

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)
Qwest Corporation) Docket No. UT-000883
For Competitive Classification of Business)
Services in Specified Wire Centers)
_____)

RESPONSE TESTIMONY
OF
KAYLENE ANDERSON

On Behalf of
NEXTLINK Washington, Inc.

September 18, 2000

1 the NEXTLINK organization in my current position in the Spring of 1999.

2

3 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN OTHER REGULATORY**
4 **PROCEEDINGS BEFORE THE COMMISSION?**

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6 A. Yes, I provided testimony on policy issues in the workshop addressing initial checklist
7 items in the Commission's review of Qwest's compliance with Section 271, Docket No.
8 UT-003022.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. The purpose of my testimony is to provide the Commission with information about the
11 extent to which NEXTLINK and other CLECs are able to make competitive business
12 "services readily available at competitive rates, terms, and conditions." RCW
13 80.36.330(c). More specifically, my testimony summarizes the problems NEXTLINK is
14 experiencing with Qwest in the Washington central offices for which Qwest seeks
15 competitive classification for business services as an indication of the barriers that
16 continue to exist to the development of effective local exchange competition. I also
17 discuss the Commission's decision to increase Qwest's loop prices and the impact of
18 those increases on the economic viability of competing carriers' ability to use Qwest
19 network facilities to provide business service.

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II.

1 **Q. WHAT IS NEXTLINK'S INTEREST IN THIS PROCEEDING?**

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3 A. NEXTLINK's interest is in ensuring that effective competition exists before the
4 incumbent monopoly provider of service is granted competitive classification.
5 NEXTLINK obtains a variety of services and facilities from Qwest, including
6 interconnection, collocation, unbundled loops, and other facilities between a Qwest
7 central office and customer premises. Timely and efficient provisioning, maintenance,
8 and repair of these facilities and services is critical to NEXTLINK's ability to provide
9 service to its customers and to make competing service readily available at competitive
10 rates, terms, and conditions. Qwest, however, is the incumbent local service provider in
11 virtually all of the areas where NEXTLINK offers service and thus is NEXTLINK's
12 primary competitor, as well as major source of necessary wholesale facilities and
13 services. Accordingly, Qwest has a strong economic incentive to maintain its current
14 monopoly market share, in part, by not providing necessary facilities and services to
15 NEXTLINK and other competing carriers in a timely and efficient manner.

16 **Q. DOES NEXTLINK OPPOSE ANY GRANT OF REDUCED REGULATION TO**
17 **QWEST?**

18 A. No. NEXTLINK shares the Commission's and legislature's belief that an effectively
19 competitive market is the most effective means of ensuring that Washington consumers
20 have access to telecommunications services at the best rates, terms, and conditions. If all
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1 carriers have an equal opportunity to provide business exchange services, NEXTLINK
2 would not oppose a grant of competitive classification for those services. Unfortunately,
3 such equal opportunity does not exist. Short of duplicating Qwest's entire local exchange
4 network, NEXTLINK cannot offer service to all potential customers in Qwest's service
5 territory without access to, and interconnection with, Qwest's network on rates, terms,
6 and conditions that are fair, just, and nondiscriminatory. Qwest has yet to provide such
7 access and interconnection, and until it does, effective local exchange competition cannot
8 develop.

9 **Q. WHAT HAS BEEN NEXTLINK'S EXPERIENCE WITH QWEST TO DATE?**

10 A. NEXTLINK is a facilities-based provider of local exchange service and, as such, deals
11 extensively with Qwest to interconnect the companies' respective networks and to obtain
12 collocation, unbundled loops, and other facilities needed to access customer premises.
13 NEXTLINK has experienced substantial problems in virtually every aspect of the
14 companies' dealings, including provisioning, maintenance, and repair of Qwest facilities.

15 **Q. WHAT IS NEXTLINK'S EXPERIENCE WITH RESPECT TO QWEST
16 FACILITIES NEEDED FOR ACCESS TO CUSTOMER PREMISES?**

17 A. NEXTLINK obtains unbundled loops, high capacity circuits, and other facilities from
18 Qwest to access customer premises via equipment that NEXTLINK has collocated in
19 Qwest central offices. Qwest, however, fails to provision these facilities in a timely and
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1 efficient manner. Of the total number of orders for high capacity circuits that
2 NEXTLINK submitted to Qwest in its Spokane central offices since April 1, 2000, 68%
3 were “held,” *i.e.*, not provisioned when due. Of those held orders, the average amount of
4 time that these orders remained held was 18 days. Approximately 61% of NEXTLINK’s
5 orders for unbundled loops in Spokane for the same time period were held and remained
6 held an average of 7 days.

