 3).
- 17 2. "The Consultant does not find process deficiencies existing within Qwest Public  
18 Policy that would necessarily jeopardize meeting a 30-day timeframe for cost  
19 docket implementation." (*Id.*).
- 20 3. "The Consultant commends Qwest Wholesale Service Delivery for implementing  
21 and continuing to refine the COMA system. The Consultant has no issues at this  
22 time with the operation and functionality of COMA[.]" (*Id.*).
- 23 4. "There are a number of recommendations ancillary to COMA itself. Once again,  
24 the Consultant does not find process deficiencies existing within Wholesale  
25 Service Delivery that would necessarily jeopardize required cost docket  
26 implementation timeframes. (*Id.*).

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5. "In conclusion, the Consultant believes that Qwest has completed all steps necessary to ensure that cost docket implementation timelines requirements outlined by the Arizona Corporation Commission will be fulfilled now and in the future." (*Id.*).

RESPECTFULLY SUBMITTED this 29<sup>th</sup> day of May, 2008.

QWEST CORPORATION

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## **Cost Docket Monitoring**

# **2007-2008 ANNUAL REPORT**

**Prepared For**

**The Arizona Corporation Commission**

**By**

**V.B. Howard & Associates, LLC**

**April 27, 2008**

**V.B. Howard & Associates, LLC**

## I. Introduction

Pursuant to the Settlement Agreement found in Docket No. T-00000A-97-0238 ET AL Decision No. 66949, V.B. Howard & Associates, LLC (“the Consultant”) was selected to fulfill two functions specified within the Agreement. Section 12 of the docket describes the ongoing assessment of Qwest’s wholesale rate implementation processes and Section 13 describes the Qwest Cost Docket Governance Team with whom the Consultant, in the monitoring role, interfaces on a regular basis. Specific Consultant activities were further defined in an Exhibit A entitled “Wholesale Cost Docket Implementation Independent Monitor’s Scope of Work”.

The specific activities of the Consultant were discussed and agreed upon during a teleconference between the Consultant, Qwest representatives, and Arizona Corporation Commission (“ACC”) representatives held on August 24, 2005. The actual interview and assessment process began on August 8, 2005 on a teleconference with Qwest and concludes with the issuance of this report.

Section II of this report summarizes the Consultant’s findings and conclusions.

Section III addresses the assessment of Qwest’s wholesale rate implementation processes.

During the lifespan of this monitoring activity, cost docket activity has been limited to the states of Wyoming, New Mexico and, on a limited basis, Nebraska. Monitoring activities and observations are reported in Section IV of this report.

This report is the final of three reports issued by the Consultant and is cumulative. The prior reports were issued in April 2006 and April 2007.

## II. In Summary

The ACC cites within Docket No. T-00000A-97-0238 ET AL Decision No. 66949 “that Qwest’s wholesale rate change system is unreasonably slow and inefficient” and “recommended that Qwest implement billing and systems process changes that will allow it to implement wholesale rates within 30 business days”. It is further noted that Item 50 under “Findings of Fact” states that “Qwest’s wholesale rate change system in effect at the time of Decision No. 64922 was unreasonably slow and inefficient”.

Qwest has made significant strides, both prior to and during this monitoring period, in addressing the concerns raised by the ACC. Qwest continued to make process changes within Qwest Public Policy, Contract Development & Services (CD & S), and Wholesale Service Delivery ensuring that investments in systems improvements, primarily enhancements to Contract Management (COMA), are appropriately utilized.

The Consultant does not find process deficiencies existing within Qwest Public Policy that would necessarily jeopardize meeting a 30-day timeframe for cost docket implementation. The Consultant’s recommendations are intended to promote increased accuracy, efficiency and standardization within Public Policy processes relative to cost docket implementation.

The Consultant commends Qwest Wholesale Service Delivery for implementing and continuing to refine the COMA system. The Consultant has no issues at this time with the operation and functionality of COMA, a position made more significant by the Consultant’s history of involvement with Qwest in this functional area on a periodic basis since 2000. The Consultant believes that the continued use and administration of COMA, in both cost docket and non-cost docket rate change scenarios, is vital to meeting required cost docket implementation timeframes.

There are a number of recommendations ancillary to COMA itself. Once again, the Consultant does not find process deficiencies existing within Wholesale Service Delivery that would necessarily jeopardize required cost docket implementation timeframes. The Consultant’s recommendations are intended to promote increased accuracy, efficiency and standardization within Wholesale Service Delivery and within contract-related processes, systems, and functional areas relative to wholesale rate maintenance activities; activities which both directly and indirectly affect cost docket implementation.

Qwest responses to recommendations made during the monitoring period along with specific action items are documented chronologically in this report.

