

1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION
3 In the Matter of the Continued)
4 Costing and Pricing of) Docket UT-003013
5 Unbundled Network Elements and) Volume XXXII
6 Transport and Termination.) Pages 3965 to 4013
7 -----)

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9 A prehearing conference in the above
10 matter was held on August 21, 2001, at 9:30 a.m., at
11 1300 SouthEvergreen Park Drive Southwest, Room 206,
12 Olympia, Washington, before Administrative Law Judge
13 LAWRENCE BERG.
14

The parties were present as follows:

15 THE WASHINGTON UTILITIES AND TRANSPORTATION
16 COMMISSION, by GREGORY J. TRAUTMAN and MARY TENNYSON,
17 Assistant Attorneys General, 1400 South Evergreen
ParkDrive Southwest, Post Office Box 40128,
Olympia, Washington, 98504-0128.

18 WORLDCOM, INC., COVAD COMMUNICATIONS
19 COMPANY, AND YIPES TRANSMISSION, INC., by BROOKS E.
20 HARLOW, Attorney at Law, Miller Nash, LLP, 601 Union
Street, Suite 4400, Seattle, Washington 98101.

21 AT&T COMMUNICATIONS OF THE PACIFIC
22 NORTHWEST, INC. AND XO WASHINGTON, INC., by GREGORY J.
23 KOPTA, Attorney at Law, Davis, Wright, Tremaine, LLP,
1501 Fourth Avenue, Suite 2600, Seattle, Washington
98101.

24 VERIZON NORTHWEST, INC., via bridge line
25 by JENNIFER L. MCCLELLAN and JEFF EDWARDS, Attorneys
at Law, Hunton and Williams, 951 East Byrd
Street, Richmond, Virginia 23219.

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1 QWEST CORPORATION, by LISA ANDERL and
2 ADAM SHERR, Attorneys at Law, 1600 Seventh Avenue,
3 Suite 3206, Seattle, Washington 98191.

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25 Joan Kinn, CCR
Court Reporter

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P R O C E E D I N G S

JUDGE BERG: This is a prehearing conference in Docket Number UT-003013, the Part D proceeding. Today's date is August 21st, 2001. This prehearing conference is being conducted pursuant to due and proper notice served to parties on July 30, 2001, and we are meeting in the Commission's hearing room at the Commission's offices in Olympia, Washington.

At this time, we will proceed with appearances from the parties, and I believe that all parties have previously entered appearances in this matter, so it will only be necessary to state the name and the party you represent, and we will begin with Commission Staff and move around the room.

MS. TENNYSON: Thank you. My name is Mary M. Tennyson, Senior Assistant Attorney General, representing Commission Staff.

MR. TRAUTMAN: Greg Trautman, Assistant Attorney General, representing Commission Staff.

MR. HARLOW: Brooks Harlow representing WorldCom, Covad Communications, and YIPES Transmission.

MR. KOPTA: Gregory J. Kopta of the law firm Davis, Wright, Tremaine, LLP, on behalf of AT&T and XO Washington.

MS. ANDERL: Lisa Anderl, in-house attorney

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1 with Qwest.

2 MR. SHERR: Adam Sherr, spelled S-H-E-R-R,
3 in-house attorney with Qwest.

4 JUDGE BERG: And on the bridge line.

5 MS. MCCLELLAN: Jennifer McClellan and Jeff
6 Edwards representing Verizon, and we're at the law firm
7 of Hunton and Williams.

8 JUDGE BERG: Are there any other parties who
9 are present in the room or on the bridge line who wish
10 to enter an appearance?

11 Let the record reflect that there is no
12 further response.

13 Mr. Harlow, let me just confirm with you, you
14 represent Covad and YIPES Transmission?

15 MR. HARLOW: And WorldCom, Your Honor.

16 JUDGE BERG: And WorldCom, all right, thank
17 you.

18 The first item on my agenda this morning is
19 to take up an oral petition to intervene on behalf of
20 YIPES Transmission from Mr. Harlow.

21 Mr. Harlow.

22 MR. HARLOW: Thank you, Your Honor. As I
23 mentioned, YIPES notified us late yesterday they wish to
24 intervene, therefore we don't have a written petition.
25 For those parties who want to go back and recapture the

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1 addresses that I will rattle off, they are contained in
2 YIPES' petition in Docket UT-003022. YIPES
3 Transmission, Inc.'s address is care of Bruce Holdridge,
4 Vice President Government Affairs, 114 Sansome Street,
5 S-A-N-S-O-M-E, Suite 900, San Francisco, California
6 94104. Telephone (415) 901-2033, facsimile (415)
7 901-2201. I and the law firm of Miller Nash are
8 attorneys of record for YIPES. Our address has
9 previously been placed on the record, but I will repeat
10 it if you wish.

11 JUDGE BERG: No, that won't be necessary,
12 Mr. Harlow.

13 MR. HARLOW: YIPES is a start up company that
14 plans to provide facilities based and pre-sold broad
15 band services and capacity using fiber optic cables and
16 related equipment. It is a prospective purchaser, by
17 now it may be a purchaser, of monopoly collocation
18 wholesale services and dark fiber from Qwest Corporation
19 under the provisions of the Telecommunications Act of
20 1996. YIPES' interest in this proceeding is primarily
21 in the area of dark fiber costing and pricing. Since
22 YIPES' business plan includes purchase of those
23 facilities, the prices established in this phase of this
24 proceeding will have an impact on YIPES. I think that's
25 all I need.

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1 Unless there are any questions, I will leave
2 out the rest of the detail for now. YIPES respectfully
3 petitions to intervene for Part D of this docket only.

4 JUDGE BERG: Before making any further
5 inquiry, let me just inquire of both Qwest and Verizon
6 and other parties whether there is any objection to the
7 oral petition to intervene?

8 MS. ANDERL: Your Honor, on behalf of Qwest,
9 no, there is not.

10 JUDGE BERG: And Verizon?

11 MS. MCCLELLAN: On behalf of Verizon, no.

12 JUDGE BERG: Any comments from other parties?

13 All right, the petition to intervene on
14 behalf of YIPES Transmission, Inc. is granted.

15 Mr. Harlow, just to help keep our record
16 straight, if you would submit a written notice of
17 appearance on behalf of YIPES Transmission with all of
18 the relevant contact information for the file, I would
19 appreciate it.

20 MR. HARLOW: Certainly, Your Honor.

21 JUDGE BERG: All right. One moment, parties,
22 while I make some notes. Thank you.

23 As discussed before going on the record,
24 there are several sources of issues that potentially
25 will be addressed in Part D. The way I would like to

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1 proceed here is first to deal with those issues that are
2 mentioned in the original notice of Part D prehearing
3 conference. Then I would like to address issues that
4 may be most pertinent to Verizon. Then we will address
5 issues that are most pertinent to Qwest. Then we will
6 open up the discussion to the parties on whatever else
7 may need to be straightened out about the process and
8 the way issues may interrelate as well as the way the
9 parties will be affected in the Part D proceeding. And
10 if we need to engage in actual scheduling discussion
11 before we complete discussion of the issues, we will do
12 so. If it can wait until the end, we will go off the
13 record and discuss time frames for the filing of direct,
14 response, and rebuttal evidence in the case.

