

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

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**In the Matter of the Complaint and Request )  
for Expedited Treatment of AT&T )  
Communications of the Pacific Northwest, ) DOCKET NO. UT-991292  
Inc. Against U S WEST Communications, )  
Inc. Regarding Provisioning of Access )  
Services. )**

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**REBUTTAL TESTIMONY OF SCOTT A. MCINTYRE**

**ON BEHALF OF**

**U S WEST COMMUNICATIONS, INC.**

**January 11, 2000**



**TABLE OF CONTENTS**  
**REBUTTAL TESTIMONY OF SCOTT A. MCINTYRE**

<b>IDENTIFICATION OF WITNESS</b>	<b>1</b>
<b>PURPOSE OF REBUTTAL TESTIMONY</b>	<b>2</b>
<b>COMMISSION FINDING REGARDING COMPETITIVE NATURE OF</b>	
<b>CARRIER ACCESS SERVICES</b>	<b>2</b>
<b>ACCESS TARIFFS GOVERN CONDITIONS FOR PROVISIONING OF</b>	
<b>ACCESS SERVICES</b>	<b>4</b>
<b>CONCLUSIONS</b>	<b>7</b>

**IDENTIFICATION OF WITNESS**

1

2

3 **Q. PLEASE STATE YOUR NAME, PRESENT POSITION AND PLACE OF**  
4 **EMPLOYMENT.**

5 A. My name is Scott A. McIntyre. I am a Manager in the Markets Regulatory/Strategy  
6 group. My responsibilities include developing marketing and pricing strategies for  
7 U S WEST and supporting these strategies in the regulatory arena. My business address  
8 is 1600 7<sup>th</sup> Avenue, Room 3008, Seattle, Washington 98191.  
9

10 **Q. PLEASE DESCRIBE YOUR QUALIFICATIONS AND EXPERIENCE.**

11 A. I earned a Bachelor of Science degree in Electrical Engineering at the University of  
12 Washington in 1974. I have worked for U S WEST (formerly Pacific Northwest Bell)  
13 since 1970. In the past 29 years I have held many positions that have given me a broad  
14 understanding of the telecommunications business. I have experience in the installation  
15 and repair of local residence and business telephone services. I also have experience in  
16 analyzing and planning new central office equipment and interoffice network facilities. I  
17 have performed cost analyses on many aspects of the business and analyzed departmental  
18 budgets in great detail. For the past twelve years, I managed Private Line voice and data  
19 products, including special access services. This included the development, pricing and  
20 market strategies for a wide range of products serving business customers across our  
21 fourteen state region.

22

23 This wide range of experience has provided me with an understanding of how our  
24 services are provided, and the pricing and marketing necessary for these services to be  
25 successful.

26

27 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS OR ANY OTHER**  
28 **COMMISSION?**

29 A. Yes. I previously testified in Washington, Colorado, New Mexico, Oregon, and  
30 Wyoming.

31

32 **Q. ARE YOU ADOPTING TESTIMONY FILED PREVIOUSLY IN THIS**  
33 **PROCEEDING BY DR. BARBARA M. WILCOX?**

34 A. Yes.

**PURPOSE OF REBUTTAL TESTIMONY**

35

36

37 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

38 A. The purpose of my testimony is to address several points made by AT&T  
39 witnesses Fields and Wilson in their rebuttal testimony. First, I point out that Ms.

