#### BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of Qwest Corporation for Arbitration with Eschelon Telecom, Inc. Pursuant to 47 U.S.C. Section 252 of the Federal Telecommunications Act of 1996

**Docket No. UT-063061** 

#### DIRECT TESTIMONY OF MICHAEL STARKEY

#### ON BEHALF OF ESCHELON TELECOM, INC.

**SEPTEMBER 29, 2006** 

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1	<u>I.</u>	INTRODUCTION
2		
3	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE
4		RECORD.
5	А.	My name is Michael Starkey. My business address is QSI Consulting, Inc., 243
6		Dardenne Farms Drive, Cottleville, Missouri 63304.
7		
8	Q.	WHAT IS QSI CONSULTING, INC. AND WHAT IS YOUR POSITION
9		WITH THE FIRM?
10	А.	QSI Consulting, Inc. ("QSI") is a consulting firm specializing in regulated
11		industries, econometric analysis and computer-aided modeling. I currently serve
12		as the firm's President.
13		
14	Q.	PLEASE PROVIDE A SYNOPSIS OF YOUR EDUCATIONAL
15		BACKGROUND AND RELEVANT WORK EXPERIENCE.
16	A.	Included with this testimony as Exhibit MS-1 is a thorough description of my
17		educational background and relevant work experience. In brief, I have been a
18		consultant to telecommunications providers, equipment manufacturers,
19		government agencies and other private parties since 1996. Previous to my
20		consulting experience, I served as the Director of Telecommunications for the

1 Maryland Public Service Commission ("PSC") and prior to that, as the Office of 2 Policy and Planning's Senior Policy Analyst for the Illinois Commerce 3 Commission. I began my career as a Senior Economist at the Missouri PSC. Throughout my career I have spent a great deal of time studying 4 5 telecommunications networks, including substantial time and effort aimed at 6 developing rationale, efficient means by which competing communications 7 carriers can interconnect their respective facilities. I have likewise analyzed the 8 underlying economic characteristics of communications networks and have on 9 numerous occasions provided expert testimony regarding the costs of providing 10 various services. Finally, I am very familiar with the negotiation, mediation and 11 arbitration processes envisioned by Section 252 of the Telecommunications Act of 1996 and I have, since 1996, participated in dozens of negotiations and 12 arbitrations on behalf of some of the largest, and smallest, carriers in the nation. 13

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II.

Q.

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#### **ORGANIZED?**

HOW

IS

**ESCHELON'S** 

A. Eschelon's direct testimony follows the organization of the enclosed Issues by
 Subject Matter List.<sup>1</sup> The Issues by Subject Matter List is a roadmap to all of the

**OVERVIEW AND INTRODUCTION TO DIRECT TESTIMONY** 

DIRECT

TESTIMONY

PHYSICALLY

The Issues by Subject Matter List was provided as Exhibit 1 to Eschelon's Response to Qwest's Petition for Arbitration.

open issues, ICA Section numbers, and groupings of issues. The Issues by Subject Matter List follows the same grouping and issue numbering as found in the joint Revised Disputed Issues Matrix ("Disputed Issues List"),<sup>2</sup> for ease of reference. In the Issues by Subject Matter List and the Disputed Issues List, the issues are generally discussed in the order in which they appear in the Interconnection Agreement ("ICA"). Generally, the first number of the Issue Number refers to the Section number of the ICA. For example, Issue 2-3 refers to contract language that appears in Section 2 of the ICA (entitled "Interpretation and Construction") and issue number three of the total open issues.<sup>3</sup>

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There are 48 Subject Matter groupings identified on the Issues by Subject Matter List.<sup>4</sup> The List is annotated to indicate where in Eschelon's direct testimony discussion of that Subject Matter may be found (*i.e.*, which witness discusses that Subject Matter for Eschelon). After this overview, the discussion in individual Eschelon testimony will begin with headings indicating the Subject

<sup>&</sup>lt;sup>2</sup> The Washington Disputed Issues List was filed initially with Qwest's Petition for Arbitration in this matter on August 9, 2006. See Qwest Corporation's Petition for Arbitration. In the Matter of the Petition of Qwest Corporation for Arbitration with Eschelon Telecom, Inc. Pursuant to 47 U.S.C. Section 252 of the Federal Telecommunications Act of 1996, Docket No. UT-063031 ["Qwest Petition"], Exhibit 1. A brief written narrative summarizing Eschelon's position with respect to the open issues is set forth in the Issues List for each issue ["Eschelon position statement"]. The Issues List also includes a brief written narrative drafted by Qwest that summarizes Qwest's position for each issue ["Qwest position statement"].

<sup>&</sup>lt;sup>3</sup> There will be gaps in the issue numbering. For example, there is no issue 1-2. These gaps are generally due to renumbering or closure of issues.

<sup>&</sup>lt;sup>4</sup> There are additional issues to be resolved as part of this arbitration (set forth at the end of the Issues by Subject Matter List). The parties have agreed not to file testimony on these issues until a deadline is set for filing testimony on these issues in this proceeding. Until then, Eschelon incorporates by reference its positions on these issues as explained in Eschelon's Response to Qwest's Petition for Arbitration and in the Disputed Issues List.

Matter number, followed by the Issue Numbers for that grouping and then the ICA Section numbers for each issue. In an electronic version of Eschelon's Direct Testimony which will be provided on CD-ROM with the hardcopy version, the files are linked such that the reader may generally click on the Subject Matter heading (1-48) in the Issues by Subject Matter List, and it will take the reader to

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that portion of Eschelon's direct testimony. It is Eschelon's hope that this will allow the Commission an efficient way to review each of the issues.

## Q. IN TERMS OF CONTENT, HOW IS ESCHELON'S DIRECT TESTIMONY ORGANIZED?

11 A. I begin with an overview of the open issues and address Qwest's claim, with 12 respect to about a third of those issues, that they should be excluded from the 13 interconnection agreement and dealt with in Qwest's Change Management 14 Process. After this overview, I turn to the individual issues set forth in the Issues 15 by Subject Matter List. In my testimony and the direct testimony of the other 16 Eschelon witnesses, Eschelon addresses each Subject Matter individually and asks 17 the Commission to consider it on the merits. Eschelon generally begins with an 18 explanation of the business need that led Eschelon to bring the particular issue – 19 out of the numerous other issues that arise in the Qwest-Eschelon business 20 relationship - to the Commission for resolution. Eschelon identifies its proposed 21 language, briefly describes Qwest's position, and then discusses the reasons why 22 the Commission should adopt Eschelon's proposal. Ideally, an overview and

introduction would include a brief summary of each Subject Matter. To avoid redundancy and given the length of the testimony, however, Eschelon instead refers the reader to its position statement in the Disputed Issues Matrix, as well as to the description of Eschelon's business need in the testimony, for a summary of each issue.

## Q. HOW IS DISPUTED CONTRACT LANGUAGE IDENTIFIED IN ESCHELON'S TESTMONY?

9 A. I provide the language proposals of both Eschelon and Qwest for each issue. The 10 format used to identify the disputed language in my testimony will be the same as 11 is shown in Exhibit 2 to Eschelon's Response to Qwest's Petition for Arbitration. 12 When Eschelon's proposed language is shown, any language that is proposed by 13 Eschelon and opposed by Qwest will be shown in underlined text to denote that 14 the language is not agreed to. Oftentimes it is helpful to review Owest's language 15 alongside that of Eschelon's within Eschelon's proposed language to illustrate the 16 differences in proposals, and in these instances, Qwest's proposed language is 17 shown in strikeout text. The same goes for when Qwest's proposed language is 18 displayed: Qwest proposed language opposed by Eschelon is shown in underlined 19 text, and Eschelon's language is shown in strikeout text. Any agreed to language 20 that is provided for context will not be highlighted in any way (*i.e.*, not underlined 21 and not strikeout).

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# 1 Q. ARE THE 48 SUBJECT MATTERS PROPERLY BEFORE THIS 2 COMMISSION FOR DETERMINATION OF APPROPRIATE 3 INTERCONNECTION AGREEMENT LANGUAGE RESOLVING THE 4 ISSUE?

A. Yes. Section 252(b) of the federal Telecommunications Act ("the Act") indicates that interconnection "agreements [will be] arrived at through compulsory arbitration" for issues raised in the arbitration petition and any response thereto.<sup>5</sup> The 48 Subject Matters are reflected in the petition and/or response (including their attachments) and are properly before the Commission for action to determine the interconnection agreement's terms.

The 48 Subject Matters represent only a small number of the total issues that Eschelon and Qwest confront in their business relationship. These 48 Subject Matters, however, have risen to the level of needing Commission action to arrive at interconnection agreement terms. A key factor in determining the importance of an issue is often the effect on End User Customers. With respect to many of the issues, therefore, Eschelon will describe the Customer impact when explaining Eschelon's business need reflected in the issue to be arbitrated. If the End User Customer is harmed, Eschelon's reputation and its ability to compete meaningfully are harmed as well. Many of the terms and conditions that Eschelon believes need to be included in the ICA have a direct impact on End User

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<sup>5</sup> 47 U.S.C. §252(b).

1	Customers, and those terms and conditions should not be changed without
2	Commission oversight through approval of contract amendments.
3	Eschelon has no incentive to arbitrate unnecessarily. Qwest is the
4	dominant carrier, and Eschelon is dependent on Qwest for the products and
5	services governed by this Section 251/252 interconnection agreement. Eschelon's
6	annual revenue is less than 2% of Qwest's annual revenue. <sup>6</sup> It is too time
7	consuming and expensive for Eschelon to arbitrate unnecessarily. The
8	Commission can fairly draw an inference that Eschelon – in bringing forward in
9	this arbitration a relatively few, but specific, issues <sup>7</sup> winnowed from the vast
10	number of day-to-day business issues – is raising them because the business need
11	is compelling and a Commission determination of ICA language resolving the
12	substance of each issue is critical. Obtaining ICA language resolving the
13	language issues now will help avoid future disputes.

#### A. <u>ESCHELON BUSINESS NEED FOR INTERCONNECTION</u> <u>AGREEMENT TERMS</u>

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<sup>&</sup>lt;sup>6</sup> Eschelon's business is described further in the Testimony of Mr. Denney.

<sup>&</sup>lt;sup>7</sup> Qwest will likely enumerate for the Commission the number of issues that Eschelon has brought to Qwest's Change Management Process (CMP). In addition, Eschelon must raise many more issues in weekly and monthly communications to the Qwest service management team, as described in the Testimony of Ms. Johnson. Although Qwest may attempt to characterize the number of arbitration issues as large (and the workload may feel that way), the number selected for arbitration is very small when compared to the total potential number.

#### 1 Q. WHAT CRITICAL BUSINESS NEEDS ARE COMMON TO THE FORTY-2 EIGHT SUBJECTS FOR WHICH ESCHELON SEEKS DISPOSITIVE<sup>8</sup> 3 LANGUAGE IN THE ICA?

4 A. Interconnection agreements are contracts. A primary reason why Eschelon needs 5 an interconnection agreement addressing these issues is fundamental to most 6 contracts – Eschelon needs certainty to plan and manage its business. The FCC 7 has specifically recognized this need for CLECs to "rely on" interconnection agreements "on a permanent basis."<sup>9</sup> While the interconnection agreement can be 8 amended and therefore is not "permanent" in the sense that it is frozen in time, the 10 FCC recognized that permanency is needed for the term of the contract when the parties do not agree to changes through contract amendment. Eschelon needs 12 certainty and reliability to plan its business and effectively compete. The FCC 13 has also recognized that interconnection agreement terms can be "many and 14 complicated."<sup>10</sup>

> Another business need common to these Subject Matters is the need for Commission involvement and oversight to address the imbalance created by Owest's continued dominance in the areas governed by the interconnection agreement. In terms of arbitrating issues brought to the Commission, Qwest's

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<sup>8</sup> By "dispositive," I mean language that resolves the substantive dispute, and not language that defers the dispute for another day (such as language referring to Owest's ever changing Product Catalog, or "PCAT").

Notice of Apparent Liability for Forfeiture, In the Matter of Qwest Corporation Apparent Liability for Forfeiture, FCC File No. EB-03-IH-0263 (March 11, 2004) ("FCC Forfeiture Order") at ¶ 32.

Declaratory Ruling at ¶ 8

1 special status as an incumbent monopoly provider for Section 251 products and 2 services requires Commission intervention to break the deadlock when Qwest and 3 Eschelon disagree. Eschelon does not have any of the leverage in negotiations that would result from saying it will go elsewhere to obtain the product, because 4 5 Qwest is its only source for monopoly products. Section 252(b) addresses the 6 lack of this more typical customer leverage by instead giving CLECs an ability to 7 obtain Commission resolution of disputes and interconnection agreement terms 8 through "compulsory arbitration." To fulfill this function of Section 252(b), an 9 arbitration decision needs to provide the type of certainty and reliability recognized as a business need by the FCC. All of the issues in this proceeding 10 11 have been negotiated by Eschelon and Qwest and are, therefore, properly before 12 the Commission for resolution on their merits in this arbitration.

#### ISSUES FOR WHICH QWEST AGREES COMMISSION SHOULD ADOPT ICA LANGUAGE

17Q.DOES QWEST AGREE THAT THE ISSUES THAT ESCHELON IS18ASKING THE COMMISSION TO RESOLVE IN THIS COMPULSORY19ARBITRATIONSHOULDRESULTIN20INTERCONNECTION AGREEMENT LANGUAGE?

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A. For two-thirds of the issues, yes, Qwest agrees. As indicated by Qwest's position
statements in the Disputed Issues List, Qwest arranges the issues into two

1		categories: (1) interconnection agreement issues that do not belong in the Change
2		Management Process ("CMP") <sup>11</sup> so that Qwest agrees the Commission may
3		decide upon ICA language resolving the issue in this arbitration ["contractual
4		non-CMP issues"]; and (2) issues that Qwest claims inherently belong in CMP so
5		that Qwest argues the Commission should not decide upon dispositive ICA
6		language in this arbitration and should defer its oversight and decision making
7		authority to CMP ["inherent CMP issues"].
8		
9	Q.	FOR WHICH ISSUES DO ESCHELON AND QWEST AGREE THAT THE
9 10	Q.	FOR WHICH ISSUES DO ESCHELON AND QWEST AGREE THAT THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT
	Q.	
10	<b>Q.</b> A.	COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT
10 11		COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE?
10 11 12		COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE? Eschelon and Qwest agree that the Commission should establish dispositive ICA
10 11 12 13		COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE? Eschelon and Qwest agree that the Commission should establish dispositive ICA language for approximately two-thirds (33 of 48) of the Subject Matters identified

<sup>&</sup>lt;sup>11</sup> I discuss Qwest's claims regarding CMP further below. For a more detailed description of the terms of CMP, *see* the Qwest "CMP Document" which sets forth the rules for conduct of CMP. The CMP Document is attached to the Testimony of Ms. Johnson as Exhibit BJJ-1. (It is also Exhibit G to the ICA and the Minnesota SGAT.) The "scope" provision of the CMP Document (§1.0) provides that "CMP provides a means to address changes that support or affect pre-ordering, ordering/provisioning, maintenance/repair and billing capabilities and associated documentation and production support issues for local services (local exchange services) provided by Competitive Local Exchange Carriers (CLECs) to their end users."

<sup>&</sup>lt;sup>12</sup> This is Eschelon's current understanding based on Qwest's position statements in the Disputed Issues List. For these Subject Matters, Qwest does not argue in its position statement that the issue should be addressed through CMP. As discussed below and in the testimony of Mr. Webber and Exhibits to the Testimony of Ms. Johnson, Qwest's position on whether an issue belongs in CMP or not vacillates, so the list is a moving target.

1	and on the merits to determine ICA language that provides certainty as to how
2	issues will be handled for the term of the contract, unless amended:
3 4	<ul> <li><u>RATE APPLICATION (2)<sup>13</sup></u>: Issue No. 2-3</li> <li><u>EFFECTIVE DATE OF LEGALLY BINDING CHANGES (3)</u>: Issue</li> </ul>
5	No. 2-4
6	DISCONTINUATION OF ORDER PROCESSING AND
7	DISCONNECTION (5): Issue Nos. 5-6, 5-7 and subpart
8	<ul> <li>DEPOSITS (6): Issue Nos. 5-8, 5-9, 5-11, and 5-12</li> </ul>
9	<ul> <li><u>REVIEW OF CREDIT STANDING (7)</u>: Issue No. 5-13</li> </ul>
10	• COPY OF NON-DISCLOSURE AGREEMENT (8): Issue 5-16
11	• TRANSIT RECORD CHARGE AND BILL VALIDATION (9): Issue
12	Nos. 7-18, 7-19
13	• <b>POWER (11)</b> : Issue Nos. 8-21 and subparts, 8-22, 8-23
14	• NONDISCRIMINATORY ACCESS TO UNES (14): Issue No. 9-31
15	• <b>NETWORK MAINTENANCE AND MODERNIZATION (16)</b> : Issue
16	Nos. 9-33, 9-34, 9-35, 9-36
17	<ul> <li><u>CAPs – DATA RELATING TO CAPS (17)</u>: Issue No. 9-39</li> </ul>
18	• <b>INTERFERING BRIDGED TAP (19)</b> : Issue 9-46 <sup>14</sup>
19	<ul> <li><u>SUBLOOPS – QWEST CROSS CONNECT/WIRE WORK (20)</u>: Issue</li> </ul>
20	No. 9-50
21	<u>APPLICATION OF UDF-IOF TERMINATION (FIXED) RATE </u>
22	<b>ELEMENT (22A)</b> : Issue 9-51
23	<ul> <li>ACESS TO 911 DATABASES (21): Issue No. 9-52</li> </ul>
24	<u>UNBUNDLED CUSTOMER CONTROLLED REARRANGEMENT</u>
25	<b>ELEMENT (UCCRE) (22)</b> : Issue No. 9-53
26	<ul> <li>DIFFERENT UNE COMBINATIONS (23): Issue No. 9-54 and subpart</li> </ul>
27	<ul> <li>LOOP-TRANSPORT COMBINATIONS (24): Issue No. 9-55</li> </ul>
28	<ul> <li>SERVICE ELIGIBILITY CRITERIA – AUDITS (25): Issue No. 9-56</li> </ul>
29	<ul> <li>COMMINGLED EELS/ARRANGEMENTS (26): Issue Nos. 9-58 and</li> </ul>
30	subparts, 9-59
31	• MULTIPLEXING (LOOP-MUX COMBINATIONS) (27): Issue No.
32	9-61 and subparts
33	• MICRODUCT RATE (28): Issue No. 10-63

<sup>&</sup>lt;sup>13</sup> The number in parentheses indicates the Subject Matter Number on the Issues by Subject Matter List.

