BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

IN THE MATTER OF THE PETITION FOR ARBITRATION OF AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST AND TCG SEATTLE WITH QWEST CORPORATION PURSUANT TO 47 U.S.C. § 252(b)

Docket No. UT-033035

DIRECT TESTIMONY OF WILLIAM R. EASTON ALTERNATIVELY BILLED CALLS, GENERAL PRICING ISSUES AND EXHIBIT A (Disputed Issue Nos. 33, 35 and 36) ON BEHALF OF QWEST CORPORATION

SEPTEMBER 25, 2003

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IDENTIFICATION OF WITNESS PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS. My name is William R. Easton. My business address is 1600 7th Avenue, Seattle Washington. I am employed as Director – Wholesale Advocacy. I am testifying on behalf of Qwest Corporation ("Qwest"). PLEASE GIVE A BRIEF BACKGROUND OF YOUR EDUCATIONAL BACKGROUND AND TELEPHONE COMPANY EXPERIENCE. I graduated from Stanford University in 1975, earning a Bachelor of Arts degree. In 1980, I received a Masters of Business Administration from the University of Washington. In addition, I am a Certified Management Accountant and member of the

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Institute of Management Accountants.

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15 I began working for Pacific Northwest Bell in 1980, and have held a series of jobs in financial management with U S WEST, and now with Qwest, including staff positions in 16 the Treasury and Network organizations. From 1996 through 1998, I was Director – 17 Capital Recovery. In this role I negotiated depreciation rates with state commission and 18 FCC staffs and testified in various regulatory proceedings. From 1998 until 2001 I was a 19 Director of Wholesale Finance, responsible for the management of Wholesale revenue 20

1		streams from a financial perspective. In this capacity I worked closely with the Product
2		Management organization on their product offerings and projections of revenue. In
3		October of 2001 I moved from Wholesale Finance to the Wholesale Advocacy group,
4		where I am currently responsible for advocacy related to Wholesale products and
5		services. In this role I work extensively with the Product Management, Network and
6		Costing organizations.
7		
8	Q.	HAVE YOU TESTIFIED PREVIOUSLY IN WASHINGTON?
9	A.	Yes I have. I testified in docket numbers UT-940641, UT-950200, UT-951425, UT-
10		960347 and UT-003013, Part D.
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11		II. PURPOSE OF TESTIMONY
	Q.	II. PURPOSE OF TESTIMONY WHAT IS THE PURPOSE OF YOUR TESTIMONY?
12	Q. A.	
12 13	-	WHAT IS THE PURPOSE OF YOUR TESTIMONY?
12 13 14	-	WHAT IS THE PURPOSE OF YOUR TESTIMONY? The purpose of my testimony is to explain Qwest's positions, and the policies underlying
12 13 14 15	-	WHAT IS THE PURPOSE OF YOUR TESTIMONY? The purpose of my testimony is to explain Qwest's positions, and the policies underlying those positions, relating to several of the issues raised in this arbitration proceeding. My
12 13 14 15 16	-	WHAT IS THE PURPOSE OF YOUR TESTIMONY? The purpose of my testimony is to explain Qwest's positions, and the policies underlying those positions, relating to several of the issues raised in this arbitration proceeding. My testimony will show that the Qwest position on these issues seeks to strike a balance
12 13 14 15 16 17	-	WHAT IS THE PURPOSE OF YOUR TESTIMONY? The purpose of my testimony is to explain Qwest's positions, and the policies underlying those positions, relating to several of the issues raised in this arbitration proceeding. My testimony will show that the Qwest position on these issues seeks to strike a balance between meeting the interconnection needs of AT&T, while at the same time ensuring

issues and closed other areas of dispute, several issues remain open and require resolution

