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Arizona Corporation Commission
Docket Control – Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

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RE: In the Matter of US West Communications, Inc.'s Compliance With
Section 271 of the Telecommunications Act of 1996
Docket Nos. T-00000A-97-0238

Dear Sir/Madam:

Enclosed for filing is an original and 13 copies of Eschelon Telecom, Inc.'s Reply
Comments regarding accurate billing for UNE-E/UNE-Star and exhibits. Also enclosed
is a Certificate of Service.

Please feel free to contact me with any questions.

Sincerely,

Kim K. Wagner
Senior Legal Secretary
Eschelon Telecom, Inc.
(612) 436-6225

Enclosures

Certificate of Service

I hereby certify that the original and 13 copies of the attached Comments of Eschelon Telecom, Inc.'s Reply to Qwest's "Comments of Eschelon" Regarding UNE-E Mechanization and Accurate Billing, regarding Docket No. T-00000A-97-0238, were filed by e-mail and Airborne Express on April 30, 2003 with:

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Dated: April 30, 2003



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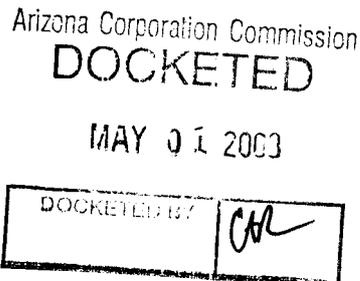
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Commissioner



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

Docket No. T-00000A-97-0238

ESCHELON'S REPLY TO
QWEST'S "COMMENTS OF ESCHELON"
REGARDING UNE-E MECHANIZATION AND ACCURATE BILLING

ESCHELON TELECOM, INC.

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BEFORE THE ARIZONA CORPORATION COMMISSION

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

Docket No. T-00000A-97-0238

ESCHELON'S REPLY TO
QWEST'S "COMMENTS OF ESCHELON"
REGARDING UNE-E MECHANIZATION AND ACCURATE BILLING

Eschelon Telecom, Inc. ("Eschelon") files these Reply Comments in response to the "Responses to Comments of Eschelon" that Qwest filed with the Commission on April 23, 2003 in this matter ("Qwest's Response").¹

I. INTRODUCTION

The inaccuracy of UNE-E bills remains a significant issue. Eschelon has a right to order UNE-E through the end of 2005 under its interconnection agreement. Eschelon needs to order UNE-E for Off-Net customers whenever Qwest makes functionality (such as voice mail or AIN features) unavailable with UNE-P. Even when Eschelon has tried to move a line to another product, it has had to move the line back to UNE-E as soon as

¹ In the title to Qwest's filing, Qwest refers to "Comments of Eschelon." In the body, Qwest states that it is responding to emails sent to the email distribution list in this matter on March 11, 2003 and April 9, 2003. In those emails, Eschelon gave Qwest an opportunity to withdraw its Comments on this issue and attempt to resolve the issue with Eschelon directly. Qwest did not attach copies of Eschelon's emails to its filing. Copies of those emails are attached to these Reply Comments as Eschelon Exhibit E-U. Note that the

the customer requests such functionality. In light of the FCC's Triennial Review decision, Eschelon and other Competitive Local Exchange Carriers ("CLECs") may also find other reasons to order UNE-E as well. In addition, Qwest has represented to the FCC that it will make UNE-E available to other providers on a residential basis (even though Eschelon's Amendment is for business customers only).² UNE-E is not extinct, as Qwest would suggest, and there is an ongoing need for accurate UNE-E bills per the interconnection agreement. *See* AZ Qwest-Eschelon ICA Att. 5, ¶4.3.6 & UNE-E Amendment ¶ 1.8. Adoption of Staff's recommendation with respect to this issue is needed to incent Qwest to provide accurate UNE-E bills, instead of the bills that it currently provides (which show the resale discount instead of the UNE-E rates listed in the interconnection agreement amendment, *see, e.g.*, Ex. 1 to Ex. E-13).

Eschelon apologizes for burdening the record with additional exhibits. It certainly did not want to have to expend the resources to do so. Eschelon asked Qwest to withdraw its Response to attempt to avoid this result, but Qwest did not do so. Unfortunately, it is relatively easy, and takes little time, to assert unfounded allegations. More time and resources are required to document the actual facts. Responding to such allegations also requires going into more detail than one would have thought necessary at this point in the proceeding – after the Staff has already made a recommendation on this issue. Because Qwest made its filing and placed the unfounded allegations in the record, however, Eschelon must again point to the facts which show that the Staff's Recommendation on this issue is well grounded in fact.

actual date of the earlier email in Ex. E-U is March 12, 2003. Because Qwest refers to this as the March 11 email, Eschelon will use that date to avoid further confusion.

² Qwest Ex Parte Letter to FCC, Docket No. 02-148 (June 25, 2002), available at <http://www.qwest.com/about/policy/ldReentry/Fed271/jun13/exprate/062502.pdf>.

II. DISCUSSION

A. ESCHELON'S POSITION HAS NOT SUDDENLY CHANGED, UNLIKE QWEST'S POSITION.

Eschelon's position with respect to UNE-E mechanization and accurate billing has *not* suddenly changed, as Qwest suggests in its Response. In the November 2000 UNE-E Amendment, Qwest agreed to provide not only accurate, mechanized UNE-E billing but also a mechanized conversion (using an IT tool) from resale to the billing process in a manner that was transparent to the end user customers. A transparent conversion is one that the end user customers do not see by virtue of service affecting problems such as outages, feature loss, or changes in functionality. Qwest failed to provide that conversion. Today, Qwest has acknowledged that it has disbanded work on the IT "tool" that would have resulted in internal billing changes only and has said that it will implement another alternative to convert the lines to UNE-E accurate billing. Eschelon's position remains that Qwest has not yet provided sufficient information to address Eschelon's concerns about the "options" that Qwest has presented for finally converting lines to accurate UNE-E billing, but Eschelon is willing to discuss the Qwest "options" further and work toward a solution. Eschelon still needs information from Qwest to do so. Whenever the parties start to get down to specifics that might actually result in a conversion, however, Qwest balks.

This is particularly true with respect to discussions of whether and to what extent Qwest's plan for providing accurate UNE-E bills will adversely impact the end user customers' service (including conversion outages and feature loss as well as differences in functionality before and after the conversion). While it can be easy, when convenient,

for Qwest to make vague statements suggesting that a risk should be minimal, it more difficult to provide facts that demonstrate whether this is really the case. The devil is in the details. Eschelon is still attempting to get an explanation of those details from Qwest. Eschelon needs accurate UNE-E bills and will proceed with a UNE-E project to convert to accurate billing. Eschelon owes it to itself and its end user customers, however, not to do so without a thorough understanding of the plan and without making efforts to avoid adverse results.

The position that *has* changed is Qwest's position. Previously, Qwest and Eschelon have had many exchanges in which Qwest has admitted the real possibilities of non-record work changes and adverse impact to end user customers presented by its recent plan to provide accurate UNE-E bills. In contrast, Qwest is now willing to make unqualified statements such as these:

“Qwest's proposal to convert the embedded base of the customers would *not* result in adverse impacts to Eschelon's end user customers. The lines would *not* be taken out of service -- the *only* change would be to the records within Qwest's systems.”

See Qwest's Response, p. 3 (emphasis added). In addition, in an email dated April 21, 2003, Qwest now says that the process will be “*completely* transparent to Eschelon's end users.” See Ex. E-V (emphasis added). Qwest also said it is offering to move lines to accurate UNE-E billing “in a way that is invisible to the end users.” *Id.* Qwest said that this “solution involves only record changes, not line changes. . . .” *Id.*

Naturally, Eschelon is willing to proceed, as it always has been, with a plan that actually conforms to these promises. Eschelon has said that, if Qwest can deliver on these promises, let's do it and go ahead with the plan to obtain accurate billing. Unfortunately, Eschelon has learned the hard way that such broad statements do not

always stand up when probed as to how Qwest intends to deliver on such promises, as discussed below.

B. THE ARIZONA STAFF'S OSS REPORT HAS PROVIDED QWEST WITH THE NEEDED INCENTIVE TO FINALLY PROVIDE ACCURATE UNE-E BILLING.

Before moving to that discussion, there is the reason for Qwest's shift in position to consider. The question naturally arises as to why Qwest would make a shift, however subtly it attempts to do so, from ensuring that Eschelon has reason to worry about service impacting problems to downplaying those problems. The intervening event is the filing of the Comments on the Report on the July 30-31, 2002 Workshop (Report One -- Operations Support System Related Issues) ("Staff OSS Report") by the Arizona Corporation Commission Staff ("Staff") on February 25, 2003 in this matter. In its report, the Arizona Staff made the following recommendation:

Until the issue with embedded accounts is resolved, Qwest should be required to count these as an error or an inaccurate bill for purposes of calculating its billing measurements. Qwest and Eschelon should be required to provide the Commission Staff with additional information regarding the issues involved with converting Eschelon's embedded accounts and provide a mutually agreed upon resolution within 90 days.

See Staff OSS Report, p. 47, ¶ 216. The Staff's approach provides the proper incentive to Qwest to finally address the problem.

Previously, Qwest unilaterally claimed its bills were accurate in its performance reporting without actually providing accurate UNE-E bills. It had its cake and could eat it too. Now, due to the Staff's recommendation, Qwest has an incentive to actually provide accurate UNE-E bills, to avoid having to "count these as an error or an inaccurate bill for purposes of calculating its billing measurements." *See id.* As proof that this is

such an incentive, Qwest is now making the kinds of statements noted above to incent Eschelon to proceed with its plan for providing accurate billing. Eschelon has been asking for such assurances for a long time. Eschelon has made it clear that it is very concerned about adverse impact to its end user customers, particularly because such a risk was not part of the original deal. By refusing to provide such assurances and by describing the types of customer affecting situations that could occur, Qwest preyed on Eschelon's known concerns about adverse customer impact. Now, when the Staff has given Qwest a reason to make the move happen, Qwest is finally willing to state affirmatively that, during the move, the lines will not be taken out of service, and the *only* change will be to the records within Qwest's systems. *See* Qwest's Response, p. 3.

Eschelon has been, and remains, willing to proceed on that basis. Due to the force of necessity and absence of alternatives, Eschelon may also have to proceed on a somewhat lesser basis, if Qwest cannot deliver on these promises, but then Qwest needs to provide specific facts about how any problem areas are nonetheless adequately addressed.

C. ESCHELON'S CONCERNS ARE REASONABLE, AND QWEST SHOULD PROVIDE THE DETAILED INFORMATION NECESSARY TO ADDRESS THOSE CONCERNS.

Eschelon wants to proceed on the basis described by Qwest in its Response. Eschelon has well grounded concerns, however, as to whether Qwest can and will deliver on its representations that the lines will not be taken out of service and the only change will be to the records within Qwest's systems. Eschelon's concerns are not hypothetical. They are based upon information provided by Qwest itself, including conflicting information that creates valid concerns. The specific facts that Qwest's business personnel have provided to Eschelon about the way in which Qwest's plan will work do

not mesh with the general representations made by Qwest's policy folks in Qwest's Response and email (*see* Ex. E-V). This needs to be sorted out, because the quality of service affected end user customers receive is at stake.

1. Qwest's Plan, On its Face, Admits There is Risk to the End User's Service.

Perhaps the best place to start is by describing Qwest's current plan for finally providing accurate UNE-E billing. Qwest refers to this plan as its "proposal" or "Revised Option 2."³ After Eschelon pointed out deficiencies in the first three "options" that Qwest presented for providing accurate UNE-E billing before and during the July Workshop, Qwest presented a "Revised Option 2" after that workshop. *See* Ex. E-W.⁴ Qwest withdrew the other options and presented Revised Option 2 as the only option. "Revised Option 2" is Qwest's current "proposal" for providing accurate UNE-E bills.

a. Revised Option 2 States There is On-going Risk.