<sup>&</sup>lt;sup>14</sup> Issue 9-46 has been closed. I have provided the agreed to language below in my discussion of Issue 9-46.

1		• <u>COMMUNICATIONS WITH CUSTOMERS (30)</u> : Issue Nos. 12-65,
2 3		<ul> <li>12-66</li> <li>SUPPLEMENTAL ORDERS (31A): Issue 12-68</li> </ul>
4		• TESTING CHARGES WHEN CIRCUIT IS ON PAIR GAIN (37):
5		Issue No. 12-77
6		• <b>DEFINITION OF TROUBLE REPORT (38)</b> : Issue 12-78
7		• CHARGES FOR REPEATS (39): Issue No. 12-80 and subparts
8		<ul> <li>CONTROLLED PRODUCTION (43): Issue No. 12-87</li> </ul>
9		• <b><u>RATES FOR SERVICES (44)</u></b> : Issue No. 22-88 and subparts
10		• UNAPPROVED RATES (45): Issue No. 22-90 and subparts
11 12		• <b>INTERCONNECTION ENTRANCE FACILITY (46)</b> : Issue No. 24- 92
12		• <b><u>REMOTE COLLOCATION (47)</u></b> : Issue No. A-94 and subpart
13		• EEL TRANSPORT, NONRECURRING (48): Issue No. A-96
15		<u></u>
16		C. ISSUES WHICH QWEST SEEKS TO EXCLUDE FROM THE ICA
10		AND RELEGATE TO CMP
18		
10		
19	Q.	FOR WHICH ISSUES DO ESCHELON AND QWEST DISAGREE THAT
19	Q.	FOR WHICH ISSUES DO ESCHELON AND QWEST DISAGREE THAT
20	Q.	THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE
	Q.	
20	Q.	THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE
20 21	Q. A.	THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE
20 21 22 23		THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE         CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE         IN THIS ARBITRATION?         Eschelon and Qwest disagree with respect to approximately one-third (15 of 48)
20 21 22		THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE IN THIS ARBITRATION?
20 21 22 23		THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE         CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE         IN THIS ARBITRATION?         Eschelon and Qwest disagree with respect to approximately one-third (15 of 48)
<ul> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ul>		THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE         CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE         IN THIS ARBITRATION?         Eschelon and Qwest disagree with respect to approximately one-third (15 of 48)         of the Subject Matters identified on the Issues by Subject Matter List. For each of
<ol> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> </ol>		THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE IN THIS ARBITRATION? Eschelon and Qwest disagree with respect to approximately one-third (15 of 48) of the Subject Matters identified on the Issues by Subject Matter List. For each of these issues, Eschelon asks the Commission to decide the issue on the merits and
<ol> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> </ol>		THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE IN THIS ARBITRATION? Eschelon and Qwest disagree with respect to approximately one-third (15 of 48) of the Subject Matters identified on the Issues by Subject Matter List. For each of these issues, Eschelon asks the Commission to decide the issue on the merits and provide much needed certainty for purposes of planning and conducting business and competing effectively. Eschelon provides ample support for its position and
<ol> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> </ol>		THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE IN THIS ARBITRATION? Eschelon and Qwest disagree with respect to approximately one-third (15 of 48) of the Subject Matters identified on the Issues by Subject Matter List. For each of these issues, Eschelon asks the Commission to decide the issue on the merits and provide much needed certainty for purposes of planning and conducting business
<ol> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> </ol>		THE COMMISSION SHOULD DECIDE UPON DISPOSITIVE CONTRACT LANGUAGE ADDRESSING THE MERITS OF THE ISSUE IN THIS ARBITRATION? Eschelon and Qwest disagree with respect to approximately one-third (15 of 48) of the Subject Matters identified on the Issues by Subject Matter List. For each of these issues, Eschelon asks the Commission to decide the issue on the merits and provide much needed certainty for purposes of planning and conducting business and competing effectively. Eschelon provides ample support for its position and

Qwest has identified no problem with Eschelon's proposed language (other than the fact that it is in the ICA at all) and, in fact, generally cannot deny that Eschelon's language is consistent with Qwest's current offerings and practices.

As there is little, if any, substantive response that Qwest can make to Eschelon's evidence, Qwest instead asks the Commission to consider these issues in the abstract. Qwest asks the Commission to find that, regardless of whether these are pressing business issues for Eschelon, *conceptually* they are somehow different in some respect that makes them inherently inappropriate for inclusion in an ICA and appropriate for the Change Management Process ("CMP") (regardless of whether they have *already* been resolved in Eschelon's favor in CMP, as is the case for some of these issues). Qwest asks the Commission to leave the future uncertain and, instead of the ICA, rely upon Qwest's Product Catalog ("PCAT")<sup>15</sup> or Standard Interval Guide ("SIG")<sup>16</sup> language – for which the only certainty is

<sup>16</sup> The "SIG," or Standard Interval Guide, is a Qwest document posted on Qwest's web site listing various provisioning intervals with respect to Resale, UNE and other Interconnection Services. *See*, *e.g.*, Qwest Communications Service Interval Guide for Resale, UNE and Interconnection Services, V73.0, updated 7/21/06 <u>http://www.qwest.com/wholesale/downloads/2006/060721/InterconnSIG\_V73.pdf</u>. CMP applies only to changes to intervals "in Qwest's SIG" (*see* Exhibit BJJ-1, CMP Document §§ 5.4.3 & 5.4.5). It does not control conflicting intervals in ICAs. (*Id.* at §1.0.)

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<sup>&</sup>lt;sup>15</sup> The "PCAT," which is an acronym for Product Catalog, is a web-site published by Qwest to distribute a catalog describing Qwest's products and services. Qwest's PCAT is provided for informational purposes only and does not govern rates, terms or conditions that exist between Qwest and Eschelon. Section 4.0 of both the SGAT and agreed upon language in the proposed ICA, for example, provide in the definition of "Product Catalog" or "PCAT" that: "Qwest agrees that CLEC shall not be held to the requirements of the PCAT." Not all Qwest PCAT changes are generated as a result of CMP. *See, e.g.,* Exhibit BJJ-7 (Secret TRRO PCAT Chronology). Qwest's language proposals referring to its PCAT or web-site (such as Issue 12-74, ICA Section 12.2.7.2.6.2), therefore, may or may not ultimately refer to information that is announced through CMP.

that Qwest can accomplish change over Eschelon's objection without amending
the interconnection agreement.
The one-third of the Subject Matters identified on the Issues by Subject
Matter List which Qwest currently places in this category are:
<ul> <li>INTERVAL CHANGES AND PLACEMENT (1): Issue No. 1-1 and subparts</li> <li>DESIGN CHANGES (4): Issue No. 4-5 and subparts</li> <li>COLLOCATION AVAILABLE INVENTORY(10): Issue No. 8-20 and subpart</li> </ul>
<ul> <li><u>NEBS STANDARDS (12)</u>: Issue No. 8-24</li> <li><u>OPTIONED CONTIGUOUS SPACE (13)</u>: Issue No. 8-29</li> </ul>
<ul> <li>CONVERSION (18): Issue Nos. 9-43 and 9-44 and subparts</li> <li>ROOT CAUSE ANALYSIS AND ACKNOWLEDGEMENT OF MISTAKES (29): Issue No. 12-64 and subparts</li> <li>EXPEDITED ORDERS (31): Issue No. 12-67 and subparts</li> <li>PENDING SERVICE ORDER NOTIFICATIONS (PSONs) (32): Issue No. 12-70</li> <li>JEOPARDIES (33): Issue Nos. 12-71, 12-72, 12-73</li> <li>FATAL REJECTION NOTICES (34): Issue No. 12-74</li> <li>TAG AT DEMARCATION POINT (35): Issue No. 12-75 and subpart</li> <li>LOSS AND COMPLETION REPORTS (36): Issue No. 12-76 and subpart</li> <li>TEST PARAMETERS (40): Issue No. 12-81</li> <li>TROUBLE REPORT CLOSURE (42): Issue No. 12-86</li> </ul>
Q. YOU STATE THAT IT IS CRITICAL FOR THE ICA TO PROVIDE
CERTAINTY. HAS QWEST RECOGNIZED THE NEED FOR
CERTAINTY IN THE ICA DESPITE QWEST'S PROPOSAL TO
EXCLUDE ONE THIRD OF THE ISSUES FROM THE ICA?

1	А.	Yes. Qwest confirmed in its direct testimony in the companion Minnesota
2		arbitration case that certainty is important and is a valid basis for deciding to
3		include terms in an interconnection agreement. Specifically, Qwest witness Philip
4		Linse testified that the Minnesota Commission should adopt a Qwest proposal <sup>17</sup> to
5		"provide contractual certainty." <sup>18</sup> In addition, Qwest witness Karen Stewart
6		testified that "a critical goal of this arbitration should be establishing clarity
7		concerning the parties' rights and obligations." <sup>19</sup> She added that "clear ICA
8		language is necessary so that the parties know what is expected of them under the
9		agreement and to avoid or minimize future disputes." <sup>20</sup> Further, she said that it is
10		a "reasonable expectation" that a party's obligations "should be clearly defined
11		and should not be subject to future interpretations" that a party "develops based
12		on its needs and desires at a given time." <sup>21</sup> Qwest argued that, rather than allow
13		"uncertainty,"22 the Commission should provide a "known set of rules to

<sup>&</sup>lt;sup>17</sup> As I indicate below, Issue 9-46 (Interfering Bridged Tap) has since closed, but the circumstances surrounding Issue 9-46's closure are instructive.

<sup>&</sup>lt;sup>18</sup> Direct Testimony of Philip Linse, Minnesota PUC Docket No. P-5340, 421/IC-06-768; OAH Docket No. 3-2500-17369-2; August 25, 2006 ("Linse Minnesota Direct"), p. 6, lines 17-18.

<sup>&</sup>lt;sup>19</sup> Direct Testimony of Karen Stewart, Minnesota PUC Docket No. P-5340, 421/IC-06-768; OAH Docket No. 3-2500-17369-2; August 25, 2006 ("Stewart Minnesota Direct"), p. 13, lines 4-6.

<sup>&</sup>lt;sup>20</sup> Stewart Minnesota Direct, p. 13, lines 6-7 (emphasis added); *see also* Stewart Minnesota Direct, p. 13, lines 16-17 ("the goal of avoiding future disputes under the ICA").

<sup>&</sup>lt;sup>21</sup> Stewart Minnesota Direct, p. 13, lines 13-16. Qwest was specifically referring to itself as the party at the time. *See id.* Eschelon believes the statement applies to Qwest as well, such as Qwest's position that language should be subject to future interpretations that Qwest develops based on its needs and desires at a given time, through CMP (*see, e.g.,* CRUNEC example, Exhibit BJJ-9), through disregarding CMP results (*see., e.g.,* the jeopardies example in Exhibit BJJ-6), and through non-CMP activities (*see, e.g.,* Qwest's recent collocation non-CMP notice discussed with respect to Issue 9-31, access to UNEs, and the non-CMP "TRRO" PCATs, discussed in Exhibit BJJ-7).

<sup>&</sup>lt;sup>22</sup> Linse Minnesota Direct, p. 8, line 22.

follow."<sup>23</sup> Eschelon likewise needs and requests a known set of rules, especially 1 2 for issues that are likely to impact its core business operation and ultimately its 3 ability to effectively service its customers. The Commission should set the "rules" by establishing interconnection agreement terms and conditions that must 4 5 be filed, approved, and amended if changed. Unlike Qwest, Eschelon asks that 6 the Commission provide that known set of rules for all of the open issues in the 7 arbitration, and not just a subset hand-picked by Qwest. 8 9 1. QWEST TESTS FOR EXCLUDING ISSUES FROM ICA 10 11 WHAT IS OWEST'S LITMUS TEST FOR EXCLUDING ISSUES FROM **O**. 252(a) AND DESIGNATING THEM AS INHERENT CMP ISSUES? 12 13 A. Though Qwest suggests that the contractual or non-contractual nature of an issue 14 is discernable, Qwest provides no litmus test. If an issue is either inherently a 15 CMP issue or a contractual issue, a test must exist to identify that the true nature 16 of the issue. For Owest's position on the above one-third of the issues to be 17 correct, therefore, a litmus test would be needed to determine on which side of the 18 ICA/CMP line an issue inherently belongs. While Qwest suggests the line is 19 intuitive, the examples described below illustrate that Qwest either has had 20 trouble with identifying that alleged line and sometimes moves back and forth due 21 to internal inconsistency, or chooses when to do so for its own convenience or

<sup>&</sup>lt;sup>23</sup> Linse Minnesota Direct, p. 8, line 19.

other purpose.<sup>24</sup> Eschelon cannot plan and manage its business based on such uncertainty, and Qwest should not be allowed to engineer the rules of the game at its discretion to achieve an unjust or anticompetitive advantage. The Commission should set the "rules" by establishing interconnection agreement terms and conditions that must be filed, approved, and amended if changed. In other words, Eschelon believes a litmus test does exist; *i.e.*, if one of the parties chooses to arbitrate the issue pursuant to its rights under Section 252, the Commission should then decide the issue on its merits. Otherwise, CMP or some other forum may be an appropriate means by which to address this issue now or in the future.

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#### Q. DOES QWEST HAVE A SIMILARLY DEFINABLE LITMUS TEST?

A. No, it does not. To the extent that Qwest attempts to articulate a test for identifying ICA issues versus those better addressed in CMP, Qwest suggests a couple of standards in its position statements. The first Qwest-proposed standard is whether a label of "process" or "procedure" can be attached to the proposed provision.<sup>25</sup> However, labeling tends to be fairly circular, with the chosen label often restating the desired result. Even so (or perhaps because of this measure of control when needed to obtain desired ends), it does not necessarily lead to

<sup>&</sup>lt;sup>24</sup> Later in my testimony, after providing additional background information about CMP and the PCAT, I describe four examples (Jeopardies, Delayed Orders, CRUNEC, and Secret TRRO PCATs) that demonstrate this point. The facts relating to each of these examples are set forth in detailed chronologies attached to the Testimony of Ms. Johnson. *See* Exhibits BJJ-5, BJJ-2, BJJ-9, and BJJ-7.

<sup>&</sup>lt;sup>25</sup> Qwest Petition at ¶ 135.

consistent results. For example, when the Minnesota Commission ordered Qwest, in Docket No. P-421/C-03-616, to propose "*procedures*" for promptly acknowledging mistakes,<sup>26</sup> Qwest did not use CMP to implement the "procedures" it then put in place.<sup>27</sup> The label of "procedures" applies, but Qwest did not rush to CMP to implement this unfavorable ruling for Qwest.

The second standard that Qwest puts forward in multiple position statements is that CMP applies when provisions "affect all CLECs, not just Eschelon."<sup>28</sup> A review of the first list above, which contains two-thirds of the issues, includes numerous examples of terms that could affect all CLECs as much as those on the second list. Yet, Qwest considers the issues on the first list to be contractual non-CMP issues. The ruling in Docket No. P-421/C-03-616 discussed in the previous paragraph, which was unfavorable to Qwest, affected multiple CLECs. The Commission ordered Qwest to develop procedures generally – not procedures specific to Eschelon.<sup>29</sup> Still, Qwest did not implement those multiple-CLEC affecting procedures through CMP.

Another example relates to collocation (specifically, optioned contiguous space - Issue 8-29). After filing its arbitration petition, Qwest argued that certain issues that affect multiple CLECs must go through CMP before Qwest may

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<sup>&</sup>lt;sup>26</sup> Order Finding Service Inadequate and Requiring Compliance Filing, In the Matter of a Request by Eschelon Telecom for an Investigation Regarding Customer Conversion by Qwest and Regulatory Procedures, Docket No. P-421/C-03-616, (July 30, 2003) ("MN 616 Order"), p. 9.

<sup>&</sup>lt;sup>27</sup> See discussion of Issue 12-64 and subparts in the Testimony of Mr. Webber.

<sup>&</sup>lt;sup>28</sup> Qwest Petition at  $\P$  130.

<sup>&</sup>lt;sup>29</sup> See MN 616 Order, p. 9.

change its position in ICA negotiations. Issue 8-29 is one of these. Eschelon's discussion of Issue 8-29, however, includes examples of various changes in position by Qwest (including during the Eschelon-Qwest ICA negotiations and in connection with other parties' agreements) on this issue.<sup>30</sup> These examples show that Qwest's position in negotiations and in ICA language on this same issue has changed over time – *with no CMP activity*. Now, as a litigation tactic, Qwest has for the first time issued a CMP notice to allegedly effectuate such a change in position - to support Qwest's arbitration position that Issue 8-29 and other issues inherently belong in CMP. Qwest's handling of Issue 8-29 demonstrates the transparency of its claim.

As these examples and other examples in Eschelon's direct testimony show, Qwest has no true litmus test or bright line rule that excludes certain issues from inclusion in a Commission-approved interconnection agreement. Even Qwest's own proposed rules fail based upon Qwest's past and current inconsistencies in labeling an issue as a "process" or asking if "multiple CLECs are affected." Both alleged tests allow Qwest too much room to maneuver to achieve its desired results.

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# Q. HAS QWEST PROPOSED ANY OTHER TEST FOR EXCLUDING ISSUES FROM AN APPROVED ICA?

<sup>&</sup>lt;sup>30</sup> See discussion of Issue 8-29 in the Testimony of Mr. Denney.

1	A.	Yes. Qwest has proposed limiting interconnection agreements to the schedule of
2		itemized charges and associated descriptions of the services to which the charges
3		apply $-i.e.$ , limited to terms that advantage Qwest by ensuring its right to charge
4		CLECs, <sup>31</sup> without offering CLECs certainty as to what they will get in return. <sup>32</sup>
5		Consistent with this argument, several of the issues on Qwest's non-CMP
6		contractual list relate to charges. <sup>33</sup> Qwest also points out that rates are outside the
7		scope of CMP, when it does not want to address an issue in CMP, even if it has at
8		some point relied on CMP for the same issue. <sup>34</sup>
9		
10		2. REJECTION OF QWEST'S PROPOSED TESTS
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12	Q.	HAS THE FCC CONSIDERED THIS QWEST PROPOSED TEST FOR
13		LIMITING THE SCOPE OF INTERCONNECTION AGREEMENTS?

<sup>31</sup> Similarly, see discussion of Issue 12-74 (Fatal Rejection Notices) in the Testimony of Mr. Webber, in which he describes Owest's willingness to consider a provision that binds Eschelon as "contractual" in nature, while Qwest describes the corresponding provision, which would similarly bind Qwest, as an inherent CMP issue.