7
8 Increasingly, Qwest claims that the reason NEXTLINK’s orders are held is because
9 Qwest has insufficient facilities or capacity in existing facilities to provision the orders.
10 Qwest apparently believes that it may delay or refuse to provide facilities to competitor
11 customers even though Qwest would be compelled to provide those same facilities to an
12 end-user customer in a timely manner. In response to a data request in another docket
13 seeking an explanation of how Qwest funds construction and provisioning of facilities
14 between a Qwest central office and a customer premises used by competing carriers,
15 Qwest stated,

16 If the requested facilities between the central office and the customer
17 premises already exist, then U S WEST will provide them under the terms
18 and conditions of the interconnection agreement with that CLEC. *When*
19 *there are no facilities between the central office and the customer*
20 *premises, the CLEC then has two choices: either, build the facilities itself,*
21 *or request that U S WEST build them as “special construction” as defined*

1 *in the interconnection agreement and built on an Individual Case Basis*
2 *(ICB).*

3 Ex. ____ (KSA-1) (emphasis added). NEXTLINK’s interconnection agreement with
4 Qwest requires provisioning of loops and other facilities to customer premises on the
5 same basis that Qwest provides such facilities to itself and makes no reference to any
6 requirement for “special construction.” Indeed, in the arbitration that resulted in the
7 agreement NEXTLINK adopted, the Commission rejected Qwest’s proposal for imposing
8 “special construction” charges. Yet, Qwest is now taking the position that it may
9 nevertheless refuse to provision facilities unless and until Qwest agrees to undertake
10 “special construction” on a case-by-case basis.

11
12 Even when (or if) Qwest provides the ordered facilities, Qwest has failed to properly
13 maintain and repair those facilities. Since April 1, 2000, NEXTLINK has opened 187
14 trouble tickets with Qwest in Spokane for outages or other service interruptions
15 attributable to Qwest on unbundled loops it provides to customer premises. Of those
16 service interruptions, the mean time Qwest took to correct the problem was over 40
17 hours. NEXTLINK also opened 124 trouble tickets for Qwest high capacity circuits, with
18 a mean time to repair of 90 hours. During the same time period in Seattle, NEXTLINK
19 opened 78 trouble tickets for Qwest unbundled loops, with a mean time to repair of 45

1 hours, and 87 trouble tickets for Qwest high capacity circuits, with a mean time to repair
2 of 90 hours. Service outages of almost two to four days are unacceptable, particularly for
3 business customers with critical telecommunications needs.

4 **Q. WHAT ABOUT COLLOCATION?**

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6 A. Collocation is also a problem with Qwest. Like provisioning of facilities to customer
7 premises, the primary issue is the availability of facilities, particularly access to DC
8 power. Qwest has delayed provisioning collocation for NEXTLINK in several central
9 offices based on the unavailability of sufficient power and, on occasion, has added insult
10 to injury by insisting that NEXTLINK pay recurring charges for other collocation
11 facilities even though NEXTLINK has been unable to use those facilities while awaiting
12 the power augmentation.

13
14 The lack of facilities raises the more fundamental issue that Qwest “[c]orporate policy
15 dictates that [it] will not proactively engineer for CLEC interconnection.” Ex. ____
16 (KSA-2). Qwest has tried to explain away this admission as the “inaccurate and
17 uninformed comment of a midlevel employee’ that was ‘not approved as a statement of
18 company policy.’” *Id.* NEXTLINK’s experience with Qwest, however, is fully
19 consistent with the policy as stated by that employee. Qwest frequently fails or refuses to

1 plan for CLEC facility needs, resulting in unnecessary and inexcusable provisioning
2 delays.

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4 For example, Qwest agreed to make cageless collocation available in the Bellevue
5 Glencourt central office in January 1999, and spent the next several months negotiating
6 terms and conditions with the first carrier in line, knowing that several other carriers were
7 waiting for space. Qwest also knew, or should have known, that its power supply in that
8 central office was at or near capacity and that requests from waiting carriers would
9 exceed that capacity. Qwest, however, apparently made no effort to augment its power
10 supply – or even to notify waiting carriers that the unavailability of sufficient power was a
11 possibility – until space was finally made available, causing further unnecessary delay to
12 carriers that had literally been waiting years for collocation in that central office.