On August 7, 2002, Qwest provided a matrix comparing Qwest's "Original Option 2" to its "Revised Option 2." *See* Ex. E-W. Under "Qwest Impacts – Process," Qwest listed no impacts at all for "Original Option 2." *See id.* Under the current "Revised Option 2," however, Qwest *added* the following impacts:

Going forward, there is a risk that inaccurate orders may flowthrough IMA, complete and post. Qwest is still investigating the potential impacts of this on-

³ Eschelon is not selecting an "option." Qwest and Eschelon entered into a contractual agreement in the filed UNE-E Amendment that required Qwest to provide UNE-E at specified rates and that incorporated Qwest's obligation to provide accurate bills. (*See, e.g.,* AZ ICA Att. 5, ¶4.3.6 & UNE-E Amendment ¶ 1.8.). Qwest has breached that Agreement, and Eschelon is left to suffer the consequences of the breach. Eschelon is doing its best to ensure the situation does not get even worse. Eschelon is not waiving any claims.

⁴ Although Qwest initially marked this document confidential and proprietary, Eschelon questioned the designation on August 26, 2002, because the information was not confidential and needed to be addressed publicly and with the CMP team, including other CLECs. Qwest consented. Despite the footer in Exhibit E-W, the document is not confidential.

going risk and is working toward migration through testing and process development.

See Ex. E-W. When introducing its current plan, therefore, Qwest added an explicit statement that Revised Option 2 presents a “risk,” Qwest described the risk as “on-going,” and Qwest indicated that it had not even completed its own investigation into all the potential impacts of this risk. *See id.*⁵ It is impossible to reconcile this express Qwest disclosure of “on-going risk” with Qwest’s claim to the Commission that Eschelon’s concerns are “hypothetical.” *See, e.g.,* Qwest’s Response, p. 3. Qwest’s business personnel gave Eschelon a reason for concern, and Eschelon has been attempting to gauge the extent of the problem since then.

b. Risks include service affecting service order errors.

Eschelon and Qwest met to discuss the information in the matrix. At the meeting, Ms. Toni Dubuque of Qwest had to admit that customer outages and adverse affects were real possibilities. Service order errors do occur, and they do cause service affecting problems. She indicated that Qwest could not make any guarantees as to when and how often these problems would occur. The Qwest business personnel’s presentation of Revised Option 2 was very different, therefore, from the statements that Qwest’s policy representatives are now making. Notably absent from all conversations with Qwest business personnel about Revised Option 2 were broad statements that the lines will not be taken out of service, the only change will be to the records within Qwest’s systems, and the process will be completely transparent or invisible to Eschelon’s end users. The

⁵ *See also* Ex. E-P (Qwest stated: “Qwest acknowledges . . . that human error is a possibility, on the part of Eschelon’s personnel and Qwest’s personnel, in any implementation that involves some manual steps.”) (Nov. 14, 2002) (quoted in Qwest’s Response, p. 2). Qwest would have to explain how the error could

latter are the very types of assurances that Eschelon has been seeking, but Ms. Dubuque was clear she could not provide them.

c. **Change Order errors are not limited to billing or record impacts.**

Instead, Qwest business personnel said that Qwest planned to issue C-orders internally to effectuate the conversion. *See* Ex. E-W (“C-Orders issued internally by Qwest”). It is important to understand the significance of this single piece of information conveyed by the Qwest business unit. This is particularly true when it is compared to the suggestions that Qwest’s policy representatives are now making through statements such as that Revised Option 2 “involves only record changes” and “the only change would be to the records within Qwest’s systems.” *See* Ex. E-V & Qwest’s Response, p. 3. A “C” order is a “Change” order, and it is a type of service order issued by Qwest.⁶ Another type of Qwest service order is a “Record” or “R” order. The type of service order issued at Qwest drives the system(s) that the order flows through downstream at Qwest.

A Record, or “R,” order is limited as to which Qwest systems it flows through downstream. Basically, Record orders update the Qwest billing systems. Therefore, with a Record order, a service affecting problem is not a possibility because only billing systems are touched. If an error is made, the bill to the CLEC might be wrong, but the end user customer cannot go out of service. The risk of a service affecting problem is

occur “on the part of Eschelon’s personnel” if, as indicated on page 3 of Qwest’s Response, the “conversion would not even impact Eschelon.”

⁶ CLEC’s issue Local Service Requests (“LSRs”), and Qwest issues service orders (often referred to simply as “orders”). As part of Revised Option 2, no LSRs would be submitted. Eschelon would provide the necessary information, and Qwest would type service orders based on that information. (Revised Option 2 varies in this respect from the mechanized conversion that Qwest promised to Eschelon in 2000, because the mechanized conversion would have occurred through internal billing system changes performed using an IT “tool” that did not require manual typing of either LSRs or service orders.)

zero.⁷ A CLEC bill adjustment is transparent to the end user customer; a customer outage is not.

In contrast, a “C” order is not as limited as to which Qwest systems it flows through downstream. A “C” order can flow through, for example, to Qwest facilities assignments or switch translations. Unlike errors made in internal Qwest billing systems, errors made in Qwest facilities assignments or switch translations are service impacting. If the Change order flows to these systems instead of only to the billing systems (as Qwest says is intended), Qwest will work the order⁸ and impact the customer. When the order flows through to facilities assignments, for example, the assignment would be changed, which would pull the customer out of service.⁹ When the order flows through to switch translations, if the order falls out of the switch for manual handling and does not get worked, the customer’s service would be adversely affected. A typing error in the translations would significantly change the customer's features. It could take hours, or longer, to restore fully functioning service to a customer that has not requested any work on the line at all.¹⁰ These are the kinds of scenarios that Eschelon reviewed with Qwest when Qwest last presented its Revised Option 2, and Qwest confirmed that these were real possibilities. Although Qwest had suggested this option involved “Billing work only” (*see* Ex. E-W), when asked, Qwest confirmed in discussions that these C Orders

⁷ In November of 2000, Qwest committed to a conversion to UNE-E that involved internal billing work only. Because no non-billing systems would be impacted, service affecting problems were not even a possibility. The standard of “perfection” about which Qwest now complains (*see* Qwest’s Response, p. 2, quoting Qwest 11/14/02 letter), therefore, was set by Qwest. It promised “perfection” with respect to service affecting problems, because they cannot occur with billing only changes.

⁸ *See* Ex. E-W (“inaccurate orders may flowthrough IMA, complete and post”).

⁹ At that point, one could only hope that Qwest would not claim, when restoring service, that the facilities had been re-assigned and were now unavailable, so that the customer would be in a “held order” status.

¹⁰ Eschelon serves small to medium business customers. Qwest has not indicated at what time of day it would perform the conversion and whether it would avoid the business hours while still having sufficient resources to handle the conversion.

will flow through to facilities assignments or switch translations if action is not taken to stop them from doing so.

d. **Failures to manually add FID will adversely affect end user service.**

Once Qwest revealed this problem, Eschelon inquired as to how Qwest intended to prevent the Change orders from flowing through to non-billing systems such as facilities assignment and switch translations. Qwest said that it planned to place a code (which Qwest referred to as a Field Identifier, or "FID") on each service order to prevent the service order from flowing through those systems. Because Qwest had at one time promised an automatic conversion to UNE-E, Eschelon could have assumed that Qwest would accomplish the addition of the codes with a systems change. Experience has taught Eschelon to try not to make such assumptions, however. When asked, Qwest said that, under the current Revised Option 2, Qwest typists must remember to manually type the code (FID) on each and every service order, or the service order will flow through to facilities assignments and/or switch translations. With all Qwest's talk of "mechanization," this is a highly manual "solution." Not only does it introduce all of the problems generally found in manually typing service orders, but also it creates this new, additional manual step with particularly severe consequences when errors occur. Few things with this plan are certain, but it is certain that errors will occur with such a high degree of manual handling. And, when customer affecting troubles then occur, the disruption will be all the greater because the order will be out of process. Unsuspecting Qwest representatives in facilities assignments or switch translations will not anticipate that the order would flow to them or know why it did or what to do with it.

2. Qwest's Revised Option 2 Leaves Questions Unanswered.

Qwest's revelation, upon probing, that the allegedly mechanized process to convert the lines to UNE-E billing was, in fact, highly manual obviously impacted the progress of discussions and created a new series of questions. How would Qwest handle the situations when errors occurred and the orders flowed through to facilities assignments and switch translations? Would a trained person, familiar with the project, be on hand to resolve it? Would Eschelon even know about it (since Qwest and not Eschelon issued the order)? What would be the escalation process? *etc.*

a. Lesser level of project management will result in increased error rate.

These are reasonable questions. Qwest has not yet provided answers to such questions. Qwest suggests that its offer to "project-manage the effort" ends the inquiry. *See* Qwest's Response, p. 3. Qwest also suggests that the parameters of the offered project management are known simply because Qwest previously project managed a different project for Eschelon, as if the two projects were the same. *See id.* This is not the case.

In fact, Eschelon already knows of differences in the projects that introduce new issues to be addressed. For example, in the earlier resale to UNE-P migration project to which Qwest refers, Qwest appointed a special point of contact ("POC") familiar with the details of the project to personally handle all escalations when problems occurred. (It was later learned that, from a performance reporting perspective, the downside of this approach was that troubles not reported through the "standard" escalation process were

not captured in the performance measurements.¹¹ Qwest could have chosen to include the troubles in the numerator, just as it included the orders in the denominator, but it did not do so.) From the perspective of processing the orders, however, the benefits included consistency in handling of the orders that was enhanced by a thorough knowledge of the project's objectives, procedures, quantities, and schedule.

With respect to a more recent migration project, Qwest service management has informed Eschelon that Qwest will no longer offer a special POC for any project handling.¹² Therefore, a key part of the project managed effort that Qwest claims Eschelon "has admitted significantly reduces chance of potential error" (*see* Qwest's Response, p. 3), is unavailable for Revised Option 2. Qwest fails to disclose this fact when discussing the alleged benefits of project management. *See id.* For Revised Option 2, Eschelon will be required to call the general Qwest call center that takes calls on a wide range of issues from numerous carriers. The advantages of the previous project that stemmed from the single POC taking these calls, which the POC is fully prepared to expect and understands, are lost.

¹¹ Qwest states that "Eschelon even asserted that its performance measurement results were more accurate than Qwest's because the Qwest results included migration orders handled on a project basis, which had low error rates." *See* Qwest's Response, p. 3. Qwest does not disclose, when making this representation, that Eschelon also pointed out that it was unfair to include the project based orders in the denominator when it was not capturing the errors in the numerator. Eschelon did not claim that customer affecting errors did not occur. It complained that they did occur, even with project handling, but Qwest failed to include them in the measurement and thus over stated its performance. To the extent project handling reduced errors, this was due to the nature of the project handling (such as monitoring each order at the switch and using special personnel for troubles), and Qwest has not promised the same level of project handling in this case.

¹² Qwest suggested this was due to the performance reporting issues that Eschelon brought to light. Performance reporting issues could be addressed, however, by simply having the POC open tickets and then counting the tickets in the numerator (or similar agreed upon process).

b. Undocumented and inaccessible processes and unknown product will increase error rate.