<sup>32</sup> See e.g., Issue 12-67 (expedited orders - and specifically Integra's comments, in Exhibit BJJ-3, that Integra did not know when signing the Qwest template expedite amendment that Qwest would later remove unbundled loops from the Expedites Requiring Approval process). See also the "CRUNEC" example discussed below and the Secret PCAT Chronology in Exhibit BJJ-7 to the Testimony of Ms. Johnson (describing how Qwest required CLECs to sign the TRRO amendment before revealing password-protected terms to them).

<sup>33</sup> See, e.g., Issue 12-80 (Charges for Repeats) which is one of only a few of issues in Section 12 that Qwest does not ask the Commission to defer to CMP.

<sup>34</sup> See, e.g., discussion of Issue 4-5 (design changes) in the Testimony of Mr. Denney; and the Exhibits to Ms. Johnson's testimony relating to Issue 12-67 (expedited orders). See Exhibits BJJ-3 and BJJ-4.

1 Yes. The FCC expressly rejected Qwest's argument. In its Declaratory Ruling, A. 2 the FCC addressed the scope of the mandatory filing requirement under Section 252(a)(1) of the Telecommunications Act.<sup>35</sup> The FCC said: 3 [W]e find that an agreement that creates an ongoing obligation 4 5 pertaining to resale, number portability, dialing parity, access to 6 rights-of-way, reciprocal compensation, interconnection, 7 unbundled network elements, or collocation is an interconnection 8 agreement that must be filed pursuant to section 252(a)(1). This 9 interpretation, which directly flows from the language of the Act, 10 is consistent with the pro-competitive, deregulatory framework set 11 in the Act. This standard recognizes the statutory balance between 12 the rights of competitive LECs to obtain interconnection terms 13 pursuant to section 252(i) and removing unnecessary regulatory 14 impediments to commercial relations between incumbent and 15 competitive LECs. We therefore disagree with Qwest that the 16 content of interconnection agreements should be limited to the 17 schedule of itemized charges and associated descriptions of the 18 services to which those charges apply. Considering the many and 19 complicated terms of interconnection typically established 20 between an incumbent and competitive LEC, we do not believe 21 that section 252(a)(1) can be given the cramped reading that 22 Qwest proposes. Indeed, on its face, section 252(a)(1) does not 23 further limit the types of agreements that carriers must submit to 24 state commissions.<sup>36</sup> 25 26 Q. CAN QWEST AVOID THE FCC'S RULING ABOUT THE CONTENT OF 27 **INTERCONNECTION** AGREEMENTS BY POSTING THE

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**INFORMATION ON ITS WEB-SITE, SUCH AS IN ITS PCAT OR SIG?** 

<sup>&</sup>lt;sup>35</sup> Memorandum and Order, In the Matter of Qwest Communications International Inc. Petition for Declaratory Ruling on the Scope of the Duty to File and Obtain Prior Approval of Negotiated Contractual Arrangements under Section 252(a)(1), WC Docket No. 02-89, (rel. October 4, 2002) ("Declaratory Ruling") at ¶ 8.

<sup>&</sup>lt;sup>36</sup> Declaratory Ruling at  $\P$  8 (footnotes omitted) (emphasis added).

1	A.	No. In its Forfeiture Order, <sup>37</sup> the FCC also expressly rejected Qwest's claim that
2		the Declaratory Ruling authorized posting of information regarding service
3		offerings on a website in lieu of an agreement filed with, and approved by, state
4		commissions. To that end, the FCC observed, "At no point did we create a
5		general 'web-posting exception' to section 252(a)[A] 'web-posting exception'
6		would render that provision meaningless, since CLECs could not rely on a
7		website to contain all agreements on a permanent basis. Moreover, unlike the
8		terms of an SGAT, web-posted materials are not subject to state commission
9		review, further undermining the congressionally established mechanisms of
10		section 252(e)." <sup>38</sup>
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12	Q.	WAS CMP IN PLACE WHEN THE FCC MADE THIS DECISION?

Yes. Qwest's CMP has been in place since at least the fall of 2002,<sup>39</sup> and the FCC did not issue its Forfeiture Order until March of 2004. The FCC has created no special "web-posting exception" for postings (such as PCAT or SIG) that are made through CMP.

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<sup>&</sup>lt;sup>37</sup> Notice of Apparent Liability for Forfeiture, *In the Matter of Qwest Corporation Apparent Liability for Forfeiture*, FCC File No. EB-03-IH-0263 (March 11, 2004) (*"FCC Forfeiture Order"*).

<sup>&</sup>lt;sup>38</sup> FCC Forfeiture Order at  $\P$  32.

 $<sup>^{39}</sup>$  See Exhibit BJJ-2 to Testimony of Ms. Johnson (No Build Held Order Chronology, entry for 11/2/02).

#### 1 3. CMP HISTORY ESTABLISHES ICA TERMS MAY VARY 2 AND, WHEN THEY DO, ICA CONTROLS OVER CMP 3 4 Q. **OWEST OFTENTIMES REFERS TO THE CMP PROCESS AS A** 5 **COMMISSION-APPROVED PROCESS**, **IMPLYING** THAT THE PROCESS HAS SOME SPECIAL MERIT BECAUSE IT WAS CREATED 6 7 AS A VEHICLE FOR HELPING IMPLEMENT SECTION 271 OF THE ACT.<sup>40</sup> WOULD YOU LIKE TO RESPOND? 8 9 A. While it is true that the CMP was developed related to Qwest's request for Section

A. While it is the that the Civil was developed related to Qwest's request for section 271 relief, the FCC's later decision in the *Forfeiture Order* confirms that CMP has no special merit that would allow it to supplant good-faith negotiations or interconnection agreements that result from Section 252 of the Act. This is especially true when a CLEC, like Eschelon, specifically identifies issues that are important enough to its ongoing business and ability to compete to warrant Commission oversight in the form of arbitration (as in this case).

CMP will continue to play a role in the relationship between Qwest and Eschelon, because CMP is the vehicle that Qwest uses to announce changes related to terms that are not addressed in the ICA. Further, certain terms may not be included in the ICA by agreement of the parties and in some cases, the issue may be left to CMP for resolution (per ICA Section 12.1.6). However, none of the issues addressed by the 48 Subject Matters are issues that Eschelon agrees to leave to CMP. As I discussed earlier, there are a multitude of other day-to-day

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<sup>&</sup>lt;sup>40</sup> See, e.g., *Qwest Petition*, ¶¶ 130-131.

1		issues that Eschelon has not brought forward in this arbitration, which are handled
2		through CMP, service management, billing disputes, etc.
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4	Q.	SINCE CMP WILL CONTINUE TO PLAY A ROLE, DO THE
5		COMMISSION-APPROVED CMP RULES, SET FORTH IN EXHIBIT G
6		TO THE ICA (AND THE SGAT), DICTATE THE RELATIONSHIP
7		BETWEEN CMP AND THE INTERCONNECTION AGREEMENT?
8	A.	Yes. The "CMP Document" outlines the rules and procedures governing conduct
9		of Qwest's CMP. The following excerpt from Section 1.0 ("Introduction and
10		Scope") of the CMP Document addresses the relationship between the
11		interconnection agreement and CMP and clearly indicates that Commission-
12		approved interconnection agreement terms control:
13 14 15 16 17 18 19 20 21 22 23 24		In cases of conflict between the changes implemented through this CMP and any CLEC interconnection agreement (whether based on the Qwest SGAT or not), the rates, terms and conditions of such interconnection agreement shall prevail as between Qwest and the CLEC party to such interconnection agreement. In addition, if changes implemented through this CMP do not necessarily present a direct conflict with a CLEC interconnection agreement, but would abridge or expand the rights of a party to such agreement the rates, terms and conditions of such interconnection agreement shall prevail as between Qwest and the CLEC party to such agreement.
25		This requirement is so important and integral to CMP in relation to the ICA that
26		the same language must appear in all CMP notices to inform CLECs receiving the
27		notice that it does not apply to them if it conflicts with their interconnection

agreements.<sup>41</sup> In other words, per the Commission approved CMP terms and conditions, CMP changes may affect some, but not all, CLECs, depending on the terms of their interconnection agreements and whether the change conflicts with those terms for each CLEC. This built-in recognition in the governing CMP document that ICA terms will vary from CMP disproves Qwest's claim repeated throughout its position statements that the "entire purpose" of CMP is to create processes "that are uniform among all CLECs." Instead, Qwest is attempting to circumvent this clearly defined hierarchy under which the ICA controls by preventing issues from being included in the ICA. Qwest seeks to render this carefully crafted and Commission approved hierarchy meaningless by making CMP the only source of terms for one-third of the arbitration issues, so that in the end Qwest's *CMP controls* those issues through ever changing PCAT and SIG language.

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Qwest received 271 approval, at least in part, based upon the availability of a CMP that reflected the hierarchy reflected in Section 1.0 of the CMP Document. The Commission should not allow Qwest, now that it has 271 approval, to use that very CMP process to undermine the CMP's own governing provision as to its scope. Terms that rise to the level of being arbitrated and

<sup>&</sup>lt;sup>41</sup> Qwest is required, per the CMP Document, to include this language in CMP notices. *See* Exhibit BJJ-1, §5.4, which states (with emphasis added): "The following defines five levels of Qwest originated product/process changes and the process by which Qwest will originate and implement these changes. None of the following shall be construed to supersede timelines or provisions mandated by federal or state regulatory authorities, certain CLEC facing Web sites (*e.g.*, ICONN and Network Disclosures) or individual interconnection agreements. *Each notification will state that it does not supersede individual interconnection agreements*."

approved as part of an interconnection agreement not only govern as between the parties, but also, per Section 1.0 of the CMP Document, are outside the scope of CMP.

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# Q. IN ADDITION TO THE APPROVED CMP DOCUMENT ITSELF, DID THE COMMISSION PROVIDE ANY OTHER INDICATION THAT CMP OR THE PCAT SHOULD NOT GOVERN A CLEC'S RIGHTS?

A. Yes. Before Qwest obtained 271 approval, it needed to have an SGAT in place for requesting CLECs to adopt as their ICA. The Washington SGAT provides, in Section 2.3, that: "In cases of conflict between the SGAT and Qwest's Tariffs, PCAT, methods and procedures, technical publications, policies, product notifications or other Qwest documentation relating to Qwest's or CLEC's rights or obligation under this SGAT, then the rates, terms and conditions of this SGAT shall prevail. To the extent another document abridges or expands the rights or obligations of either Party under this Agreement, the rates, terms and conditions of this Agreement shall prevail." Consistent with this provision, the definition of "Product Catalog" in Section 4 of the SGAT explicitly provides: "Qwest agrees that CLEC shall not be held to the requirements of the PCAT."

Both of these SGAT provisions recognize that there will be overlap between the ICA and CMP, including different terms for different CLECs, and when that happens, the ICA controls. After all, there would be no need for a provision regarding "cases of conflict between the SGAT and Qwest's . . . PCAT,

methods and procedures" if conflicts were not expected to occur because the CMP existed to make all PCAT terms and methods and procedures uniform. Both of these SGAT provisions, therefore, further disprove Qwest's repeated claim that the "entire purpose" of CMP is to create processes "that are uniform among all CLECs." If that were true, the Commission-approved CMP Document and the SGAT would both provide that, in cases of conflict, the CMP Document controls to maintain uniformity. They send the opposite message, however. The purpose of these provisions<sup>42</sup> is defeated if Qwest is successful in excluding terms from the ICA so no conflict may occur and CMP, by default, prevails.

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# 11 Q. ARE UNIFORM TERMS AND CONDITIONS FOR CLECS ENVISIONED 12 BY THE ACT?

13 A. No. Nothing in the Telecommunications Act requires that terms and conditions of 14 an interconnection agreement be identical for all CLECs. To the contrary, the 15 structure of the Act reflects the exact opposite: that an interconnection agreement 16 should be tailored to accommodate specific needs of the CLEC in order to provide 17 a meaningful opportunity to compete. Had Congress intended that the 18 interconnection agreement be a "one size fits all" document, as Qwest is trying to 19 make it, Congress would have provided the SGAT as the sole means by which 20 terms and conditions of interconnection would be made available by the ILEC.

<sup>&</sup>lt;sup>2</sup> Both of these provisions are also part of the proposed ICA, as closed language in Section 2.3 and 4.0 (definition of "Product Catalog" or "PCAT").

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2	Q,	HAS THE WASHINGTON COMMISSION REJECTED THE NOTION
3		THAT TERMS AND CONDITIONS AVAILABLE TO CLECS SHOULD
4		BE UNIFORM?
5	A.	Yes. The Washington Commission has twice rejected such claims of uniformity
6		or standardization and has found that asking for specific terms in an individual
7		ICA is not a request for preferential treatment. The arbitrator in the recent
8		Verizon arbitration case in Washington said:
9 10 11 12 13 14 15 16		The fact that there are differences in change of law provisions among various agreements is not discriminatory: It reflects the variations in negotiation and arbitration of terms in interconnection agreements. The interconnection agreements are filed with the Commission and available for review. CLECs have opted into a number of agreements, including the agreement originally arbitrated by MCI. <sup>43</sup>
17		Similarly, the arbitrator made the following observation in the Qwest-Covad
18		arbitration in Washington:
19 20 21 22 23 24 25 26	43	<ul> <li>While Qwest relies heavily on "consensus" reached in the Section 271 proceeding as a strong reason for retaining the 30-day period, that argument does not apply to an arbitration proceeding. Parties engage in arbitration to enter into an agreement tailored to the companies' needs, not to adopt a standard agreement. Covad is not bound to the 30 day payment period simply because it was a party to the SGAT negotiations and hearings.<sup>44</sup></li> <li>Washington State Utilities and Transportation Commission, Docket UT-043013, Order No. 17</li> </ul>
		Arbitrator's Report and Decision dated July 8, 2005 at ¶79, ["Washington ALJ Report"], affirmed in relevant part in "Washington Order No. 18."

<sup>44</sup> Arbitrator's Report and Decision, In The Matter Of The Petition For Arbitration Of Covad Communications Company, With Qwest Corporation, Pursuant To 47 U.S.C. Section 252(B) And The Triennial Review Order, WUTC Docket No. UT-043045, Order No. 04, Nov. 2, 2004 ["WA

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2	Furthermore, in the recent Verizon/CLEC arbitration, the Commission pointed to
3	the likelihood of reducing the opportunity for future disputes as a basis for
4	including specific contract language in half of the issues addressed by the
5	Commission in its order. <sup>45</sup>
6	
7	Q. ARE PROCESSES AND PROCEDURES APPROPRIATE FOR
8	INCLUSION IN THE ICA?
9	A. Yes, and this undermines Qwest's proposal to exclude processes and procedures
10	from the ICA. The FCC has said that processes and procedures are appropriate
11	content for interconnection agreements:
12 13 14 15 16 17 18 19	Individual incumbent LEC and competitive LEC arrangements governing the <i>process and procedures</i> for obtaining access to an UNE to which a competitive LEC is entitled, are more appropriately addressed in the context of individual interconnection agreements pursuant to section 252 of the Act. <sup>46</sup> Similarly, the Washington Commission has found it reasonable to include "operational procedures to ensure customer service quality" in an interconnection
20	agreement. <sup>47</sup>
	Covad Arbitration Order"], at note 16 to ¶100. Although the Commission rejected Covad's 30-day proposal (which is not an issue in this case), it did so on other grounds.
	<ul> <li><sup>45</sup> Washington Order No. 18 at ¶¶ 28, 31-32, 36, 42, 48, 58, 64; see also Conclusions of Law ¶¶ 102, 104,105, 106, 111, 112.</li> </ul>
	<sup>46</sup> TRRO ¶358 (emphasis added).
	<ul> <li><sup>47</sup> Washington Order No. 18 at ¶61 (quoting Order No. 17 at ¶ 416, quoting TRO ¶586); see also ¶¶60-64, 112.</li> </ul>

# 1Q.IN ANY EVENT, IS ESCHELON IN THIS ARBITRATION TRYING TO2DEFEAT "UNIFORM PROCESSES?"

A. No. Indeed, the majority of the contract language proposed by Eschelon for these one-third of the issues matches Qwest's current practices, including language describing the same terms in the PCAT. Therefore, Qwest's assertion in its position statements that developing processes solely for Eschelon will cause Qwest to incur costs is a red-herring issue. Eschelon is not seeking to make changes that would require Qwest to commit additional resources.<sup>48</sup> Eschelon is not attempting to gain some advantage or make Qwest's processes more difficult to implement. Eschelon is simply requesting, and is entitled to, contract language that sets forth terms that are critical to its business and ability to compete.

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# Q. YOU SAID THE CMP DOCUMENT DOES NOT PROVIDE THAT CMP CONTROLS TO MAINTAIN UNIFORMITY, HAS ANY BENEFIT OF INDIVIDUAL, NON-UNIFORM ICA TERMS BEEN RECOGNIZED?

A. Yes. And, ironically, Qwest is among those that have previously proclaimed the
 benefits of unique interconnection agreements. On October 16, 2003, Qwest, in
 opposing the then current application of the FCC's "pick and choose" rule, filed
 extensive comments extolling the virtues of negotiated interconnection

<sup>&</sup>lt;sup>48</sup> For any issues for which Qwest claims that Eschelon is asking for a change that Qwest believes would generate additional costs, Qwest should, in this proceeding, quantify those additional costs to the extent they actually exist. General arguments heralding undisclosed costs or resources should be given little, if any, weight given that Qwest has, via this proceeding, an evidentiary vehicle by which to quantify those costs.

1	agreements and the importance of the "dynamic, innovative interconnection
2	negotiations intended by the Telecommunications Act of 1996."49 Qwest
3	recognized that: "ILECs and CLECs have a fundamental interest in making the
4	interconnection process as cooperative and open as possible, since both parties
5	benefit from well-negotiated and mutually beneficial wholesale arrangements." <sup>50</sup>
6	Even more specific to the point here, Qwest argued that:
7 8 9 10 11 12 13 14	"the pick-and-choose rule restricts the ILEC's willingness to <b>tailor negotiations and contracts to the specific needs of CLECs and their business plans</b> . Further, the current rule does not realistically reflect the ordinary trade-offs and give-and-take that characterize free negotiations, in which an ILEC would ordinarily be willing to give up one term of a contract in order to get another." <sup>51</sup>
15	Finally, Qwest summarized its arguments with the following opinion:
16 17 18	"The ability of carriers to negotiate binding agreements with each other was a cornerstone of the Act." <sup>52</sup>
19	Now that Qwest has reaped the benefits of eliminating the pick-and-choose rule
20	by making these arguments, Qwest seeks to deny Eschelon the very ability to
21	"tailor negotiations and contracts" to Eschelon's "specific needs" and "business
22	plans" upon which Qwest relied to defeat that rule.
	<sup>49</sup> Comments of Qwest Communications International Inc., CC Docket Nos. 01-338, 96-98, 98-147, October 16, 2003, p. ii.
	<sup>50</sup> Comments of Qwest Communications International Inc., CC Docket Nos. 01-338, 96-98, 98-147, October 16, 2003, pp. 3-4.
	<sup>51</sup> Comments of Qwest Communications International Inc., CC Docket Nos. 01-338, 96-98, 98-147, October 16, 2003, p. 4 [emphasis added]
	<sup>52</sup> Comments of Qwest Communications International Inc., CC Docket Nos. 01-338, 96-98, 98-147, October 16, 2003, p. 6.