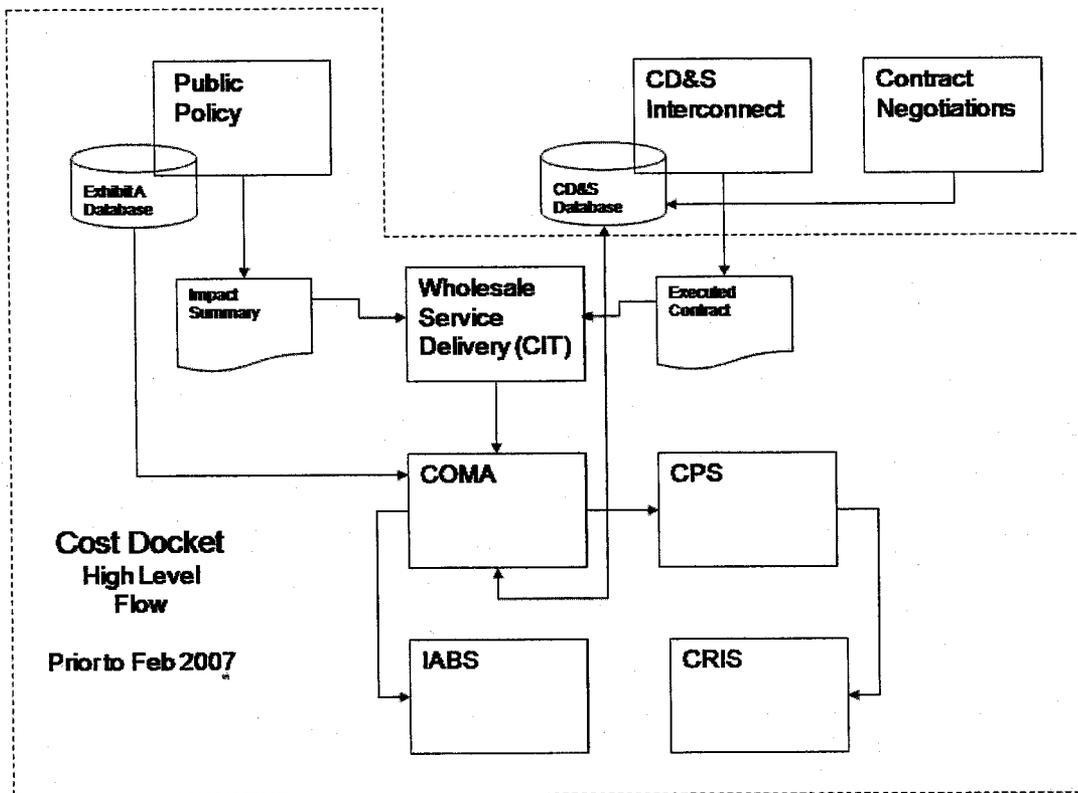
In conclusion, the Consultant believes that Qwest has completed all steps necessary to ensure that cost docket implementation timeliness requirements outlined by the Arizona Corporation Commission will be fulfilled now and in the future.

### III. Wholesale Rate Implementation Process Assessment

#### A. Overview

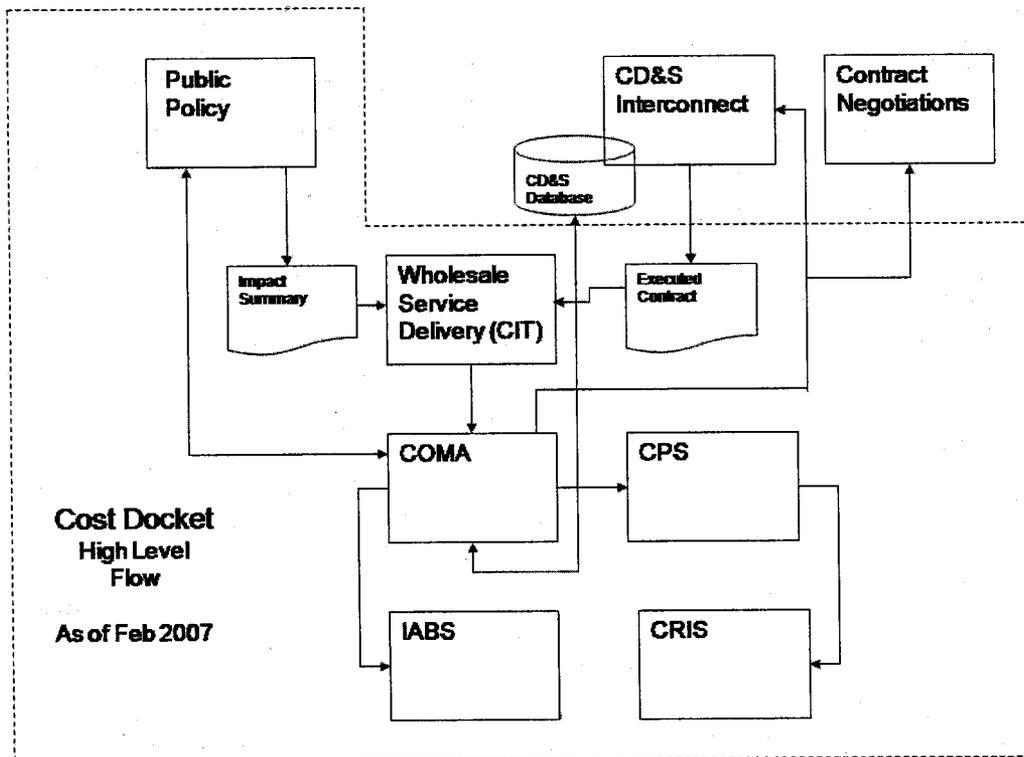
This Consultant, in a prior role as a Testing Manager for KPMG Consulting, Inc. (now BearingPoint, Inc.) during the 1996 Telecommunication Act – Section 271 Compliance Operation Support System (OSS) Testing effort during 2000 and 2001, reviewed, in detail, the wholesale rate maintenance implementation processes utilized during this period. This review was deemed necessary due to the number of rating errors which occurred during the test period.

Qwest provided the Consultant written documentation of current and prior wholesale rate implementation processes and supporting systems in a package dated July 26, 2005. On-site interviews and process observations were conducted over a period of several months at both the Denver and Salt Lake City Qwest locations between August 2005 and December 2005. The processes reviewed and individuals interviewed provided clear insight into wholesale rate maintenance from its initiation within the Public Policy organization (for cost docket-driven changes) through the review and implementation processes within the Wholesale Customer Service organization culminating with the actual rate updates within the appropriate Qwest billing systems.



**A. Overview (continued)**

Qwest has implemented additional process and system changes throughout the monitoring period. One of the most significant changes allows Qwest Public Policy to work directly in COMA rather than the standalone Exhibit A database (which has been eliminated). Additionally, modifications to COMA allow CD&S to utilize COMA for rate sheet implementation and Contract Negotiations to utilize COMA for negotiations templates. This standardization directly affects cost docket implementations by improving the data quality of wholesale rate information.