This is particularly a problem for UNE-E (or “UNE-Star”) orders, because the product and related processes are virtually undocumented. UNE-Star is not even listed in the Qwest product catalog (“PCAT”) or its online business procedures. What are the chances that a call center representative is going to even have heard of UNE-E and UNE-Star, much less know what to do with it? Even if Qwest distributes some quickie training for every call center representative, what happens when that training does not take? If processes are documented on Qwest’s wholesale web site, Eschelon can provide the URL and direct the representative to the process. Doing so eliminates many disputes and allows resolution at a lower level of escalation. Without such documentation, Eschelon will have to expend resources faxing over any job aids that Qwest chooses to provide (to convince Qwest’s own representative that Qwest’s processes are as Qwest has represented them to be to Eschelon) and escalating these issues to higher levels.¹³ Such escalations are very resource intensive. This is a far cry from having a special POC who has forecasts in her hand, knows every detail of the project, *and* has documentation for the product and processes readily accessible at a URL available to her and Eschelon. Contrary to Qwest’s assertions, no inference about low error rates can be made for this very different process.

¹³ This problem, when CLEC facing documentation is insufficient, is very real and causes unnecessary escalations and delays. *See, e.g.*, CR # PC112502-1 at <http://www.qwest.com/wholesale/downloads/2003/030429/CLEC-QwestAprilProduct-ProcessArchiveReport.pdf>; *see also* Change Requests PC010603-1; PC030603-1; PC123002-1; 5608163; PC123102-1; PC030802-1; PC073101-5; PC081902-1; PC081902-2; PC090501-2; PC090601-1; PC100101-3.

The lack of fully documented and accessible information about a little known product, and the use of less knowledgeable personnel in the general call center, makes this situation much more like the Custom Calling Management System ("CCMS") situation than the UNE-P migration project. The CCMS situation involved very high error rates -- 50% to 70%! Eschelon described the CCMS situation in the Affidavit of F. Lynne Powers. *See* Ex. E-12, ¶¶ 13-14. Briefly, significant provisioning problems occurred when Eschelon attempted to order UNE-E/UNE-Star (which is ordered as resale but is supposed to provide Centrex functionality on a POTS product). *See id.* Qwest held out CCMS as a solution to the problem. *See id.* Eschelon took the "trust me" path and even amended its interconnection agreement to provide for ordering of 1FBs with CCMS. *See id.* Only after amending its contract did Qwest operational personnel inform Eschelon that CCMS is an old product that the Qwest project manager wanted to retire and that few people at Qwest are knowledgeable about it. *See id.* Consistent with these statements, it became obvious that both the call center and translations personnel at Qwest were untrained in the product and ill equipped to handle problems. *See id.* In short, CCMS was a disaster.

Based on that experience, Eschelon has solid reasons for being skeptical about broad promises that Qwest has made regarding its proposed handling of Revised Option 2. Instead of being dismissed as unreasonable for asking questions, Eschelon would appreciate information as to how Qwest plans to avoid the very kinds of problems that occurred with the other unfamiliar product, CCMS. At least that was a Qwest product that had once been familiar but had just fallen out of use. UNE-E/UNE-Star is

not even recognized in Qwest's product catalog as a product. This presents issues that need to be addressed.

c. Absence of assurances about quality reduces confidence and increases need for specific details to address concerns.

When Eschelon has attempted to ask such questions, Qwest has chosen to interpret all such questions as request for a "written guarantee." Qwest then tells Eschelon that it cannot provide a guarantee that problems will not occur. As discussed below, Eschelon is not merely requesting a written guarantee and actually needs additional information. With respect to a guarantee or other assurances about service affecting problems, Qwest has not explained why Eschelon should have more confidence in Qwest's plan than Qwest is willing to convey. In the absence of a guarantee or acceptance or liability for Qwest-caused errors, what can Qwest do? Will Qwest agree to sufficient steps to inspire confidence? For example, in this situation, will Qwest use a special POC (while recording any errors in its performance reporting)? Will Qwest schedule the orders at a special time and have personnel watch the orders at the switch, as it did in a previous project? Qwest responds that it will not provide a written guarantee (presumably because problems *will* occur), and apparently that ended the analysis for Qwest. It certainly prevented progress on this issue.

If Qwest would provide a written guarantee that no service affecting problems would occur, Eschelon would happily accept it. Eschelon has made it clear however that, regardless of whether it receives a guarantee, written or otherwise, Eschelon will proceed with a conversion to UNE-E billing once the details are worked out. The absence of a guarantee or similar expression of Qwest confidence increases the importance of

obtaining specific information about what to expect. Eschelon has no other choice at this point but to try to proceed and to attempt to obtain what assurances and procedural protections it can to reduce the risks.¹⁴

D. ESCHELON IS RESPONSIVE AND HAS ATTEMPTED TO RESOLVE THIS ISSUE.

Despite Eschelon's continued willingness to try to work with Qwest to develop a more workable solution, Qwest has not provided Eschelon with all of the details it needs to address its concerns. Qwest has preferred to attempt to cast Eschelon as unreasonable and unresponsive rather than working through the difficult issues with Eschelon. Qwest's suggestions of unreasonableness or unresponsiveness on Eschelon's part are baseless.

1. Eschelon is more timely and responsive than Qwest.

A fair recitation of the facts shows which party has been more responsive and ready to discuss this issue. In Qwest's Response, dated April 23, 2003, Qwest claims that it is responding to Eschelon's emails of March 11, 2003 and April 9, 2003. Eschelon's April 9th email states in its entirety:

No one from Qwest has contacted me in response to Eschelon's offer below to further discuss the conversion issue. The offer is still open.

See Ex. E-U. The "offer below" was made in Eschelon's March 11th email. In its March 11th email, Eschelon challenged statements made by Qwest to the effect that Eschelon has to date not agreed to further discuss the UNE-E conversion issue and made clear that Eschelon would discuss those issues "immediately." See Ex. E-U. In its recitation of the

¹⁴ Eschelon is not waiving its breach of contract claims or accepting liability for any risks of customer impact.

facts, Qwest neglects to mention that Qwest did not respond to this offer for *more than a month*. Qwest states that “Andrew Crain attempted to contact Ms. Clausen [sic] to discuss the matter” raised in Eschelon’s March 11th email without mentioning that he did not do so until *April 18th*.

Qwest also neglects to mention that, in contrast to Qwest’s five week delay, Eschelon responded by email *the same day*. Ms. Clauson indicated that she was unavailable that day (a Friday) due to the Easter holiday but would be available on Monday and Tuesday. *See Ex. E-X*. By the end of the day on Monday, April 21st, Ms. Clauson had provided Qwest with a detailed description of Eschelon’s position as background for discussions and had provided suggestions for the handling of discussions going forward. *See Ex. E-Y*. Eschelon requested participation of Qwest subject matter experts in the discussions, provided support for why this might be useful, and provided questions to allow them to prepare for the discussions. *See id.* Eschelon concluded by suggesting that the parties discuss the issues and providing information about schedules to facilitate doing so. *See id.*

b. Qwest responds again with denials instead of specific details.

On April 21st, Mr. Crain left a voice message for Ms. Clauson, which she promptly returned the same evening. Ms. Clauson believed that the call ended with a commitment from Qwest to research the issues long raised by Eschelon and provide information to Eschelon which could then be discussed in a follow up call to include subject matter experts.¹⁵ In an email the same evening, Eschelon provided information relating to scheduling of that call. When Qwest did not respond before Ms. Clauson

needed to leave for business travel later that week, Eschelon provided information to Mr. Crain about how to schedule the meeting in her absence. When Qwest had still not contacted Eschelon about scheduling the call when Ms. Clauson returned from her trip, Eschelon again contacted him to ask about scheduling. Mr. Crain has not responded at all to any of these attempts to arrange further discussions. Instead, on Monday afternoon, Eschelon received the Response that Qwest filed with the Commission and sent to Eschelon by regular U.S. mail. The Response is dated April 23rd. Qwest did not extend the courtesy to Eschelon, in response to any of Eschelon's communications over the previous week, of indicating that Qwest would be making, or had made, such a filing.

Eschelon had understood the next step was for Qwest to work on the substantive issues and then participate in a call to discuss the issues. Eschelon was surprised to find that Qwest had chosen to spend the time since the call in this manner instead and disappointed that Qwest has forced Eschelon to likewise divert resources from the planned approach to making formal filings.¹⁶

c. Eschelon did not accuse Qwest of violating Rule 11.

In its formal filing, Qwest erroneously asserts that Eschelon accused Qwest of "violating Rule 11." *See* Qwest's Response, p. 2. The quoted language from Eschelon's email, however, shows on its face that this is not the case. *See also* Ex. E-U. Eschelon made no accusation. Rule 11 requires a good faith basis for making certain statements.

¹⁵ After the call, Ms. Clauson discovered that Mr. Crain had also sent an email response. She responded to that email the same evening as well. *See* Ex. E-Z.

¹⁶ Mr. Crain still has not responded to Eschelon's emails or its request for Qwest to withdraw its Response. This morning, Ms. Toni Dubuque of Qwest sent an email to Eschelon asking Eschelon to provide a list of questions to Qwest that the parties can meet and discuss. Eschelon appreciates Ms. Dubuque's response and will follow up with her. Unfortunately, Eschelon had not heard from Qwest earlier, so had drafted this Reply, and Qwest has not withdrawn its Response. Eschelon makes this filing to address the Response and will contact Ms. Dubuque.

Rather than assume that Qwest had none, Eschelon asked the question and gave Qwest an opportunity to provide a basis. *See id.* Eschelon also gave Qwest the opportunity to correct the record. *See id.* Now, Qwest has stated its position in its Response, Eschelon responds in this Reply, and the Commission can decide the issues presented by the parties.

d. **Eschelon made attempts to resolve this issue during the time period when Qwest stated that Eschelon would not further discuss the issue.**

The statement that Qwest made, which Eschelon quoted in its March 11th email, was Qwest's representation that "Eschelon has to date not agreed . . . to further discuss" the UNE-E mechanization issue. *See id.* [quoting Qwest's Comments Regarding Staff OSS Report, March 10, 2003, p. 15 (Qwest's March 10th Comments)]. Qwest quotes the paragraph of which this sentence is a part and concludes by stating that "[t]his paragraph is entirely accurate." *See id.* The quoted paragraph, however, does nothing except repeat the erroneous statements. Qwest says, again, that its "last attempt" to resolve the issue was made on November 14, 2002. *See id.* (As discussed below, this may be Qwest's "last attempt," but it certainly was not Eschelon's last effort to resolve this issue.)

On November 14th, Qwest merely sent to Eschelon a memorandum stating its position and rejecting Eschelon's position. *See Ex. E-P.* The memorandum contained no offer to resolve the issue. Instead, it purported to be a notice to Eschelon that Eschelon was somehow "knowingly and intentionally compromis[ing] any further claim for DMOQs based on UNE-E billing (at least insofar as it relates to the lack of mechanization)." *See id.* Qwest went even further and denied any obligation to mechanize UNE-E billing, even though Qwest's witness had testified during the July

Workshop that it was working to do so. *See id.* It is pretty difficult to read this memorandum and conclude that it is an attempt “to resolve this issue with Eschelon.” *See* Qwest’s Response, p. 2 (quoting Qwest’s earlier comments). Nonetheless, Eschelon did respond on the same day with citations to the contractual commitment that Qwest requested in its memorandum.

Eschelon also followed up with Qwest on December 17, 2002. Eschelon confirmed its understanding of the status of the issue and said: “We are still hoping to receive a more workable solution from Qwest on UNE-E mechanization, and we will work the two issues (base and new lines) together.” Although Eschelon indicated its intent to work on these two issues, Qwest did not provide any means to do so.