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1		by the Commission. My testimony will address the following issues from the Matrix of
2		Unresolved Issues filed by AT&T in this arbitration:
3		Issue 33: Alternatively Billed Calls
4		Issue 35: Sec. 22.1 – Pricing of Services AT&T Provides Qwest
5		Issue 35: Sec. 22.4 – Interim Rates
6		Issue 35: Sec. 22.5 – ICB Pricing
7		Issue 36: Exhibit A
8		
9		III. ISSUE NO.33: BILLING FOR ALTERNATIVELY BILLED CALLS
10	Q.	WHAT ARE ALTERNATIVELY BILLED CALLS?
11	A.	"Alternatively-billed calls" are calls that are billed as collect calls, billed to a third
12		number, or billed to a credit card. ¹ Issue 33 has to do with the way the billing for these
13		calls is handled for UNE or resale customers. For example, if someone wishes to make a
14		collect call to an AT&T resale customer, how should the charge for that call be billed to
15		the resale customer
16		
17	Q.	WHAT LANGUAGE IS QWEST PROPOSING?
18	A.	Qwest has proposed the following language for section 21.2.4:

¹ The parties' dispute relates only to collect calls and calls billed to third parties. Since Qwest does not resell its credit cards, these calls are not subject to the Interconnection agreement.

21.2.4 For alternately-billed calls Billing to customers served by a CLEC switch, the Parties agree to enter into a separate arrangement concerning the processing, Billing and collection of these calls through CMDS, the intra-region intraLATA equivalent, or some other arrangement, including compensation. Calls Billing to UNE and Resale lines are billed directly to CLEC and employ the Daily Usage File rather than CMDS or its intra-region intraLATA equivalent. For alternatively-billed calls billing to UNE and resale lines, where Qwest's intrastate Tariff applies, Qwest will bill the call at the retail rate less the wholesale discount. For alternatively-billed calls, billing to UNE and resale lines, where Qwest's intrastate Tariff does not apply, Qwest will bill the call at the retail rate and compensate CLEC three cents (\$.03) per call.

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14 Q. WHAT LANGUAGE DOES AT&T PROPOSE?

15 A. AT&T's proposed language removes the reference to UNE and resale billing:

16 21.2.4 17 This Agreement does not contain an arrangement by which the parties compensate one another for alternatively billed calls. For alternately-billed calls 18 Billing to customers served by a CLEC switch. To the extent the Parties agree are 19 willing to enter into a separate an arrangement concerning the processing, Billing, 20 and collection of these calls through CMDS, the intra-region IntraLATA 21 equivalent, or some other arrangement, the terms for any arrangement, including 22 compensation arrangements, would be the subject of a separate agreement. Calls 23 Billing to UNE and Resale lines are billed directly to CLEC and employ the Daily 24 Usage File rather than CMDS or its intra-region intraLATA equivalent. For 25 alternatively billed calls billing to UNE and resale lines, where Qwest's intrastate 26 Tariff applies, Qwest will bill the call at the retail rate less the wholesale discount. 27 For alternatively-billed calls, billing to UNE and resale lines, where Qwest's 28 intrastate Tariff does not apply. Qwest will bill the call at the retail rate and 29 compensate CLEC three cents (\$.03) per call. 30 31

32 33

Q. WHAT IS THE DIFFERENCE BETWEEN THE TWO PROPOSALS?

- A. This dispute relates only to the way in which alternatively billed calls are handled for
- 35 UNE and resale customers. For alternatively billed calls other than UNEs or resale,
- 36 Qwest and AT&T agree that arrangements concerning the processing, billing, and
- 37 collection of these calls through CMDS, or the intra-region IntraLATA equivalent, can be