# Q. DOES INCLUSION OF TERMS, INCLUDING POTENTIALLY UNIQUE TERMS, IN AN INTERCONNECTION AGREEMENT MEAN THAT ESCHELON ARGUES FOR EXCLUSIVE TERMS FOR ITSELF?

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A. No. Contract language in a Commission-approved interconnection agreement allows the Commission to review the terms, decide disputed issues on the merits, and approve changes before they are made to avoid disruption that may occur without Commission oversight. The alternative, *i.e.*, a lack of contract language, leaves Eschelon in a position in which it will likely be forced to approach the Commission in crisis mode, after it is being faced with adverse consequences that impact its End User Customers,<sup>53</sup> perhaps requesting expedited relief.<sup>54</sup> It simply makes more sense to allow the Commission to consider the issues in an orderly manner through ICA arbitration, as envisioned by Section 252. Further, if terms are arbitrated, the approved agreement is then available for opt-in pursuant to Section 252(i), or for use as a negotiations template/proposal,<sup>55</sup> by other and potentially "multiple" CLECs.

<sup>&</sup>lt;sup>53</sup> See, e.g., the "CRUNEC" example that I discuss below.

<sup>&</sup>lt;sup>54</sup> This assumes resources are available to challenge individual issues on a piece-meal basis in every state affected. If that is not the case, Qwest may gain an unjust or anticompetitive advantage simply due to lack of resources rather than merit.

<sup>&</sup>lt;sup>55</sup> Although the FCC eliminated the pick-and-choose rule in favor of the all-or-nothing rule, when it did so, the FCC clearly stated that doing so did not limit the nondiscrimination provisions of the Act, which remain available to protect CLECs. *See* Section Report and Order, *In re. Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket No. 01-338 (Rel. July 13, 2004), at ¶20-23.

1		CLECs should have a choice of opting into ICAs and ICA amendments
2		that best suit their business models, instead of all CLECs being forced to sign the
3		same agreement or amendment. Clearly, Section 252(i) of the
4		Telecommunications Act provides CLECs the ability to opt into other CLECs'
5		ICAs:
6 7 8 9 10 11 12 13		AVAILABILITY TO OTHER TELECOMMUNICATIONS CARRIERSA local exchange carrier shall make available any interconnection, service, or network element provided under an agreement approved under this section to which it is a party to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement. This language recognizes that different CLECs have different business models
14		and needs.
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15 16 17		4. <u>CMP BACKGROUND: REALITIES OF CMP AND PCAT</u>
16	Q.	4. <u>CMP BACKGROUND: REALITIES OF CMP AND PCAT</u> EARLIER, YOU MENTIONED THAT YOU WOULD PROVIDE SOME
16 17	Q.	
16 17 18	Q.	EARLIER, YOU MENTIONED THAT YOU WOULD PROVIDE SOME
16 17 18 19	<b>Q.</b> A.	EARLIER, YOU MENTIONED THAT YOU WOULD PROVIDE SOME EXAMPLES. DO YOU NEED TO PROVIDE SOME BACKGROUND
16 17 18 19 20		EARLIER, YOU MENTIONED THAT YOU WOULD PROVIDE SOME EXAMPLES. DO YOU NEED TO PROVIDE SOME BACKGROUND BEFORE DOING SO?
16 17 18 19 20 21		EARLIER, YOU MENTIONED THAT YOU WOULD PROVIDE SOME EXAMPLES. DO YOU NEED TO PROVIDE SOME BACKGROUND BEFORE DOING SO? Yes, I need to describe some elements of CMP and the PCAT and related
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ol>		EARLIER, YOU MENTIONED THAT YOU WOULD PROVIDE SOME EXAMPLES. DO YOU NEED TO PROVIDE SOME BACKGROUND BEFORE DOING SO? Yes, I need to describe some elements of CMP and the PCAT and related terminology that will be useful for understanding the examples. As with much of
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>		EARLIER, YOU MENTIONED THAT YOU WOULD PROVIDE SOME EXAMPLES. DO YOU NEED TO PROVIDE SOME BACKGROUND BEFORE DOING SO? Yes, I need to describe some elements of CMP and the PCAT and related terminology that will be useful for understanding the examples. As with much of telecom, this area is also acronym and "techno-speak" dependent. Without some

1 described as an "industry forum," it may come as a surprise to learn that the vast 2 majority of changes in CMP occur through Qwest email announcements for 3 which there is no discussion on the CMP calls. There is no collaborative development or even any mention of them. When reading the CMP Document 4 5 (which is Exhibit G to the ICA and SGAT and which I described earlier as the 6 document containing the governing rules and procedures for the conduct of 7 CMP), this may not be immediately apparent. The reader has to get through the 8 description of the four "levels" of changes in the CMP Document (which I 9 describe more fully below) to discover that only the highest, fourth level requires 10 Qwest to submit a "request" rather than a notification. Even then, for product and 11 process changes (which are different from "systems" changes), Qwest does not 12 need any kind of vote on adoption of or consent to its "request" before 13 implementing it, provided that Qwest follows the applicable time periods. In 14 some cases, CLECs may comment, but Qwest may "respectfully decline" the 15 comment and proceed as planned, as though the CLEC had never commented at 16 all. In one of the examples below ("CRUNEC"), pretty much every actively 17 participating CLEC objected to the Qwest CMP notification, but Qwest 18 implemented it anyway. Qwest may have created a different impression when, 19 throughout its position statements in the Disputed Issues List, it states that the 20 purpose of CMP was to "ensure that the industry (not just Qwest or one CLEC) is 21 involved in creating and *approving* processes" (emphasis added). Owest requires 22 no approval from CLECs to implement process changes in CMP. To the contrary,

as the CRUNEC example described below shows, Qwest will implement a process change in the face of clearly articulated disapproval by multiple CLECs.

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And, although much of the work of CMP is conducted through Qwest email "notifications," not all Qwest email notifications are "CMP" notifications.<sup>56</sup> Carriers may choose among a variety of other notices, such as billing, contract, and network notices, and those notices do not follow the CMP procedures, such as assignment of "levels." Similarly, with respect to Qwest's PCAT, continual reference to the PCAT in conjunction with CMP may suggest that all PCAT changes are made through CMP. It is not the case that all Qwest PCAT changes are generated as a result of CMP, as one of the four examples discussed below (involving Secret TRRO PCATs) demonstrates quite clearly.

By recognizing these CMP and PCAT realities, Eschelon is not requesting changes to CMP or suggesting that the Commission needs to make a finding that CMP is flawed before it can find in Eschelon's favor. Such findings are unnecessary for Eschelon to prevail. Eschelon's position on each issue is fully supported by the facts and should prevail on the merits of that issue, as discussed with respect to each individual issue throughout the direct testimony. The purpose in relating these CMP and PCAT realities is to ensure that the facts about

<sup>&</sup>lt;sup>56</sup> See Exhibit BJJ-7 (Secret TRRO PCAT Chronology, at footnote 5) ("The SUBJECT field of a Qwest announcement starts with "CMP" when it is a CMP notice. Not all Qwest Customer "notices" and PCAT changes are generated as a result of CMP. Carriers may choose among a variety of notices, such as billing, contract, and network notices, that are not CMP notices. See <a href="http://www.qwest.com/wholesale/notices/cnla/maillist.html">http://www.qwest.com/wholesale/notices/cnla/maillist.html</a>. In addition, if it is a CMP notice, the listed contact person is a CMP representative. If it is not a CMP notice, the contact person is the Qwest Service Manager or other contact. CMP notices with comment periods identify the timeframe for comment.

CMP and the PCAT are known when evaluating claims made by Qwest and when reviewing the examples and chronologies. Several chronologies are attached to the testimony of Ms. Johnson, including one for each of the four examples discussed below.<sup>57</sup> Because the chronologies often relate to CMP events, they use a lot of CMP terminology (such as references to CMP numbering, the "levels" of notices, *etc.*). The absence of any reference in any of these chronologies to a vote being taken on adoption or rejection of any of the requests is explained, for example, by the discussion below explaining that there is no voting on adoption or rejection of product and process changes in CMP.

Certainly, the realities of CMP and the PCAT shed some light on why, for critical business issues, a CLEC may conclude its needs to exercise its Section 252 right to negotiation and compulsory arbitration. This is particularly true when the manner in which Qwest has used CMP and the PCAT to achieve its objectives, as demonstrated by the examples, is taken into account. Even though CMP may inform Eschelon that Qwest is making changes that will be adverse to Eschelon's business, CMP provides Eschelon no real ability to keep Qwest from unilaterally making those changes. Contract language appears to be the only vehicle that will give Eschelon the ability to "force Qwest to the table" to negotiate those types of changes. As discussed above, Section 252 provides this ability to CLECs. Qwest's proposal (*i.e.*, use CMP) does not.

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<sup>&</sup>lt;sup>57</sup> See Exhibits BJJ-2, BJJ-5, BJJ-7 and BJJ-9.

1		Significantly, the realities of CMP and the PCAT also run counter to
2		Qwest's basic premise that some issues are inherently CMP issues that should be
3		excluded from the ICA. After providing background information about CMP and
4		the PCAT, I describe four examples (Jeopardies, Delayed Orders, CRUNEC, and
5		Secret TRRO PCATs) that each in its own way demonstrates how Qwest's own
6		conduct is not in accord with that claim. Instead, Qwest has the capability to use,
7		and sometimes uses, CMP as either a sword or a shield toward furthering its own
8		policy initiatives.
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10		a. CMP TERMINOLOGY AND PROCEDURES
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	Q.	PLEASE BRIEFLY DESCRIBE HOW CMP WORKS.
11	<b>Q.</b> A.	
11 12	-	PLEASE BRIEFLY DESCRIBE HOW CMP WORKS.
11 12 13	-	<b>PLEASE BRIEFLY DESCRIBE HOW CMP WORKS.</b> CMP generally works through a series of change requests ("Change Requests" or
11 12 13 14	-	PLEASE BRIEFLY DESCRIBE HOW CMP WORKS. CMP generally works through a series of change requests ("Change Requests" or "CRs") submitted by CLECs to Qwest or announcements by Qwest to CLECs in
<ol> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> </ol>	-	PLEASE BRIEFLY DESCRIBE HOW CMP WORKS. CMP generally works through a series of change requests ("Change Requests" or "CRs") submitted by CLECs to Qwest or announcements by Qwest to CLECs in the form of "CMP notifications." Change Requests and a small sub-set of the
<ol> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> <li>16</li> </ol>	-	PLEASE BRIEFLY DESCRIBE HOW CMP WORKS. CMP generally works through a series of change requests ("Change Requests" or "CRs") submitted by CLECs to Qwest or announcements by Qwest to CLECs in the form of "CMP notifications." Change Requests and a small sub-set of the Qwest CMP notifications are discussed on CMP monthly and ad hoc calls among
<ol> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> </ol>	-	PLEASE BRIEFLY DESCRIBE HOW CMP WORKS. CMP generally works through a series of change requests ("Change Requests" or "CRs") submitted by CLECs to Qwest or announcements by Qwest to CLECs in the form of "CMP notifications." Change Requests and a small sub-set of the Qwest CMP notifications are discussed on CMP monthly and ad hoc calls among Qwest and participating CLECs. Qwest maintains minutes of the calls and posts
<ol> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> </ol>	-	PLEASE BRIEFLY DESCRIBE HOW CMP WORKS. CMP generally works through a series of change requests ("Change Requests" or "CRs") submitted by CLECs to Qwest or announcements by Qwest to CLECs in the form of "CMP notifications." Change Requests and a small sub-set of the Qwest CMP notifications are discussed on CMP monthly and ad hoc calls among Qwest and participating CLECs. Qwest maintains minutes of the calls and posts the minutes on its CMP web-site. <sup>58</sup> A "change request" contains a description of

<sup>&</sup>lt;sup>58</sup> See <u>http://www.qwest.com/wholesale/cmp/index.html</u>

may decide to either accept or reject a CLEC request for product or process changes. While some Qwest changes are in the form of change requests, Qwest generally announces its changes through its email notification process. As indicated above, although much of the work of CMP is conducted through Qwest email "notifications," not all Qwest email notifications are "CMP" notifications.<sup>59</sup>

Each change (whether by request or notification) within CMP is classified by its potential impact on carriers, or the time-critical nature of the change. Changes to a product or process within CMP are assigned severity or "disposition" levels. Each change is classified as a Level 0, 1, 2, 3, or 4 change. The following table provides a high level overview of the disposition levels used in the CMP notification process:<sup>60</sup>

Level 0 Level 0 changes are defined as changes that do not change the meaning of documentation and do not alter CLEC operating procedures. Level 0 changes are effective immediately without notification. [CMP Document, Section 5.4.2] Level 1 Level 1 changes are defined as changes that do not alter CLEC operating procedures or changes that are time critical corrections to a Qwest product/process. Time critical corrections may alter CLEC operating procedures, but only if such Qwest product/process has first been implemented through the appropriate level under CMP. Level 1 changes are effective immediately upon notification. [CMP Document, Section 5.4.2.11 Level 2 Level 2 changes are defined as changes that have minimal effect on CLEC operating procedures. Qwest will provide notification of Level 2 changes at least twenty-one (21) calendar days prior to implementation. [CMP Document,

<sup>&</sup>lt;sup>59</sup> See Exhibit BJJ-7 (Secret TRRO PCAT Chronology, footnote 5).

<sup>&</sup>lt;sup>60</sup> A non-CMP Qwest notification (such as a billing or contract notice) generally would not be assigned or contain these CMP disposition levels.

	Section 5.4.3]
Level 3	Level 3 changes are defined as changes that have moderate effect on CLEC operating procedures and require more lead- time before implementation than Level 2 changes. Qwest will provide initial notification of Level 3 changes at least thirty- one (31) calendar days prior to implementation. [CMP Document, Section 5.4.4]
Level 4	Level 4 changes are defined as changes that have a major effect on existing CLEC operating procedures or that require the development of new procedures. Level 4 changes will be originated using the CMP Change Request process and provide CLECs an opportunity to have input into the development of the change prior to implementation. [CMP Document, Section 5.4.5]

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## Q. DO THE DESCRIPTIONS OF LEVEL 3 AND 4 CHANGES MEAN THAT ALL CHANGES THAT HAVE A MODERATE OR MAJOR EFFECT ON CLEC OPERATING PROCEDURES MUST GO THROUGH CMP?

A. No. Many of the agreed upon ICA provisions, for example, have a moderate or major effect on Eschelon's operating procedures, but many of them did not go through CMP as they were negotiated or opted in to and publicly filed with the Commission.<sup>61</sup> CMP is expressly limited by its "scope" provision.<sup>62</sup> As discussed above, interconnection agreement terms are outside the scope of CMP and, when they conflict with CMP, the ICA terms control.<sup>63</sup> Sections 251 and 252 of the Act, as well as state rules, apply to ICA negotiation and arbitration.

<sup>&</sup>lt;sup>61</sup> See Exhibit DD-5 (table showing changes related to Issue 8-29 that were not noticed through CMP).

<sup>&</sup>lt;sup>62</sup> See Exhibit BJJ-1 (CMP Document) at Section 1.0.

<sup>&</sup>lt;sup>63</sup> See Exhibit BJJ-1 (CMP Document) at Section 1.0.

#### **Q.** WHAT ARE PRODUCT, PROCESS, AND SYSTEM CHANGES?

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A. Change Requests and Qwest CMP notifications are classified by whether they relate to a Qwest product or process or system.<sup>64</sup> Changes to systems (such as Interconnect Mediated Access or "IMA")<sup>65</sup> are handled in CMP somewhat differently from product and process changes. None of the relevant changes in the four examples discussed below were systems changes. The notifications and change requests discussed here are product and process (*i.e.*, not systems) notifications and requests.<sup>66</sup>

# 10 Q. DO QWEST AND THE CLECS VOTE ON ADOPTION OR REJECTION 11 OF PRODUCT AND PROCESS CHANGE REQUESTS?

<sup>&</sup>lt;sup>64</sup> Numbers are assigned to CMP notifications and change requests. Whether a CMP Change Request (Change Request) or notice is a product, process, or systems Change Request or notice is easily determined by looking at the assigned CMP number. If the number begins with "PROD" it is a product Change Request/notice, and if the number begins with "PROS," it is a process Change Request/notice. The CMP Document provides that changes that go through the process and product procedures "are not changes to OSS Interfaces" (*i.e.*, are not system changes). *See* CMP Document, §5.4.

<sup>&</sup>lt;sup>65</sup> These are changes to the "systems," as distinguished from other processes (such as manual processes, which are handled as "process" changes), for purposes of CMP. Although the term "Operations Support Systems" or "OSS" may come to mind as it is sometimes used in this sense, the term "OSS" is broader and also includes the associated business processes, including manual processes. In the Third Report and Order (at ¶ 425), the FCC said: "In the *Local Competition First Report and Order*, the Commission defined OSS as consisting of pre-ordering, ordering, provisioning, maintenance and repair, and billing functions supported by an incumbent LEC's databases and information. OSS includes the manual, computerized, and automated systems, together with associated business processes and the up-to-date data maintained in those systems."

<sup>&</sup>lt;sup>66</sup> The only open issue relating to systems is Issue 12-87 (Controlled Production). For that issue, no change is required, as Eschelon's proposed language reflects Qwest's current practice documented in the EDI Implementation Guidelines. *See* discussion of Issue 12-87 in the Testimony of Mr. Webber.