In addition to its communication on December 17, 2002, Eschelon attempted to resolve this issue through an escalation to Ms. Patricia Engels, Executive Vice President, Wholesale Markets, Qwest. Mr. Richard A. Smith, President and Chief Operating Officer of Eschelon, met with Ms. Engels to discuss key issues and followed up with a letter describing significant issues for resolution, including this one. The letter was dated February 10, 2003. Qwest had not responded to the letter by the date of its March 10th Comments and has since denied Eschelon’s request without seeking further discussion with Eschelon.

In addition, Eschelon made additional attempts to get Qwest to work on resolving this issue by including the UNE-E accurate billing issue on its February 19, 2003 and February 27, 2003 issues lists in the Minnesota 271 case, when Eschelon specifically asked Qwest to meet and discuss this issue. Qwest responded with a short list of issues that did *not* include UNE-E accurate billing and mechanization. Qwest did so even

though the Administrative Law Judge (“ALJ”) in the Minnesota 271 case had identified this as an area in which Qwest failed to comply with 271’s requirements.¹⁷ Eschelon pursued this issue with Qwest and specifically asked to further discuss the issue:

Eschelon would like a response to its requests for resolution of the key issues, including billing accuracy, DUF accuracy (including the request for an audit), conversion quality, UNE-E mechanization, OSS, etc. Eschelon proposes that the time set aside tomorrow morning be used to discuss these issues, if Qwest is prepared to move on any of them.

See Ex. E-AA. At this point, only a day remained of the two-week time period that the Minnesota commission had scheduled for negotiations. Although Eschelon was merely recognizing this time constraint in its email when proposing a call, Qwest attempts to twist the last phrase in the above quote to mean that “Eschelon stated that it did not want to discuss this issue unless Qwest had changed its position.” *See Qwest’s Response*, p. 3. To the contrary, through several previous communications, Eschelon had indicated a desire to discuss this issue fully. Only after Qwest had first ignored and then rebuffed those attempts, both resulting in delay, did Eschelon attempt to identify which issues should be discussed in the little time remaining. *See id.*

Qwest had already provided a list of issues about which it felt there was room for negotiation, and the list did not include this issue. In response to Eschelon’s email, Qwest could have added this issue. Instead, Qwest included a litany of attacks on the very suggestion that discussion might be useful, starting many issues with: “other than the ROC OSS test, which we passed, what can we do through negotiation that would resolve the issue. . . ?” *See Ex. E-BB.* Billing accuracy was the first issue that Qwest

¹⁷ Findings of Fact, Conclusions of Law and Recommendations, Office of Administrative Hearings, *In re. Commission Investigation into Qwest’s Compliance with Section 271(c)(2)(B) of the Telecommunications Act of 1996; Checklist Items 1, 2, 4, 5, 6, 11, 13, and 14*, 7-2500-14486-2, MN PUC Docket No. P-421/CI-01-1371 (Jan. 24, 2003) (“Minnesota ALJ Order”) at p. 96, ¶ 313.

shot down as a topic for negotiation in this manner. *See id.* With respect to UNE-E mechanization, Qwest claimed that UNE-E billing was already mechanized without acknowledging that the unresolved issue is that the conversion itself was supposed to be mechanized to avoid customer impact. *See id.* Unlike Qwest's email suggesting there was nowhere to go in negotiations, Eschelon's response to that email included specific, productive proposals for issue resolution. *See Exhibit E-CC.* Eschelon also made it clear in this later email (not mentioned by Qwest) that Eschelon would discuss *any* issue on the call. *See id.*

The attempts to try to resolve this issue on December 17th, February 10th, February 27th, and February 28 were all initiated and pursued by Eschelon.¹⁸ In Qwest's Comments on March 10th (p. 15), Qwest said that it made its last attempt to resolve the issue on November 10, 2002. Perhaps this is a recognition that, on all subsequent occasions when Eschelon raised the issue, Qwest made no attempt to resolve it. In its March 10th Comments (p. 15), Qwest added that "Eschelon has to date not agreed to the conversion or to meet to further discuss." As the recitation of attempts made by Eschelon from December 17th through February 28th shows, however, that was not the case. Eschelon specifically asked Qwest to meet to discuss this issue. *See, e.g., Ex. E-AA.* Not only that, Qwest and Eschelon did meet by telephone on February 28, 2003 at Eschelon's insistence. *See id.* Given these facts, Eschelon was pretty surprised to read in Qwest's March 10th Comments that "Eschelon has to date not agreed . . .to meet to further discuss." The statement not only contains an inference that Eschelon has refused

¹⁸ Qwest reduces this entire course of communications down to descriptions such as, since November 14, 2002, "the parties have met on several occasions to discuss issues." *See Qwest's Response*, p. 2. This

to cooperate but also Qwest then draws the conclusion that Eschelon's conduct is intransigent. These are serious allegations.

e. **Eschelon accurately quoted Qwest's statement and appropriately pointed out that the statement was incorrect.**

Qwest claims that Eschelon has "taken these two sentence fragments out of context." See Qwest's Response, p. 2. While it is true that Eschelon had not "agreed to the conversion" on the terms offered by Qwest at that time, it is simply untrue that Eschelon had not "agreed . . . to meet to further discuss," for the reasons stated. If the two phrases in Qwest's sentence had been joined with "and," Qwest's argument about the context would be more plausible. Qwest did not take that approach however. Qwest alleged that Eschelon had not done either of the two things. By doing so, Qwest was able to suggest that Eschelon had unreasonably refused to pursue resolution of this issue. That is a false impression. Eschelon had agreed to meet to further discuss and had made specific proposals to be discussed. Therefore, as Eschelon indicated in its March 11th email, the second half of Qwest's statement is incorrect. Eschelon pointed this out to Qwest and asked Qwest to make the correction. Qwest did not do so. Instead, it repeated the offending sentence again in its Response, causing Eschelon to expend resources on documenting a course of events of which Qwest is fully aware.

F. LEGITIMATE QUESTIONS REMAIN UNANSWERED.

Eschelon has raised questions that remain unanswered. Perhaps Qwest will answer the questions now, in light of the Staff OSS Report. The Staff has already prompted progress by obtaining from Qwest affirmative representations from Qwest that

suggests some kind of mutual discussions without alluding to these actions taken by Eschelon to prompt

the conversion will be transparent, invisible, without adverse impact to Eschelon's end user customers, and involve only changes to records within Qwest's systems. *See* Qwest's Response, p. 3 & Ex. E-V. This provides a better context from which to discuss Qwest's plan.

Examples of the remaining questions include:

-Does Qwest's proposal still include the use of a code/FID to prevent the orders from flowing to facilities assignments and/or switch translations? If so, has Qwest explored the possibility of auto-populating the code/FID for this type of order, instead of relying on typists to remember to manual enter it each time? If not possible, are other systems solutions available, such as an automatic prompt to ensure that the code is entered? (For example, could a particular PON be used to identify the orders which needed such a prompt? Or, could Qwest develop a template for these orders that has the code/FID populated in it?) If no systems solution is available for the FID issue, has Qwest considered a separate review of the orders for the FID before it flows through to be sure the FID has been entered and is correct? (Eschelon has to perform such a review when it submits LSRs, using the PSONs, so Qwest could similarly devote resources to a check of each order. A systems solution would, of course, be preferable.)

-When errors occur and the orders flow through to facilities assignments or switch translations, what process is in place to deal with these errors? Will Eschelon know of the schedule and when problems occur (given that Qwest is placing the orders with no LSRs by Eschelon)? Will a Qwest representative specially monitor the switch to watch these orders, as was done in the UNE-P migration project? Will a special time be set aside for these orders, with resources made available at that time, as was done for the UNE-P migration project?

-If Qwest will not use a special POC, what steps will Qwest take to address the absence of knowledge and documentation about UNE-E/UNE-Star? How will escalations be handled? What training will be provided to the call center, facilities assignments, switch translations, and any other affected Qwest groups?

-Qwest has previously said that it would provide Eschelon with "training." If Qwest is doing the work, why does Eschelon need training? What is the nature of the training?

-Will Qwest document any of its processes relating to UNE-E/UNE-Star on the Qwest wholesale web site? If not, what documentation will Qwest make available, when will it be available, and will the same documentation be available to internal Qwest representatives?

discussions that were glossed over in Qwest's March 10th Comments.

-Are UNE-E (as it is provided to Eschelon now) and UNE-STAR (which Qwest says it will use to provide accurate billing) identical with respect to features/functionality? Obviously, Eschelon cannot find out after the move that there are differences. In its denials of Eschelon's request to opt-in to the McLeod rates for UNE-M, Qwest has emphasized what it claims are real differences in the features and functionality between UNE-E and UNE-M. It appears, however, that Qwest has implemented only one UNE-STAR product for accurate billing. How does that product accommodate the alleged differences? What steps has Qwest taken to be sure that moving lines to UNE-STAR will not impact the product other than to provide accurate billing?

-Has Qwest tested UNE-STAR to ensure that it, in fact, provides accurate billing (per the UNE-E agreement)? Is Qwest providing accurate UNE-E/UNE-STAR bills to any CLEC? What Qwest-Eschelon testing will be performed? Will there be test orders, and will we need to wait until the bills are received to determine if the test was successful?

-Jeff Thompson of Qwest had indicated that Eschelon should begin to order UNE-STAR for new lines after the existing UNE-E lines were moved to accurate billing. See p. 3 of Ex. 5 to Ex. E-12. Please provide documentation for the ordering process, as none is available on the web. Qwest had provided an informal job aid previously but has indicated that it needed to be updated. Eschelon seeks to avoid a CCMS-type situation in which the Qwest personnel are unfamiliar with the product and its processes. Please describe the training that has or will be performed for Qwest personnel and the documentation available to them.

-Alternatively, will Qwest agree to provide voice mail and AIN features (and, in particular, remote access forwarding) with UNE-P, to reduce the amount of lines that need to be on UNE-E if doing so would eliminate the requirement in any states where it does so to bill accurately for any remaining UNE-E lines? (See Ex. E-CC.)

A reading of this list of questions shows that the requests are reasonable. Any carrier conscientious about its duty to provide good service quality would or should want the same information. Eschelon would first like to avoid manual handling as much as possible and then, to the extent it cannot be avoided at this point, Eschelon would like as many appropriate procedures in place as possible to avoid harm. And, Eschelon wants to know in advance what those procedures are so it can work with them. This is not

“intransigence.” See Qwest’s March 10th Comments, p. 15. It reflects a genuine business need that is well grounded in fact and is obviously necessary in light of previous experience (such as the CCMS situation).

Assuming Qwest provides this information so that the details of a project to implement Revised Option 2 can be worked out, doing so will not give Eschelon the benefit of its bargain.¹⁹ Unlike the Qwest 271 issues related to this issue that must be dealt with here, remedies to Eschelon for that breach of contract can be dealt with in another matter.²⁰ In light of Qwest’s allegation of Eschelon unreasonableness, however, it must be pointed out here that Revised Option 2 is a significant departure from the manner in which the conversion was supposed to have taken place. (It requires manual typing of service orders instead of the promised systems solution for performing the conversion itself.) Qwest unilaterally made this departure and has taken Eschelon along for the ride. Nonetheless, Qwest recognizes no movement or flexibility on Eschelon’s part and attempts to portray the simple asking of logical questions about a process that has been forced upon Eschelon as intransigence. We are very far from where we would have been if Qwest had honored its contract. Eschelon is just trying to ensure that the ride down that slippery slope results in as few adverse consequences as possible. Qwest needs to be more forthcoming and supportive in ensuring that the kinds of representations it has made to this Commission in Qwest’s Response come to fruition.

¹⁹ The initial deal was supposed to provide Eschelon with an automatic conversion that involved only billing work and no risk to the end user customer’s service. (Qwest focuses on mechanized billing while ignoring that a primary issue here is mechanized *conversion* to billing to avoid any adverse impact.) That promised solution did not involve any party manually typing orders (either LSRs or service orders), because a systems solution was supposed to do the work.