1 Fields is incorrect when she states that the Washington Commission has not  
2 ruled that access services are competitive. Second, I respond to the apparent  
3 change in tactics represented by Mr. Wilson's testimony in that AT&T has shifted  
4 from talking entirely about its own quality measures and now also includes  
5 discussion of the provisions contained in U S WEST's tariffs.  
6

7 **COMMISSION FINDING REGARDING COMPETITIVE NATURE**  
8 **OF CARRIER ACCESS SERVICES**  
9

10 **Q. IN HER REBUTTAL TESTIMONY, AT&T'S WITNESS CHARLOTTE FIELD**  
11 **MAKES THE FOLLOWING STATEMENT. "... U S WEST HAS NEITHER**  
12 **SOUGHT NOR OBTAINED A RULING FROM THIS COMMISSION THAT**  
13 **ACCESS SERVICES ARE COMPETITIVE."<sup>1</sup> IS THIS A CORRECT**  
14 **STATEMENT?**

15 A. No, it is not. On January 8, 1999, U S WEST filed a petition with this Commission for  
16 competitive classification of its high-capacity circuits within certain geographic areas of  
17 the state of Washington. On December 20, 1999, this Commission issued an order  
18 granting the petition for an amended geographic area. The Commission's order included  
19 the following Finding of Fact. "The high-capacity services offered by U S WEST are  
20 subject to effective competition."<sup>2</sup> The Commission specifically noted that its  
21 consideration was with respect to both wholesale and retail high capacity  
22 services.<sup>3</sup>  
23

24 High-capacity access services that AT&T purchases from U S WEST are clearly included  
25 in the competitive classification ordered by the Commission. Most of the held orders  
26 contained in AT&T's Complaint allegations are DS1 and DS3 services.  
27

28 **Q. HOW ARE THE "GEOGRAPHIC AREAS" IDENTIFIED AS COMPETITIVE IN**  
29 **THE COMMISSION'S ORDER IDENTIFIED?**

30 A. They are identified by wire center and the areas served by these wire centers.  
31

32 **Q. HOW MANY WIRE CENTERS ARE CURRENTLY IDENTIFIED AS**  
33 **"COMPETITIVE"?**

34 A. There are currently six wire centers so identified. Four are in Seattle, one is in Bellevue  
35 and one is in Spokane.  
36

37 **Q. ARE ALL OF THE 70 CIRCUITS IDENTIFIED IN THIS CASE BY AT&T AS**

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<sup>1</sup> Rebuttal Testimony of Charlotte Field, p. 2, ll. 20-21.

<sup>2</sup> Docket No. UT-990022, Eighth Supplemental Order Granting Amended Petition for Competitive Classification,  
dated December 20, 1999. Finding of Fact No. 8, p. 16.

<sup>3</sup> *Ibid.*, p. 14.

**1 HELD ORDERS LOCATED IN THESE WIRE CENTERS?**

**2** A. No. Some are, and some are not.

**3**  
**4 Q. DOES THE FACT THAT ONLY SIX WIRE CENTERS IN WASHINGTON ARE**  
**5 CLASSIFIED BY THE COMMISSION AS “COMPETITIVE” MEAN THAT**  
**6 THERE ARE NO PROVIDERS OF SERVICE OTHER THAN U S WEST IN ANY**  
**7 OTHER AREA?**

**8** A. No. There are many wire centers where alternative providers offer service, especially in  
**9** metropolitan areas. These other areas have not yet been classified as “competitive” for  
**10** regulatory purposes, but that does not mean that alternative providers of those services do  
**11** not exist.

**12**  
**13**  
**14 ACCESS TARIFFS GOVERN CONDITIONS**  
**15 FOR PROVISIONING OF ACCESS SERVICES**  
**16**

**17 Q. DO U S WEST'S ACCESS TARIFFS CONTAIN PROVISIONS THAT WOULD**  
**18 GOVERN THE SITUATIONS THAT AT&T POINTS TO IN ITS COMPLAINT?**

**19** A. Yes. Both interstate and Washington state tariffs contain such provisions.

**20**  
**21 Q. IN HER DIRECT TESTIMONY, WHICH YOU ARE NOW ADOPTING, DR.**  
**22 WILCOX POINTED OUT THAT AT&T'S COMPLAINT, AND THE DIRECT**  
**23 TESTIMONY OF ITS WITNESSES, DID NOT PROVIDE ANY EVIDENCE THAT**  
**24 U S WEST IS IN VIOLATION OF ITS OWN TARIFFS, BUT INSTEAD RELIED**  
**25 ON AT&T'S OWN QUALITY MANAGEMENT SYSTEM.<sup>4</sup> HOW HAS AT&T**  
**26 RESPONDED TO DR. WILCOX'S OBSERVATION?**