Assessment commentary addresses two primary functional areas; Public Policy and Wholesale Customer Service Delivery (to include the Contract Implementation Team (CIT)). Wholesale rate maintenance resulting from cost docket activity is a subset of the universe of wholesale rate maintenance performed by the Wholesale Customer Service Delivery organization. The Consultant was required to review process and system changes in both standalone assessments and during actual cost docket implementations.

The Consultant monitored the implementation of Wyoming Cost Docket 70000-TA-04-1023 during the fall of 2006 and the two-phase implementation of New Mexico Cost Docket 05-00340-UT during the fall of 2007. Additionally the Consultant monitored the initial implementation meetings for Nebraska Application NUSF-50 3554/PI-112 which was scheduled for implementation in July 2008; now waived pending a district court decision on an implementation date or possible cancellation.

## B. Public Policy

Public Policy supports several categories of cost-docket related activity:

- Prior to filing a cost docket, Public Policy coordinates the preparation, review, and approval of cost studies based on state-specific requirements and instructions. Written testimony based upon the elements in the cost study is also included. Most cost dockets include these cost studies and supporting testimony when filed. Product teams are instructed to obtain any Universal Service Order Codes (USOCs) required for implementation.
- Once a cost docket is filed, Public Policy coordinates communication between Qwest and the affected regulatory body. Implementation summaries for affected lines of business (Wireline, Wireless, and Paging) are prepared and reviewed. Review meetings are scheduled to determine implementation impact and to surface implementation issues among the impacted Qwest wholesale and product organizations. Action items to resolve implementation issues are identified and assigned. This review meeting / action item cycle is observed to be iterative in nature (see Section III).
- Public Policy determines the appropriate course of action once a cost docket order is issued. In some cases, Qwest is able to proceed directly with implementation – in other cases, a compliance filing may be required to obtain final rate approval and an effective date. In this scenario, rates cannot be implemented until the compliance filing is approved.

The key document in the Public Policy cost docket process is the impact summary. This document, similar in format to the Exhibit A, contains the product and rate information affected by the cost docket order. The impact summary is the reference document for all internal meetings, the origination point of Exhibit A or negotiated interconnection agreement regulatory filings, the source document for information on the Qwest wholesale website<sup>1</sup>, and was, prior to February 2007, the source document for the Public Policy Exhibit A database. The Public Policy Exhibit A database, as of February 2007, is no longer being updated with impact summary information.

The Exhibit A database was, prior to February 2007, the source for extraction and implementation of wholesale rate maintenance by the CIT. It was the responsibility of Public Policy to ensure that the Exhibit A database was kept in synchronization with the impact summary through the iterative change and review cycle. There was a mechanical extraction of this data into the Contract Management (COMA) system coinciding with the delivery of the final impact summary to the CIT.

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<sup>1</sup> An example may be found at <http://www.qwest.com/wholesale/clecs/sgatswireline.html>.  
V.B. Howard & Associates, LLC

**B. Public Policy (continued)**

Public Policy uses a unique instance of the Contract Management (COMA) system to develop and maintain Exhibit A information used to create impact summaries. Significant modifications to COMA allow the maintenance of additional data elements required to support cost docket implementation activities. Duplication of Exhibit A information is eliminated and mechanized cross-validation is performed during the iterative development and review of cost docket impact summaries.

When the impact summary is complete, the Contract Implementation Team (CIT) migrates the Public Policy impact summary into the instance of COMA utilized for actual wholesale rate maintenance.

The Consultant observed Public Policy creating impact summaries within COMA for the New Mexico cost docket in July 2007. COMA performed accurately and efficiently. Public Policy reconciled the Exhibit A database to COMA to ensure that COMA is correct from a Public Policy perspective and eliminated the Exhibit A Database completely in late 2007.

## Consultant Comments

1. The Public Policy impact summary is fundamentally a copy of the affected Exhibit A in a spreadsheet with explanatory columns added. This spreadsheet is updated repeatedly during the implementation life cycle. Each time the spreadsheet is changed, the filename is altered and the spreadsheet is saved resulting in multiple versions of this spreadsheet existing under differing filenames for a single impact summary.

### 2005-2006 Report

The Consultant recommends that a standard, easily understood naming convention be invoked as alternative to the current practice. The current practice is heavily dependent on the knowledge of the author(s) within Public Policy.

Qwest has responded to this recommendation by eliminating version designations from the impact summary file naming convention. The basic physical file name is now appended with the date of the latest update allowing clear determination of the impact summary version to be utilized during the review process.

### 2006-2007 Update

The Consultant has observed the revised file naming convention in actual practice during this reporting period. The Consultant believes that the elimination of the Exhibit A database and recently-implemented capabilities within COMA will provide even greater support of this revised file naming convention.

### 2007-2008 Update

The Exhibit A database has been eliminated and the Consultant has observed the extraction of impact summary information into spreadsheets utilizing a consistent naming convention.

2. The Exhibit A database is not the single source within Public Policy for the administration of updated wholesale rates. Separate spreadsheet distributions exist to update the Qwest wholesale website and to facilitate various internal reviews between Public Policy, cost managers, product managers, product process personnel, and the CIT.

#### 2005-2006 Report

The Consultant recommends that the Exhibit A database be modified to support a versioned repository within the current systems environment. This database should be the sole source of Exhibit A information distributed by Public Policy.

Qwest has responded to this recommendation clarifying that the Exhibit A database is actually an Oracle SQL Server database with a VB (Visual Basic) front end. Further, the Exhibit A database is the single source within Public Policy for the administration of updated wholesale rates. Separate Excel spreadsheets are generated from this database to facilitate the various internal reviews between Public Policy, cost managers, product managers, product process personnel and the CIT and to update the Wholesale website.