15 With that, turning to the notice of Part D
16 prehearing conference that was served on the parties
17 July 24th, 2001, I will just go through on an issue by
18 issue basis and see if parties have questions or if
19 there's other discussion that needs to take place. The
20 first reference to the Order on Reconsideration,
21 Paragraph 35 is the Commission's direction that it will
22 receive additional evidence regarding Qwest's total
23 recovery for OSS transition costs for line sharing. Are
24 there any comments or questions about that issue in this
25 proceeding?

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1 MS. ANDERL: No, Your Honor.

2 JUDGE BERG: All right. The second item is
3 that Verizon was required in the Order on
4 Reconsideration to present evidence regarding its OSS
5 transition costs for line sharing and to explain how it
6 intends to recover those costs. Any questions about
7 that, Ms. McClellan?

8 MS. MCCLELLAN: Not so much a question as a
9 comment. One type of OSS related to line sharing that
10 was identified as filed in Phase B had to do with the
11 mechanized loop prequalification, so just sort of to
12 inform the Commission that one of these costs has
13 already been identified and a rate proposed in Phase B.
14 We could probably just reference that in Phase D if a
15 Phase B order has not come out by then, or we can just
16 restate that whatever comes out of Phase B for that
17 issue would carry through to Phase D.

18 JUDGE BERG: Any other comments from other
19 parties about that?

20 That sounds good, Ms. McClellan. I think
21 that to the extent that it -- I don't recall that
22 particular rate being contested in the Part B
23 proceeding. Is that your recollection as well?

24 MS. MCCLELLAN: That is.

25 JUDGE BERG: All right. Well, if other

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1 parties have some difference of opinion on that, we can
2 hear that in the Part D proceeding. And to the extent
3 that it becomes part of a compliance filing by Verizon
4 of rates not contested, it can also be addressed when
5 that compliance filing is made if parties feel that
6 that's a mischaracterization, so there will be two
7 shots. And to whatever extent Verizon has proposed
8 rates in the record already or in other filed and
9 approved tariffs of this Commission that it believes are
10 relevant to this line of inquiry, then Verizon should
11 bring that to the Commission's attention when filing
12 direct evidence.

13 MS. MCCLELLAN: We can do that, Your Honor.

14 JUDGE BERG: All right. The next issue
15 referenced in the notice relates to Paragraph 56 of the
16 Order on Reconsideration where Qwest is directed to
17 submit direct evidence to support its costs where a CLEC
18 self provisions a separate point of interconnection. Is
19 there any question about that, Ms. Anderl?

20 MS. ANDERL: Yes, Your Honor. I don't
21 understand what exactly the Commission is looking for
22 here. And if it is related to the assumption that
23 Verizon allows CLECs to construct their own manhole,
24 then I think maybe we ought to have some further
25 discussion on that, that whole issue. It is my

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1 understanding that Verizon does not do that, and, of
2 course, there's no provision in the Commission rules to
3 file a petition for reconsideration on an Order on
4 Reconsideration. And so since that's where the
5 conclusion was first -- first came to light, I thought
6 we should probably wait and discuss it in the context of
7 this proceeding. I don't think that Qwest agrees that
8 it should be allowed to have a CLEC construct their own
9 manhole, and so I don't think we're prepared with costs,
10 our costs, under that assumption, if that's what this
11 means.

12 JUDGE BERG: Well, in looking at the
13 Commission's Order on Reconsideration, while there is
14 reference to the record where it's represented that
15 Verizon allows a CLEC to construct a separate POI where
16 no manhole exists outside of a central office, I think
17 that in looking at the order, particularly, let me find
18 the paragraph number, Paragraph 54 is where there is
19 reference, a second reference to the representation in
20 the record that Verizon allows CLECs to self provision
21 manhole zero, but the rationale that follows seems to be
22 independent from whether or not Verizon does or doesn't
23 allow that to occur.

24 MS. ANDERL: Well, Your Honor, I mean
25 actually, and I don't know if we need to have this

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1 discussion off the record or not, but this whole order
2 is very confusing. I mean Paragraph 54 references
3 Paragraph 46 where it says Verizon has agreed to
4 entertain provisions to allow CLECs to self provision
5 manhole zero. Paragraph 46 doesn't appear to have that
6 reference in it or that discussion in it. And
7 additionally --

8 JUDGE BERG: Yes, that should be Paragraph
9 47.

10 MS. ANDERL: 47. And I don't, you know, I
11 don't know whether we're talking about construction of a
12 separate manhole or we're talking about CLECs self
13 provisioning some other types of facilities. And if
14 CLECs self provision facilities, I don't know what types
15 of costs the Commission is looking at Qwest to provide.

16 JUDGE BERG: Well, that isn't --

17 MS. ANDERL: So if we could get some
18 clarification on that, we could certainly, you know, if
19 there's a set of circumstances under which we're going
20 to incur costs for either us or the CLEC to provision
21 some aspect of collocation or entrance facilities, we're
22 happy to try to explain to the Commission what our costs
23 are under those circumstances. It's just that it's not
24 clear in my mind from this order what we're being asked
25 to demonstrate. And so I mean I think there will be

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1 plenty of time for us to pull something together if we
2 can get some -- that clarification.

3 JUDGE BERG: In Paragraph 56, the Commission
4 gives two examples, excuse me, two, yes, two examples of
5 costs that the Commission is aware of that would be
6 pertinent to the self provisioning of a manhole zero as
7 discussed in the order, that being the rate to perform
8 construction and placement of conduit and interduct to
9 the central office from the separate POI and a rate to
10 construct cable racking from the point of entry into the
11 building to the collocation space, but the Commission
12 did not want to limit Qwest from representing that it
13 had other costs that the Commission was unaware of and
14 to propose rates for those costs.

15 MS. ANDERL: And again, I guess this whole
16 thing is I know that we have already proposed rates or
17 have costs in our old study for cable racking, and maybe
18 we just need to pull that out. But my question is, you
19 know, what does it mean in terms of what our costs are
20 around "where a CLEC self provisions a separate POI". I
21 mean that gets us back to is Qwest required to allow the
22 CLECs to provide a separate manhole into Qwest
23 facilities, and I think our answer to that is that's not
24 what we have ever proposed, and we're not proposing that
25 that be permitted. We don't want CLECs in the street

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1 drilling manhole entrances into our central offices, and
2 that kind of links back to is the Commission's basis for
3 ordering that the fact that the Commission thinks that
4 Verizon does that.