²⁰ The substantive issues raised by Eschelon are very relevant to this proceeding and show that Qwest continues to fail to provide accurate billing and has not complied with its 271 obligations. The issue of *remedies to Eschelon*, however, is a separate issue that may be dealt with in another proceeding.

III. CONCLUSION

Qwest concludes its Response by stating that, until April 21st, “Eschelon has steadfastly refused to consider Qwest’s proposal to convert Eschelon’s UNE-E customers to the mechanized billing process.” *See* Qwest’s Response, p. 4. The reverse is true. All along, Eschelon has steadfastly considered Qwest’s “proposal.” Eschelon has considered the plan so closely that it has identified problems that need to be addressed, such as the handling of customer affecting problems when a Qwest typist omits the code/FID and the order improperly flows to facilities assignments or switch translations. Instead of a conclusion that Eschelon should not worry about such things, Eschelon would like Qwest to provide sufficient facts to show how such issues are being adequately covered. Whenever discussions start to get to that level of detail – and the devil is in the details – Qwest fails to provide answers and resorts to name-calling, such as “intransigen[t]” and “self serving.” *See* Qwest’s March 10th Comments, p. 15, and Ex. E-V.

Eschelon has asked the Staff and facilitator to participate in calls with Qwest about this issue and hopes that they will have an opportunity to do so. Eschelon is simply attempting to get resolution to genuine business issues. Qwest claims that it “is Eschelon’s continued refusal to resolve the dispute over the embedded base that causes the billing accuracy issue to persist.” *See* Qwest’s March 10th Comments, p. 15. Qwest states that this is “intransigence.” *See id.* Eschelon does not understand how it is intransigent for Eschelon to maintain its position but not intransigent for Qwest cling to its position. Qwest has continued to refuse to resolve this dispute. For a long time, part of its refusal was to decline to provide the very kinds of assurances that now appear in Qwest’s Response (such as that the lines will not go down and the orders will involve

internal work only). We have been at impasse, and Eschelon brought this issue to the Commission for resolution. The Staff made its recommendation on the facts presented by the parties.

If the Commission adopts the Staff's recommendation on this issue, to "count these as an error or an inaccurate bill for purposes of calculating its billing measurements," Qwest will be more likely to move past that phase and get down to the details needed to move forward. We have already gained some attention to the issue as a result of the Staff's recommendation, and we ask the Commission to adopt that recommendation to allow that progress to bloom into accurate billing for UNE-E lines.

In the meantime, UNE-E bills remain 100% inaccurate. For this and the other reasons previously identified by Eschelon and other CLECs, Qwest fails to meet the standards of Section 271 of the Act.

April 30, 2003

ESCHELON TELECOM, INC.

By:



Karen L. Clauson
Eschelon Telecom, Inc.
730 2nd Avenue South, Suite 1200
Minneapolis, MN 55402-2456
(612) 436-6026

EXHIBIT E-U

-----Original Message-----

From: Clauson, Karen L.
Sent: Wednesday, March 12, 2003 4:57 PM
To: 'Joanne Ragge'; 'Mscott@cc.state.az.us'; 'lfarmer@cc.state.az.us'; 'thc@lrlaw.com'; 'mpatten@rhd-law.com'; 'jsburke@omlaw.com'; 'thomas.f.dixon@wcom.com'; 'thc@lrlaw.com'; 'mpatten@rhd-law.com'; 'gharris@lrlaw.com'; 'richard.smith@cox.com'; 'danielwaggoner@dwt.com'; 'gregkopta@dwt.com'; 'tracigrundon@dwt.com'; 'rwolters@att.com'; 'dsekich@att.com'; 'decook@att.com'; 'rhip@bellatlantic.net'; 'hagoodb@bellsouth.net'; 'joyce.hundley@usdoj.gov'; 'aisar@millerisar.com'; 'swakefield@azruco.com'; 'dpozefsky@azruco.com'; Clauson, Karen L.; Smith, Raymond L.; 'mhazzard@kelleydrye.com'; 'garylane@primenet.com'; 'andrea.harris@allegiancetelecom.com'; 'tberg@fclaw.com'; 'tdwyer@fclaw.com'; 'mjarnol@qwest.com'; 'mluckri@qwest.com'; 'John Duffy'; 'csteese@steeselaw.com'; 'jdowens@qwest.com'; 'acrain@qwest.com'; 'nlubame@qwest.com'; 'mbumgar@qwest.com'; 'lsimpo@qwest.com'; 'tfreebe@qwest.com'; 'rlanphi@qwest.com'; 'sacik@perkinscoie.com'; 'dschneid@fclaw.com'; 'rkim@qwest.com'; 'cattanach.robert@dorseylaw.com'; 'drfinch@att.com'; 'MJRosenstein@HHLAW.com'; 'mdoberne@covad.com'; 'hpliskin@covad.com'; 'mzulevic@covad.com'; 'barbara.c.young@mail.sprint.com'; Clauson, Karen L.; 'tory.bishop@kutakrock.com'; 'jill.vinjamuri@kutakrock.com'; 'cpost@mail.state.ne.us'; 'mebrown'; 'jnimrod@qwest.com'; 'scasey@qwest.com'; 'Andrew Crain'
Cc: 'woode@perkinscoie.com'; 'Novak, Jean'
Subject: RE: AZ 271 - Qwest's Comments on Staff's Report

Qwest:

We don't understand why Qwest continues to represent that Eschelon is not willing to work on the UNE-E issue, when Qwest owes us a response. Please compare the December 17, 2002 Eschelon email below on this issue (asking Qwest to work on the entire UNE-E issue and provide a more workable solution) to Qwest's representation in the enclosed comments that says: "Qwest has made several attempts to resolve this issue with Eschelon, with the last attempt being made on November 14, 2002. . . . Eschelon has to date not agreed to the conversion or to meet to further discuss."

Eschelon has not only agreed to further discuss, Eschelon has requested such meetings and held a meeting, but Qwest's answer remains no.

Andy Crain (and others at Qwest): Earlier, Eschelon provided you with a copy of the February 10, 2003 Eschelon letter to Pat Engels of Qwest in which Eschelon asked Qwest to resolve this issue (copy enclosed). The President of Eschelon asked Ms. Engels to call him with any questions or if she needed any additional information. Since then, you were involved in MN 271 hearing last week and the "negotiations" associated with that hearing. You know this issue was on Eschelon's February 19, 2003 and February 27, 2003 lists of issues that Eschelon specifically asked Qwest to meet and discuss. You were also present at the MN hearing last week where we discussed the statements by Jeff Thompson reflected in an email (attached to the Powers Affidavit, Ex. E-12) that are referred to in Eschelon's enclosed December 17, 2002 email (see below). Qwest and Eschelon did meet (via a conference call) to discuss this very issue on February 28, 2003, and Qwest said it would not move in its position.

On what good faith, Rule 11 basis does Qwest represent that "Eschelon has to date not agreed . . . to further discuss," given all of Eschelon's efforts to get Qwest to discuss and resolve this issue (including a request to do so by Eschelon's President to Qwest's Executive Vice President of Wholesale Markets)? The statement in the comments should be corrected. This statement, and the status, are not as Qwest has indicated.

Has Qwest changed its position since the call on February 28, 2003? In any event, I'll meet on this immediately, if someone at Qwest would kindly call me. Who at Qwest is responsible for this issue now, and who can arrange the meeting/call? We believe the Staff's recommended approach is the correct solution, as Eschelon indicated in its comments. We are very open to meeting with Qwest to discuss this issue and will make every effort to accommodate your schedule. Please let me know when Qwest will meet to discuss it.



RE: UNE E



Qwest-Engels ltr
2-10-03 -- Fi...

-----Original Message-----

From: Joanne Ragge [SMTP:jragge@qwest.com]
Sent: Monday, March 10, 2003 11:12 AM
To: Mscott@cc.state.az.us; lfarmer@cc.state.az.us; thc@lrlaw.com; mpatten@rhd-law.com; jsburke@omlaw.com; thomas.f.dixon@wcom.com; thc@lrlaw.com; mpatten@rhd-law.com; gharris@lrlaw.com; richard.smith@cox.com; danielwaggoner@dwt.com; gregkopta@dwt.com; tracigrundon@dwt.com; rwolters@att.com; dsekich@att.com; decook@att.com; rhip@bellatlantic.net; hagoodb@bellsouth.net; joyce.hundley@usdoj.gov; aisar@millerisar.com; swakefield@azruco.com; dpozefsky@azruco.com; klclauson@eschelon.com; rlsmith@eschelon.com; mhazzard@kelleydrye.com; garylane@primenet.com; andrea.harris@allegiancetelecom.com; tberg@fclaw.com; tdwyer@fclaw.com; mjarnol@qwest.com; mluckri@qwest.com; John Duffy; csteese@steeselaw.com; jdowens@qwest.com; acrain@qwest.com; nlubame@qwest.com; mbumgar@qwest.com; lsimpso@qwest.com; tfreebe@qwest.com; jragge@qwest.com; rlanphi@qwest.com; sacik@perkinscoie.com; dschneid@fclaw.com; rkim@qwest.com; cattanach.robert@dorseylaw.com; drfinch@att.com; MJRosenstein@HHLAW.com; mdoberne@covad.com; hpliskin@covad.com; mzulevic@covad.com; barbara.c.young@mail.sprint.com; kclauson@eschelon.com; tory.bishop@kutakrock.com; jill.vinjamuri@kutakrock.com; cpost@mail.state.ne.us; mebrow; jnimrod@qwest.com; scasey@qwest.com
Cc: woode@perkinscoie.com
Subject: AZ 271 - Qwest's Comments on Staff's Report

Filed with the Commission this morning

(See attached file: Qwest's Comments on Staff's Report_v1.DOC)

(See attached file: Attachment 1 to Comments_v1.XLS)

(See attached file: Attachment 2 to Comments_v1.DOC)

(See attached file: 2nd Attachment 2 to Comments_v1.DOC) << File: Qwest's Comments on Staff's Report_v1.DOC >> << File: Attachment 1 to Comments_v1.XLS >> << File: Attachment 2 to Comments_v1.DOC >> << File: 2nd Attachment 2 to Comments_v1.DOC >>

EXHIBIT E-V

-----Original Message-----

From: Crain, Andrew D [SMTP:Andrew.Crain@qwest.com]
Sent: Monday, April 21, 2003 6:41 PM
To: 'Clauson, Karen L.'; 'acrain@qwest.com'
Cc: Oxley, J. Jeffery
Subject: RE: UNE-E mechanization discussion

Karen,

I was hoping to have a productive discussion with you. I understood from your e-mail last week that you would be calling me today. Instead I received the attached self-serving e-mail. Let's get on the phone and see if there is anything we can resolve. This type of communication is not in any way productive in resolving the issues between the parties.

To make Qwest's position clear, we have developed and implemented a mechanized billing process for UNE-E -- yet Eschelon has to this point refused to allow Qwest to convert to that process. The process would involve Qwest generating the service orders to convert the customers to the mechanized solution. While you are correct that service orders would be typed, the process would be completely transparent to Eschelon's end users -- and to Eschelon, because Qwest, not Eschelon, would generate the service orders. This solution involves only record changes, not line changes as your e-mail implies.

When I said that I don't understand Eschelon's reasons for objecting to this process, it was not due to not having been fully informed. A better way to put it is that after fully investigating the facts, I find Eschelon's position incomprehensible. Qwest has expended a considerable amount of time and money developing a mechanized billing process for UNE-E. We have offered a process to convert the customers to that process in a way that is invisible to the end users and that does not require Eschelon to submit LSRs or service orders.