#### 2006-2007 Update

The Consultant notes that use of the Exhibit A database is being discontinued and replaced by enhanced functionality within COMA. The Consultant believes that the ability to offload Exhibit A data into spreadsheets allows COMA to be an effective single source of wholesale rate information for the purposes noted above.

#### 2007-2008 Update

The Exhibit A database has been eliminated and the Consultant has observed the extraction of Exhibit A data into spreadsheets with subsequent distribution as a single source of wholesale rate information for the purposes noted above.

**Consultant Comments (continued)**

3. The Exhibit A database and finalized impact summaries must be manually synchronized prior to the delivery of this information to Wholesale Service Delivery for actual implementation.

2005-2006 Report

The Consultant recommends that Qwest investigate the possibility of combining the Exhibit A repository and impact summary development into a single database to mitigate the risks inherent in manually duplicating and synchronizing this information.

Qwest has responded to this recommendation by agreeing to investigate both process and system enablers to facilitate improvements in the development and delivery of impact summaries.

2006-2007 Update

The Consultant notes that use of the Exhibit A database is being discontinued and replaced by enhanced functionality within COMA. The Consultant believes that the use of COMA for both impact summary development and wholesale rate implementation greatly diminishes this data synchronization issue.

2007-2008 Update

The Exhibit A database has been eliminated. Impact summary spreadsheets are directly extracted from COMA by Public Policy. The Consultant believes that the data synchronization issue is greatly minimized now that the extraction and updates share COMA as a common data source.

**Consultant Comments (continued)**

4. Exhibit A data is extracted for wholesale rate implementation, initiating a sequence of events resulting in rate changes within the affected billing system(s). There is no final active reconciliation to ensure that the Exhibit A database contains the same rates found within the billing system(s).

2005-2006 Report

The Consultant recommends that the final impact summary, as implemented by the CIT, be reconciled to the Exhibit A database upon confirmation of updates to the affected billing system(s).

Qwest has responded to this recommendation by agreeing to investigate process changes to perform this reconciliation just prior to updates to the affected billing system(s).

2006-2007 Update

The Consultant notes that use of the Exhibit A database is being discontinued and replaced by enhanced functionality within COMA. The Consultant believes that the development of impact summaries within COMA coupled with the mechanized billing updates generated by COMA greatly reduces the possibility that rates in the final impact summary are different than those employed by the billing system(s).

2007-2008 Update

The Exhibit A database has been eliminated. Impact summary spreadsheets are directly extracted from COMA by Public Policy and the data is updated directly into COMA. Rate updates into the key billing system(s) are based on mechanized feeds from COMA – this eliminates the need for a reconciliation to another standalone database.

### C. Wholesale Service Delivery

The Qwest Wholesale Service Delivery CIT is responsible for the implementation and maintenance of wholesale rates:

- Attends cost docket implementation meetings upon notification from Public Policy. CIT personnel are generally organized along product lines – the personnel anticipated to perform the actual implementation are active participants in these meetings and normally have a number of questions regarding the implementation. Once the impact summary is finalized, the completed Exhibit A information is extracted by a Wholesale Service Delivery process analyst from the Public Policy instance of COMA and loaded to the implementation instance of COMA to initiate the wholesale rate changes mandated by the cost docket.
- As mentioned earlier in this report, the wholesale rate implementation process is not initiated solely through cost docket activity. In these instances, an email notification is received from Qwest Legal. The completed Exhibit A information is then extracted as a rate sheet from the Contract Development & Services (CD&S) database to initiate the wholesale rate maintenance process.
- Task assignments and progress within the CIT are tracked through a web-based application containing all pending work activity.
- The CIT works within COMA to complete the necessary tasks involved in wholesale rate maintenance and concludes this task by updating the appropriate billing system(s) and issuing Competitive Local Exchange Carrier (CLEC) notifications.

The rate implementation process is facilitated by the COMA system. COMA represents a significant commitment by Qwest to streamline the wholesale rate implementation process. This system automates the majority of the steps involved in the maintenance of individual wholesale rate sheets and the resulting updates to the various billing systems supporting wholesale products and services. Along with a printed user's guide, the Consultant received an initial in-depth overview and demonstration of COMA in September, 2005.

COMA accepts a completed and validated cost docket impact summary from the Public Policy instance of COMA for actual cost docket rate implementation. Alternatively, COMA extracts Exhibit A information from the CD&S database for non-cost docket wholesale rate maintenance at the CLEC rate sheet level.

### C. Wholesale Service Delivery (continued)

The basic wholesale rate information is referenced as Exhibit A within COMA. Cost docket implementation summaries, upon completion by Public Policy, are prepared by the CIT for propagation into Exhibit A. COMA provides functionality that enables this propagation to be “tested” and any issues resolved prior to the actual propagation of the changes to Exhibit A. Issues surfaced during this process may result in updates to both the original impact summary maintained by Public Policy and to the impact summary utilized by the CIT – both within COMA.

Upon completion of work at the Exhibit A level, the individual CLEC rate sheets are propagated. Once again, COMA provides a “test” function prior to committing the data to the affected CLEC rate sheets.

The propagation functionality in COMA eliminates time-consuming and error-prone retyping of rate information. It also ensures uniformity in content and format of affected rate sheets. The “test” functionality adds an important proactive error detection capability to COMA prior to updating affected billing systems.

COMA provides the ability to translate an entire implementation into the Integrated Access Billing System (IABS) and/or Customer Records Information System (CRIS) for billing implementation. COMA interfaces rate information directly to IABS, while CRIS updates are accomplished through updates to Co-Provider Services (CPS) which, in turn, generates change records which are processed in CRIS to update rates.