5 JUDGE BERG: Well, I think the order has to
6 speak for itself, and that is in Paragraph 54, the
7 Commission states:

8 Enabling CLECs to self provision manhole
9 zero alleviates rate constraints caused
10 by the CLEC's dependence on Qwest to
11 construct facilities.

12 Now that statement has no nexus with whether
13 or not Verizon does or does not allow the CLECs to self
14 provision. The next sentence:

15 Furthermore, the requirement that Qwest
16 permit CLECs to self provision entrance
17 facilities outside the central office is
18 consistent with prior Commission
19 decisions that CLECs should be able to
20 self provision certain collocation
21 facilities inside the central office.

22 Also has no dependence or logical nexus to
23 whether or not Verizon also allows CLECs to self
24 provision manhole zero.

25 Do you believe that there is evidence in the

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1 record contesting the representations of -- or restate
2 that.

3 Is there evidence in the record, in the Part
4 A record, contradicting the testimony of Mr. Knowles
5 both in written testimony and on the stand that in fact
6 that's a practice allowed by Verizon?

7 MS. ANDERL: Well, Your Honor, I don't think
8 that the record is developed on that. I have to tell
9 you that I read Mr. Knowles' testimony. It's a very off
10 hand comment in his testimony, oh, Verizon allows us to
11 do this. We certainly didn't cross-examine him about
12 that, because we didn't believe that he was advocating a
13 certain practice to be adopted. Whether Verizon crossed
14 him on that or explored the veracity or accuracy of that
15 statement, I do not know.

16 JUDGE BERG: Well, let's --

17 MS. ANDERL: But I think that it certainly
18 bears further factual inquiry and development before
19 conclusions of this type are premised on it.

20 JUDGE BERG: On what basis? It sounds like
21 what you're asking the Commission to do is reopen the
22 record.

23 MS. ANDERL: I'm asking -- well, Your Honor,
24 I don't know, maybe we can -- I talked to Mr. Kopta
25 about this and asked him to explore with his witness the

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1 basis for his understanding that Verizon permitted that
2 to be done. As I said, it is not -- it was not the type
3 of factual allegation that Qwest was on any notice that
4 we needed to attempt to either inquire into or rebut,
5 because there was no indication that either the
6 Commission would find that as a fact since it didn't
7 appear to be relevant to any disputed issues nor that
8 the Commission would extend that requirement if indeed
9 it is true that Verizon does that to Qwest.

10 JUDGE BERG: Well --

11 MS. ANDERL: So we would like an opportunity,
12 you know, to explore this issue a little bit further.

13 JUDGE BERG: Well, you're going to have to
14 develop some legal basis for that, because first of all,
15 with regards to the reference to the practice of
16 Verizon, that reference in Commission orders to the best
17 of my knowledge is based on uncontradicted evidence in
18 the record. And beyond that, when you take the last two
19 paragraphs of Paragraph 54 of the Order on
20 Reconsideration where the Commission requires that CLECs
21 be allowed to self provision manhole zero as an
22 alternative to compensating an incumbent carrier where
23 manhole one is congested, it bears no relevance to
24 whether or not the characterization of Verizon's
25 practice is accurately reflected in Commission orders.

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1 And if I'm wrong on that, then tell me, but, you know,
2 why you think I'm wrong.

3 MS. ANDERL: Well, Your Honor, all I can
4 explain is what I said earlier is that Qwest had no
5 notice that this was an obligation that was going to be
6 imposed upon it and therefore had no opportunity to meet
7 that issue with facts nor to even argue it, to tell you
8 the truth. I mean the first time we saw this was in the
9 Order on Reconsideration.

10 JUDGE BERG: How is this different than where
11 -- well, let me say that Mr. Knowles in his testimony,
12 if I recall right, requests the Commission to allow
13 CLECs to self provision manhole zero, so that was part
14 of the record. It wasn't a point that the Commission
15 developed solely in the Order on Reconsideration, and I
16 don't understand how this would be different from the
17 Commission -- the Commission's prior orders that
18 incumbent carriers allow CLECs to self provision certain
19 collocation facilities inside the central office.

20 MS. ANDERL: Well, the difference, Your
21 Honor, is that when they're self provisioning certain
22 collocation facilities inside the central office,
23 they're doing that provisioning within their own
24 collocation space that they have leased, and therefore
25 Qwest is as long as, you know, is largely indifferent to

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1 what those CLECs do in their own collocation space.

2 In the space under the street or outside the
3 central office, it is a different story. There are
4 other Qwest owned operations and other carriers'
5 operations are potentially impacted by that. And so we
6 just -- we think that the factual record is
7 insufficiently developed for the Commission to really be
8 able to make the conclusion that this is the right thing
9 to do.

10 Now, you know, if you're saying that we
11 missed our opportunity to rebut Mr. Knowles' testimony,
12 then I guess what we would like to do is ask that this
13 issue be revisited in Part D, and we're happy to try to
14 present costs along with the revisitation of that issue,
15 but we would like to, you know, kind of review the
16 entire issue in this part of the docket. We just don't
17 think we have had an opportunity to address it and
18 explain to the Commission what it is we think they're
19 ordering and why they shouldn't do it.

20 JUDGE BERG: In Paragraph 55, the Commission
21 states that where Qwest establishes that manhole one is
22 congested, Qwest also must designate a point where CLECs
23 can provide fiber cable as part of the entrance
24 facility, thus giving, and this is my addition is that
25 my -- is that this gives Qwest the opportunity to

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1 designate where outside a central office a manhole zero
2 may be self provisioned and that it would be the same
3 place that Qwest -- it may very well be the same place
4 that Qwest would construct a manhole zero at the expense
5 of the requesting CLECs.

6 The only issue that seems to be outside the
7 control of Qwest is the actual contracting and the
8 construction of that manhole zero where Qwest says it
9 must be constructed. This really sounds an awful lot to
10 me like the arguments the Commission heard over whether
11 or not CLECs should be required to compensate incumbents
12 for constructing their collocation cage facilities or
13 whether they should be allowed to contract with a
14 qualified contractor on their own part.

15 And if you're feeling uncomfortable with the
16 range of the discussion, I'm not intending -- I don't
17 mean to debate the order with you. I'm just trying to
18 get a handle on the extent to which, before I turn to
19 other parties and ask them to comment, the extent to
20 which in fact additional discussion on whether or not
21 this should be allowed, whether or not CLECs should be
22 allowed to self provision is appropriate versus what are
23 the relevant circumstances or costs or policies or
24 practices when a CLEC self provisions.

25 MS. ANDERL: It might be a good time to talk

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1 to the other parties.