1 No. Voting in the CMP process occurs in only two narrow circumstances. First, A. 2 voting occurs for changes to the CMP Document itself and certain procedures 3 within the Document, e.g., whether to change the disposition level of a Change Request<sup>67</sup> or whether to grant an exception to the CMP Document's procedures.<sup>68</sup> 4 Second, voting occurs to prioritize (*i.e.*, rank) proposed systems changes.<sup>69</sup> If 5 6 Qwest, in CMP, chose to change terms affecting any of the issues Eschelon has 7 included in arbitration (as identified in the Disputed Issues List), none of those 8 changes would be subject to voting as they relate to adoption or rejection of the changes.<sup>70</sup> In other words, no vote is taken on whether a particular product or 9 process change request should be implemented or not. Therefore, even if a 10 11 change is universally opposed by CLECs, Qwest is still free to implement the 12 change after the time period applicable to product and process changes has run its 13 course. See CMP Document, Section 5.4. Although a CLEC may request that 14 Qwest postpone a change, Qwest is the sole decision maker as to whether a 15 postponement request is granted. If Qwest determines that it will not postpone

<sup>&</sup>lt;sup>67</sup> CMP Document Section 5.4.3.1.

<sup>&</sup>lt;sup>68</sup> CMP Document Section 16.2.1.

<sup>&</sup>lt;sup>69</sup> CMP Document Sections 5.2.1, 5.2.2, 10.3.3, 10.3.4 16.2, et al., and 17.0.

<sup>&</sup>lt;sup>70</sup> Eschelon would have thought that Issue 12-87 would be an exception to this, as it relates to a systems issue and systems changes are at least ranked in CMP. Language on Qwest's EDI Implementation Guide, however, suggests that Qwest reserves the right to make changes without going through CMP. Perhaps Qwest will clarify. With respect to Issue 12-87, *see* discussion of Issue 12-87 in the Testimony of Mr. Webber.

the implementation of a proposed change, Qwest may implement the change thirty days after giving notice of its decision to deny the request to postpone.<sup>71</sup>

### Q. DOES QWEST IMPLEMENT MOST OF ITS OWN CHANGES THROUGH CHANGE REQUESTS?

A. No. The vast majority of Qwest-initiated CMP changes are accomplished through Level 0-3 email notifications. When Qwest issues a Level 3 "Notice" to CLECs, indicating that it intends to implement a change, Qwest provides CLEC 15 days to provide written comment on the proposed change. Qwest then responds to the CLECs' comments. The CMP rules (in the CMP Document) allow Qwest to implement the proposed change no fewer than 15 days after it has provided its response to CLEC comments. If Qwest responds to CLEC comments immediately following the close of the CLEC comment period, Qwest can implement its proposed changes (notwithstanding any CLEC objections), 31 days following its initial notification.

Therefore, CMP affords Qwest a "Notice and Go" capability, *i.e.*, if Qwest wants to make a change, it simply notices CLECs, solicits and then may deny their requests for modifications, and implements its proposed change in as little as 31 days after initial notice. At times, this can be the "sword" that Qwest wields through CMP, such as when Qwest dramatically restricted Eschelon's ability to successfully order DS1 capable loops, simply by changing one-word in its PCAT

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<sup>&</sup>lt;sup>71</sup> CMP Document Section 5.5.3.3.

through a Level 3 email notification (see the CRUNEC example discussed below). Specific contract language in the interconnection agreement would offer Eschelon some defense against this type of behavior on the part of Qwest and provide Eschelon with some much needed measure of control over its own business.

# Q. CAN CLECS EMPLOY THE SAME "NOTICE AND GO" APPROACH TO CHANGES THEY REQUEST IN CMP, OR IN DISPUTING A CHANGE ANNOUNCED BY QWEST?

No.<sup>72</sup> In contrast to the relatively quick "notice and go" process that is available 10 A. 11 to Qwest, if a CLEC disagrees with the change proposed by Qwest, its only recourse is to seek expensive and time consuming dispute resolution in each state 12 affected by the change.<sup>73</sup> As part of a CMP dispute resolution, Eschelon filed a 13 14 complaint against Owest before the Arizona state commission in April of 2006.<sup>74</sup> 15 In that case, Qwest argued vigorously against an October hearing date, citing its intent to conduct multiple depositions and other discovery. On Qwest's motion 16 17 for reconsideration of the schedule, Qwest argued that six months to hear the 18 single issue presented by the Complaint was so short an amount of time that

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<sup>&</sup>lt;sup>72</sup> CMP Document Sections 5.4.5, 5.4.5.1.

<sup>&</sup>lt;sup>73</sup> CMP Document Sections 5.4, 15.0.

<sup>&</sup>lt;sup>74</sup> See Complaint, In re. Complaint of Eschelon Telecom of Arizona, Inc. Against Qwest Corporation, ACC Docket No. T-01051B-06-0257, T-03406A-06-0257 (April 14, 2006) ["Arizona Complaint Docket"].

Qwest had not even heard of rocket dockets proceeding that fast.<sup>75</sup> The hearing date has been extended to February of 2006 – ten months after filing of the Complaint – with Qwest expressing an intention to conduct additional discovery during the intervening months. This is a far cry from the 31 day notice-and-go process available only to Qwest. It is clear that CMP dispute resolution is not a salve for all ills, particularly for issues that a CLEC has already spent the time and resources necessary to bring before the Commission through arbitration in an exercise of its Section 252 rights (as is the case here).

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In addition, there may be some misimpression that there is a "special" process for CMP dispute resolution that offers benefits beyond a typical individual complaint case. That is not the case, as dispute resolution under CMP works much like dispute resolution under other provisions of the ICA, and may result in an individual CLEC filing a complaint against Qwest before the Commission, as with any other complaint. Any reference to "CMP" dispute resolution for issues involving "multiple" CLECs should not be construed to mean there is a special "multiple CLEC" CMP dispute resolution process. While companies may opt to jointly bring complaints or intervene in them under Commission rules, those rules are no different for CMP.

<sup>&</sup>lt;sup>75</sup> AZ Complaint Docket, Transcript, Procedural Conference (July 27, 2006), at p. 18, lines 20-24 (Counsel for Qwest stated: "So the whole point is, we look at this scheduling question as one that is perplexing; that why is it that we are moving -- I mean I've been involved in rocket dockets. I've never seen a case that goes from beginning to end within this period of time that we've proposed in this case, and maybe there's cases here that I'm unaware of. None in my experience.")

1		The dispute resolution terms of the CMP Document are few and simple.
2		When an individual CLEC disagrees with a Qwest action in CMP, the CMP
3		Document contains dispute resolution procedures that provide that an individual
4		CLEC "may pursue the dispute resolution processes set forth follow." <sup>76</sup> The
5		dispute resolution procedures in the CMP Document are expressly qualified by
6		the following statement: "This process does not limit any party's right to seek
7		remedies in a regulatory or legal arena at any time." <sup>77</sup> Section 252 arbitration, for
8		example, is one such "regulatory or legal arena" that a CLEC may pursue
9		unhindered by the dispute resolution provisions of the CMP Document.
10		
11 12 13		b. <u>EXAMPLES: QWEST VACILLATES OR MANEUVERS</u> <u>ON CMP</u>
14	Q.	WITH THAT BACKGROUND INFORMATION TO HELP EXPLAIN
15		THE CMP TERMINOLOGY AND PROCEDURES, PLEASE PROVIDE
16		THE FOUR EXAMPLES YOU MENTIONED EARLIER.
17	A.	As I mentioned previously, the four examples below illustrate that Qwest either
18		has had trouble in the past identifying issues that are inherently tied to CMP, or
19		Qwest chooses when to label certain issues as inherently relating to CMP for its

 $<sup>^{76}</sup>$   $\,$  See CMP Document Section 15.0 (emphasis added).

<sup>&</sup>lt;sup>77</sup> See CMP Document Section 15.0.

1 own convenience or to achieve a particular purpose. I will refer to the four 2 examples as Jeopardies, Delayed Orders, CRUNEC, and TRRO Secret PCATs. 3 4 **JEOPARDIES EXAMPLE** i. 5 6 **O**. PLEASE DESCRIBE THE JEOPARDIES EXAMPLE. 7 A. I refer to the first example as the "Jeopardies" example because the underlying 8 facts involve situations in which Eschelon's requested due date is in jeopardy of 9 not being met. Meeting the End User Customer's expectations regarding due 10 dates is a significant issue and affects Eschelon's business and its ability to 11 compete. The substantive issue is explained in Mr. Webber's testimony regarding 12 Issues 12-71 through 12-73. A detailed chronology is also attached to the Testimony of Ms. Johnson.<sup>78</sup> It is not necessary to know the terminology or 13 14 technical explanations of the "jeopardies" issue to identify the problems with Qwest's handling of this issue within and outside of CMP. 15 16 Eschelon followed CMP procedures to submit a Change Request in CMP 17 in August of 2003. In the course of working on that Change Request, Eschelon 18 provided examples to Qwest of the situations described further in Issues 12-71 19 through 12-73. In CMP, in February of 2004, Qwest confirmed (in response to an

<sup>&</sup>lt;sup>78</sup> See Exhibit BJJ-5.

example provided by Eschelon) that Eschelon's understanding was correct.<sup>79</sup> One of Eschelon's concerns was that it needed information from Qwest in advance of the due date so that Eschelon could have sufficient resources available on the due date to complete its work and turn up its Customer. In March of 2004, in CMP, Qwest also confirmed that "Qwest cannot expect the CLEC to be ready for the service if we haven't notified you." Qwest closed the Change Request in CMP (indicating that it had made the change requested by Eschelon) and said that Eschelon could bring any issues of compliance with these terms to Qwest's service management (*i.e.*, outside of CMP).

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Accordingly, Eschelon provided examples of problems, when they occurred, to Qwest's service management. In March of 2005, Qwest service management provided a response to Eschelon that indicated that Qwest still maintained that its process was the one developed in CMP, although Qwest was having some individual compliance problems.

Since then, however, as further described in the documentation attached to Ms. Johnson's testimony,<sup>80</sup> Qwest has indicated to Eschelon that it no longer feels that it must comply with the process developed in CMP. Qwest has not followed its own CMP procedures, which require it to introduce a Change Request to modify the process developed in CMP as a result of Eschelon's Change Request, before it makes a change.

<sup>&</sup>lt;sup>79</sup> This communication is reflected in Exhibit BJJ-5 (Jeopardy/FOC Chronology) and described in more detail in the Testimony of Mr. Webber regarding Issues 12-71 through 12-73.

<sup>&</sup>lt;sup>80</sup> See Exhibit BJJ-5 to the Testimony of Ms. Johnson (Jeopardy/FOC Chronology).

Although Qwest has initiated no CMP activity to alter completion of Eschelon's Change Request, Qwest is no longer following the process developed in CMP. Initially, Eschelon thought perhaps this was a mistake. On September 1, 2005, Eschelon provided a written scenario to Qwest to confirm whether Qwest would follow the process developed in CMP. Qwest's CMP Process Manager confirmed that, in that scenario, Qwest will act in the opposite manner of the process developed in CMP. Qwest's CMP Process Manager described a key portion of that process – some of which is required conduct under the proposed ICA and SGAT – as a "goal" that Qwest will "strive" to meet but may not meet. Qwest is not complying with the process, despite all of the work done in CMP to avoid this very result.

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Remarkably, neither Eschelon's "successful" completion of its Change Request nor Qwest's own non-compliance with both the process developed in CMP and the CMP procedures for modifying that process has stopped Qwest from asserting that Eschelon should take this issue to CMP! It is clear that returning this issue to CMP would be fruitless as Eschelon has already been there and obtained what it believed to be the desired result. Unfortunately, Qwest is simply choosing to actively ignore the terms defined via CMP that Eschelon has devoted resources to pursuing on this important, Customer-affecting issue. This is a good example of why language is needed in the interconnection agreement to provide certainty, when Qwest's contradictory conduct provides no certainty upon which a company may plan its business and resources. It is also a good example of why dispute resolution is not the solution. Because Qwest "completed" the Change Request, there is nothing in CMP to dispute.

#### ii. DELAYED ORDER EXAMPLE

#### Q. PLEASE DESCRIBE THE DELAYED ORDER EXAMPLE.

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A. The second example is "Delayed Orders when Facilities are Not Available." The substantive disagreement regarding this issue has been closed in Washington, but this example still typifies the manner in which Qwest can, and has, used CMP to its advantage. A detailed chronology on this issue is attached to the direct testimony of Ms. Johnson.<sup>81</sup>

On December 1, 2000, Eschelon submitted a Change Request via CMP. The purpose of Eschelon's Change Request was to request changes in Qwest's "held order" policy. At that time, Eschelon was experiencing a substantial number of "held" (*i.e.*, delayed) orders in situations when Qwest described the necessary facilities as "not available." Eschelon's Change Request was submitted in an attempt to prompt Qwest to adopt a policy related to facilities unavailability so that the substantial backlog of Eschelon held orders could be fulfilled. However, Qwest did not develop a policy that would provide for nondiscriminatory access to UNEs and fulfill the numerous Eschelon held orders. Qwest, instead, revised its held order policy so that all orders held (or pending)

<sup>&</sup>lt;sup>31</sup> See Exhibit BJJ-2; see Change Request ("CR") 5263637.

for 30 days would be cancelled. Stated differently, rather than help solve the underlying facilities availability problem, Qwest changed its held order policy in a way that cancelled all of Eschelon's backlog of delayed orders – ensuring that those orders would never be filled. It also removed those orders from the queue of orders to which facilities would be assigned were they to become available in the future. This subverts the non-discriminatory "first come, first served" provisioning policy. Ironically, Qwest then dubbed Eschelon's Change Request as "completed." However, based upon Eschelon's objection to this clearly erroneous designation, Qwest ultimately changed the resolution of the matter to a "denial" of Eschelon's request. Completion of Eschelon's Change Request in CMP, from submission to this unsatisfactory closure, took 469 days.

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#### Q. DOES THE ISSUE STOP THERE?

14 A. No. Given the manner by which Qwest had "resolved" this issue in CMP, 15 Eschelon determined that progress could be made on this issue only in the form of 16 contract negotiations directly between Qwest and Eschelon. Eschelon began 17 negotiations with Owest in early 2001. Eschelon's initial proposal was simply to 18 not cancel the orders until they are filled or CLEC cancels them, as had been the 19 practice and as occurs in the state of Washington still today. Those negotiations 20 have been ongoing ever since, culminating ultimately in Eschelon bringing it to 21 state commissions for arbitration (this remains open in every state but 22 Washington). Toward resolution of the matter, Eschelon in early 2005 offered to

Qwest two alternative proposals. Specifically, Eschelon first proposed that orders should be able to rest in a "held" fashion for 90, as opposed to 30, days. As part of this alternative, the language on delayed orders when facilities are unavailable would remain the same, except for the change from 30 to 90 days. As an additional alternative, Eschelon offered that, after 30 days, it re-issue the order and be allowed to maintain its place in the queue related to facilities when/if they did become available. Qwest would not agree to either proposal. Since that time, Eschelon has provided Qwest with two additional alternatives, bringing the total number of alternatives offered by Eschelon to four. Qwest refused to agree to any of Eschelon's four proposals.

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Instead, on June 1, 2006 (after Eschelon filed its arbitration petition in Minnesota asking regulators to review Qwest's conduct), Qwest, via CMP, issued a Level 3 notice adopting, in part, the extension from 30 days to 90 days that Eschelon had originally proposed. Eschelon responded in CMP by requesting that Qwest include all four of Eschelon's alternative proposals for CLEC consideration. The following is an excerpt from Eschelon's request:

"...Qwest indicates that this change may impact the arbitration of Eschelon's Interconnection Agreement. If Qwest is serious about dealing with the issue of orders held for no local facilities in CMP, Eschelon believes that Qwest should provide the CLEC community the opportunity to have meaningful dialogue on this topic. Qwest said in the Minnesota arbitration that: "The entire purpose of CMP was to ensure that the industry (not just Qwest or one CLEC) is involved in creating and approving processes." If

1 so, Qwest should include in its proposal, at least, the following 4 options to facilitate a full discussion with the CLEC community.<sup>82</sup> 2 3 4 The CMP Document allows Qwest several alternatives for responding to 5 such a comment, such as placing it on a meeting agenda or scheduling an ad hoc 6 call to discuss. Instead, Qwest merely "acknowledged" Eschelon's comment. 7 Qwest said: "With a Change Management Process level 3 change, Qwest is utilizing the formal comment process *which is what is required*."<sup>83</sup> On July 14, 8 9 2006, Qwest implemented the one alternative it preferred, the 90 day hold policy 10 described in its original notice (i.e., "Notice and Go") without discussion of the 11 other alternatives. 12 Q. DID **RESOLVE** 13 THIS THE **ISSUE** IN THE **MINNESOTA ARBITRATION?** 14 15 No. Rather than offer Eschelon this same 90 day held order alternative in its A.

A. No. Kahler than offer Escheron this same 90 day held ofder alternative in its arbitration in Minnesota, Qwest insisted that in the arbitration the 90 day held order policy must be tied to another provision allowing Qwest to automatically cancel Eschelon's order if Qwest determined that "copper is not in the ground."
In other words, if Qwest unilaterally determines that copper is not currently "in the ground" (however Qwest is using that term) it appears Qwest would not even

<sup>&</sup>lt;sup>82</sup> Exhibit MS-2 (Eschelon June 7<sup>th</sup>, 2006 Response to Qwest Product and Process Notice: PROD.06.01.06.F.03974.Held\_Order\_30\_to\_90\_Day), p. 1.

<sup>&</sup>lt;sup>83</sup> See Exhibit BJJ-2 (Delayed Order Chronology) at p. 9 (6/29/06) (emphasis added). This might as well "because that is all that is required."

leave Eschelon's order in a "held" status pending the availability of future facilities for 90 days, but would, instead, cancel that order outright. Nowhere is this "in the ground" language found in the SGAT or other ICAs.

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## Q. IS QWEST'S PROPOSAL IN MINNESOTA WITH RESPECT TO INSERTION OF ITS NEW "IN THE GROUND" LANGUAGE IN THE ICA CONSISTENT WITH QWEST'S POSITION ON CMP?

A. No. In its Response to Eschelon's Arbitration Petition in Minnesota, Qwest said that it would agree to Eschelon's 90 day held order policy if the delayed order issue "...is fully considered and adopted through the CMP." When Qwest announced its change through CMP, Eschelon suggested doing that very thing – fully considering the issue in CMP by sharing all four options and opening up the issue for discussion with multiple CLECs. Instead, Qwest implemented its onedimensional notice without regard for Eschelon's comment. Therefore, there was no full consideration of the issue. Once Qwest wanted a change, it took Qwest 43 days to implement it in CMP.