The Consultant spent two days with the CIT in October, 2005 to observe the wholesale rate maintenance process first-hand. The activities observed were not the result of cost docket activity; however, the activities of the CIT and resulting operation of COMA provided clear insight into the Qwest wholesale rate implementation process.

During the two-day period, a number of specific activities were observed including:

- The email notification of pending wholesale rate activity.
- The extraction of the updated rate sheet(s) from the CD&S database for use in updating COMA.
- The administration of the shared spreadsheet used to track work-in-progress.
- COMA updates and error correction steps and subsequent translation of rate changes into CRIS for Qwest Platform Plus™ (QPP).
- COMA updates for unbundled loops and sub-loops and subsequent translation of rate changes into CRIS.
- COMA update of Unbundled Dedicated Interoffice Transport (UDIT) for New Mexico to correct an IABS rate error.
- Job scheduling, execution and verification to perform CRIS rate table updates based on CPS Change Request (CCR) input.

V.B. Howard & Associates, LLC

**C. Wholesale Service Delivery (continued)**

Rate sheets and billing extracts were requested and provided as a result of the specific activities observed by the Consultant for review and validation.

During the course of the observation, it became apparent that the accuracy of COMA is dependent on the proper maintenance of CLEC information and properly defined products. It appears to the Consultant that the CIT has become a de facto reconciliation point to ensure that CLEC rate sheets and corporate information are properly defined in order to maintain the integrity of COMA data. Furthermore, the Consultant interviewed personnel directly involved with CD&S and Contract Negotiations. The effect on the integrity of COMA data based on activities within these functions is significant and, therefore, cannot be overlooked in the assessment of wholesale rate maintenance processes.

The Consultant requested and received examples of discrepancies researched and corrected by the CIT that, in the Consultant's opinion, would have been more appropriately dealt with in the account establishment and/or contract negotiation processes. Wholesale Service Delivery personnel, working directly with Contract Negotiations personnel, developed an improved and documented process in February 2006 designed to proactively address these issues.

Rate sheets and contract phraseology are posted in the CD&S database by CD&S personnel. CD&S personnel deal with contracts within the CD&S database on a company name basis – the Reseller Identification (RSID) and/or CLEC Identification (ZCID) codes are not utilized by CD&S personnel for company identification. The Exhibit A data used as a basis for changes within the CD&S database is sourced from the Qwest wholesale website. In the event, that the wholesale website is unavailable, the Public Policy Exhibit A database can be used as a backup source of information.

Updates to the CD&S database result in a notification to Wholesale Service Delivery of pending wholesale rate activity. Thus begins the process within the CIT as described earlier. The ongoing handling of rate sheets through the CD&S/COMA process cycle has resulted in ongoing standardization of rate sheet formats; most significantly standard product numbering and descriptions.

Contract Negotiation personnel, working closely with CD&S personnel, network representatives, and attorneys to administer CLEC agreements, view rate sheet standardization favorably. Rate sheet information is shared between Public Policy, Wholesale Service Delivery, CD&S and Contract Negotiation during the administration of wholesale rate maintenance. The standardization of rate sheets facilitates clear communication between all parties involved resulting in increased accuracy and efficiency within the wholesale rate maintenance process.

**C. Wholesale Service Delivery (continued)**

Throughout the monitoring period, Qwest continued to enhance COMA to provide greater support for wholesale rate maintenance which, of course, has a direct effect on Qwest's ability to implement cost dockets in an accurate and timely manner.

COMA underwent a major system release in September 2006. The highlights of this release include:

- Modification of the footnote structure to that used for Exhibit A
- Expansion of search capabilities
- Downloadable rate sheets
- Greater control of allowable products within a contract
- Addition of a notes capability to allow expanded explanations within an impact summary
- Addition of the limited ability to remove a CLEC (with record retention)<sup>2</sup>.
- Capability to review prior rates directly

This set of enhancements to COMA facilitated the direct use of COMA by both CD&S and Contract Negotiations. Additionally, these enhancements brought COMA much closer to usability by Public Policy in the development of cost docket implementation summaries.

COMA enhancements completed in February 2007 enabled Public Policy to use COMA in the development of cost docket impact summaries instead of the Exhibit A database. The New Mexico cost docket provided the first opportunity for Public Policy to actually develop a cost docket impact summary in COMA. The success of this transition enabled the Exhibit A database information to be reconciled with COMA and the Exhibit A database itself to be eliminated toward the end of 2007.

COMA underwent an additional release effective December 2007 to implement a number of items to improve consistency, improve data management, and add a number of operational conveniences.

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<sup>2</sup>The CD&S database is the legal repository for contract records; removal of a CLEC from COMA is an operational consideration.

## Consultant Comments

5. The use of a shared spreadsheet to track the work activities within the CIT requires significant manual handling and coordination between CIT members to ensure that this information is maintained in an accurate and timely manner. Incorrect handling of this spreadsheet could result in omitted or delayed wholesale rate maintenance tasks.

### 2005-2006 Report

The Consultant recommends that the web-based solution, Contract Implementation Team Controls & Tracking, be completed and placed into production use. This system (observed in an incomplete testing status) should be transitioned as a work manager and status tool to reduce the number of emails and telephone calls regarding the status of items being handled by the CIT.

Qwest has responded to this recommendation by initiating steps to prioritize and budget for the completion of Contract Implementation Team Controls & Tracking.

### 2006-2007 Update

Qwest implemented Contract Implementation Team Controls & Tracking for national contracts in September 2006 and local contracts (which include cost docket implementations) in February 2007. Monitoring of local contracts within Contract Implementation Team Controls & Tracking is being performed by the same personnel who previously administered the shared spreadsheet.

### 2007-2008 Update

The Consultant observed the use of Contract Implementation Team Controls & Tracking during the two phases of the New Mexico cost docket implementation and found this to be an ideal solution for managing implementation work for the CIT.