13 **Q. WHAT ABOUT QWEST’S PROVISIONING OF INTERCONNECTION**
14 **FACILITIES?**

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16 A. NEXTLINK has tried to minimize the interconnection provisioning problems of which
17 MCImetro complained in Docket No. UT-971063 by collocating in as many Qwest
18 central offices as possible and thus avoiding reliance on Qwest facilities, including Qwest
19 tandems and their limited capacity. NEXTLINK nevertheless has experienced some of
20 the same problems with Qwest’s alleged lack of capacity for interconnection trunking that

1 MCImetro has experienced. Another interconnection problem that is emerging now,
2 however, is Qwest's refusal to pay its proportionate share of the interconnection facilities
3 that are actually used to exchange traffic between the carriers. Qwest is willing to pay
4 only for entrance facilities and transport within the Qwest local calling area, refusing to
5 pay any proportion of a CLEC's collocation costs associated with interconnection because
6 Qwest contends that the use of collocation for interconnection is unnecessary.

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8 Again, Qwest's position adds insult to injury and unjustifiably increases CLECs' costs to
9 provide service. NEXTLINK interconnects with Qwest primarily via facilities that
10 NEXTLINK has collocated in Qwest central offices. NEXTLINK obtained collocation in
11 several Qwest central offices, in part, to minimize blocking problems, as well as to
12 minimize reliance on Qwest facilities and their attendant shortcomings. In addition,
13 interconnection via collocation is more efficient because NEXTLINK uses collocation not
14 just for interconnection but to access Qwest unbundled network elements and to provide
15 an alternative source of interoffice transport to other companies. Qwest's refusal to pay
16 its proportional share of the facilities actually used for interconnection ignores these
17 realities and requires CLECs to shoulder more than their proportional share of the
18 facilities used for interconnection, impermissibly driving up the costs of competitive

1 entry.

2 **Q. ARE THERE OTHER COST ISSUES RELATED TO QWEST'S PETITION FOR**
3 **COMPETITIVE CLASSIFICATION?**

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5 A. Yes. In the 27th Supplemental Order in the Commission's original generic costing and
6 pricing proceeding, Docket Nos. UT-960369, *et al.*, the Commission made final the
7 unbundled loop prices for Qwest, among other pricing decisions. As a result of that
8 order, CLECs must pay Qwest a statewide average monthly recurring charge of \$18.16,
9 an increase of 36% over the \$13.37 NEXTLINK currently pays. Non-recurring charges
10 will more than triple from approximately \$50 to \$162.81 for coordinated cut-over with
11 testing, which is a necessity for customers who do not want to be out of service for a
12 significant period of time when changing local service providers.

13 **Q. DIDN'T THE COMMISSION GEOGRAPHICALLY DEAVERAGE THE**
14 **MONTHLY RECURRING CHARGE FOR THE LOOP?**

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16 A. Yes, but the geographic zones in which the Commission assigned the vast majority of
17 loops in Spokane approach or exceed the statewide average. The Commission has
18 assigned five of the eight central offices in Spokane to zone 5, the most rural zone, with a
19 loop price of \$24.18. Two of the remaining central offices are assigned to zone 4 at a rate
20 of \$17.78, and the other central office is in zone 3, where the loop price is \$15.73. As a
21 result, the recurring charges for Qwest unbundled loops in Spokane have increased as

1 much as 81%. In the five central offices classified in zone 5, the recurring and non-
2 recurring charges for the loop alone will exceed Qwest's retail price for basic business
3 exchange service.

4 **Q. WHAT IMPACT DOES THAT HAVE ON NEXTLINK'S ABILITY TO USE**
5 **QWEST UNBUNDLED LOOPS TO PROVIDE BUSINESS SERVICE?**

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7 A. NEXTLINK is continuing to evaluate the Commission's order, including the extent to
8 which NEXTLINK will be able to use Qwest unbundled loops in the wake of the
9 Commission's decision. At a minimum, the Commission's decision undermines the
10 financial viability of using Qwest unbundled loops outside of core urban areas in the
11 greater Seattle metropolitan region and creates a strong incentive, if not the necessity, for
12 competitors to serve only those customers whose service can be provided using solely the
13 competitor's own facilities.

14 **Q. WHAT IS NEXTLINK'S RECOMMENDATION?**

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16 A. Competitors cannot make alternatives to Qwest business exchange services readily
17 available at competitive rates, terms, and conditions unless Qwest provides access to, and
18 interconnection with, its network on rates, terms, and conditions that are just, reasonable,
19 and nondiscriminatory. Because Qwest is not providing such access and interconnection,
20 effective competition does not and can not exist, and the Commission should deny
21 Qwest's Petition.

1 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

2 **A. Yes, it does.**