Even more significant, Qwest *did not include* in its CMP notice its new, later proposal to Eschelon in Minnesota to change the long standing language relating to "unavailability" of facilities (which is part of its current practice as still reflected in its current PCAT) to Qwest's new "in the ground" ICA language. In other words, interestingly, the only change that Qwest put through CMP, to support its arbitration position that CMP is where the issue belongs, is the issue of

30 versus 90 days. This is a CLEC friendly position and got no real opposition, other than Eschelon's comment. In contrast, *after* Qwest submitted the 90-day issue to CMP, Qwest provided its brand new proposal in Minnesota to change "available" to "in the ground" in Section 9.2.2.3.2 in the ICA negotiations, without any CMP activity. This shows Qwest is willing to accept ICA language that is not "uniform," even though an issue affects multiple CLECs, when the non-uniform provision benefits Qwest. Qwest should not be able to pick and choose when an issue belongs in ICA or CMP in this results-oriented manner.

If Qwest's claims about the mutual development of processes and the value of CMP for CLECs were meaningful, Qwest would have not only included the new language altering the availability terminology in its notice but also explained its proposal and opened it up for discussion. After all, Qwest states repeatedly throughout its position statements that the purpose of CMP is to "ensure that the industry (and not just Qwest or one CLEC) is involved in creating and approving processes so that processes are uniform among CLECs." That concept works great for Qwest when using CMP as a shield against ICA changes, but it is less handy for Qwest when it slows down something that Qwest wants to get done quickly before regulators take a hard look at it. Introducing the entirely new "in the ground" language through CMP would have risked CLEC objections, potentially slowing down Qwest's desired implementation. So, Qwest just skipped the CMP route for the "in the ground" proposal and went directly to ICA negotiations – something it opposes for CLECs.

#### iii. CRUNEC EXAMPLE

### Q. PLEASE DESCRIBE THE CRUNEC EXAMPLE RELATING TO SPECIAL CONSTRUCTION CHARGES.

A. The third example involves a change that Qwest implemented through CMP relating to special construction charges, which Qwest calls "CLEC Requested UNE Construction" or "CRUNEC." Generally, special construction is not required to provide UNEs except in those situations when other alternatives have been exhausted and no facilities are available to provide the requested service. The other alternatives that Qwest must perform before indicating there are no facilities include work that has been referred to as "Incremental Facility Work." For example, Section 9.1.2.1.2 of the Washington SGAT provides: "If cable capacity is available, Qwest will complete incremental facility work (*i.e.*, conditioning, place a drop, add a network interface device, card existing subscriber Loop carrier systems at the Central Office and remote terminal, add Central Office tie pairs, add field cross jumpers) in order to complete facilities to the Customer premises."

If, after exploring all alternatives including "Incremental Facility Work," facilities are still not available, these are "no-build situations." No-build situations exist when Qwest will not build for CLECs because it would likewise not build for itself for the normal charges assessed to its Customers. However, for

1	"special" additional charges associated with the cost of building facilities, Qwest
1	speerar additional enarges associated with the cost of building facilities, Qwest
2	will build facilities when the CLEC submits an application and agrees to pay
3	those higher charges through the process that Qwest calls "CRUNEC." Eschelon
4	does not use the relatively time-consuming and expensive special construction, or
5	CRUNEC, process. Qwest sends a substantial number of email notifications
6	about a wide variety of issues and products (some of which, like CRUNEC,
7	Eschelon generally does not order). Eschelon has to sift through the Qwest
8	notifications for those impacting its business and has little reason to review those
9	relating to CRUNEC.
10	On April 30, 2003, Qwest sent to all participating CLECs a Level 3
11	("notice and go") CMP notification, indicating an effective date of June 16, 2003
12	for a one-word change to its PCAT. The notice said:
13 14 15 16 17	Qwest is modifying/changing the existing manual process by removing conditioning as a limiting factor of the CRUNEC ["CLEC Requested UNE Construction"] process as it relates to DS1 Capable Loops when facilities are not available. <sup>84</sup>
18	Specifically, via this email notification, Qwest revised the PCAT dealing with
19	special construction for UNEs so as to remove the word "conditioning" from the
20	definition of "Incremental Facility Work" as follows:
21 22 23	Incremental Facility Work: Completing facilities to an end-user's premises ( <i>e.g.</i> , Conditioning, <i>p</i> Place a drop, add a Network Interface Device (NID), Central Office (CO) tie pairs, field cross-

<sup>&</sup>lt;sup>84</sup> PROS.04.30.03.F .011071.CRUNEC. For further details, *see* Exhibits BJJ-9 and BJJ-10 to the Testimony of Ms. Johnson.

connect jumpers, or card in existing Subscriber Loop Carrier systems at the CO and Remote Terminal).<sup>85</sup>

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On May 13, 2003, Covad objected to Qwest's revision, expressing concerns as to how this relatively minor-looking change might be implemented by Qwest in undertaking conditioning activities used by Covad on a regular basis. Covad indicated its concerns were rooted in the fact that the section of the PCAT from which the word "conditioning" was being removed was a list of activities Qwest would undertake *without* the need for the special construction (CRUNEC) process – *i.e.*, activities Qwest would perform in the normal course of providing UNEs *at no additional charge*.<sup>86</sup> Therefore, the likely impact of Qwest's change would be to require additional costly special construction (CRUNEC) charges for conditioning activities in situations in which CRUNEC-related charges were not required before (*i.e.*, previously, Qwest had conditioned loops in the normal course of provisioning without additional charge).

On May 21, 2003, Qwest "respectfully declined" Covad's comments. Instead of answering Covad's concern, Qwest's response to Covad in its entirety said:

Removal of the word "conditioning" from the PCAT language allows the CLEC to use CRUNEC for the build process of products where before they could not. Current products that have conditioning at no charge will not be affected. Qwest respectfully declines this comment.<sup>87</sup>

<sup>37</sup> <u>http://www.qwest.com/wholesale/downloads/2003/030521/CNL3\_response\_CRUNEC\_V4.doc</u>

<sup>&</sup>lt;sup>85</sup> <u>http://www.qwest.com/wholesale/downloads/2003/030430/PCAT\_CRUNEC\_V4\_1.doc</u>

http://www.qwest.com/wholesale/downloads/2003/030521/CNL3 response CRUNEC V4.doc

Qwest's proposed change went into effect, as Qwest planned, on April 30, 2003, with no delay as a result of Covad's expressed concerns. As indicated below, only later did Eschelon and other CLECs learn that, by extending the so-called opportunity to CLECs "to use CRUNEC for the build process of products where before they could not," Qwest was, through its CMP email notification, actually requiring CLECs to pay special construction charges (*i.e.*, "use CRUNEC") in situations when before they paid no additional charges pursuant to their interconnection agreements.

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# 11 Q. DID QWEST'S CHANGE CAUSE UNEXPECTED PROBLEMS FOR 12 ESCHELON AND ITS END USER CUSTOMERS?

13 A. Yes, though at first it was unclear that Owest's CMP notice was the cause of the 14 problem. There was no apparent reason to associate the two events. As I said 15 earlier, Eschelon did not use the special construction (CRUNEC) process, so it did 16 not expect changes in that process to affect its business. Almost immediately after the effective date of Qwest's unilateral email notification, however, 17 18 Eschelon began experiencing a dramatic spike in the number of held orders 19 relative to DS1 loops ordered from Qwest. Early on, Echelon reported receiving 20 more than *four times* the number of these held order notices in 25 days than it had

1	I	received in the previous 170 days. <sup>88</sup> When an order goes "held," it is delayed, so
2		the End User Customer does not receive service on the expected due date or, if
3		cancelled, not at all. Therefore, inappropriate held orders are a serious
4		competitive issue.
5		
6	Q.	DID ESCHELON IMMEDIATELY NOTIFY QWEST WHEN IT
7		NOTICED THAT THE NUMBER OF DS1 HELD ORDERS HAD SPIKED?
8	А	Yes. Eschelon queried Qwest as to the substantial increase in held orders via
9		several emails, such as those attached to Ms. Johnson's testimony. Qwest
10		responded that the increase was likely due to the CMP change identified above,
11		and admitted that the effect of its CMP notice was to implement a new Qwest
12		policy related to "charging" for certain activities for which it had assessed no
13		charges in the past. Qwest said:
14 15 16 17 18		Qwest has in the past not fully enforced our contractual right to collect on the charges incurred when completing DS1 level unbundled services. Charging is the specific change that has occurred. <sup>89</sup>
19		Rates and the application of rates are outside the scope of Qwest's CMP process.
20		Although Eschelon and Qwest disagree about what all this means and how Qwest
21		implements it, Qwest admits that "discussion around rates associated with an

<sup>&</sup>lt;sup>88</sup> Eschelon's Comments Regarding Staff Second Report, ACC Docket No. T-00000A-97-0238 (July 18, 2003), p. 5.

<sup>&</sup>lt;sup>89</sup> Qwest (Teresa Taylor) email to Eschelon (July 3, 2003).

Interconnection Agreement are outside the scope of the CMP process."<sup>90</sup> In addition, Qwest has acknowledged that, in the meetings in which CMP procedures were developed (known as CMP "Re-Design"), "it was agreed that discussions on rate change were not in the scope of CMP."<sup>91</sup> Nonetheless, through its email notification, Qwest had revised the PCAT, via CMP, so that it could "enforce [its] contractual rights" to assess charges by requiring use of Qwest's CRUNEC process that it had not, in the past, assessed. I find it interesting here that Qwest used its CMP notice to enforce "contractual" rights that can only be interpreted as referring to an ICA (that is the primary contract dictating terms between Qwest and CLECs). In other words, even though the ICA is meant to govern when there are conflicts between an ICA and a CMP notice, Qwest purposefully used a CMP notice to implement a change in policy related to interpreting its ICAs.

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Perhaps more importantly, however, is the fact that Qwest's use of CMP held up Eschelon's DS1 End User Customers relative to their normally-scheduled due dates. The orders went on hold, even though the ICA under which Eschelon and Qwest were operating had not changed (nor had the SGAT, quoted above). As leverage to obtain those higher charges, Qwest refused to provide facilities

<sup>&</sup>lt;sup>90</sup> See Exhibit BJJ-3 (Expedite Chronology, quoting Qwest's response sent by email on November 7, 2005 (and dated November 4, 2005), to McLeod-Eschelon escalation. See

http://www.qwest.com/wholesale/downloads/2005/051104/Qwest\_Response\_to\_Escalation\_\_39\_McLe odUSA.doc

<sup>&</sup>lt;sup>91</sup> See CMP Meeting Minutes (May 12, 2002); see <u>http://www.qwest.com/wholesale/downloads/2002/020614/ProductProcessCMPMeetingDistribution</u> <u>Package06-19-02.pdf</u>

unless Eschelon and other CLECs requested special construction through "CRUNEC." The interval for a DS1 capable loop is five days in Washington. Under Qwest's "CRUNEC" process, there are 3-, 2-, 5-, and 30-day intervals for various activities associated with obtaining a quote before construction even begins.<sup>92</sup> The interval to actually construct the facilities is unknown because the interval is Individual Case Basis ("ICB").<sup>93</sup> Even assuming a CLEC were willing to pay the expensive CRUNEC charges, the impact on serving the Customer in a timely fashion is unacceptable when the CRUNEC process should not be required at all.

Before issuing its CMP notice, Qwest routinely performed "Incremental Facility Work" using UNE intervals and at no additional charge. This shows that Qwest had the capability to make facilities available in this way but had, through its "notice," simply chosen not to. Qwest's one-word CMP notice was just a means by which Qwest implemented a rate hike – using CMP as the vehicle to do so and causing End User Customer delays for Eschelon's Customers in the process.

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#### Q. WERE COVAD AND ESCHELON THE ONLY CLECS TO OBJECT?

<sup>93</sup> See id.

<sup>&</sup>lt;sup>92</sup> See <u>http://www.qwest.com/wholesale/clecs/crunec.html</u>

1	А.	No. Twelve CLECs were active in CMP, and all twelve joined in escalating
2		Qwest's conduct in CMP. <sup>94</sup> Qwest implemented the change in its notice in CMP
3		over the strenuous objection of all of these active CLEC CMP participants.
4		CLECs then had to complain to the Arizona commission, which still had an open
5		271 proceeding at the time.
6		
7	Q.	DID THE ARIZONA COMMISSION AGREE WITH ESCHELON?
8	А.	Yes. In a September 16, 2003 Order in the 271 Docket, Docket No. T-00000A-
9		97-0238 (Decision No. 66242), the Arizona commission agreed with its Staff's
10		position, as outlined in a Staff report, that Qwest should suspend its new policy
11		and not change rates in this manner, in the context of CMP. Specifically, the
12		Commission said:
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> </ol>		109. Staff agrees with Eschelon with respect to the recently imposed construction charges on CLECs for line conditioning. Staff is extremely concerned that Qwest would implement such a significant change through its CMP process without prior Commission approval. As noted by AT&T, during the Section 271 proceeding, the issue of conditioning charges was a contested issue. Language was painstakingly worked out in the Qwest SGAT dealing with the issue of line conditioning which Qwest's new policy is at odds with. Staff recommends that Qwest be ordered to immediately suspend its policy of assessing construction charges on CLECs for line conditioning and reconditioning and immediately provide refunds to any CLECs relating to these unauthorized charges. Qwest should reinstitute its prior policy on
	94	On August 15, 2003, Allegiance, AT&T, Cbeyond, Contact Communications, Covad, Eschelon, MCI, McLeod USA, MTI, Tel-West, Time Warner Telecom, and U S Link proposed a resolution

MCI, McLeod USA, MTI, Tel-West, Time Warner Telecom, and U S Link proposed a resolution (the "12-CLEC Proposal"), to be discussed on the August 15th ad hoc CMP conference call, with respect to the CMP process, CRUNEC and CMP notices PROS.04.30.03.F.01071.CRUNEC\_ V4.0, PROS.05.21.03.F.01089.FNL\_CRUNEC, PROD.07.11.03.F.03468.UNECRUNEC\_V5.0, and PROD.08.06.03.F.03494.DelayedResponseCRUNEC.

these issues as reflected in its current SGAT. If Qwest desires to implement this change, then it should notify the Commission in Phase III of the Cost Docket, but must obtain Commission approval of such a change prior to its implementation. To the extent Qwest does not agree to these conditions, Staff recommends that Qwest's compliance with Checklist Items 2 and 4 be reopened. We agree with Staff.

# 9 Q. SINCE THE TIME OF THIS EXAMPLE, HAS THE FCC CONFIRMED 10 THAT QWEST MUST PERFORM THIS TYPE OF INCREMENTAL 11 FACILITY WORK FOR ESCHELON AND OTHER CLECS?

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12 Yes. In its Triennial Review Order ("TRO"), the FCC confirmed that Qwest (and A. 13 other ILECs) must make "routine network modifications" on behalf of CLECs 14 ordering UNEs, under the same terms and conditions by which they undertake those same types of modifications for themselves and their own retail customers.<sup>95</sup> 15 16 In other words, only if Qwest forces its own Customers into a time-consuming 17 and expensive construction process to build new facilities in the same 18 circumstances (which it does not), would the same treatment for CLECs be 19 justified. Therefore, Qwest's initial observation that it was not "fully enforcing" its rights to hold orders and apply charges for these types of "conditioning" 20 activities<sup>96</sup> was mistaken from the outset – an issue Eschelon would almost 21

<sup>&</sup>lt;sup>95</sup> Report and Order and Order on Remand, *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*,18 FCC Rcd 16978 (2003), *vacated in part and remanded*, USTA v. FCC, 359 F.3d 554 (D.C. Cir.), *cert. denied*, 125 S.Ct. 313, 316, 345 (2004) ("TRO") at ¶¶ 630-648.

<sup>&</sup>lt;sup>96</sup> Qwest (Teresa Taylor) email to Eschelon (July 3, 2003).

certainly have raised if Qwest had been required to address the issue with Eschelon via negotiations or a contract amendment.

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### Q. WHAT SHOULD THE COMMISSION TAKE AWAY FROM THIS EXAMPLE WITH RESPECT TO ADOPTION OF ICA LANGUAGE?

A. Qwest, through its CMP notice described above, knew it was changing the manner in which it processed and assessed charges related to CLEC orders. It is clear that the process Qwest wanted to implement (*i.e.*, assessing additional charges for conditioning) was inconsistent with the current language in its PCAT - language that needed to be changed in order to square with Qwest's intentions. Because that language was in the PCAT, and not specified in an ICA to the level of detail demanded by Qwest, Qwest was able to implement that change unilaterally and over the objection of its multiple CLECs. This change substantially undermined Eschelon's existing business processes and caused realworld orders to fail and Eschelon End User Customers to be delayed or go without service. If contract language in an ICA had governed this issue in more detail. Owest could not so easily, or independently, have changed its policy (or its "contractual rights") regarding this issue. Qwest would have had to offer the change in language to Eschelon, explain its intentions, and negotiate or arbitrate an amendment with Eschelon. Had Qwest been required to follow this approach, Eschelon's End User Customers would not have been held up and the dramatic

1	1	spike in Eschelon's "held orders" (each one representing an Eschelon End User
2		Customer whose service is delayed) could have been avoided.
3		Instead, Eschelon and other CLECs had to rush to a state commission in a
4		crisis mode, while End User Customers were being negatively affected, and
5		request speedy relief. Fortunately, Arizona happened to have an open 271
6		proceeding in which comments were soon due. The alternative today, without
7		271 proceedings, would be for each objecting CLEC to incur the expense of filing
8		one or more complaints before the state commissions, under the CMP or ICA
9		dispute resolution provisions (or both), asking the commissions for expedited
10		relief. Inclusion of specific ICA language in the contract on open issues as a
11		result of this arbitration will help avoid disputes and these kinds of crisis
12		situations that require expedited action from the Commission.
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14 15		iv. SECRET TRRO PCATS EXAMPLE
16	Q.	WHY DO YOU REFER TO THE FOURTH EXAMPLE AS THE "SECRET
17		TRRO PCATS" EXAMPLE?
18	A.	After the FCC issued its TRO, Qwest developed a PCAT document intended to
19		implement terms of the TRO in a fashion Qwest claimed to be most consistent
20		with its newly-defined obligations relating to UNEs. Qwest attempted to force
21		CLECs to execute amendments reflecting Qwest's interpretation of its post-

1		without allowing CLECs the ability to review the PCAT documents in which
2		Qwest placed operative language regarding Qwest's interpretation. Qwest
3		password protected the PCAT changes and initially refused to provide the
4		password until after a CLEC signed Qwest's TRRO amendment, so the CLEC
5		would learn the full effect of those amendment terms only after signing it.
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7	Q.	PLEASE ELABORATE ON THE "SECRET TRRO PCATS" EXAMPLE.
8	A.	On October 27, 2004, Qwest issued a change request entitled, "FCC Triennial
9		Review Order CC 01-338 (TRO), U.S. Court of Appeals for the DC Circuit
10		decision (USTA II) Decision No. 00-1012, and FCC Interim Rules Compliance:
11		Certain Unbundled Network Elements (UNE) Product Discontinuance."97 A
12		chronology of events relating to this Change Request is attached to the testimony
13		of Ms. Johnson. <sup>98</sup>
14		Qwest's Change Request dealt with the availability of UNEs pursuant to
15		Qwest's interpretation of the TRO, USTA II Decision, and the FCC's Interim
16		Order. This notice said it was to inform CLECs that whatever UNEs Qwest
17		claimed were "declassified" pursuant to these rulings would no longer be
18		available through the PCAT or for CLECs without an ICA. Qwest indicated that
19		there would be no transition for these changes and that the impacts of this notice

<sup>&</sup>lt;sup>97</sup> Change Request No. SCR102704-1RG. Qwest originally filed this Change Request as a "systems" Change Request, but later changed that designation to a "product/process" Change Request.