**Consultant Comments (continued)**

6. Exhibit A information is housed in at least three different repositories at Qwest – the Public Policy Exhibit A database, the Qwest wholesale website, and COMA. Fundamentally, the information contained in each repository is the same – interviews revealed nuances that currently mandate this structure. The synchronization of data, particularly between the Exhibit A database and COMA, is more an incidental byproduct of the current process rather than a defined process step.

2005-2006 Report

The Consultant recommends that Qwest should consider utilizing COMA as the authoritative source of Exhibit A data. COMA is the common denominator across the wholesale rate arena and is positioned operationally adjacent to the billing systems. Read-only access to COMA should be utilized extensively (see the next item). The wholesale website should be used solely as the public view or portal of Exhibit A information – it should not be retrieved as an origination of wholesale rate maintenance activity. Steps should be taken to either accommodate the requirements of Public Policy within COMA (allowance for various notations and the origination of impact summary development) or bring the Exhibit A database and COMA into an operational setting that forces mirroring of Exhibit A data between the two systems.

Qwest has responded to this recommendation by conducting meetings and COMA demonstrations with CD&S and Contract Negotiation personnel to both educate regarding the capabilities of COMA and gain input into how COMA may be enhanced for expanded use within Qwest. Public Policy personnel have also been involved in these same types of discussions. COMA enhancements scheduled for implementation later this year continue to expand the usefulness of this system within Qwest.

2006-2007 Update

Qwest implemented a series of enhancements to COMA in September 2006, many of which resulted from input from CD&S and Contract Negotiations. CD&S is now able to download rate sheets directly from COMA, although the CD&S database remains the legal repository. Contract Negotiations began using COMA for negotiation templates in October 2006.

- 6 (cont). Qwest implemented additional enhancements to COMA in February 2007 that allow Public Policy the ability to develop and maintain cost docket impact summaries directly within a unique instance of COMA. Public Policy has reconciled the Exhibit A database and COMA and will initiate future cost docket impact summary activity directly into COMA.

2007-2008 Update

The Consultant directly observed the use of COMA in July 2007 by Public Policy to develop the cost docket impact summaries for the New Mexico cost docket. The successful completion of this activity led to the elimination of the Exhibit A database in late 2007.

7. COMA provides a comprehensive, finalized view of CLEC identification, approved product offerings, and the associated rate sheets. Additionally, USOC mappings bring rigor to the product offerings from an ordering and billing perspective.

2005-2006 Report

The Consultant believes that read-only access to COMA (following an orientation session) would encourage common terminology and understanding among the many functional areas within Qwest involved in activities that result in wholesale rate maintenance. Many of the functional areas interviewed by the Consultant agreed that read-only access to COMA would likely be a positive step. The Consultant further believes that tightening in this area would enable the CIT to be less strictly organized around product lines – a practice that relies heavily on subject matter expertise with limited opportunity for back-up and/or cross-training across this team.

Qwest has responded to this recommendation as noted in Item 6. COMA continues to gain recognition within the Qwest Wholesale organization(s) as an authoritative source of information.

2006-2007 Update

Please see the update as noted in Item 6. The Consultant notes that the CIT remains organized around product lines and understands that there are issues outside the realm of both Public Policy and Wholesale Service Delivery that factor heavily into this decision.

7 (cont). 2007-2008 Update

The CIT experienced managerial changes in the fall of 2007 following the implementation of the first phase of the New Mexico cost docket. The Consultant, during the implementation of the second phase of the New Mexico cost docket, observed increased instances of cross-training at the product line level with the CIT.

8. Qwest has made significant progress in the standardization of rate sheets. Rate sheets processed through COMA are, by necessity, in a standardized format and structure.

2005-2006 Report

The Consultant recommends that any non-standardized rates sheets remaining within the CD&S database (those not yet affected by wholesale rate maintenance activities within COMA) be processed into the current standardized format and structure.

Qwest has responded to this recommendation by indicating that a blanket standardization of the remaining non-standardized rate sheets would require commission order and/or CLEC negotiations. This work cannot be completed based on a unilateral decision by Qwest. It was noted that there are non-standardized rate sheets still active for the state of Arizona. Qwest believes that ongoing interconnection agreement negotiation activity within the various states will provide an opportunity to standardize rate sheets over time.

2006-2007 Update

Wholesale Service Delivery continues to standardize rate sheet formats within COMA on an activity-driven basis. The CIT has no plans to engineer input into COMA simply to reformat existing rate sheets. As stated above, ongoing activity will provide the opportunity to standardize rate sheets.

2007-2008 Update

Rate sheet standardization continues to occur within COMA on an activity-driven basis.

**Consultant Comments (continued)**

9. CPS is the authoritative source of USOC validation for CLEC service order entry processes and is also the origination of the physical data records used to update CRIS based on wholesale rate maintenance activities within COMA. Prior to the existence of COMA, CPS was updated manually.

2005-2006 Report

The Consultant recommends that a synchronization effort take place between COMA and CPS. Upon the satisfactory completion of this activity, access to CPS for direct updates should be eliminated or severely restricted requiring very close coordination with the CIT.

Qwest has responded to this recommendation by initiating a clean-up effort to ensure that COMA and CPS are synchronized.

2006-2007 Update

While the Consultant believes that a clean-up effort is ongoing between COMA and CPS, the Consultant is also aware that manual updates to CPS continue to occur in the course of cost docket implementation. Rate changes may be expedited by direct entry into COMA; however, this activity appears to require a high-level of product and billing expertise within the CIT and significant data entry. The Consultant is concerned, based on past experience with CPS, that ongoing CPS manual updates introduce risk into the wholesale rate implementation process and recommends that Qwest address the practice of utilizing CPS directly during cost docket implementation.