As for your allegations concerning a breach of contract by Qwest, you are correct that such claims are not appropriate in 271 proceedings. Obviously, Qwest does not agree with your allegations -- once again, after thorough investigation, those claims indisputably are not based in law or fact. As for your claim that you have converted to UNE-P because of the UNE-E billing process, it is clear that Eschelon made that decision for its own internal issue.

EXHIBIT E-W

-----Original Message-----

From: Novak, Jean [[SMTP:JNovak@qwest.com](mailto:JNovak@qwest.com)] <<mailto:JNovak@qwest.com>>
Sent: Wednesday, August 07, 2002 1:37 PM
To: bjohnson@eschelon.com
Cc: Dubuque, Toni; Masztaler, Joan
Subject: Updated UNE Star Billing option
Importance: High

Bonnie,

Qwest has determined, as a result of further investigating and system testing, that our original Option 2 can be modified. The attachment identifies those modifications. If you have any questions, please feel free to contact me.



Eschelon Conversion of Remaining Lines to UNE-Star
Revised Option 2

IMPACT	ORIGINAL OPTION 2	REVISED OPTION 2
Title and Description	Implement IMA solution so that CLECs may order both UNE-P and UNE-Star instead of being restricted to just UNE-P or UNE-Star. This option will move lines from Resale to the UNE-Star (UNE-E) billing environment. In addition, Eschelon would be able to use IMA to add to and change UNE-Star accounts.	No change from original option 2.
Qwest Impacts		
Process		Going forward, there is a risk that inaccurate orders may flowthrough IMA, complete, and post. Qwest is still investigating the potential impacts of this on-going risk and is working toward mitigation through testing and process development.
Flowthrough and PIDs	Flowthrough is not impacted by this solution. PIDs are likewise not impacted.	No change from original option 2.
Eschelon Impacts		
Process	Can use IMA to add/change accounts.	Same as original option but Eschelon must specify correct UNE Star (E) or UNE P feature USOCs.
Billing	Resale, UNE-P, and UNE-Star would be their own summary bills.	No change from original option 2.
Conversion Impacts		
Method	C-Orders issued internally by Qwest.	No change from original option 2.
Qwest IT	Current IMA estimate is for "at least" 4200 hours of development. Change Request is CMP impacting and requires ranking into a major release for full disclosure. IMA's 12.0 Release is being ranked this week. The next ranking opportunity is the end of this year. *	Qwest IT work will not be CMP impacting. Still need to complete USOC load and test ordering through billing. These are a part of the existing project plan.
Eschelon Business	Billing work only – out of service issues should be rare. No impact to repair. Closing bill with be generated for the Resale account.	No change from original option 2.
Timeframe	Confidence is low that Qwest can complete this work by the end of the year based on the risk of obtaining unanimous CLEC approval. In addition, this option must be selected by 7/19/02 to get the CMP CR presented at the August CMP meeting. Development timeframes will need to be confirmed if this option is selected.	Qwest can meet a 12/20/02 implementation date, dependent on Eschelon and Qwest developing and finalizing a Project Plan by 8/30/02.

EXHIBIT E-X

-----Original Message-----

From: Clauson, Karen L.
Sent: Friday, April 18, 2003 11:31 AM
To: 'acrain@qwest.com'
Subject: UNE-E mechanization

Thanks for your voice mail asking about UNE-E mechanization. I am out of the office for Easter but will be in on Monday and Tuesday of next week. Let's talk then.

Karen L. Clauson
Senior Director of Interconnection
Eschelon Telecom, Inc.
730 2nd Ave. South, Suite 1200
Minneapolis, MN 55402
Phone: 612-436-6026
Fax: 612-436-6126

EXHIBIT E-Y

-----Original Message-----

From: Clauson, Karen L.
Sent: Monday, April 21, 2003 4:43 PM
To: 'acrain@qwest.com'
Cc: Oxley, J. Jeffery
Subject: UNE-E mechanization discussion

Andy:

Thanks for your voice message on Friday regarding UNE-E mechanized billing process to obtain accurate bills. I assume your call is in response to Eschelon's offer to discuss the UNE-E mechanization issue, which I extended in my emails of March 12, 2003 and April 9, 2003 in the AZ 271 matter. I am happy to talk with you. I do believe it would be helpful to have subject matter business people/experts on the call who have history with, and knowledge about, this issue. Please let me know a time that would work for Qwest. I travel on business Wed. afternoon-Friday, but I am available any time tomorrow morning or Wednesday morning.

Subject matter business people participation would be particularly helpful because you indicated in your voice message that, for the life of you, you are trying to figure out what Eschelon wants here. We believe we have been clear with the Qwest individuals involved in this issue as to what Eschelon wants and to what it is entitled. It will be helpful to have them (including for example Toni Dubuque and Jeff Thompson) involved in the conversation. We have had to get several Qwest people up-to-speed on the issue, and it would be helpful not to have to re-invent the wheel each time.

I will also summarize relevant information in this email as background for you (and, of course, you have our previous testimony/filings on this issue). This should help with ensuring the right people are on the call and with preparation for the call to make it as efficient and productive as possible.

All along, Eschelon has wanted Qwest to deliver on the agreement that Qwest made with Eschelon to provide an automatic/mechanized conversion of Eschelon's embedded base of customers to UNE-E, including accurate billing, as a record work/internal billing only change that would be transparent to Eschelon's customers (i.e., not harm them/affect their service). Because the IT "tool" that Qwest said it was developing involved record work/internal billing only changes made by Qwest internally, there was no risk of any harm to end user customers, because their lines would not be touched. (Although Qwest now chooses to refer to this as "zero defects" to try to make the standard sound unreasonable, both Qwest and Eschelon understood that the risk of customer-affecting problems was zero, because their lines were not to be touched as part of the conversion. If any "defect" occurred, therefore, it could only be billing-type errors. Such defects can be cured by adjusting the bill. That is very different from talking now about potential adverse impact to the end user customer's service.) Qwest has breached that agreement. We'll have to deal with the breach of contract issue

separately, as a 271 proceeding addresses Qwest's compliance with 271 only and does not provide remedies to CLECs for contract breaches.

Going forward, Eschelon is still entitled to accurate billing for UNE-E lines. (See, e.g., AZ ICA Att. 5, ¶4.3.6 & UNE-E Amendment ¶ 1.8.) The AZ Staff has recommended that, until accurate billing for the base of UNE-E customers is resolved, Qwest should be required to count errors in the UNE-E bill (i.e., 100% inaccurate) as an error or inaccurate bill for purposes of calculating its billing measurements. Qwest has an interest, therefore, in delivering accurate billing for UNE-E to avoid PID/PAP payments for failure to meet the billing performance measurements.

Doing so at this very late date will not remedy the breach that has already occurred and damage that Eschelon has already suffered. Since then, Eschelon has had to engage in self-help at its own expense to move many lines from the faulty UNE-E product to another product (UNE-P). Although Pat Engels of Qwest recently erroneously described this as an "election" on Eschelon's part [see enclosed portion of 4/1/03 Qwest Engels letter ("Engels letter")], Qwest's failure to perform as promised took choice away from Eschelon. Despite Eschelon's having had to engage in self-help and move lines off this faulty product, Eschelon will have to order UNE-E going forward in situations such as when functionality (such as voice mail or AIN feature) is available with UNE-E but not UNE-P. In light of the Triennial Review, Eschelon and other CLECs may also find other reasons to order UNE-E as well. Eschelon has a right to order UNE-E through the end of 2005 under its ICA. In addition, Qwest has represented to the FCC that it will make UNE-E available to other providers on a residential basis as well (even though Eschelon's ICA Amendment is for business customers only). Some of the lines in Eschelon's base will remain on UNE-E and others will be added and other CLECs may choose to order UNE-E (if it finally works), and Eschelon (and other CLECs if they choose) are entitled to accurate billing for UNE-E lines.

Due to Qwest's failure to perform, we are all confronted with the current situation in which Eschelon still does not receive accurate bills for a product that it may order until the end of 2005. No proposal for the remaining UNE-E lines at this point will remedy the breach of contract and harm done to date. Eschelon will, however, provide the requested input with respect to Qwest's plans for providing UNE-E with accurate billing going forward. While Eschelon is not agreeing that any such proposal resolves the issue/breach, Eschelon does want to be sure that the manner in which Qwest proceeds does not cause further harm by adversely affecting Eschelon's end user customers.

INFORMATION NEEDED/QUESTIONS WE'LL ASK ON CALL:

To provide input, we need some information from Qwest to better understand its position. Although written in the past tense (as though the proposal had already been made to Eschelon), Ms. Engels in her letter discusses what appears to be a brand new proposal. She states that Qwest has offered to convert the remaining base "in a manner that was transparent to Eschelon's end user customers." Qwest refers to a "mechanized process" that Qwest has

"offered" to "convert the embedded base of UNE-E lines." She also states that the "mechanized solution developed by Qwest meets all requirements of the agreements between our companies." (See Engels letter.) Our companies certainly did agree that Qwest would convert the then base of customers to UNE-E using a mechanized solution and that doing so would be transparent to our customers. We are unaware of any Qwest proposal to date, however, that would accomplish this. Of course, it is too late to meet the contractual obligation to do this for the entire embedded base, because Qwest did not do so at the time. Even with respect to the remaining UNE-E lines, however, Qwest in its most recent proposal to Eschelon (before the Engels letter), said that it would manually type service orders in *every* instance. In addition to manual typing of orders, Qwest said that, for each service order, Qwest typists would manually enter a FID that is necessary to prevent the order from flowing through to the switch and assignments. (If an error is made in the manual entry of the FID and the orders then flowed through to the switch and assignments, the customer's service would be impacted. Because of the manual nature of the FID entry, this is a likely scenario that is not hypothetical in any sense.) In the Engels letter, Qwest now refers to a mechanized method and "generating" service orders.

--What is the mechanized solution? Please describe.

--Of course, manually typing service orders is not "mechanized." By what mechanized method will Qwest "generate" service orders?

--Will the FID still be necessary to prevent the order from flowing through to the switch and assignments? If so, how has addition of the FID to the orders been mechanized?

--If this is a mechanized process, why does Eschelon need "training," and what is the nature of the training?

--Qwest also refers in the Engels letter to efforts "to create a complete mechanized solution." Despite other references in the letter to a mechanized solution, this suggests that mechanization is incomplete (i.e., manual steps are involved). Please describe what is mechanized and what is manual. Has the proposal changed from the last discussion?

Ms. Engles also states that "Eschelon has indicated concern about the necessity to convert its internal systems to accommodate this request. Eschelon would have to convert its systems regardless of the method used by Qwest to convert the embedded base."

--Please provide a copy of any communications from Eschelon in which it expresses this concern.

--Please define what Qwest means by "convert its internal systems," what actions it believes Eschelon must perform, and the basis for Qwest claiming this is an Eschelon obligation.

Additionally, as we discussed during the MN 271 hearing recently, Qwest (Jeff Thompson) told Eschelon, instead of starting to order UNE-STAR for new lines once Qwest's system releases provided for UNE-STAR ordering, that "Eschelon should wait to implement UNE-E until Qwest changes its back end

legacy systems to bill for UNE-STAR." (p. 3 of Ex. 5 to AZ 271 Ex. E-12). If Qwest starts to provide accurate billing for existing UNE-E (although not through the promised "back end legacy system" changes), the time may then come for Eschelon to order UNE-STAR for new lines per that instruction.