<sup>&</sup>lt;sup>98</sup> See Exhibit BJJ-7.

1	would be retroactive. <sup>99</sup> On November 8, 2004, Covad escalated the issue in
2	CMP, asking Qwest to withdraw the TRO/USTA II Change Request. <sup>100</sup> Covad
3	objected on numerous grounds, including: (i) it was premature for Qwest to make
4	these determinations about UNE availability since there were pending
5	proceedings before the FCC and state commissions dealing with these exact
6	issues; (ii) it was inappropriate for Qwest to implement its legal rights and
7	obligations through CMP instead of ICAs; (iii) Qwest's interpretation of the
8	FCC's rules and court orders was incorrect; (iv) and Qwest did not follow the
9	proper steps for issuing a regulatory Change Request. <sup>101</sup> Eschelon joined
10	Covad's escalation in November 2004. Importantly, in its binding response to
11	Covad's escalation, Qwest on November 16, 2004, stated that the "Change
12	Request is not superseding the language in the CLEC ICA" and that because "this
13	is a change to limit the availability of certain products only, Qwest believes this is
14	a Level 4 change and belongs in CMP." <sup>102</sup> Eschelon and CLECs continued to
15	raise concerns about Qwest's Change Request in CMP monthly meetings and
16	oversight committee meetings, stating that changes that affect UNE availability
17	should be addressed in negotiation/arbitration and not in CMP. <sup>103</sup>

<sup>&</sup>lt;sup>99</sup> Note that when the FCC's TRRO came out, it included very specific transition timeframes for UNEs that are declassified.

<sup>&</sup>lt;sup>100</sup> Covad Escalation No. PC102704-1E32.

<sup>&</sup>lt;sup>101</sup> See id.

<sup>&</sup>lt;sup>102</sup> See Exhibit BJJ-7 (11/16/04 Qwest binding response to Covad). Qwest's entire response to Covad's escalation is provided in Exhibit BJJ-7.

<sup>&</sup>lt;sup>103</sup> See Exhibit BJJ-7 (11/17/04 CMP November monthly meeting - Eschelon stated that "this should not be discussed in CMP. We do not discuss legal interpretation in CMP. This should be done in a

1	On January 7, 2005, Qwest refused to withdraw the TRO/USTA II PCAT.
	When the permanent rules were released in the TRRO, <sup>104</sup> it was evident that
	Qwest's interpretation of its obligations set out in its premature PCATs did not
	comport with the permanent rules. Qwest indicated that it would withdraw its
	previous PCATs that were inconsistent with the permanent rules and "would
	notify via the same Change Request."105 Although CLECs requested ICA
	negotiations rather than use of CMP, Qwest at least indicated it would do one or
	the other. At a June 30, 2005 CMP ad hoc meeting, Qwest then indicated that it
	would negotiate ICAs with CLECs and that "no TRO/TRRO changes to its
	products and processes will be made across the board until such language is
	final."

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different forum." At the same CMP meeting, Covad stated, "this is an ICA negotiation discussion." TelWest said "It should be arbitrated and not unilaterally implemented by Qwest.); see also id. (1/4/05 CMP Oversight Committee Meeting - Eschelon indicated that "if Qwest will limit product availability in its existing ICA, Qwest would need to notify Eschelon through the change in law provisions of its contract and not through a PCAT CMP notice." Bill Campbell from Qwest agreed.); see also id. (1/10/05 CMP Oversight Committee meeting - Eschelon expressed concern about dealing with these issues in CMP: "Bonnie Johnson said that product availability is based on the ICA and even though Qwest notices about product availability, CLECs can't get the products without an agreement including the product." Also "Liz Balvin [Covad] and Bonnie Johnson stated that the Change Request should not have defaulted to CMP as it was not the appropriate approach and the importance of keeping the CMP guidelines in tact." Covad, Eschelon AT&T, TDS/Metrocom and MCI all recommended that the Change Request be deferred until permanent rules are issued.)

<sup>&</sup>lt;sup>104</sup> Order on Remand, Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, WC Docket No. 04-313; CC Docket No. 01-338, FCC 04-290 (rel. February 4, 2005) ("TRRO").

<sup>&</sup>lt;sup>105</sup> See Exhibit BJJ-7 (2/16/05 CMP February monthly meeting minutes).

# 1Q.DID QWEST GO FORWARD WITH EITHER THE CMP APPROACH OR2ICA NEGOTIATIONS FOR IMPLEMENTING ITS TRRO PCAT3CHANGES?

No. Qwest made matters even worse. Qwest initially told CLECs in CMP 4 A. 5 meetings that Qwest will negotiate the TRRO changes with CLECs and will not update the PCATs until language is finalized and PCAT changes are brought 6 through CMP.<sup>106</sup> However, on September 12, 2005, Qwest issued a wholesale 7 notification, entitled "Triennial Review Remand Order (TRRO) Products & 8 Services."<sup>107</sup> Contrary to Qwest's statements in CMP, this notification was not a 9 10 CMP notice, which means that it did not go through CMP and there was no 11 opportunity for CLEC comment, input, or other participation. Qwest made this 12 non-CMP notice effective three weeks after the issuance date – even quicker than 13 the "notice and go" notifications Owest issues through CMP. But Owest's non-CMP notice<sup>108</sup> was even more egregious: Owest posted its proposed TRO/TRRO-14 related documents on a password protected website, and refused to provide 15 CLECs with the necessary username/password to access the documents until 16 after the CLEC executed the TRO/TRRO amendments.<sup>109</sup> This is the secrecy 17 referred to in "Secret" PCAT.<sup>110</sup> 18

<sup>&</sup>lt;sup>106</sup> Exhibit BJJ-7 (Meeting Minutes from 6/30/05 AdHoc CMP meeting).

<sup>&</sup>lt;sup>107</sup> Product Notice Document No. PROS.09.12.05.F.03236.TRRO\_Login\_Product\_Page

<sup>&</sup>lt;sup>108</sup> See Exhibit BJJ-7 (1/18/06 CMP monthly meetings - Jill Martain (Qwest) stated that the TRRO notice "was separate and that it was a non-CMP notice.")

<sup>&</sup>lt;sup>109</sup> See Exhibit BJJ-7 (9/12/05 - Qwest's non-CMP announcement stated: "When the CLEC receives a copy of their signed amendment Qwest will also include a letter that advises them how to access the

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2	Q.	DID ESCHELON RAISE CONCERNS ABOUT THE SECRET PCAT?
3	A.	Yes. On September 12, 2005, Eschelon requested a copy of the secret PCAT, and
4		also raised concerns about Qwest's intentions with respect to the non-CMP secret
5		PCAT:
6 7 8 9 10 11 12 13 14 15 16 17		Does Qwest intend to try to take a similar approach, in which Qwest does not include terms in the ICA but then attempts to impose them through a PCAT (one that has not even been through CMP), after Eschelon has signed an Agreement?the language described in the enclosed notice did not go through CMPQwest's notice does not even allow for a comment periodThis notice/conduct appears to be yet another reason to limit any reference to the PCAT in the ICA and deal with any terms that need to be negotiated in the ICA. The ICA controls; not the PCATIf you want such terms with Eschelon, you need to propose them in negotiations and negotiate with us. <sup>111</sup>
18		On September 29, 2005, Qwest announced that "[a]s a result of customer
19		feedback" the password for the secret PCAT was being made available to CLECs,
20		but that it would continue to be distributed outside of CMP and would remain
21		password-protected or "secret." <sup>112</sup> Qwest continues to issue additional secret
	 	web site using an assigned USERID and Password to access the PCATs" Owest's non-CMP notice

web site using an assigned USERID and Password to access the PCATs." Qwest's non-CMP notice included a similar "Note" that is included on CMP documentation stating that "in cases of conflict between the changes implemented through this notification and any CLEC interconnection agreement (whether based on the Qwest SGAT or not), the rates, terms and conditions of such interconnection agreement shall prevail as between Qwest and the CLEC party to such interconnection agreement.")

<sup>&</sup>lt;sup>110</sup> Password-protected PCATs are referred to as "Secret" PCATs to distinguish them from generally available PCATs accessible without a password distributed through Qwest's notice process.

<sup>&</sup>lt;sup>111</sup> See Exhibit BJJ-7 (9/12/05 – Eschelon email to Qwest)

<sup>&</sup>lt;sup>112</sup> See Exhibit BJJ-7 (9/25/05 Qwest announcement)

PCATs.<sup>113</sup> Additional users that want to review secret PCATs have to obtain the password before being able to do so.

## Q. DID QWEST EVER OFFER ANY REASON FOR ISSUING THE SECRET PCAT AS A NON-CMP NOTICE?

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6 A. Amazingly, Qwest claimed that there was agreement among Qwest and CLECs in 7 CMP that Qwest could issue them as non-CMP notices unaccompanied by any 8 ICA negotiations, SGAT review, or any other method for CLEC input and 9 participation and/or Commission oversight. Qwest ignores that CLECs said the 10 proper alternative to CMP was to handle TRRO changes in law through 11 negotiations that, if unsuccessful, would be decided by state commissions in ICA 12 arbitrations. Qwest also ignores its own statements afterward that it would pursue 13 its Change Request in CMP and to bring PCAT changes through CMP. Qwest 14 claims that CLEC opposition to addressing these issues in CMP rather than ICA 15 negotiations can somehow be construed as CLEC consent for Qwest to unilaterally impose its TRRO view "outside the scope of CMP"<sup>114</sup> with no 16 17 negotiation or arbitration. No reasonable interpretation of CLEC comments leads 18 to this result. For example, TelWest specifically said in CMP that the issues "should be arbitrated *and not unilaterally implemented by Owest*."<sup>115</sup> Owest's 19

<sup>&</sup>lt;sup>113</sup> See, e.g., Exhibit BJJ-7 (7/21/06 non-CMP Product notice document number PROS.07.21.06.F.04074.TRRO\_Reclass\_Termin\_V1)

<sup>&</sup>lt;sup>114</sup> See Exhibit BJJ-7 (3/29/06 – Qwest service management email to Eschelon)

<sup>&</sup>lt;sup>115</sup> See Exhibit BJJ-7 (11/17/04 CMP November monthly meeting minutes)

claim now that CLECs' position on ICA negotiations meant that Qwest can unilaterally implement the TRRO PCATs flies in the face of such clear statements to the contrary.

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## Q. BRIEFLY, WHY SHOULDN'T QWEST IMPLEMENT TRRO PCATS UNILATERALLY?

A. Aside from the fact that Qwest agreed to negotiate these issues before making TRRO changes across the board and said it would at least bring TRRO PCATs through CMP,<sup>116</sup> the law and current interconnection agreements require Qwest to negotiate changes of law (such as TRRO) through interconnection agreement negotiation and arbitration.

While Qwest may argue that it has unilateral control over provisioning of elements that are no longer required to be unbundled, the transition away from UNEs is subject to Section 252, including its provisions giving authority to the Commission to decide these issues. In the Verizon arbitration in Washington, for example, the ALJ found that "the Commission specifically provided that the parties address through the Section 252 process the transition away from provisioning elements on an unbundled basis that the FCC has determined are no longer required to be unbundled."<sup>117</sup>

<sup>&</sup>lt;sup>116</sup> See Exhibit BJJ-7 (6/30/05 CMP ad hoc meeting minutes)

<sup>&</sup>lt;sup>117</sup> See Verizon WA ALJ Arbitration Order, ¶105, citing TRO, ¶¶ 700, 701; TRRO, ¶ 142 n.399, ¶ 198 n.524, ¶ 228 n.630, ¶ 233.

1	In any event, Qwest's so-called "TRRO" PCATs are not limited to
2	provisioning of elements that are no longer required to be unbundled and address
3	or at least impact UNEs and other Section 251 services. Qwest recently issued
4	another non-CMP, secret PCAT notice about new Qwest terms for converting
5	UNEs to alternative or analogous services. <sup>118</sup> This recent secret PCAT is
6	discussed in Issues 9-43 and 9-44 (conversions). Although Qwest refers to it as a
7	"TRRO" PCAT, it relates to collocation and contains terms that affect UNEs
8	(such as a freeze on ordering and changing UNEs for a time). Eschelon has
9	requested negotiation of these issues with Qwest and specifically asked for
10	participation of Qwest subject matter experts to facilitate the discussion. Qwest
11	has rejected Eschelon's request indicating that this issue should be addressed in
12	CMP – despite the fact that Qwest did not issue a CMP notice on this change to
13	begin with, and has refused to address this issue in CMP. Information is sketchy,
14	but there appears to be significant problems (not the least of which is a freeze on
15	any new orders or moves, adds, changes in affected collocations for a time) with
16	Qwest's new changes (for which the Qwest effective date has passed). These
17	issues should be negotiated and reflected in ICA language.

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Q.

## WHAT DOES QWEST'S INSISTENCE ON ACTING UNILATERALLY SAY ABOUT ITS TRUE VIEW OF ICA NEGOTIATIONS AND CMP?

<sup>&</sup>lt;sup>118</sup> See Exhibit BJJ-7 (7/21/06 - "TRRO-Reclassification of Terminations for Unbundled Network Element (UNE) Conversions – V1.0").

1 A. When Qwest's objective was to defeat the pick-and-choose rule, as I mentioned 2 earlier, Qwest extolled the virtues of negotiated interconnection agreements and 3 the importance of "...dynamic, innovative interconnection negotiations."<sup>119</sup> Qwest recognized that: "ILECs and CLECs have a fundamental interest in 4 5 making the interconnection process as *cooperative and open* as possible, since 6 both parties benefit from well-negotiated and mutually beneficial wholesale arrangements."<sup>120</sup> Qwest added that the "ability of carriers to negotiate binding 7 agreements with each other was a cornerstone of the Act."<sup>121</sup> Similarly, regarding 8 9 CMP, Qwest in its position statements in the Disputed Issues Matrix time and 10 again asserts the benefits of ensuring that Qwest and multiple CLECs collectively 11 create processes, suggesting this is to the benefit of all.

Here, we have another situation in which multiple CLECs are entreating Qwest to join each of them in that "cooperative and open" ICA negotiations process to negotiate TRRO changes to obtain a mutual benefit. Previously, Qwest at least said it would bring the TRRO PCATs through CMP, which in this case it claims is the appropriate forum for "processes" and "procedures." Despite the benefits that Qwest has, when convenient, extolled as to each of these procedures, Qwest has refused to use either of them with respect to the TRRO PCATs. Significant business issues, that may affect End User Customers and

<sup>121</sup> *Id.*, p. 6.

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<sup>&</sup>lt;sup>119</sup> Comments of Qwest Communications International Inc., CC Docket Nos. 01-338, 96-98, 98-147, October 16, 2003 at page ii (emphasis added).

<sup>&</sup>lt;sup>120</sup> *Id.*, pp. 3-4 (emphasis added).

impose resource burdens associated with implementation, require exchange of information, discussion, and negotiation. But, Qwest has provided no forum for this, despite significant passage of time and multiple requests from multiple CLECs, including Eschelon. Instead, Qwest has operated in secret behind the scenes to devise its own plan of implementing those changes in law, which it has presented as a fait accompli.

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## Q. WHAT INFORMATION CAN BE TAKEN FROM THE SECRET TRRO PCATS EXAMPLE?

A. This example, including the use of password-protected documentation to keep
 terms secret until after agreements are signed, demonstrates a continuing need for
 Commission oversight and involvement. While Qwest may have learned its
 lesson with respect to this particular tactic, the possibilities available to Qwest in
 unilaterally implementing terms and conditions consistent with its own policy
 objectives seem endless.

This example also typifies my contention that Qwest has a tendency to use CMP as a "shield" or "sword," whichever benefits Qwest at that particular time. Qwest imposed its unilateral view, in CMP, of the *TRO*, *USTA II*, and FCC's Interim Rules, which proved to be premature and a poor reflection of the permanent rules that were ultimately established (*i.e.*, the sword). This was done over the strong objection of CLECs, who disagreed with Qwest's use of CMP to implement changes in law as well as Qwest's interpretation of those changes.

Then, after permanent rules are issued, Qwest sends a notice notifying CLECs about new "secret" PCATs that are being established unilaterally outside the scope of the CMP to define Qwest's legal obligations (*i.e.*, the shield), without any participation by CLECs, and without CLECs even being afforded the opportunity to review the initial TRRO PCAT language before being asked to execute the TRRO amendment.

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## Q. IF ESCHELON DID NOT SIGN THE AMENDMENT RELYING ON THE "SECRET PCAT," WHY IS IT RELEVANT IN THIS ARBITRATION?

10 A. Qwest in this arbitration attempts to relegate to CMP one-third of the issues 11 brought forward by Eschelon, purportedly because those issues have some inherent relationship to the CMP process. Yet, Qwest's own actions indicate that 12 13 it views CMP as a vehicle that can be used to suit Qwest's purpose, and that any 14 inherent relationship between an issue and CMP appears to be defined solely by 15 Owest's decision to pursue the issue there or not. Owest stated in CMP before it 16 issued the first secret PCAT that it would negotiate TRO/TRRO changes with 17 CLECs, yet Owest has in its negotiations with Eschelon again punted these issues 18 back to CMP. Even worse, Owest now takes the position that an "agreement" 19 exists between itself and CLECs not to act on those issues in CMP, so it has been 20 unwilling to address those issues in CMP. Its unwillingness is clearly 21 demonstrated by Qwest continuing to implement these PCAT changes through 22 non-CMP notices. If Qwest believed that CMP was the appropriate forum (which presumably explains Qwest referring Eschelon back to CMP again), Qwest would have issued its notice through CMP and followed the rules laid out for CMP. Yet. Qwest chooses not to. Meanwhile, Qwest's secret TRRO PCATs continue to go into effect, with no oversight.

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#### Q. ANY FINAL OBSERVATON FROM THESE EXAMPLES?