Qwest has responded to this recommendation by noting that a set of Universal Service Order Codes (USOCs) is maintained in CPS for commercial products related to loop rates (such as adders and formulas). These elements are not directly affected by cost docket (or contract) activity and are, therefore, not part of COMA. However, these elements must be maintained with CPS each time a modification occurs to the related loop rate.

2007-2008 Update

Qwest has limited the number of direct updates to CPS to special circumstances involving less than two percent of rates changes to embedded products.

**Consultant Comments (continued)**

10. COMA updates IABS via a direct interface. Records are generated within COMA which updates work tables in IABS. From these work tables a “create/validate/load” process occurs to update the production rate tables. This interface has effective/expiration date issues within IABS requiring dedicated monitoring and problem resolution within Wholesale Service Delivery.

2005-2006 Report

The Consultant recommends that the necessary updates be made to IABS to stabilize this interface allowing monitoring on a legitimate exception-only basis.

Qwest has responded to this recommendation by indicating that the necessary changes to IABS are being considered from a prioritization and budgetary standpoint.

2006-2007 Update

The Consultant notes that Wholesale Service Delivery continues to effectively handle any issues resulting from the COMA to IABS interface.

2007-2008 Update

The Consultant notes that issues resulting from the COMA to IABS interface continue to be handled effectively. The Consultant understands there remain no planned changes to IABS relative to the COMA interface.

#### IV. Cost Docket Monitoring

##### Wyoming

The Consultant received notice from Public Policy on December 12, 2005 of a series of implementation meetings to be held on December 13-14, 2005 regarding the Wyoming Public Service Commission order in Docket No. 70000-TA-04-1023 issued December 7, 2005.

The wireline impact summary was distributed with this meeting notice. The paging and wireless impact summaries were distributed by Public Policy on December 14, 2005 prior to the implementation meeting(s) for these lines of business. An additional paging impact summary (concerning transit factors) was distributed by Public Policy later the same day.

The discussion of several product groups was rescheduled for December 15, 2005 as a result of staffing changes within Qwest Product Management. An updated wireline impact summary was also distributed on December 14, 2005. (The Consultant notes that each distributed version of the impact summary had the same basic filename with an incremental date component.)

During random observation of the implementation meetings (via announced teleconference participation), the Consultant made several observations:

- The participation by Wholesale Service Delivery is critical to the success of this process.
- Public Policy is very thorough in their notifications and makes clear the level of participation expected – particularly from Product Management personnel.
- The distribution of the impact summaries relative to the scheduled implementation meetings might have occurred somewhat sooner to allow additional review time.
- Discussions surrounding a single cost docket implementation may stretch over months, based largely on sporadic commission activity, causing the review process to be essentially restarted numerous times.

The Consultant also requested a teleconference to discuss the impact of system changes to the implementation timeline and received the clarification from Qwest that this would not be a critical path item due to the anticipated cost docket compliance filing. Qwest was proactive in assessing the potential system impacts of this implementation very early in the process.

#### IV. Cost Docket Monitoring (continued)

Public Policy published implementation meeting minutes on December 16, 2005 along with a notification that updated impact summaries would be distributed on December 19, 2005. This distribution occurred as scheduled – notification was given to wireline-related participants that additional meetings for specific products were scheduled for January 3-4, 2006. A meeting with the CIT was scheduled for January 9, 2006 to discuss implementation questions and issues.

An updated wireline impact summary was distributed on January 5, 2006. Minutes from the January 3-4, 2006 implementation meetings were distributed on January 6, 2006.

Qwest made the compliance filing on January 6, 2006 as ordered by the Wyoming Public Service Commission. Copies of this filing were distributed internally on January 10, 2006. Revised impact summaries were distributed on January 16, 2006.

In addition, Qwest was ordered to provide cost support for additional elements. Because of its request, the Wyoming Public Service Commission agreed that no rate implementation would take place until all elements have been reviewed and approved and the Commission has entered an order accepting an updated compliance filing.

Monitoring activities resumed for this cost docket upon notification to the Consultant on October 10, 2006 that the Wyoming Public Service Commission in an Open Meeting would be ordering the implementation of the previously approved rates contained in this docket.

The Consultant was notified on October 11, 2006 that the rates approved in the December 7, 2005 order would be effective on January 6, 2006 (and back-billed accordingly) and that the remaining rates contained in the January 6, 2006 compliance filing would be effective December 10, 2006.

A series of conference calls was held between October 16, 2006 and October 26, 2006 to review and address any final concerns with the impact summaries beyond the latest revisions that were distributed on January 16, 2006 (as noted above).

The Consultant was copied on a notification from Public Policy to Wholesale Service Delivery on October 31, 2006 that the impact summary activity was complete and that the completed impact summary within the Exhibit A database was ready to be migrated into COMA. The Consultant received a separate notification from Wholesale Service Delivery on October 31, 2006 that the information had been received from Public Policy.

#### IV. Cost Docket Monitoring (continued)

Wholesale Service Delivery proactively completed initial work in COMA based on prior activity with this cost docket. Upon receipt of the completed impact summary from Public Policy, this process continued with plans for the CIT to complete the actual rate maintenance during the week of November 13, 2006. Accordingly, the Consultant traveled to Salt Lake City for the week of November 13, 2006 to monitor the activities of the CIT during the actual cost docket implementation.

The Consultant became aware that changes had been made to the impact summary after the October 31, 2006 distribution and that the current version was dated November 8, 2006. The Consultant requested this version and it was delivered on November 14, 2006. The Consultant observed that a number of changes had occurred and were, in fact, occurring during the preparation for wholesale rate implementation.

The Consultant, while in Salt Lake City, closely monitored the work activities of the individuals directly involved in wholesale rate maintenance. CIT members were responsible for a subset of products addressed by this cost docket.