1		addressed in a separate agreement. In fact, in the Minnesota proceeding, AT&T agreed
2		to enter into such an arrangement. AT&T proposes that all alternatively billed calls be
3		addressed in a separate agreement. Because the existing processes such as the
4		Centralized Message Distribution System (CMDS) process are not workable for UNEs
5		and resale, as will be explained below, Qwest has proposed that alternatively billed calls
6		in these cases be billed directly to AT&T. This is a term and condition related to resale
7		and UNE products and should be addressed as a part of this interconnection agreement,
8		not in a separate agreement.
9		
10	Q.	WHAT IS THE CENTRALIZED MESSAGE DISTRIBUTION SYSTEM?
11		The Centralized Message Distribution System (CMDS) is an electronic transmission
12		system run under the control of Telcordia Technologies, which is used to exchange
13		billable usage data among CMDS participants. Created in the old Bell System days, it is
14		frequently used to exchange alternately billed call usage records between Bell companies
15		in order to facilitate billing of the calls. Some independent companies and CLECs
16		participate in CMDS through a sponsor relationship with a CMDS host company (e.g.
17		one of the original Bell companies, Southern New England Telephone or Cincinnati Bell
18		Telephone Company) to enable exchange of call records with these companies as well.
19		The company that physically provided the call sends a rated usage record to CMDS,
20		which forwards the record on to the LEC that owns the NPA-NXX code assignment for
21		the billing number. This is accomplished using an industry prefix database, for example
22		the Local Exchange Routing Guide (LERG), which details what local exchange company

1		owns each prefix (or thousands block, in the case of Number Pooling) in the North
2		American Numbering Plan. For example, the LERG would indicate that 206-527 is a
3		Qwest prefix. If an intraLATA call is carried by Verizon, but bills to a number with a
4		Washington 206-527 prefix, Verizon does not have a direct way to bill the Qwest
5		customer. Instead, Verizon would send a usage record to CMDS, which would in turn
6		forward that call on to Qwest, as the code owner for the 206-527 prefix. Under the
7		CMDS arrangement, the earning company who actually carried the call can be
8		compensated for their toll charges and the billing company is compensated a small billing
9		fee (\$.05 per call) to compensate it for the system, collection and bad debt costs
10		associated with billing the call to its end user.
11		
12	Q.	DOES THIS SAME PROCESS OCCUR FOR RESALE AND UNE LINES?
	Q. A.	DOES THIS SAME PROCESS OCCUR FOR RESALE AND UNE LINES? Yes. This same process occurs whether the billed-to telephone number is served by
12		
12 13		Yes. This same process occurs whether the billed-to telephone number is served by
12 13 14		Yes. This same process occurs whether the billed-to telephone number is served by Qwest, or is provided via resale or unbundling by a CLEC. This is because, there is no
12 13 14 15		Yes. This same process occurs whether the billed-to telephone number is served by Qwest, or is provided via resale or unbundling by a CLEC. This is because, there is no industry database for other parties, (in this example, Verizon) outside of Qwest and
12 13 14 15 16		Yes. This same process occurs whether the billed-to telephone number is served by Qwest, or is provided via resale or unbundling by a CLEC. This is because, there is no industry database for other parties, (in this example, Verizon) outside of Qwest and AT&T, to determine that a particular line within that 206-527 prefix might be an
12 13 14 15 16 17		Yes. This same process occurs whether the billed-to telephone number is served by Qwest, or is provided via resale or unbundling by a CLEC. This is because, there is no industry database for other parties, (in this example, Verizon) outside of Qwest and AT&T, to determine that a particular line within that 206-527 prefix might be an unbundled line provided to AT&T. Hence, in this example, the charge for the call would
12 13 14 15 16 17 18		Yes. This same process occurs whether the billed-to telephone number is served by Qwest, or is provided via resale or unbundling by a CLEC. This is because, there is no industry database for other parties, (in this example, Verizon) outside of Qwest and AT&T, to determine that a particular line within that 206-527 prefix might be an unbundled line provided to AT&T. Hence, in this example, the charge for the call would be passed to Qwest, even though the billing customer is not a Qwest customer. For this
12 13 14 15 16 17 18 19		Yes. This same process occurs whether the billed-to telephone number is served by Qwest, or is provided via resale or unbundling by a CLEC. This is because, there is no industry database for other parties, (in this example, Verizon) outside of Qwest and AT&T, to determine that a particular line within that 206-527 prefix might be an unbundled line provided to AT&T. Hence, in this example, the charge for the call would be passed to Qwest, even though the billing customer is not a Qwest customer. For this reason Qwest proposes to pass the usage records for UNE and resale customers to AT&T

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Q. IS THE DAILY USAGE FILE AN EFFICIENT WAY TO DELIVER THIS INFORMATION?