--We have searched Qwest's website for the ordering instructions for UNE-STAR (which should be available on the web per the release, as well as for residential providers per Qwest's representations to the FCC). We couldn't find the documentation. Before such ordering could commence for new lines after the other lines are being billed accurately, Eschelon would need a documented process for ordering UNE-STAR for new lines. Please point us to the URL where that documentation is available.

I am available any time tomorrow morning or Wednesday morning for a discussion. Next week would also work. I am happy to talk with you alone or with you and other Qwest subject matter/business people. For the reasons given, including the business people may advance the discussion. I will need to check schedules internally as well if we go with that approach. I hope this background information is useful. Please let me know when you would like to discuss and who will be participating. Thanks.

Karen L. Clauson
Senior Director of Interconnection
Eschelon Telecom, Inc.
730 2nd Ave. South, Suite 1200
Minneapolis, MN 55402
Phone: 612-436-6026
Fax: 612-436-6126

Excerpt from Letter by Patricia A. Engels, Executive Vice President, Wholesale Markets, Qwest, to Richard A. Smith, President and Chief Operating Officer, Eschelon (April 1, 2003), page 6:

“5. UNE-E Mechanization/Conversion

In 2002 Eschelon elected to convert a large part of your UNE-E base to UNE-P, leaving a small base of about 9,000 lines as a UNE-E embedded base. Since that time, Eschelon has informed Qwest that it will convert more than 6,000 of the remaining UNE-E lines to UNE-P, leaving fewer than 3,000 UNE-E lines across Qwest’s region. Qwest has invested a large amount of time and resources to develop a mechanized billing solution for UNE-E, and Eschelon has chosen not to convert the embedded base of UNE-E customers to the mechanized billing process.

Qwest offered to convert the embedded base of UNE-E lines to the mechanized process in a manner that was transparent to Eschelon’s end user customers and that minimized any work necessary for Eschelon. Rather than requiring Eschelon to submit LSRs, Qwest offered to generate service orders to convert the embedded base. Qwest has offered training to Eschelon and to project manage the conversion to minimize any potential problems. Despite testifying in Arizona that the similar project-managed conversion from UNE-E to UNE-P was handled efficiently without significant problems, Eschelon has raised the hypothetical specter of potential service-impacting problems and has requested that Qwest expend additional sums to create a complete mechanized solution, without the generation of service orders for the conversion of the UNE-E embedded base from resale to UNE-E. Eschelon has indicated that it expects a guarantee of zero defects. These requests are unreasonable, in light of the low volume of embedded UNE-E lines and the reasonable solution that has been created by Qwest. The mechanized solution developed by Qwest meets all requirements of the agreements between our companies. Finally, Eschelon has indicated concern about the necessity to convert its internal systems to accommodate this conversion. Eschelon would have to convert its systems regardless of the method used by Qwest to convert the embedded base.”

EXHIBIT E-Z

-----Original Message-----

From: Clauson, Karen L.
Sent: Monday, April 21, 2003 9:06 PM
To: 'Crain, Andrew D'; 'acrain@qwest.com'
Cc: Oxley, J. Jeffery
Subject: RE: UNE-E mechanization discussion

I returned your call before seeing your note. I can't say that the tone of the argument was productive, particularly with respect to IT conversations that we were personally involved in and you were not, but you nonetheless proceeded to tell me how they went and what they meant. You have your theories, Andy, but that just isn't what happened. The agreed upon mechanized process did not involve submission of LSRs or service orders by either party and did involve an automatic move to UNE-E (for which we would receive accurate bills) through internal systems work at Qwest that did not present any risk to the customer's service. I guess the productive part would be that we agreed that the breach of contract issue is separate, and we are reserving our rights as to those issues. Although you claim that Qwest has not tied the issues together previously, we believe Qwest's willingness to separate out the billing accuracy issue going forward and actually take steps now to implement such billing is directly related to the Staff's recent recommendation. The Staff recommended that, until accurate billing for the base of UNE-E customers is resolved, Qwest should be required to count errors in the UNE-E bill (i.e., 100% inaccurate) as an error or inaccurate bill for purposes of calculating its billing measurements. Now, Qwest has an interest in addressing the accuracy of the billing. Previously, Qwest was able to unilaterally claim billing accuracy without taking any action. By refusing to assure Eschelon that Qwest could create a move that would be "transparent" or "invisible" to the customers and by describing the types of customer affecting situations that could occur, Qwest preyed on Eschelon's known concerns about adverse customer impact. Now, when the Staff has given Qwest a reason to make the move, Qwest is willing to say that this will be "transparent" and "invisible" to the customer (see below) to downplay those impacts and try to portray Eschelon's expressed concerns as unreasonable. As we've described and I discuss below, the concerns are reasonable and still need to be addressed. We hope that Qwest will be able to address them on the upcoming calls.

As to how Qwest will attempt to bill accurately for UNE-E going forward, Qwest has made it is clear that Qwest is not going to proceed with the initially promised IT tool that would have avoided manual typing of either LSRs or orders. Given that Qwest has decided to proceed in that manner, we need as much information as we can get about how Qwest will do this, what Qwest will require of Eschelon, and what Qwest will do to avoid customer impact.

With respect to your comments below, we discussed on the call use of the word "transparent." I learned on the call, unfortunately, that now Qwest legal has put a new spin on the term and defined "transparent" to mean that the end user does not have to do any of the work. That just isn't how the parties used the term. Both parties understood transparent to mean that the conversion would

occur without the end user customer noticing it or being impacted by it. Obviously, if these conversions affect the customer's service under Qwest's new plan, the end user will see that affect (and thus it is not transparent to the end user). The hope that was raised by use of the term in the letter has been diminished by your explanation. How transparent this move will really be now depends even more on what we learn on the call, since you claim to have a different definition of transparent now.

You represent below that the changes will involve only record changes that can not affect the line. We're glad to hear that. An order that goes to switch translations or facilities assignment is NOT record work only and can affect the line. Also, based on earlier discussions with Qwest, adding the FID (or whatever term Qwest uses for this code) to stop the order from going to switch translations or facilities assignments is done through a CHANGE order, not a record ("R") order of the type that can't affect the line. (The reason for this, as we understand it, is that the type of service order issued at Qwest drives the system that the order flows through downstream. A record order is limited in what system it updates downstream; basically, it is the billing systems. The systems that need to know not to go to switch translations or facilities assignment can't be updated with a record order.) If the change order flows to these systems without the Qwest typist manually adding the appropriate FID (or whatever term Qwest uses for this code), Qwest will work the order and impact the customer. For facilities, for example, the assignment would be changed, which would pull the customer out of service. For switch translations, for example, if the order falls out of the switch for manual handling and does not get worked, the customer would be affected for hours or longer. A typing error in the translations would significantly change the customer's features. (And, because there was supposed to be a FID/code to stop this, the trouble will not be anticipated and people will not be prepared to respond to it.) These are the kinds of scenarios that we reviewed with Qwest when Qwest last presented its plan, and Qwest confirmed that these were real possibilities. You have pointed out again that Qwest won't guarantee that these things won't happen or that Qwest will be liable if they do. You haven't explained why Eschelon should have more confidence in this process than Qwest does. We also don't understand how Qwest's business people can agree that these scenarios are real possibilities and then you assert that the Qwest plan will be "invisible" to our customers (but the plan hasn't changed).

You indicated on our call tonight, and you indicate below, that you have checked internally with the appropriate people on these issues earlier today and, after full investigation, can represent the facts as you present them to me now. We hope you are right that the current work is record work that won't affect the line/customer's service, but that is not what Qwest told us last time it presented this plan. This is why we have been so concerned about it and asked for more assurances about what would happen to our end user customers. What is the plan, for example, when the Qwest typist forgets to add the FID/code to the line? Is someone at Qwest sitting at the switch/in facilities assignment to catch it? Does Eschelon know? How are these escalated? These are examples of the unknowns. To have so many unknowns prevents this process from going

forward. If Qwest can answer them (and the questions listed below/previously by Eschelon), we need to receive this information. My understanding as a result of the call is that you will organize a call with Toni Dubuque, yourself and possibly others from Qwest with Eschelon to address these types of issues.

With respect to unknowns, one we didn't discuss on the phone but which we have asked Qwest previously is this: Are UNE-E as it is provided to Eschelon now and UNE-STAR (which Qwest says it will use to provide accurate billing) identical with respect to features/functionality? Obviously, we can't find out after the move that there are differences. In its denials of our request to opt-in to the McLeod rates for UNE-M, Qwest has emphasized what it claims are real differences in the features and functionality between UNE-E and UNE-M. It appears, however, that Qwest has implemented only one UNE-STAR product for accurate billing. How does that product accommodate the alleged differences? What steps has Qwest taken to be sure that moving lines to UNE-STAR won't impact the product other than to provide accurate billing? These types of questions are why we need the business people to talk so they can understand Qwest's plan. As I said, I am wary of trying to identify a set list of issues when I may not know all the questions that need to be asked by the business units.

In your email below, you say that my earlier email was "not in any way productive." It took time out of my day to outline our position for you, so it is unfortunate that you feel that way. Qwest has had us deal with so many people on this issue, that we haven't been able to assume what any one person at Qwest knows about the history of this issue. Since you don't have a written response to Pat Engels's letter, I did think it would advance the discussion for you to get a summary of our position. As we discussed on the call, Eschelon did hope, for example, that the plan described in the Pat's letter may have changed in positive respects from Qwest's previous plan. Though you disabused me of that notion on the call, we were able to identify the issue and discuss it because I had laid the issue out for you. Also, if I understand the result of the call correctly, you are going to get together people to discuss with us the very issues that I list below. Having the issues in a written list in an email that can be forwarded to those people and discussed with them in advance of the call does seem to have some benefit. If you similarly have questions or issues that you will have for us on the call, I would appreciate a list of them before the call so that we can likewise prepare.

We disagree with the other statements in your email, such as in the last paragraph. As we have agreed that they can be dealt with separately and we reserve our rights, let's move on to a call in which Qwest business folks describe the plan and all that it entails.

Please provide to me some scheduling possibilities for the call, and I'll check with people here. I have learned that Bill Markert is out of the office until after I have to leave for my trip this week, so next week will work better. Thanks,
Karen

-----Original Message-----

From: Crain, Andrew D [SMTP:Andrew.Crain@qwest.com]
Sent: Monday, April 21, 2003 6:41 PM
To: 'Clauson, Karen L.'; 'acrain@qwest.com'
Cc: Oxley, J. Jeffery
Subject: RE: UNE-E mechanization discussion

Karen,

I was hoping to have a productive discussion with you. I understood from your e-mail last week that you would be calling me today. Instead I received the attached self-serving e-mail. Let's get on the phone and see if there is anything we can resolve. This type of communication is not in any way productive in resolving the issues between the parties.

To make Qwest's position clear, we have developed and implemented a mechanized billing process for UNE-E -- yet Eschelon has to this point refused to allow Qwest to convert to that process. The process would involve Qwest generating the service orders to convert the customers to the mechanized solution. While you are correct that service orders would be typed, the process would be completely transparent to Eschelon's end users -- and to Eschelon, because Qwest, not Eschelon, would generate the service orders. This solution involves only record changes, not line changes as your e-mail implies.

When I said that I don't understand Eschelon's reasons for objecting to this process, it was not due to not having been fully informed. A better way to put it is that after fully investigating the facts, I find Eschelon's position incomprehensible. Qwest has expended a considerable amount of time and money developing a mechanized billing process for UNE-E. We have offered a process to convert the customers to that process in a way that is invisible to the end users and that does not require Eschelon to submit LSRs or service orders.

As for your allegations concerning a breach of contract by Qwest, you are correct that such claims are not appropriate in 271 proceedings. Obviously, Qwest does not agree with your allegations -- once again, after thorough investigation, those claims indisputably are not based in law or fact. As for your claim that you have converted to UNE-P because of the UNE-E billing process, it is clear that Eschelon made that decision for its own internal issue.