2 JUDGE BERG: Let's open it up, and, you know,
3 we'll see the extent to which we may have some consensus
4 or not.

5 And, Ms. McClellan, I know that Verizon may
6 have some perspective on this, but I would like to hear
7 from Mr. Kopta first.

8 MS. MCCLELLAN: Okay.

9 MR. KOPTA: Thank you, Your Honor. The
10 genesis of this issue was in Qwest developing a charge
11 for a stand alone manhole that was dedicated to CLECs.
12 And even in Qwest's own cost studies, they assumed that
13 that happens no more than 10% of the time, that the rest
14 of the time there is space available. And at least with
15 respect to the expressed fiber element, a CLEC is able
16 to take its own fiber, run it through existing
17 facilities, and terminate it at their collocation cage.

18 The problem, I think, is that the Commission
19 has premised its decision in the reconsideration order
20 on CLEC's ability to self provision as a way of, if you
21 will, introducing some semblance of market forces to
22 ensure that Qwest's prices for entrance facilities are
23 fair, just, and reasonable. And so I think that
24 certainly it's important to have that as a check if the
25 Commission is assuming that it will be a check. The

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1 Commission rather changed its mind from its original
2 decision and decided that it wasn't going to require
3 Qwest to reduce the prices that it had proposed for
4 various types of entrance facilities but rather to use
5 CLEC self provisioning as a means of providing an
6 alternative so that CLECs wouldn't have to pay those
7 rates if they felt that they could self provision for a
8 rate that would be less.

9 So I would agree with Your Honor's
10 interpretation of the order, that although there was
11 some reference to what Verizon allows, that that really
12 is not the point. The point is that CLECs need to be
13 able to self provision if the Commission is not going to
14 establish rates for entrance facilities. So I do think
15 that the -- where the pricing issues comes in is the
16 extent to which facilities are or are not available.

17 So that if there are facilities between, for
18 example, the existing manhole zero and the central
19 office, could then the CLEC basically bring its fiber
20 into the existing manhole zero and then pick up Qwest
21 facilities from that point on. And if so, what would
22 the costs be for providing that space in manhole zero
23 and in the conduit going into the central office and
24 then in the cable racking up to the space.

25 Another scenario is that there is no space

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1 available in manhole zero. Under those circumstances,
2 would Qwest propose to install its own manhole zero for
3 itself and then provide the CLEC with a portion of that,
4 or would Qwest take the position that it didn't need any
5 more additional space and the CLEC was kind of on its
6 own, in which case there might be a situation in which
7 the CLEC would provide its own manhole outside the
8 central office conduit going into the central office and
9 again picking up with existing cable racking inside the
10 central office.

11 So there are a couple of different scenarios,
12 and I think the Commission tried to capture that without
13 really specifying, because it's unclear at this point
14 exactly what would be required, how much of the
15 facilities Qwest would be willing and able to provide,
16 and how much the CLECs would want to provide.

17 I know from the position of my clients, their
18 preference would be to treat the Qwest central office
19 pretty much the same way as any other building and bring
20 conduit right up to the building and do a core drill
21 into the cable vault and then allow Qwest to take the
22 cable from that point on up to the collocation cage,
23 again doing as much as they can on their own so that
24 they are not dependent on Qwest to do anything that the
25 CLECs can do themselves. So from our position, given

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1 the Commission's decision on entrance facilities, then
2 we would certainly want the maximum flexibility in
3 provisioning facilities ourselves.

4 JUDGE BERG: Mr. Kopta, do you disagree with
5 -- do you agree or disagree with Qwest's position that
6 there needs to be clarification regarding the issue of
7 self provisioning by CLECs of manhole zero?

8 MR. KOPTA: I don't see the need for any
9 additional evidence. As you pointed out, both in this
10 docket and in the prior docket, CLECs had advocated that
11 they be able to self provision collocation to the
12 maximum extent possible, including facilities outside
13 the central office. I think that issue has been on the
14 table since this -- when the prior docket began. I
15 think the Commission initially, if you will look back at
16 the orders, had said that's a terms and conditions issue
17 and therefore not one that we're going to get into in
18 the cost docket. In the Order on Reconsideration, the
19 Commission changed its mind and said that they will
20 allow CLECs to do self provisioning, and now we have to
21 deal with the cost ramifications of that decision.

22 So I think we have been down that road, the
23 Commission has made its decision, and now the decision,
24 well, what's left to be decided is the cost
25 ramifications and what Qwest may charge for those

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1 facilities that it does provide when the CLEC self
2 provisions at least a portion of that particular
3 element.

4 JUDGE BERG: Do you understand the last
5 sentence of Paragraph 55 of the Order on
6 Reconsideration, and I will read it to you, to mean that
7 Qwest -- that will perform core drilling in the sense
8 is, however Qwest may require that CLECs compensate
9 Qwest to perform construction and placement of conduit
10 and interduct into the central office from manhole zero,
11 does that comply with what you characterize as core
12 drilling?

13 MR. KOPTA: Well, a core drill is generally
14 just the hole in the wall, so certainly I would have no
15 problem with interpreting that particular sentence to
16 require the CLECs to compensate Qwest for doing that
17 core drill since one assumes it would be done from
18 inside the central office and again in space that's
19 controlled and within the exclusive control of Qwest.

20 The remainder of the sentence talking about
21 conduit and interduct from the manhole that the CLEC
22 would be constructing to the central office sort of goes
23 in with what I was talking about before in terms of
24 whether the CLEC is providing that or whether Qwest is
25 providing that. If it's the Commission decision that

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1 the CLEC needs to have Qwest provide that conduit and
2 interduct, then obviously that would be one of the rates
3 that would need to be established in this docket. If
4 the CLEC were able to self provision that conduit up to
5 the core drill that Qwest has made into the cable vault
6 into its central office, then obviously the CLEC would
7 be paying for those costs itself.

8 I think that the Commission, at least as I
9 interpret their decision, was setting forth one scenario
10 that was a possibility for determining what the costs
11 are. I don't know whether Qwest would insist on
12 providing the conduit and interduct. It may depend on
13 individual circumstances. After all, if this is out in
14 the street, Qwest doesn't own the street, and there's no
15 reason why a CLEC can't get permission from the City
16 and, you know, dig up the street and put in its own
17 conduit as opposed to having Qwest do it. Now if it's
18 on Qwest property, then that might be a different set of
19 circumstances. So I think that that sort of issue may
20 need to be sorted out as part of this particular docket.

21 JUDGE BERG: Ms. McClellan, I know that our
22 intention was to deal with Verizon's issues separately,
23 but let's go ahead and talk about this issue now. And
24 to my mind, the essence is whether Verizon is requesting
25 the Commission to take any specific action with regards

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1 to what you may -- what Verizon may believe to be
2 inaccuracies in the record and/or the Order on
3 Reconsideration.