3 A. Yes. The DUF was specifically built to quickly and efficiently deliver usage records to 4 CLECs serving customers via Resale and Unbundling. It typically results in delivery of 5 usage records within two days of call completion. Meanwhile, the CMDS standard is to deliver usage records within five days. The DUF also involves no third party processing 6 7 fees, as opposed to the per record fee charged by CMDS, and is required even in the absence of alternately-billed calls. For calls originated by other companies and passed to 8 9 Qwest via CMDS, the DUF provides a method for Qwest to directly pass the call information on to the CLEC. Otherwise, Qwest would have to process the call, recognize 10 that it billed to a CLEC line, and reject the call back to CMDS as unbillable. (This would 11 be uncompensated processing by Qwest). The originating company then would have to 12 13 figure out how to get the call billed or, more likely, write the call off as unbillable. It would be more efficient, more timely and less costly for all parties if the Qwest proposal 14 15 is adopted.

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Q. PLEASE DESCRIBE HOW ALTERNATIVELY BILLED CALLS BILLED TO UNE AND RESALE CUSTOMERS WOULD BE HANDLED UNDER THE QWEST PROPOSAL.

A. Under the Qwest proposal, the billing information for alternatively billed calls would be
sent to AT&T via the Daily Usage File, and AT&T would, in turn, bill its End User
Customer. For calls where Qwest is the toll provider, Qwest would bill AT&T the retail
rate less the wholesale discount thereby providing compensation to AT&T for the billing.

1		For calls where Qwest is not the toll carrier, Qwest will bill the call at the retail rate and
2		compensate AT&T (\$.03) per call.
3		
4	Q.	IS THE QWEST PROPOSAL CONSISTENT WITH OTHER LANGUAGE IN
5		THE INTERCONNECTION AGREEMENT?
6	A.	Yes. Qwest's proposal is also consistent with Section 12.2.5.2.3, upon which the parties
7		reached agreement and which reads as follows:
8 9 10 11 12 13 14		Routing of in-region IntraLATA Collect, Calling Card, and Third Number Billed Messages - Qwest will distribute in-region IntraLATA collect, calling card, and third number billed messages to CLEC and exchange with other CLECs operating in region in a manner consistent with existing inter-company processing agreements. Whenever the daily usage information is transmitted to a Carrier, it will contain these records for these types of calls as well.
15		This language, in the Operational Support System section of the agreement, specifies that
16		the Daily Usage File is the mechanism for passing usage information for alternatively
17		billed calls.
18		
19	Q.	IN THE MINNESOTA ARBITRATION, AT&T EXPRESSED CONCERN THAT
20		THE QWEST LANGUAGE PRECLUDES AT&T FROM REACHING AN
21		AGREEMENT WITH OTHER CARRIERS ABOUT HOW THESE CALLS
22		SHOULD BE HANDLED. IS THIS A LEGITIMATE CONCERN?
23	A.	No. Qwest's proposal does not preclude AT&T from entering into agreements with any
24		other provider. Nothing in Qwest's proposal would prohibit AT&T from reaching an
25		agreement with Verizon, for example, pursuant to which Verizon would send the relevant
26		call information directly to AT&T. Indeed, such an arrangement would take Qwest out

1		of the middle of this process by directing call information regarding alternatively-billed
2		calls for AT&T UNE customers directly to AT&T, rather than to Qwest under the CMDS
3		process. Qwest's proposal simply provides for the manner in which alternatively-billed
4		calls for AT&T's UNE or resale customers will be handled if no such agreement exists.
5		
6	Q.	PLEASE SUMMARIZE WHY YOU BELIEVE THE COMMISSION SHOULD
7		ADOPT THE QWEST POSTION ON THIS ISSUE.
8	A.	Qwest's proposal is consistent with the way Qwest and AT&T are currently handling
9		alternatively billed calls. It is also consistent with the agreements AT&T and Qwest have
10		reached in the undisputed portions of the agreement. AT&T has not offered a workable
11		alternative arrangement to Qwest's proposal. Without an agreement as to how
12		alternatively billed calls will be handled for UNE and resale customers, Qwest and other
13		originating carriers will possibly be left without compensation for handling these calls.
14		
15		IV. ISSUE NO. 35: PRICING FOR SERVICES AT&T PROVIDES QWEST
16	Q.	PLEASE EXPLAIN THE GENERAL PRICING PRINCIPLE AT DISPUTE IN
17		ISSUE NO. 35.
18	A.	Issue 35 is a dispute over a general pricing principle related to charges for services that
19		AT&T would provide to Qwest.
20		