EXHIBIT E-AA

-----Original Message-----

From: Clauson, Karen L.
Sent: Thursday, February 27, 2003 1:11 PM
To: 'Coleen Austin'; clumph; Beth Halvorson; Joan Masztaler; Blair Rosenthal; tfreebe; 'jtopp@qwest.com'; 'Stanoche, John'; 'jshanso@qwest.com'
Cc: Oxley, J. Jeffery; Ahlers, Dennis D.
Subject: FW: Eschelon-Qwest Issue resolution
Importance: High

Eschelon has reviewed the enclosed lists from Qwest. None of the issues are the priority issues that I left in a message to Joanne Hanson in response to her request for priorities for these discussions. None of the issues address the MN ALJ's concerns. None of the issues address Eschelon's specific request for an access audit (even though Qwest has agreed to an audit in AZ 271). None of the issues relate to the WCOM OSS issues identified by Eschelon as issues for us too. The issues are not only not issues central to the MN 271 case, I'm not sure some of them have been raised in MN.

It appears that Qwest has spent resources and the limited time available to it in this 2-week time period to comb the AZ 271 impasse issues list for issues that Qwest believes it has resolved or is addressing elsewhere, instead of spending any time on the significant issues raised in this MN case or actually making any new effort to resolve outstanding issues. Given the short amount of time for producing an issues list, I did include the AZ impasse issues list in my list of issues in this case as a shortcut to listing issues out. I certainly believed, particularly given our conversations during the break in Tuesday's MN 271 hearing, that Qwest understood I was referring to the issues from that list that are in dispute in MN and have been discussed as needing resolution in MN. I first listed the ALJ's issues and the issues from the Pat Engles letter in my email. With respect to the AZ issues, I described them as "issues that are at impasse in the AZ 271 proceeding (list enclosed), including those relating to installation service quality (FCC ex parte enclosed)." The enclosed FCC ex parte has been submitted by parties in the MN proceeding. Qwest's list doesn't address conversion problems at all.

The universal reaction at Eschelon to these lists is that Qwest is attempting to find issues that it can characterize as "resolved" without negotiating one new thing and without addressing the key issues in the MN 271 case. Qwest should not make such characterizations to the MN commission. Eschelon is very disappointed that this is how Qwest has chosen to spend its resources and time in this 2 week period.

Eschelon would like a response to its requests for resolution of the key issues, including billing accuracy, DUF accuracy (including the request for an audit), conversion quality, UNE-E mechanization, OSS, etc. Eschelon proposes that the time set aside tomorrow morning be used to discuss these issues, if Qwest is prepared to move on any of them.

The issues in the enclosed list can be discussed at any time, and Eschelon is willing to do so. Given the press of the noon deadline on Monday, however, we would ask Qwest to focus on the priority issues in the MN 271 case.

EXHIBIT E-BB

-----Original Message-----

From: Andrew Crain [SMTP:acrain@qwest.com]
Sent: Thursday, February 27, 2003 5:16 PM
To: kiclauson@eschelon.com
Cc: Jason Topp; dhult@qwest.com; Carolyn Hammack; 'Coleen Austin'; chumph; Beth Halvorson; Joan Masztaler; Blair Rosenthal; tfreebe; 'jtopp@qwest.com'; 'Stanoach, John'; 'jshanso@qwest.com'
Subject: Negotiations

Karen,

Your message was forwarded to me. In the list we sent to you, we identified the issues that we thought were subject to resolution by negotiation. When I look at the issues you identified in your e-mail, they were not listed on the Qwest list, because we could not figure out how to meet your concerns through negotiation. You apparently have other ideas -- which we welcome. So let's start tomorrow's conversation with your ideas on how we can reach resolution of the following issues through negotiation:

billing accuracy - other than the ROC OSS test, which we passed, what can we do through negotiation that would resolve the issue that our bills are accurate?

DUF accuracy - other than the ROC OSS test, which we passed, what can we do through negotiation that would resolve the issue that our DUF are accurate? You mention an audit, but we went through an extensive audit in the ROC test and passed. You mention the Arizona follow-on audit, which will happen 6 months after we get into long distance, but that did not resolve your issues in that state.

conversion quality - other than the ROC OSS test, which we passed, what can we do through negotiation that would resolve the issue of conversion quality?

UNE-E mechanization - we have mechanized UNE-E billing, but you have instructed us not to convert your embedded base of UNE-E to the mechanized process. It appears that we are in a Catch 22 situation.

OSS - other than the ROC OSS test, which we passed, what can we do through negotiation that would resolve the OSS issue? You mentioned the WCom affidavit, which raise operational issues with WorldCom. We are working with them to resolve those operational issues. Tomorrow, how could we resolve through negotiation those issues as far as Eschelon is concerned?

So let's talk about these tomorrow. Let's try to focus on how exactly we can resolve these issues through negotiation.

EXHIBIT E-CC

-----Original Message-----

From: Clauson, Karen L.
Sent: Thursday, February 27, 2003 6:48 PM
To: 'Andrew Crain'; Jason Topp; dhult@qwest.com; Carolyn Hammack; 'Coleen Austin'; clhumph; Beth Halvorson; Joan Masztaler; Blair Rosenthal; tfreebe; 'jtopp@qwest.com'; 'Stanoch, John'; 'jshanso@qwest.com'
Cc: 'Sue Peirce'; 'bradley@moss-barnett.com'; 'lesley.lehr@wcom.com'; 'Witt, Gary B - LGA'; 'lipschultzd@moss-barnett.com'; 'hpliskin@covad.com'; 'shofstetter@att.com'; 'weigler@att.com'; 'Finnegan, John F - LGA'; 'decook@att.com'; 'Ginny.Zeller@state.mn.us'; 'Priti.Patel@state.mn.us'; 'Edward.Garvey@state.mn.us'; 'mdoberne@covad.com'; 'Lichtenberg, Sherry'; 'wilmes@newaccess.cc'; 'Conn, David R.'; Oxley, J. Jeffery; Ahlers, Dennis D.; 'eswanson@winthrop.com'
Subject: RE: Negotiations

Andy:

The issues in Eschelon's list were and are subject to potential resolution. Given the Qwest self-imposed time constraints, the issues that are at the forefront in the Minnesota proceeding, and the identification of key issues as significant by our President in the Engels letter, Eschelon had hoped that Qwest would at least mention such issues. You cite the ROC OSS test several times. As you know, Qwest excluded Eschelon from virtually all of that process. Once Eschelon was able to participate and discuss the kinds of commercial problems it has faced, gaps in the ROC OSS test have been discovered, such as those now being addressed in AZ and LTPID regarding OP-5. Moreover, in MN, there was a contested case hearing before an ALJ. That ALJ did not "pass" Qwest on billing accuracy, the DUF, or conversion quality. Although this is a MN proceeding, you neglect to mention the ALJ results, even though the ALJ's findings were the first on Eschelon's list of issues.

At this very late date, you ask me what can we do through negotiation. During the break in the MN 271 hearing on 2/18, I specifically asked you and John Stanoch to read and address the issues in the Engels letter. When I tried to give you a copy, you said you had it (as I had previously emailed it to you). All of the issues in that letter are long-standing and very familiar to Qwest. The fact that you now ask what can be negotiated with respect to these issues suggests that you neither spoke to the people working on these issues (identified in the letter) or considered Eschelon's proposals (also identified in the letter). These activities would have been a great use of time and resources in this tight deadline, particularly in light of our discussion of the letter. Instead, it appears you didn't even read or consider the letter.

Eschelon has placed specific proposals on the table over time and in the Engels letter. For example:

Billing accuracy (Engels letter, pp. 3-4):

- Agree to revisit the billing accuracy PID (agreeable to CLECs) to better capture the CLEC experience
- Agree to provide accurate and detailed credit notices
- Agree to provide a description when applying a credit
- Agree to apply the credit on the invoice that contains the disputed item
- Reimburse CLECs for bill auditing expenses

--Agree not to bill retroactively back to Nov. 2000 for services not billed until Dec. 2002

DUF accuracy (Engels letter, pp. 6-7):

--Fix systems to provide complete access records

--Agree to pay for access audit

--Provide copy of Access Billing Supplier Quality Certification Operating Agreement

Conversion quality (Engels letter, p. 3 & FCC ex parte & Powers Affidavit):

--Finalize revised OP-5 (and related measures) and ensure associated with PAP

--Provide documented process on Qwest web site to root cause and correct the cause of misses

--Agree to increase flow through for additional products, such as Centron/Centrex

UNE-E mechanization & UNE-P (Engels letter, pp. 4-5, 5-6, 10):

Your statement that Eschelon has instructed Qwest not to convert the base is not the case. Qwest has failed to honor its obligation to convert the base in a manner transparent to the end-user customers. Eschelon has asked Qwest to convert the base in the manner promised, but Qwest has not done so. Therefore, the UNE-E bills remain 100% inaccurate.

--Convert Eschelon's base to accurate billing without adversely impacting end user customers

--Provide documented process on Qwest web site to order and support UNE-E

--Pay DMOQ payments due to CLECs (including those due to Eschelon for inaccurate UNE-E billing)

--Provide voice mail and remote access forwarding for UNE-P

--Allow CLECs to opt in to McLeod rates for UNE-M

OSS issues (WCOM affidavit) -- also affect other CLECs:

--Share proposals with other CLECs to allow them to avoid the same problems

Loss and Completion Reports (Engels letter, p. 7):

--Agree to provide an accurate line loss report within 24 hours

--Agree to develop a PID agreeable to CLECs for missing and incomplete line loss reports & include in PAP

Analysis of PAP and PID data (Engels letter, pp. 2-3):

--Provide payment data for most recent months

--Provide spreadsheet with formulas

Maintenance and Repair Charges (Engels letter, p. 9):

--Agree to reciprocal compensation, so Qwest and CLECs do not bill each other

SS7 charges (Engels letter, p. 6):

--Agree to reciprocal compensation, so Qwest and CLECs do not bill each other

Collocation True Up Refunds in Minnesota (Engels letter, pp. 8-9):

--Issue refunds to CLECs (amount due Eschelon contained in letter)

--Audit past recurring charges

WCOM EEL Agreement Opt-in and Refund (Engels letter, pp. 1-2):

--Refund amounts due to requesting CLECs (amount due to Eschelon contained in letter)

Service level quality (Engels letter, p. 3):

--Assurance that resources for wholesale escalations, QCCC, CMP, and service issues will be maintained

--Also, CLECs and DOC to provide counterproposal to Qwest re. wholesale service quality

Major Network Outages (Engels letter, p. 3 -- SEE ALSO information below)

--Provide more complete alarming on DS3s

--Establish connection and jumper review process to prevent outages

--Increase reporting and measurement of problems

Qwest recently had large systems wide outages in Seattle and Minneapolis. The number of outages has increased sharply in recent months. Overall, for January and February, the largest number of these is in Minnesota (10 of 21). We have asked Qwest to address the increasing frequency of these outages and focus on prevention.

Major Network Outages by State for January 1,2003 to February 25, 2003

AZ: 2

CO: 5

MN: 10

OR: 0

UT: 1

WA: 3



MAJOR NETWORK
OUTAGES SUMMARY.

I hope this recap of proposals that Eschelon provided to Qwest on February 10th and before is helpful. From your email, it appears Qwest has no proposals in response to the Engels letter which I asked you at the hearing to address. If, however, Qwest does have proposals for resolution of these or any other issues, or would like to discuss any issues, please let me know at the outset of our 9:30 CST call, and we will proceed with that call.