4 MS. MCCLELLAN: Well, Your Honor, I guess
5 Verizon is in the position where because this was an
6 issue that affected a proposal relating to Qwest and not
7 a proposal relating to Verizon, we're not exactly sure
8 whether or not it's something that needs to be addressed
9 from our perspective. I don't recall that we did
10 anything to rebut what Mr. Knowles said because it
11 didn't address any Verizon proposal or a CLEC proposal
12 relating to Verizon, so we didn't think it was germane
13 to our case, so we didn't address it. However,
14 Mr. Knowles was incorrect.

15 If this Commission decision -- it is unclear
16 as to whether this Commission decision that CLECs must
17 be permitted to construct their own manhole and conduit
18 into the central office affects any current Verizon
19 practice. We don't recall that that question was ever
20 specifically raised in Phase A, so we never provided any
21 testimony as to why our policy is the way that it is,
22 that we didn't realize it was being challenged. And
23 it's still unclear as to whether this affects any
24 current tariff or rate that we charge. So we don't
25 exactly know what is the best course of action from this

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1 point of view. We do agree that we don't believe that
2 this issue was ever squarely teed up and fully
3 litigated.

4 JUDGE BERG: Does Verizon think that -- does
5 Verizon have a position as regarding whether or not the
6 Commission should address that in Part D of this
7 proceeding? And by that, I mean any of that.

8 MS. MCCLELLAN: I think so. Because this is
9 a Commission order that does -- at the very least, we
10 believe that this is a Commission order that in some
11 parts makes a statement that we believe is incorrect.
12 Now it's unclear as to whether or not the Commission
13 relied on that or not, but we do think it would be
14 appropriate to at the very least address whether or not
15 Mr. Knowles is correct.

16 As to whether or not the specific issue as to
17 whether CLECs should be permitted to construct their own
18 manhole and conduit into the central office, we don't
19 think that issue has been squarely litigated anywhere.
20 Now whether that should be litigated in Phase D or in
21 the context of for Verizon's case, you know, our tariff,
22 or in some other proceeding, we don't have a position on
23 that.

24 JUDGE BERG: Before I turn to Commission
25 Staff and Mr. Harlow for any possible comment, let me

03991

1 ask Mr. Kopta, do you have any response to whether or
2 not we need to address any of these issues as they
3 relate to Verizon in Part D?

4 MR. KOPTA: Well, there -- I suppose there is
5 a distinction between concept and practice. The
6 Commission approved Verizon's rates for entrance
7 facilities largely because no one had a problem with
8 Verizon's proposal. So there wasn't the same issue as
9 there is with Qwest in terms of CLECs needing an
10 alternative, because those that were participating were
11 fine with the rates that Verizon had proposed for that
12 particular element.

13 Theoretically, I suppose there would -- there
14 may be an issue at some future time when Verizon doesn't
15 have adequate space and tries to impose some additional
16 charge to make more space available or denies the
17 request for entrance facilities because of lack of
18 space. But at this point, I don't know that it's
19 necessary to address that conceptual issue at this
20 point. We don't need to look for any more issues to
21 litigate than we already have.

22 So I think we're in a different position with
23 Verizon than we are with Qwest. So I at this point
24 sitting here today do not see the need to address this
25 issue in the context of Verizon's collocation rates,

03992

1 because the Commission established them on a different
2 basis, and no one has a problem with those as they sit
3 today.

4 JUDGE BERG: Mr. Harlow, anything?

5 MR. HARLOW: I'm afraid I don't have a lot of
6 light to shed on this subject, Your Honor. To the
7 extent Mr. Kopta is speaking for AT&T, I expect WorldCom
8 would concur. I don't think Covad and YIPES likely have
9 a position on this issue at all.

10 JUDGE BERG: All right.

11 Any comments from Commission Staff?

12 MS. TENNYSON: Well, unfortunately, Your
13 Honor, neither Mr. Trautman or I were attorneys for the
14 Commission Staff in the Part A proceeding, so we're not
15 intimately familiar with the record. I do note that the
16 order, the reconsideration order, does cite to testimony
17 in support of its statements, and if there was testimony
18 submitted on the point, parties certainly had an
19 opportunity to respond to and rebut that and raise
20 questions about it at that point. So that's all that we
21 could offer at this point.

22 JUDGE BERG: Ms. Anderl, it does give me, you
23 know, some pause that Mr. Kopta perceives that there may
24 be -- that the Commission's order addresses one possible
25 scenario and that there may be other scenarios that need

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1 to be identified to accomplish the Commission's
2 objectives in its order.

3 What I'm struggling with is the legal basis
4 for reopening or further discussing whether or not CLECs
5 should be afforded an alternative under the order that
6 the Commission has issued. You understand that in terms
7 of going forward to, in my view, going forward to
8 address whether or not CLECs should have the alternative
9 to contract for the construction of a manhole zero
10 independent from rates cited by an incumbent, whether
11 that -- whether or not that alternative should exist in
12 my mind is settled in this order, and I'm more or less
13 -- the Commission is as restricted by the rule that
14 there is no reconsideration of an order of
15 reconsideration the same as the parties, and so in terms
16 of how the Commission would possibly consider whether or
17 not that alternative should be afforded seems to be
18 merely jumping from the pot to the frying pan. Because
19 to do so would certainly raise objections from other
20 parties that this matter has already been resolved in a
21 final Commission order that -- for which there is no
22 further review.

23 So if your position is that the Commission --
24 it's still open as to whether or not the Commission
25 should allow CLECs an opportunity to self provision an

03994

1 alternative, then I'm going to need some -- Qwest is
2 going to have to make some kind of a legal justification
3 for doing that from my perspective.

4 On a separate issue as to whether or not, in
5 fact, the Commission has sufficiently laid out what that
6 alternative is or whether other alternatives should be
7 allowed, it may be that we need to have some further
8 development of the record.

9 MS. ANDERL: Well, and I guess the whole --
10 the issue remains significantly confused in my mind, and
11 perhaps that's my problem. But I think Mr. -- one thing
12 that I do agree with Mr. Kopta on is, you know, within
13 the public rights of way, CLECs can do whatever they
14 please as long as they get municipal authority. And,
15 you know, they can get their facilities up to the
16 outside of our central office however they darn well
17 please.

18 And I guess, you know, maybe that ends the
19 discussion and we say, look, if that's what they want to
20 do, that's entirely up to them. If they ask us to
21 construct a separate manhole or we tell them that that's
22 the only alternative and they say go ahead and do it,
23 well, then we can talk about costs. But if, you know,
24 if the issue is on Qwest's property or performing work
25 on or within Qwest's central office, then things get a

03995

1 little dicier.

2 And so I guess, you know, we are seeking some
3 clarification in terms of what the order is
4 contemplating. And to the extent that that
5 clarification -- depending on what the clarification is,
6 we are then either seeking to reexamine the issues or
7 not.