The Consultant observed the each CIT member was able to complete their assigned activity without significant incident. There was a minor issue with collocation that required intervention in COMA at the administrator level by a Wholesale Service Delivery analyst who was onsite.

The Consultant observed that all wholesale rate maintenance involving the back-billed rate elements (those approved in the December 7, 2005 order) was completed in approximately thirty-eight (38) days; well within the Wyoming Public Service Commission's sixty (60) day requirement. The rate elements in the January 26, 2006 compliance filing were, as noted, effective December 10, 2006. The Consultant observed that Qwest appropriately handled the implementation of the rate maintenance to coincide with December billing, thus avoiding a second back-billing situation.

The Consultant was provided billing artifacts on January 15, 2007. This information was validated by the Consultant against the November 8, 2006 impact summary and found to be correct. Qwest has attested to the Consultant that, while there have been a number of inquiries (particularly concerning the back-billing), there have been no actual billing disputes.

#### IV. Cost Docket Monitoring (continued)

##### New Mexico

The Consultant received notice from Public Policy on June 11, 2007 that the expected New Mexico Public Regulation Commission order in Docket No. 05-00340-UT had been issued June 8, 2007 and the work would commence immediately on this order.

The initial impact summaries were delivered to the Consultant on June 13-14, 2007. Qwest determined that this order required changes to the CRIS billing system and, as such, the implementation of this cost docket was split into two parts. A series of conference calls was held on June 19-20, 2007 to discuss and finalize the impact summary information.

The Consultant observed Public Policy creating impact summaries within COMA for the New Mexico cost docket on July 9, 2007 via long-distance technology. This activity was based on a redlined Exhibit A received that same day.

The Consultant was notified on July 27, 2007 that Phase I of the New Mexico cost docket was planned for implementation by the CIT during the week of August 13, 2007. Additional updated impact summaries were received on July 30, 2007 and August 1, 2007.

The Consultant, while in Salt Lake City the week of August 13, 2007, closely monitored the work activities of the individuals directly involved in the applicable wholesale rate maintenance. CIT members were responsible for a subset of products addressed by this cost docket.

The Consultant observed the each CIT member was able to complete their assigned activity without incident and noted that CIT members were actively being cross-trained across various product lines.

The impact summary underwent reformatting based on lessons learned from the Phase I implementation as suggested by the CIT. The revised impact summary was received by the Consultant on August 29, 2007.

The Consultant was provided billing artifacts on October 2, 2007. This information was validated by the Consultant against the August 29, 2007 impact summary and found to be correct. Qwest has attested to the Consultant that there have been no billing disputes as a result of the initial phase of this cost docket implementation.

#### IV. Cost Docket Monitoring (continued)

The Consultant was notified on October 31, 2007 that Phase II of the New Mexico cost docket was planned for implementation by the CIT during the week of December 10, 2007. An updated impact summary was received on November 27, 2007.

The Consultant, while in Salt Lake City the week of December 10, 2007, again closely monitored the work activities of the individuals directly involved in the applicable wholesale rate maintenance. CIT members were responsible for a subset of products addressed by this cost docket.

The Consultant observed the each CIT member was able to complete their assigned activity without incident. The Consultant noted reassignment of CIT members to different product lines as a result of ongoing cross-training.

The Consultant was provided billing artifacts on February 28-29, 2008. This information was validated by the Consultant against the November 27, 2007 impact summary and found to be correct. Qwest has, again, attested to the Consultant that there have been no billing disputes as a result of the final phase of this cost docket implementation.

The Consultant believes that Qwest worked diligently from the date of the New Mexico cost docket order to complete the rather complex rate table and CRIS billing system modifications in a period of just slightly more than six (6) months.

#### Nebraska

The Consultant received notice from Public Policy on October 16, 2007 that an order from the Nebraska Public Service Commission (NUSF-50 3554/PI-112) had been issued on October 10, 2007. An impact summary was included in the notification from Public Policy. A conference call was held on October 18, 2007 to discuss the impact summary.

This order is scheduled for implementation in July 2008 based on the order effective date of July 7, 2008. This date falls outside the cost docket monitoring period ordered by the ACC. This cost docket is currently waived pending a district court decision that may alter or cancel the planned implementation.

No further action by the Consultant is planned.

## Consultant Comments

11. While Qwest has successfully implemented Contract Implementation Team Controls & Tracking, there is no formal process to ensure that the collection of individual rate maintenance activities comprising a cost docket implementation is complete.

### 2006-2007 Report

The Consultant recommends that either an offline checklist be maintained at the cost docket level or that the cost docket number be somehow incorporated within Contract Implementation Team Controls & Tracking.

Qwest has responded to this recommendation by implementing a tracking process specifically for cost dockets. This process tracks the validation, implementation date and time, and peer review for each element of the cost docket at the USOC and class-of-service level. Old and new rates are also included for distribution to and use by those responsible for back-billing activities.

### 2007-2008 Update

The Consultant observed the effective use of the new cost docket tracking process during the New Mexico cost docket implementation.

12. Qwest has continued to cross-train CIT personnel and promotes the use of COMA throughout the organization. Qwest successfully completed three iterations of cost docket implementation activity during the monitoring period.

The Consultant recommends the following items be considered to gain further operational efficiency from COMA:

- Add the translation date to the criteria for translation searches.
- Automatically trigger a periodic report of translations that remain in “translated” status beyond the normal period needed to complete the implementation.
- Add an on-screen tally of the number of items “checked” on the various screens.
- Allow a click on the “translation successful” message to display the translation just processed without having to go to the translation selection screen and reenter search criteria.

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- Clarify the lack of error reporting when multiple products are translated and there is a failure on one or more products; the error message fails to report that there is a translation error provided at least one of the products is allowed.

Qwest has responded by addressing items in both the December 2007 COMA release and through business process changes within the CIT.