**27** A. AT&T has apparently recognized that this was a deficiency in its case, and it has  
**28** attempted to remedy this deficiency by offering the testimony of its consultant, Mr.  
**29** Kenneth L. Wilson. Throughout his testimony, Mr. Wilson refers to U S WEST's tariffs  
**30** and to the Service Interval Guide that is referenced the tariffs.<sup>5</sup> He further states, “All  
**31** AT&T seeks is for U S WEST to provision according to its tariffs.”<sup>6</sup>  
**32**

**33 Q. DOES MR. WILSON, THEN, RELY ENTIRELY ON THE STANDARDS FOUND**  
**34 IN U S WEST'S TARIFFS AND SERVICE INTERVAL GUIDE IN HIS**  
**35 TESTIMONY?**

**36** A. Not entirely. Mr. Wilson apparently acknowledges the legitimacy of U S WEST's

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<sup>4</sup> Direct Testimony of Barbara M. Wilcox, p. 28, ll. 13-20.

<sup>5</sup> Direct and Rebuttal Testimony of Kenneth L. Wilson. See p. 3, ll. 14-21; p. 6, ll. 11-18; p. 7, ll. 1-3; p. 8, ll. 7-8; p. 22, l. 3 – p. 23, l. 4; p. 24, ll. 10-18; p. 25, ll. 4-15; p. 26, 7-18; p. 27, ll. 1-12; p. 27, l. 19 – p. 28, l. 1; p. 28, l. 15 – p. 29, l. 3; p. 30, ll. 10-15.

<sup>6</sup> *Ibid.*, p. 27, ll. 11-12.

1 reliance on the tariff standards, because he refers to the tariff standards in many instances.  
2 However, at the same time, he also relies on AT&T measures, such as the Customer  
3 Desired Due Date (CDDD),<sup>7</sup> and call blocking.<sup>8</sup> AT&T now appears to be using a  
4 mixture of the standards contained in U S WEST's tariffs and Service Interval Guide plus  
5 AT&T's own standards. In their rebuttal testimony, Ms. Retka and Ms. Halvorson  
6 discuss in more detail the specific data that Mr. Wilson presented in his testimony.  
7

8 **Q. MR. WILSON SEEMS TO BELIEVE THAT U S WEST IS NOT LIVING UP TO**  
9 **STANDARDS SET FORTH IN THE TARIFFS BECAUSE U S WEST DOES NOT**  
10 **HAVE FACILITIES IN PLACE TO HANDLE ALL OF AT&T'S REQUESTS FOR**  
11 **SERVICE. DO YOU AGREE WITH THAT ASSESSMENT?**

12 A. No. AT&T orders thousands of DS0 and DS1 circuits from U S WEST every year. The  
13 fact that there are 70 held orders at any given time is not surprising, and certainly not  
14 unreasonable. Mr. Wilson admits that these held orders are mostly due to lack of  
15 facilities. He seems to be of the opinion that good forecasting and engineering practices  
16 would anticipate every potential order for service. This is not reasonable and would  
17 result in a significant amount of misdirected and possibly wasted investment.  
18

19 **Q. WHY COULD THIS LEAD TO WASTED INVESTMENT?**

20 A. As more providers of facilities and service become available, there is less likelihood that  
21 any specific provider (such as U S WEST) will have facilities to a specific location. If  
22 several providers were to build facilities to a new location, for example, only one or two  
23 would end up recouping their investment. The rest would have built facilities only to lose  
24 the business to someone else.  
25