8 JUDGE BERG: Okay.

9 MS. ANDERL: Does that help?

10 JUDGE BERG: It does, because I had -- I
11 don't think the Commission's order considers whether --
12 what to do in a situation where there is no municipal
13 property accessible to accomplish the self provisioning
14 of a manhole zero and that it's on -- and where it might
15 be something that would occur on Qwest's property, and I
16 agree that the order is probably unclear on that point.

17 MS. ANDERL: Yeah, I mean I think that the
18 record might be just looking for a more detailed
19 description of what people mean when they say manhole
20 zero and manhole one. I don't frankly think the record
21 is abundantly clear on that even though we have talked
22 about it a lot in past proceedings, and that could just
23 be me, but.

24 JUDGE BERG: If the Commission were to allow
25 further evidence about the real world construction of an

03996

1 alternative manhole zero, that being looking at the
2 various scenarios and the alternatives, would the
3 parties -- would Qwest be able to also propose rates
4 that would go along with those alternatives, or is this
5 something that needs to be worked out before any rate
6 design can take place?

7 MS. ANDERL: I think we always kind of need a
8 definition of the activities and functions that go into
9 providing a particular service or offering in order for
10 us to be able to do some sort of costing in terms of
11 assumptions as to how often something will happen, how
12 much time it will take, et cetera, so it probably is a
13 sequential operation where first you define what the
14 cost object is and then figure out what the costs are.
15 Now if the functions are all things for which we have
16 already developed costs, for example, we already have
17 rate, you know, costs for fiber splicing and other
18 things, then perhaps it's just a matter of piecing it
19 together.

20 JUDGE BERG: Mr. Kopta.

21 MR. KOPTA: And just to follow up on that
22 last point, if you look at the cost study, there are
23 separate costs broken out for a manhole, for conduit,
24 for interduct, and so unless there's some basis that
25 Qwest has to say now that those costs should be

03997

1 different simply because we're talking about where in
2 the process the CLEC enters into Qwest space, if you
3 will, as opposed to its own, I would think that you
4 could make -- still take that component approach and
5 cost out everything from the manhole all the way up to
6 and including the collocation cage in terms of the
7 entrance facility element and then have a discussion
8 about where in that process the CLEC should be able to
9 place its own facilities.

10 So I don't think that you need to necessarily
11 decide the issue of the policy of where the CLEC -- at
12 what point can the CLEC construct up to. I think that
13 you can -- there are component pieces that you can take,
14 and the prices that Qwest has used to develop its own
15 rates should be the same. And whether those apply or
16 not would depend on whether they would be included in
17 what the CLEC self provisions or would be obtaining from
18 Qwest.

19 JUDGE BERG: All right, we have developed
20 this point quite a bit this morning, and I think it's
21 something that the Commission will have to take, you
22 know, additional review of outside of the hearing, but I
23 appreciate the comments of parties, and we will see what
24 else we can accomplish and possibly leave this on the
25 back burner until we have a -- the Commission has an

03998

1 opportunity to consider comments and what should be done
2 in the way of process to push the matter forward.

3 The last point that was mentioned in the
4 notice, and it's a related point, I don't know that it
5 needs discussion now, but the Order on Reconsideration,
6 taking a perspective that a CLEC would self provision a
7 manhole zero, the question would be to what extent the
8 CLEC self provisioning would have total control over
9 that facility and whether there should be additional
10 provisions or rates for other parties to share the
11 facility. And again, that's presuming that whatever was
12 constructed would have sufficient capacity for more than
13 just the self provisioning CLEC's needs.

14 I think the Commission certainly doesn't want
15 to promote a series of potholes surrounding a central
16 office. So if -- to the extent that's also related to
17 somehow further defining the nature of a self
18 provisioned manhole zero, I don't know that we need a
19 lot of further discussion at this point, but it may be
20 something that needs to be developed in the Part D
21 proceeding.

22 MR. KOPTA: And this is Greg Kopta, I would
23 agree that this is part and parcel to what we were just
24 discussing and sort of more related to the practical
25 concerns or issues that we have raised before about how

03999

1 exactly the CLEC would be able to do this. It may be
2 that the CLEC would not be constructing a manhole per se
3 but simply a spur off of its own network that just goes
4 directly to the Qwest central office as opposed to sort
5 of a centrally positioned facility that is supposed to
6 form a funnel for multiple facilities coming in from
7 different directions into the Qwest central office. So
8 again, I think the development on the record of how a
9 CLEC would go about self provisioning would include that
10 last issue.

11 JUDGE BERG: All right.

12 Ms. McClellan, if you would, would you to
13 some extent memorialize the voice mail that, in writing,
14 whereby Verizon sets forth its position with whether or
15 not it agrees with the characterization of Verizon's
16 policies and practices, and make specific reference to
17 the particular place in your cost studies where Verizon
18 provides rates for provisioning a manhole zero just to
19 have a written paper trail of the issue.

20 MS. MCCLELLAN: Yes, sir.

21 JUDGE BERG: All right. And that could just
22 be a letter to the Commission.

23 MS. MCCLELLAN: Okay.

24 JUDGE BERG: All right.

25 The next point I want to take up then is

04000

1 Verizon's written request to address generic UNE OSS
2 transition costs incurred in 2000 and 2001. Are the
3 parties prepared to discuss that this morning?

4 All right, I see a few heads nodding in
5 agreement.

6 Ms. McClellan, would you go ahead and talk
7 about that a little further.

8 MS. MCCLELLAN: Yes, Your Honor. Actually,
9 to clarify, it would be OSS costs incurred in the year
10 2000. As the Commission may recall, when OSS costs were
11 addressed in Phase A, it included -- Verizon's filing
12 included only those costs incurred through 1999. The
13 way Verizon OSS are handled, it does not incur costs
14 until it receives a bill and pays that bill to what used
15 to be called GTEDS, that used to be GTE Data Services,
16 it's now Verizon Data Services, which is the entity that
17 makes those OSS modifications. It does not get those
18 bills and pay those bills until January, the end of
19 January of the year following when those costs were
20 incurred.

21 So in -- when we filed our study in January
22 of 2000, it was only OSS costs incurred through the end
23 of 1999 that were included. Since then, in the year
24 2000 -- and to back up, part of why we did not have any
25 OSS related for line sharing identified was because

04001

1 those modifications had not been made, and those costs
2 had not been incurred yet. In the year 2000, we have
3 made more modifications as a result of the UNE Remand
4 Order that had not been completed by 1999 and have made
5 line sharing related OSS modifications that the company
6 will be billed for and will pay in January of 2001.