1	Q.	WHAT IS THE QWEST PROPOSED LANGUAGE RELATED TO THIS
2		PRINCIPLE?
3	А.	Qwest's proposed language for the general principle states:
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5		22.1 General Principle
6		The actes in Fulikit A combute the corriges anovided by Owert to CLEC
7		The rates in Exhibit A apply to the services provided by Qwest to CLEC pursuant to this Agreement. To the extent applicable, the rates in Exhibit
8 9		A also apply to the services provided by CLEC to Qwest pursuant to this
10		Agreement.
11		
12		
13	Q.	WHAT LANGUAGE DOES AT&T PROPOSE?
14		A. AT&T proposes the following language:
15		
16		22.1 General Principle
17		
18		In the event that one Party charges the other for a service provided under
19		this Agreement, the other Party may also charge for that service or
20		functionality. The rates CLEC charges for Interconnection services will
21		be equivalent to Qwest's rates for comparable Interconnection services
22		when CLEC reciprocally provides such a service or functionality, unless
23		higher rates are justified by CLEC's higher costs for providing the service.
24 25		In order for an amount charged by one Party to be "equivalent to" an amount charged by the other Party, it shall not be necessary that the
23 26		pricing structures be identical. Rates, terms and conditions for all other
20 27		services provide by CLEC are set forth in the applicable CLEC tariff, as it
28		may be modified from time to time. The rates in Exhibit A apply to the
29		services provided by Qwest to CLEC pursuant to this Agreement. To the
30		extent applicable, the rates in Exhibit A also apply to the services provided
31		by CLEC to Qwest pursuant to this Agreement.
32		
33		
34	Q.	WHY DOES AT&T BELIEVE THAT THIS LANGUAGE IS NECESSARY?

- A. AT&T maintains that the expanded language it is proposing for Section 22.1 is necessary
 in order for it to bill Qwest for services it provides.
- 3
- 4

Q. WHY DOES QWEST OPPOSE THE AT&T LANGUAGE?

A. AT&T's language is overly broad and lacks necessary specificity around the services it 5 would be providing to Qwest. AT&T seeks to insert its vague pricing language without 6 specifying any products or services, or the terms and conditions associated with these 7 services. For example, the proposed AT&T language states: "...charges for 8 Interconnection services will be equivalent to Qwest's rates for comparable services 9 when CLEC reciprocally provides such a service or functionality, unless higher rates are 10 11 justified by CLEC's higher costs for providing the service." Yet nowhere does AT&T specify the "comparable services" it refers to or any standard or process by which AT&T 12 would establish that "higher rates are justified." The AT&T language also states that "it 13 14 shall not be necessary that the pricing structures be identical" -- again failing to specify any standard or other requirement of any kind for what the proposed pricing structure 15 actually is. To the extent AT&T plans to provide services to Qwest, the interconnection 16 agreement is the appropriate mechanism by which the parties should negotiate and 17 document details of each service to be provided, including the terms and conditions under 18 which it will be offered and specific pricing -- just as has been done in the agreement 19 with regard to the services that Qwest will be providing AT&T. 20

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V. ISSUE NO. 35: SEC. 22.4 INTERIM RATES

2 Q. WHAT IS QWEST'S PROPOSED LANGUAGE RELATED TO INTERIM

RATES?