26 **Q. DOES THIS MEAN THAT MORE COMPETITION WILL LEAD TO LONGER**  
27 **INSTALLATION INTERVALS?**

28 A. It could, especially for new service to new buildings. It could also mean that growth to an  
29 existing location could be delayed until firm orders are placed with the provider. With  
30 more competition, few providers will build facilities on speculation. Most will wait until  
31 they get an order for service, especially for high capacity services where the investment is  
32 large.  
33

34 **Q. MR. WILSON ASSERTS THAT U S WEST IS NOT IN COMPLIANCE WITH ITS**  
35 **TARIFFS BECAUSE SOME OF AT&T'S DUE DATES ARE BEING MISSED. DO**  
36 **YOU AGREE WITH THIS CONCLUSION?**

37 A. No. Mr. Wilson conveniently forgets that the tariffed intervals rely on facilities being  
38 available. When facilities are not available, the due dates are based on individual

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<sup>7</sup> *Ibid.*, pp. 9-10; p. 30, ll. 4-9.

<sup>8</sup> *Ibid.*, pp. 16-17.

1 circumstances, which can vary significantly.

2  
3 **Q. WHAT CAUSES SUCH WIDE VARIABILITY IN DUE DATES WHERE**  
4 **FACILITIES DO NOT EXIST?**

5 A. The lack of existing facilities covers a wide spectrum of circumstances. Some can be  
6 remedied with simple rearrangements, and others require significant engineering and  
7 construction efforts. High capacity services such as DS1, on which AT&T has focused its  
8 complaint, require specific engineering and provisioning. Even if cable is available, the  
9 repeaters may not be in place or the proper spacing may not be available to allow for this  
10 high-speed data service. This is why the tariff allows for a negotiated due date.

11  
12 **Q. DO ADEQUATE INCENTIVES EXIST FOR U S WEST TO MEET CUSTOMER**  
13 **DUE DATES?**

14 A. Certainly. The biggest incentive is that we definitely want the business, and the sooner it  
15 is installed the sooner we start collecting revenue. With more and more competition,  
16 meeting customers' needs both the wholesale and retail, for service on schedule is a  
17 competitive advantage and we want that advantage. Additionally, the waiver of the  
18 nonrecurring charges remedy which is contained in the tariff and which applies when due  
19 dates are missed compounds revenue losses due to delays in installation.

20  
21 **CONCLUSIONS**

22  
23 **Q. WHAT ARE YOUR CONCLUSIONS?**

24 A. First, Ms. Field is incorrect in her assessment of the competitive status of access services  
25 in Washington. These services have been determined by the Commission to be  
26 competitive in significant areas of the state.

27  
28 Second, Mr. Wilson wants to ignore the fact that most of the problems around longer than  
29 standard intervals involve situations where facilities do not exist at the time of the order.  
30 He would like the Commission to believe that it is reasonable to expect U S WEST to  
31 have facilities pre-installed at every location that sophisticated high capacity services  
32 might be wanted. This is not reasonable and the tariff is clear that this expectation is not  
33 reasonable. This is why Washington and FCC tariffs specifically allow for negotiated due  
34 dates on an Individual Case Basis (ICB) for circumstances where facilities do not exist.

35  
36 Finally, it is obvious that AT&T wants U S WEST to spend the money necessary to  
37 insure that AT&T always has U S WEST facilities at its disposal, but this is not a  
38 reasonable expectation. U S WEST installs thousands of circuits for AT&T and many of  
39 these are sophisticated, high capacity services. No provider has the extended network to  
40 provide these services everywhere on a daily basis. The network has not yet evolved to  
41 that state. AT&T may choose to seek service from other providers or may choose to  
42 provide facilities themselves. Since these options are available and AT&T chooses to



1 continue to seek service from U S WEST, it appears that U S WEST's service, in general,  
2 is better than the alternatives.

3

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

5 **A.** Yes, it does.