7 So while the Commission has asked the company
8 to file costs for line sharing, those will not be the
9 only OSS company -- the only OSS transition costs that
10 the company will have incurred, and so the company would
11 like to address all OSS modifications related to its UNE
12 requirements for generic UNEs and line sharing at the
13 same time. And a little later we can discuss the
14 schedule in further detail, but those costs will be
15 identified as of the end of January 2002.

16 JUDGE BERG: And so I understand, in 2001,
17 are you saying there were additional transition costs
18 for generic UNEs as well as for line sharing, or were
19 all of the generic UNE transition costs captured in the
20 year 2000?

21 MS. MCCLELLAN: As a factual matter, I'm not
22 sure whether what we would be filing would include both
23 2000 and 2001. I'm not sure when they were made. But
24 what we would file would include everything between,
25 whenever they were incurred, it would be those costs

04002

1 incurred from January of 2000 until December of 2001.

2 JUDGE BERG: All right. And what we would be
3 looking at would be an upward adjustment of the total
4 recovery to be approved by the Commission; is that
5 correct?

6 MS. MCCLELLAN: Yes.

7 JUDGE BERG: Any comments or questions from
8 other parties?

9 MR. KOPTA: This is Greg Kopta. Strictly
10 with respect to the issue of whether the Commission
11 should consider this, I don't have an objection at least
12 with respect to information as we have it today. I
13 would have a concern if we're going to wait until the
14 end of January of next year to get started on looking at
15 some additional cost figures. I think that would
16 certainly unnecessarily extend this proceeding into
17 through the end of next year if that's what we're going
18 to be looking at.

19 But also I suppose that as long as the
20 Commission is -- would include in that issue a
21 consideration of whether it would be appropriate to
22 allow that recovery at all or, you know, additional
23 recovery beyond what the Commission has already
24 authorized, then I don't see any reason why the
25 Commission shouldn't look at that in Part D of this

04003

1 particular docket.

2 JUDGE BERG: I think that would be part and
3 parcel of any costs proposed by parties, and I agree
4 that the Commission needs to schedule the pre-filing of
5 evidence on a schedule independent from whether or not
6 additional information, relevant information, may or may
7 not be available at some point in the future. If at
8 some point in the future additional information becomes
9 known that some party feels needs to be introduced into
10 this part of the proceeding, then we will deal with
11 whether that's appropriate and what it may mean to other
12 parties at that time.

13 MS. MCCLELLAN: Your Honor, if I may address
14 the scheduling issue very briefly. We are in a position
15 where I can as a factual matter say that in the year
16 2000 there were no OSS modifications implemented for
17 line sharing. All of those took place in the year 2001
18 with the exception of the loop, mechanized loop qual
19 that we have already filed.

20 So to the extent the Commission has asked us
21 to file our costs for OSS incurred by the hearing, we
22 won't know what those costs are until we receive and pay
23 our bill to Verizon Data Services in January of 2001.
24 So while I understand Mr. Kopta's concern -- I'm sorry,
25 January of 2002. While I understand Mr. Kopta's concern

04004

1 about the timing of this proceeding, you know, the facts
2 are what they are, we will not have paid for those
3 modifications until we receive a bill and pay that bill
4 from the company that's made the modifications, and that
5 will not occur until January of 2002.

6 JUDGE BERG: Ms. McClellan, do you know
7 whether all OSS modifications for line sharing have been
8 completed?

9 MS. MCCLELLAN: I do not know that. I do
10 know that OSS modifications related to line splitting
11 have not occurred yet.

12 JUDGE BERG: Thank you. One moment while I
13 make some notes, please.

14 Okay, thank you. I'm beginning to get a
15 sense that we really won't be able to set up a schedule
16 here today for the filing of testimony until some of
17 these other issues are fleshed out. It may be that we
18 will have to schedule another prehearing conference in
19 the very near future, but let's go ahead and finish
20 talking about the issues, and then we will talk about
21 that point as well.

22 While we're sort of touching on OSS,
23 Ms. Anderl, Dr. Gabel asked me to check with Qwest, it
24 was his understanding that in New Mexico Qwest has
25 stated that it is delaying requesting OSS recovery until

04005

1 the OSS testing is completed. Do you know what Qwest's
2 position in Washington is?

3 MS. ANDERL: My understanding is it is not
4 the same as New Mexico, and I don't know what the basis
5 for the position that we might have taken in New Mexico
6 is. I can make some inquiries within the company and
7 perhaps reconcile the two positions. But it's, you
8 know, my understanding based on all of the OSS cost
9 recovery proceedings we have had here in Washington is
10 that we would like to begin recovering those costs.
11 They have been incurred, and, you know, certainly while
12 the OSS testing that's going on as a part of the 271
13 process is an important part of the 271 process, I was
14 not under the impression that we had any linkage with
15 cost recovery there.

16 JUDGE BERG: Okay, if we could just have a
17 clarification of Qwest's position in Washington.

18 MS. ANDERL: Okay.

19 JUDGE BERG: I think that would be
20 appropriate.

21 MS. ANDERL: I will do that.

22 JUDGE BERG: Thank you.

23 MS. ANDERL: Your Honor, I guess depending on
24 whether we schedule another pre-hearing conference or
25 not, I can either report out or send you something in

04006

1 writing with copies to all parties.

2 JUDGE BERG: Okay, good.

3 Next is a discussion of Qwest Washington
4 issues for the Part D prehearing conference as set forth
5 in its August 10th, 2001, correspondence. And for the
6 first part of this discussion, I propose we go off the
7 record, and we will be off the record at this point.

8 (Discussion off the record.)

9 (Recess taken.)

10 (Discussion off the record.)

11 JUDGE BERG: There has been a discussion off
12 the record regarding Qwest's proposed issues for
13 Washington arising out of the SGAT 271 proceeding to be
14 addressed in Part D. Attached to Qwest's filing dated
15 August 10th, 2001, is an Exhibit A setting forth
16 numerous items. This is the snapshot of a revised SGAT
17 derived from Docket Number UT-003022. Qwest will update
18 Exhibit A on or about August the 24th to show --

19 MS. TENNYSON: 28th, August 28th, a week from
20 today.

21 JUDGE BERG: Yes, thank you, August 28th, to
22 show which items that are notated as a footnote 1 are
23 issues that have been addressed in Part B and which are
24 issues to be addressed in Part D. Qwest will also
25 update Exhibit A to provide a description for notes 11,

04007

1 12, and 13. Other parties are requested to perform an
2 outside review of this list and of issues that have been
3 addressed in the SGAT 271 proceeding and to work with
4 Qwest so that Qwest can file a revised list of issues
5 for Part D as well as a second revised Exhibit A on or
6 about September the 4th.

7 As a procedural matter, the protective order
8 previously entered in Docket Number UT-003013, this
9 proceeding, extends to Part D in its entirety. Persons
10 previously signing the confidentiality agreement will --
11 those signed agreements will be treated as part of the
12 Part D proceeding.