4 A. Qwest's proposed language for Section 22.4 reads as follows:

22.4 Interim Rates

- 22.4.1 The parties acknowledge that only some of the prices contained in Exhibit A have been approved by the Commission in a cost case. Prices that have not been approved by the Commission and require Commission approval shall be considered interim and subject to the following provisions.
- 1222.4.1.1Rates reflected on Exhibit A that have not been approved by the13Commission in a cost case and require Commission approval shall be considered14as interim rates ("Interim Rates") by the Parties, applicable until changed by15agreement of the Parties or by order of the Commission.
 - 22.4.1.2 If the Interim Rates are reviewed and changed by the Commission, the Parties shall incorporate the rates established by the Commission into this Agreement. Such Commission-approved rates shall be effective as of the date designated by the Commission in its order.

Q. WHAT LANGUAGE DOES AT&T PROPOSE?

A. AT&T proposes the following language for Section 22.4:

22.4 Interim Rates

- 22.4.1 The parties acknowledge that only some of the prices contained in Exhibit A have been approved by the Commission in a cost case. Prices that have not been approved by the Commission and require Commission approval shall be considered interim and subject to the following provisions.
- 22.4.1.1 Rates reflected on Exhibit A that have not been approved by the Commission in a cost case and require Commission approval shall be considered as interim rates ("Interim Rates") by the Parties, applicable until_changed by agreement of the Parties or by order of the Commission.
- 3722.4.1.2If the Interim Rates are reviewed and changed by the Commission,38the Parties shall incorporate the rates established by the Commission into this

1 2 3 4 5 6 7 8 9 10		Agreement by amendment.Such Commission-approved rates shall be effective as of the date designated by the Commission in its order or the date the Commission's order establishing such rates becomes legally binding, whichever is earlier. In addition, there will be a true-up for such Interim Rates back to the first date on which each such Interim Rate was first charged pursuant to this Agreement.22.4.1.3Either Party is free at any time to initiate a cost proceeding at the Commission to establish a Commission-approved rate to replace an Interim Rate.
11 12	Q.	WHY SHOULD THE COMMISSION ADOPT QWEST'S PROPOSED
13		LANGUAGE ON INTERIM RATES FOR SECTION 22.4 OF THE PARTIES'
14		AGREEMENT?
15	A.	AT&T's proposed language providing that rates will become effective on the date of the
16		Commission order establishing the new rates or when the Commission orders the rates to
17		become effective, "whichever is earlier" would require the parties to ignore the
18		Commission's determination of an appropriate date on which to implement the order. In
19		the event that the Commission determines that a given rate should become effective some
20		time after the issuance of its order setting the rate, AT&T's proposed approach would
21		place Qwest in the untenable position having to choose between complying with the
22		order or breaching the parties' agreement.
23		
24		In addition, AT&T also seeks to require formal amendments for updating schedule A.
25		Qwest's language in section 2.2 makes clear that AT&T can request such amendments
26		and Qwest will go through the formal amendment process, but they should not be made
27		mandatory in the agreement for every minor change the Commission may order. This is
28		particularly the case since numerous other CLECs have opted into the AT&T agreement

1		in the past and have not indicated a wish to go through a formal process for routine
2		updates.
3		
4	Q.	DOES QWEST OPPOSE AT&T'S PROPOSED LANGUAGE FOR SECTION
5		22.4.1.3?
6	A.	Yes. Qwest objects to AT&T's language giving AT&T the right to open cost dockets on
7		Qwest products.
0		
8 9	Q.	WHY DOES QWEST OPPOSE THIS LANGUAGE?
10	A.	The filing of cost dockets involves complex studies, and is often timed to include the
11		most number of products as possible in one cost hearing, thus eliminating a string of
12		successive cost docket hearings. The Commission and Qwest (because Qwest develops
13		its products and cost studies and serves as the "supplier" to Washington CLECs) should
14		determine when a cost study should be filed, and one CLEC out of hundreds who
15		purchase services should not be granted control over Qwest management of this process.
16		Furthermore, to the extent AT&T opposes a specific rate, it can file a complaint with the
17		Commission. The initiation of a full blown cost proceeding, involving multiple CLECs,
18		Staff, the filing of cost studies and, therefore, the significant expenditure of resources
19		should be reserved to the Commission.
20 21		