13 And the Commission's prehearing conference
14 order to follow today's session will give notice to
15 parties who previously appeared but did not appear today
16 that they must expressly elect whether to continue as a
17 party, whether to be treated as an interested person in
18 this proceeding, or whether to be dropped from this
19 docket all together.

20 The Commission will seek to respond to
21 certain threshold issues in time for the scheduling of a
22 second prehearing conference on September 11th. Parties
23 have been requested to pencil in a prehearing conference
24 on their calendars for that date. If it appears that
25 that date becomes not practical, the Commission will

04008

1 notify the parties as soon as possible. There will be a
2 formal notice that will be sent to the parties as soon
3 as it's clear that that date will be adequate to
4 continue discussions regarding the scheduling of
5 proceedings in this case.

6 Mr. Harlow, I understand that you would like
7 to check off which issues on the list prepared by Qwest
8 your clients have interest in and possibly note any
9 other issues that you might have an interest in that
10 don't appear on this list.

11 MR. HARLOW: I'm not sure that's what I had
12 in mind.

13 JUDGE BERG: All right.

14 MR. HARLOW: I think what I had in mind was
15 just simply seeking clarification either now or
16 requesting it back to me if Ms. Anderl doesn't know the
17 answer as to the scope of certain of the issues on this
18 list.

19 JUDGE BERG: Okay, if you would go ahead and
20 make a record of what those items are, then I would ask
21 that Qwest and counsel for Qwest and yourself follow up
22 off the record.

23 MR. HARLOW: Certainly. First, and this is
24 with regard to Covad, the question for Qwest is whether
25 remote collocation 8.6 from the SGAT and/or unbundled

04009

1 packet switching Section 9.24 from the SGAT include
2 costing for some form of unbundled line shared DLC
3 loops.

4 MS. ANDERL: I will check on that.

5 MR. HARLOW: And then secondly as to, well, I
6 will give you the number first here because it's a long
7 reference, 9.2.4.5, it's the fifth line down under UNE
8 issues, DSO basic installation with cooperative testing,
9 Covad wishes to clarify whether that includes DSL loops
10 as well as voice DSO loops.

11 MS. ANDERL: So you mean is it two wire
12 analog as well as digital loops? We don't have loops
13 that are called DSL loops. We have loops.

14 MR. HARLOW: You have loops.

15 MS. ANDERL: Two wire and four wire.

16 MR. HARLOW: But I mean could they be tested
17 for DSL purposes as well as voice purposes?

18 MS. ANDERL: Oh, so you're saying what kind
19 of testing is it; is that the question?

20 MR. HARLOW: Yes, and I don't know if the
21 testing may be the same for analog and digital loops. I
22 don't think it is. I think there's a separate kind of
23 testing.

24 MS. ANDERL: Well, I'm going to need you to
25 clarify that question before I can answer it. This is

04010

1 assuming you have already qualified the loop and ordered
2 it and it's being installed, so it's not going to test
3 it for DSL capability. I mean you're going to have
4 already had to make a decision about whether it's DSL
5 qualified before you order it. So are you just asking
6 about the nature of the cooperative testing, what types
7 of tests are run?

8 MR. HARLOW: Well, I will be happy to try and
9 clarify that off the record.

10 MS. ANDERL: Okay.

11 MR. HARLOW: WorldCom wishes to clarify the
12 loop nonrecurring charges SGAT Section 9.2.4, that Qwest
13 doesn't intend to revisit all loop nonrecurring charges
14 but simply the ones that are listed below there, the
15 9.2.4.4 and the 9.2.4.5.

16 MS. ANDERL: Right, that is correct.

17 MR. HARLOW: Okay.

18 MS. ANDERL: Those are just additional
19 options for loop installations that were not previously
20 made available in terms of the nonrecurring charges, and
21 so we're just going to add those as different methods of
22 installation.

23 MR. HARLOW: And I think that's it for now,
24 Your Honor.

25 The other thing we did want to get on the

04011

1 record, and maybe you want to take this up a little bit
2 later, is the nonrecurring charge for UNE-P existing
3 POTS.

4 JUDGE BERG: It's my understanding from our
5 discussion off the record that Qwest has developed a
6 revised rate for UNE-P POTS existing and the customer
7 transfer charge and that the appropriate rate is a part
8 of the Part B proceeding. Qwest will be contacting
9 other parties to see whether some additional process or
10 request of the Commission will be made with regards to
11 its revised rate. Does that fairly address --

12 MR. HARLOW: If Ms. Anderl is in a position
13 to go on the record with Qwest's filing commitment on
14 that new rate, that would be much appreciated.

15 MS. ANDERL: Yes, Your Honor, I can do that.
16 I mean I have been instructed to ask that as a part of
17 Part D we be permitted to revise and update our
18 nonrecurring charge for UNE-P POTS existing, and we will
19 do so at the appropriate filing time. And I will
20 represent that it will be a lower rate than what is
21 proposed in Part B. I know that for certain, because
22 our cost studies reflect different assumptions relative
23 to order processing efficiencies and flow through than
24 previously existed.

25 JUDGE BERG: All right, if that matter isn't

04012

1 addressed as part of the Part B proceeding, then we will
2 certainly address it in Part D.

3 MS. TENNYSON: Your Honor, I did have a
4 suggestion or request also that, I don't recall whether
5 it was on the record or off the record, that when we
6 discussed Verizon's issues, there were several
7 additional points or that had been raised either by
8 letter or voice mail, and perhaps by the September 4th
9 date we could also have a written statement from Verizon
10 of the issues that they would propose to address. I
11 mean I had noted that Verizon wanted to address the
12 multiplexing nonrecurring charges that is on Qwest's
13 list, but if we could have some clarification of which
14 issues Verizon would want to be addressing as well.

15 JUDGE BERG: All right, thank you,
16 Ms. Tennyson, that's a good suggestion.

17 Ms. McClellan, off the record there was some
18 discussion regarding Verizon filing a letter addressing
19 some concerns with the Commission's findings in its Part
20 A Order on Reconsideration regarding the self
21 provisioning of a manhole zero by CLECs, and there was
22 also some prior reference to a Verizon cost study where
23 Verizon presents rates for the provisioning of a manhole
24 zero. Would Verizon be able to present just a written
25 correspondence presenting that information and also

04013

1 listing any issues that appear on Qwest's issues list
2 that it intends to address in Part D on or about
3 September the 4th?

4 MS. MCCLELLAN: Yes, sir.

5 JUDGE BERG: Okay, thank you.

6 Anything further, Ms. Tennyson?

7 MS. TENNYSON: No.

8 JUDGE BERG: Anything from any of the other
9 parties?

10 All right, thank you everybody for a very
11 productive session this morning. We will be adjourned.

12 (Hearing adjourned at 12:10 p.m.)
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