1		VI. ISSUE NO. 35: SEC. 22.5 ICB PRICING
2	Q.	PLEASE EXPLAIN THE DISPUTE AROUND SECTION 22.5 OF THE
3		AGREEMENT.
4	A.	Section 22.5 of the Interconnection Agreement details provisions for Individual Case
5		Based (ICB) Pricing. The parties have opposing views about ICB pricing.
6		
7	Q.	WHAT IS QWEST'S PROPOSED LANGUAGE?
8	A.	Qwest proposes the following language:
9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28		22.5 ICB Pricing If CLEC requests a product or service that is identified on Exhibit A as ICB, or for which Qwest would otherwise charge an ICB rate, Qwest shall develop a cost-based rate or prepare a written substantiation of the need for ICB pricing and file such cost-based rate or written substantiation for review by the Commission within sixty (60) Days of receiving the request from the CLEC. If Qwest develops a cost-based rate after receiving a request for a product or service identified in Exhibit A as ICB, CLEC may order, and Qwest shall provision, such product or service using such Qwest proposed rate until the Commission orders a rate. In this circumstance, the Qwest proposed rate shall be an Interim Rate under this Agreement. If the Commission determines that ICB pricing is appropriate for a product or service, that determination shall apply to all subsequent requests for the product or service.
29	Q.	WHAT LANGUAGE DOES AT&T PROPOSE?
30	A.	The AT&T proposal makes the following changes to the Qwest proposed language:
31 32 33		22.5 ICB Pricing

1 2 3 4 5 6 7 8 9 10 11		If CLEC requests a product or service that is identified on Exhibit A as ICB, or for which Qwest would otherwise charge an ICB rate, Qwest shall develop a cost-based rate or prepare a written substantiation of the need for ICB pricing and file such cost-based rate or written substantiation for review by <u>it with</u> the Commission for review within sixty (60) days of receiving the request from the <u>offering the rate to</u> CLEC. If Qwest develops a cost-based rate after receiving a request for a product or service identified in Exhibit A as ICB, CLEC may order, and Qwest shall provision, such product or service using such Qwest proposed rate until the Commission orders a rate. In this circumstance, t <u>T</u> he Qwest proposed rate shall be an Interim Rate under this Agreement, <u>subject to true-up as</u>
12		set forth in Section 22.4.1.2. If the Commission determines that ICB
13 14		pricing is appropriate for a product or service, that determination shall apply to all subsequent requests for the product or service.
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17		
18	Q.	WHY IS QWEST OPPOSED TO THE AT&T LANGUAGE?
19	A.	The AT&T language effectively does away with individual case base pricing. There
20		continues to be a need for ICB prices in certain instances where the requirements of a
21		particular service offering may vary widely from application to application making it
22		unrealistic to use a one price fits all approach or where Qwest has no experience in
23		deploying a particular service offering. In these cases an ICB price is an appropriate
24		alternative to a set price.
25		
26	Q.	HAS THE WASHINGTON COMMISSION APPROVED ICB PRICING IN THE
27		PAST?
28	A.	Yes. The Commission has previously approved ICB pricing for certain service offerings.
29		

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VI. ISSUE NO. 36: EXHIBIT A

2	Q.	WHAT IS THE DISPUTE RELATED TO EXHIBIT A?
3	А.	As of the filing of this testimony, AT&T has not identified any disputes related to Exhibit
4		A. Indeed, it would inappropriate for AT&T to attempt to inject any such issues at this
5		late date. However, if AT&T nonetheless attempts to identify such issues at a later time,
6		Qwest reserves the right to respond to such issues and supplement this testimony, as
7		necessary.
8		
9		VII. SUMMARY/CONCLUSION
10		In its proposed interconnection agreement with AT&T, Qwest has attempted to meet the
11		needs of AT&T while at the same time addressing the issues necessary to conduct business
12		between the two parties and ensuring that AT&T will be treated in a manner consistent
13		with other CLECs in Washington. The interconnection agreement proposed by Qwest
14		meets this objective and Qwest respectfully requests that the Commission approve and
15		adopt Qwest's proposed language.