A. Yes. Qwest may attempt to claim that these examples are isolated incidents that may not occur again. In some respects, however, the significance of these examples is that they occurred at all. If CMP was the disciplined process Qwest claims it is, or if the line between ICA issues and CMP were as clear as Qwest suggests, these examples would not have occurred at all. The examples demonstrate, however, how much play there is in the process and how much room Qwest has to maneuver – and the fact that Qwest has used that room to advantage itself relative to its own policy positions. This shows that the potential for abuse in the future (*i.e.*, during the new ICA term) is real. Qwest is still the dominant competitor in the markets in which Eschelon competes, as well as Eschelon's largest supplier. As such, safeguards are needed to protect against the capability that Qwest has to wield CMP as a shield and sword. Section 252 affords these safeguards through arbitrated interconnection agreement terms. Eschelon has exercised its right to bring certain terms and conditions to the Commission for review and to obtain a dispositive decision. By dispositive, I mean a decision that meets Eschelon's business need for certainty to plan its business and remain

1		competitive and also helps avoid disputes in the future by providing clear terms
2		on important issues. Relegating those issues to CMP, rather than decide each
3		issue on the merits of the disputed contract language, would not meet that need.
4		As these examples show, participating in CMP can be much like playing
5		cards with a big brother. It's frustrating when, because he's bigger and has more
6		access to information, he makes up the rules of the game as he goes along. <sup>122</sup>
7		Eschelon's ability to compete is at stake, while Qwest as the dominant carrier
8		holds the cards. Nonetheless, Congress has decided that it is the Commission
9		who should set the "rules" by establishing interconnection agreement terms and
10		conditions that must be filed, approved, and amended if changed.
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11 12 13 14 15		5. ESCHELON'S POSITION IS CONSISTENT WITH SECTION 252 AND CMP SCOPE AND EACH ISSUE REQUIRES DISPOSITIVE ICA LANGUAGE
12 13 14	Q.	SECTION 252 AND CMP SCOPE AND EACH ISSUE
12 13 14 15	Q.	SECTION 252 AND CMP SCOPE AND EACH ISSUE REQUIRES DISPOSITIVE ICA LANGUAGE
12 13 14 15 16	Q.	SECTION 252 AND CMP SCOPE AND EACH ISSUE REQUIRES DISPOSITIVE ICA LANGUAGE IS ESCHELON TRYING TO CIRCUMVENT CMP OR OTHERWISE
12 13 14 15 16 17	<b>Q.</b> A.	SECTION 252 AND CMP SCOPE AND EACH ISSUE REQUIRES DISPOSITIVE ICA LANGUAGE IS ESCHELON TRYING TO CIRCUMVENT CMP OR OTHERWISE "END RUN" THE PROCESS ENVISIONED BY THIS COMMISSION OR
12 13 14 15 16 17 18		SECTION 252 AND CMP SCOPE AND EACH ISSUE REQUIRES DISPOSITIVE ICA LANGUAGE IS ESCHELON TRYING TO CIRCUMVENT CMP OR OTHERWISE "END RUN" THE PROCESS ENVISIONED BY THIS COMMISSION OR THE FCC IN ESTABLISHING CMP?

<sup>&</sup>lt;sup>122</sup> This is particularly apparent in the jeopardies example, which is discussed at greater length in the Testimony of Mr. Webber and Exhibit BJJ-6 to the Testimony of Ms. Johnson.

in the SGAT, and with terms and purposes of Section 252(i) and the all-ornothing rule, also described above.

Although CMP has weaknesses that become self-evident when describing CMP procedures and providing examples of how Qwest has used CMP, the Commission does not have to find that CMP is "bad" or "broken" to determine any of the disputed issues in Eschelon's favor. The Commission simply has to recognize, as it did when approving the scope of CMP,<sup>123</sup> that interconnection agreement terms may vary and, when issues warrant arbitration and inclusion of language in the contract, the resulting publicly available terms govern. The issue then becomes whether each arbitrated issue, on its own merits, warrants inclusion in the contract, and if so, whether Eschelon's or Qwest's proposed language better fits the bill. In the remainder of Eschelon's direct testimony, Eschelon lays out each open issue and the reasons why Eschelon's position and proposed contract language on each issue should be adopted on the merits, starting with Issue No. 1-1 and moving through the Issues by Subject Matter List.

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<sup>&</sup>lt;sup>123</sup> The Scope of CMP is Section 1.0 of Exhibit G to several ICAs approved by this Commission, including the Qwest-AT&T ICA. The Commission also allowed the SGAT to go into effect, including Exhibit G containing this provision.

#### III. SUBJECT MATTER NO. 1. INTERVAL CHANGES AND PLACEMENT

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Issue No. 1-1 and subparts: ICA Sections 1.7.2; 7.4.7, 9.23.9.4.3, Exhibit C (Group 2.0 & Group 9.0), Exhibit I (Section 3), Exhibit N, Exhibit O

#### Q. PLEASE DESCRIBE THE BUSINESS REASON REGARDING INTERVAL 8 CHANGES AND PLACEMENT (ISSUE 1-1 AND (A)-(E)).

9 A. Provisioning intervals are critical to Eschelon's ability to provide timely service 10 to its End User Customers on the date they expect service. These provisioning 11 intervals dictate the timing of service delivery to the End User Customer, as well 12 as timing of the activities that the CLEC must perform in preparation for service 13 provisioning. When provisioning intervals are lengthened, the End User 14 Customer is forced to wait longer to receive service, and Eschelon is forced to 15 incur costs and dedicate personnel to adjust its internal systems and processes to 16 the longer interval. Shortened intervals, on the other hand, often benefit 17 Customers by allowing them to receive service more quickly, yet allow the CLEC 18 to keep the longer interval to the point necessary to effect necessary internal 19 adjustments.

> The Interval Changes issues (Issue 1-1 and (a)-(e)) will determine whether provisioning intervals for the products that Eschelon purchases from Qwest will reside in the ICA and require negotiation and Commission approval for critical

changes, as proposed by Eschelon, or whether, as proposed by Qwest, the ICA will point to non-contractual sources (such as CMP/PCAT/SIG) for provisioning intervals that can be unilaterally changed by Qwest.

There are established intervals in place today for Qwest products. CLECs who have built systems and products to support these intervals, and Customers who depend on those intervals to receive service, have come to rely on these established intervals. Inclusion of intervals in the ICA is the logical way to ensure End User Customers and their providers such as Eschelon an orderly and reliable provisioning process. In contrast, relegating these provisioning intervals to non-contractual sources, as proposed by Qwest, would require no binding commitment on the part of Qwest to continue to provision service within the existing intervals. Non-contractual interval sources would not allow Eschelon to rely on future provisioning intervals for its business planning because its ability to timely deliver services could change radically at Qwest's will.

It is important to note that Eschelon is not asking for different intervals in this arbitration than what Qwest already provides. Eschelon is only seeking stability, unless and until the interval is changed through an orderly process. Qwest's resistance to including currently-existing intervals in the contract signals that Qwest will, indeed, change those intervals if and when it sees fit, regardless of the negative effects on Eschelon and its End User Customers.

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#### Q. WHAT IS ESCHELON'S PROPOSAL ON ISSUE 1-1?

1 Eschelon proposes alternative ICA language modifications (Eschelon proposed A. language shown in underline) for Issue 1-1.<sup>124</sup> The first option would: (i) include 2 3 provisioning intervals in Exhibit C to the ICA; (ii) require ICA Amendment and Commission approval to lengthen provisioning intervals; and (iii) allow 4 5 shortening of intervals to be implemented through CMP. Eschelon's second 6 option for Issue 1-1 also includes provisioning intervals in Exhibit C but provides 7 that ICA Amendment and Commission approval would be needed for all interval 8 changes, not just when intervals are lengthened. 9

## Issue 1-1 (1<sup>st</sup> of 2 options)

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- 1.7.2 If the Commission orders, or Qwest chooses to offer and CLEC desires to accept, intervals longer than those set forth in this Agreement, including Exhibit C, the Parties shall amend this Agreement under one (1) of the two (2) options set forth in Section 1.7.1 (an interval Advice Adoption Letter or interval interim Advice Adoption Letter terminating with approval of negotiated Amendment) pertaining to the new interval (rather than new product) (or as otherwise ordered by the Commission). The forms of such letters are attached hereto as Exhibits N -O).
  - 1.7.2.1 Notwithstanding any other provision in this Agreement, the intervals in Exhibit C may be shortened pursuant to the Change Management Process (CMP) without requiring the execution or filing of any amendment to this Agreement.

Issue 1-1 (2<sup>nd</sup> of 2 options)

<sup>&</sup>lt;sup>124</sup> Throughout this testimony, Eschelon-proposed language to which Qwest disagrees is shown in <u>underline text</u>.

1 2 3 4 5 6 7 8 9 10 11		1.7.2 If the Commission orders, or Qwest chooses to offer and CLEC desires to accept intervals different from those set forth in this Agreement, including Exhibit C, the Parties shall amend this Agreement under one (1) of the two (2) options set forth in Section 1.7.1 (an interval Advice Adoption Letter or interval interim Advice Adoption Letter terminating with approval of negotiated Amendment) pertaining to the new interval (rather than new product) (or as otherwise ordered by the Commission). The forms of such letters are attached hereto as Exhibits N -O).
12	Q.	WHAT IS ESCHELON'S PROPOSAL FOR ISSUES 1-1(A) THROUGH
13		(E)?
14	A.	In Issues 1-1(a) through (e), Eschelon addresses the same issues as 1-1 (i.e.,
15		intervals should be in the ICA and changed through amendment and Commission
16		approval) in the appropriate ICA sections regarding specific products Eschelon
17		may purchase from Qwest pursuant to the ICA. Issue 1-1(a) applies to
18		interconnection trunk intervals; 1-1(b) applies to UDIT rearrangement intervals;
19		1-1(c) applies to Local Interconnection Services (LIS) Trunking intervals; 1-1(d)
20		applies to Individual Case Basis intervals; and 1-1(e) applies to LMC (Loop-Mux
21		Combinations) intervals.
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23		<u>Issue 1-1(a)</u>
24 25 26 27 28 29 30		7.4.7 Intervals for the provision of Interconnection trunks will conform to the performance objectives set forth in Section 20. Intervals are set forth in Exhibit C. Any changes to the Interconnection trunk intervals will be made as described in Section 1.7.2 Operational processes within Qwest work centers are discussed as part of the CMP. Qwest agrees that CLEC shall not be held to the requirements of the PCAT.

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2	Issue 1-1(b): [Eschelon proposes to omit Qwest's proposed footnote regarding
3	UDIT rearrangements from Exhibit C, and include intervals in
4	Exhibit C].
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6	Issue 1-1(c): [Eschelon proposes to include the LIS Trunking intervals in Exhibit
7	C].
8	<u>Issue 1-1(d)</u>
9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	<ul> <li>3.1.1 For the following products and services, for which the interval is ICB, Qwest shall provide the ICB due date interval to CLEC as follows:</li> <li>3.1.1.1 No later than seventy-two (72) hours after the application date for: <ul> <li>a) 25 or more 2/4 wire analog loops;</li> <li>b) 25 or more 2-wire non-loaded loops;</li> <li>c) 25 or more 4-wire non-loaded loops;</li> <li>d) 25 or more xDSL-1 capable loops;</li> <li>e) 9 or more conditioned loops for 2/4 wire non-loaded, ADSL compatible, xDSL-1, ISDN; and f) 25 or more lines Quick Loop and Quick Loop with LNP.</li> </ul> </li> <li>3.1.1.2 No later than one-hundred and ninety two (192) hours after the application date for: <ul> <li>a) 25 or more DS0 UDITs;</li> <li>b) 25 or more DS0 UDITs; and</li> <li>d) 4 or more DS3 EEL/Loop Mux</li> </ul> </li> </ul>
29	<u>Issue 1-1(e)</u>
30 31 32 33	9.23.9.4.3 Standard sService intervals for LMC(s) are set forth in Exhibit C. For UNE Combinations with appropriate retail analogues, the Provisioning interval will be no longer than the interval for the equivalent retail service. CLEC and Qwest can

1 2		separately agree to Due Dates other than the interval.
3	Q.	WHAT IS QWEST'S PROPOSAL ON ISSUE 1-1 AND (A)-(E)?
4	А.	Qwest proposes the following language for these issues:
5		<u>Issue 1-1</u>
6 7 8 9		<b>1.7.2</b> Notwithstanding any other provision in this agreement, the attached Exhibit C will be modified pursuant to the CMP process without requiring the execution of an amendment.
10		<u>Issue 1-1(a)</u>
11 12 13 14 15 16 17 18 19		7.4.7 Intervals for the provision of Interconnection trunks will conform to the performance objectives set forth in Section 20. Any changes to the Interconnection trunk intervals will be made through the Change Management Process (CMP) applicable to the PCAT, pursuant to the procedures set forth in Exhibit G. Operational processes within Qwest work centers are discussed as part of the CMP. Qwest agrees that CLEC shall not be held to the requirements of the PCAT.
20		<u>Issue 1-1(b)</u>
21 22 23		Qwest proposed footnote in Exhibit C: " <u>For UDIT rearrangements</u> see Qwest's wholesale website for the Service Interval guide."
24		Issue -1-1(c): [Qwest proposes deletion of entire Section 9.0 of Exhibit C (LIS
25		Trunking Service Intervals).]
26		
27		<u>Issue 1-1(d)</u>
28 29 30		<b>3.2</b> For ICB intervals for those standard products and services that require negotiated project time lines for installation, such as 2/4 wire analog loop for more than twenty-five (25)

1 2 3 4	loops, Qwest shall make every attempt to provide an FOC to CLEC pursuant to the guidelines contained in the Service Interval Guide.
5	<u>Issue 1-1(e)</u>
6 7 8 9	[24.4.3] Standard Service intervals for LMC(s) Loops are in the Service Interval Guide (SIG) available at www.qwest.com/wholesale
10	Qwest's proposals for 1-1 and 1-1 (a) through (e) are designed to address
11	provisioning intervals in non-contractual sources such as CMP, PCAT, and SIG,
12	rather than in the ICA. Qwest's language for 1-1 makes clear that changes will be
13	made to these intervals as Qwest desires, without ICA amendment or Commission
14	approval. Qwest makes several arguments in support of its proposals on Issue 1-1
15	and (a)-(e), most of which pertain to its overarching position that the CMP
16	process should be used to ensure uniformity among CLECs. <sup>125</sup>
17	
18 19	Issue No. 1-1: Changes to Intervals – Section 1.7.2 and Exhibits N and O

<sup>&</sup>lt;sup>125</sup> See, Qwest Petition, ¶¶ 137-142. I address Qwest's position on the CMP process and the extent to which it should be relied upon in the ICA in my preceding testimony. Qwest also argues that putting existing intervals in the ICA would "stop progress in its tracks" and make it impossible to change those in CMP process going forward (Qwest Petition, ¶ 142). Qwest is incorrect. Eschelon's proposal #1 would allow shortened intervals to be addressed in CMP because these are the changes that would be agreed to by the CLECs. And even Qwest acknowledges that this constitutes most, if not all, of the changes that will occur based on past experience. That is, unless Qwest has plans to lengthen intervals for CLECs – something that it has not done in the past. Eschelon's language does not disturb the ability of Qwest to secure lengthened intervals through Commission consideration and approval. Qwest has not explained how lengthening intervals so that Washington customers wait longer for service is "progress."

1	Q.	WHAT ARE THE KEY REASONS THAT YOU RECOMMEND
2		ADOPTION OF ESCHELON'S LANGUAGE OVER QWEST'S FOR
3		ISSUE 1-1 "INTERVAL CHANGES"?
4	A.	Eschelon's proposed language offers the reliability and consistency necessary for
5		End User Customers and their providers such as Eschelon to plan for their
6		business needs. The ability to look to the ICA for an essential term of each
7		product - the interval in which it will be provisioned - is consistent with the
8		scheme of the ICA and also with pronouncements of the FCC, as discussed more
9		fully below. The Eschelon language offers the Commission the opportunity to
10		use its regulatory oversight in a manner that is consistent with the Commission's
11		mission, yet streamlined. And Eschelon's proposed language would not create a
12		system that is unduly burdensome for either Qwest or regulators.
13		
14	Q.	YOU MENTIONED THAT ESCHELON'S LANGUAGE CREATES THE
15		OPPORTUNITY FOR THE COMMISSION TO ASSERT ITS
16		<b>REGULATORY OVERSIGHT. CAN YOU EXPAND ON THIS?</b>
17	A.	Eschelon's language is necessary to ensure that the Commission considers and
18		approves a longer interval before it goes into effect. This would allow the
19		Commission to consider the effects that these longer service intervals will have on
20		CLECs and their End User Customers and weigh that against Qwest's reasons for
21		lengthening the intervals. The Commission will also be able to consider whether
22		Qwest's new provisioning intervals meet applicable rules and regulations. For

1		example, the Commission must determine that the longer interval still meets the
2		FCC's requirement that UNEs be provided on terms that are just, reasonable, and
3		nondiscriminatory, and that the UNE is provided in "substantially the same time
4		and manner" (for an element with a retail analogue) and in a way that provides a
5		"meaningful opportunity to compete" (for an element with no retail analogue). <sup>126</sup>
6		The Commission would have no opportunity to make these determinations if
7		Qwest has its way.
8		
9	Q.	HAS THE WASHINGTON COMMISSION RECOGNIZED THE
9 10	Q.	HASTHEWASHINGTONCOMMISSIONRECOGNIZEDTHEPOTENTIALLYHARMFULEFFECTSOFLENGTHENED
	Q.	
10	<b>Q.</b> A.	POTENTIALLY HARMFUL EFFECTS OF LENGTHENED
10 11		POTENTIALLY HARMFUL EFFECTS OF LENGTHENED PROVISIONING INTERVALS?
10 11 12		POTENTIALLYHARMFULEFFECTSOFLENGTHENEDPROVISIONING INTERVALS?Yes. The Washington Commission recognized this in the context of its review of
10 11 12 13		POTENTIALLYHARMFULEFFECTSOFLENGTHENEDPROVISIONING INTERVALS?Yes. The Washington Commission recognized this in the context of its review ofQwest's Section 271. In that case, Qwest proposed an interval for DS1 loops that

<sup>&</sup>lt;sup>126</sup> Memorandum Opinion and Order, In the Matter of the Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York, FCC 99-404, CC Docket No. 99-295 (rel. December 22, 1999) ("NY271 Order") at ¶ 125.

<sup>&</sup>lt;sup>127</sup> Twentieth Supplemental Order, Initial Order (Workshop Four): Checklist Item No. 4; Emerging Services, General Terms and Conditions, Public Interest, Track A, and Section 272, *In the Matter of the Investigation into US WEST COMMUNICATIONS, INC.'s Compliance with Section 271 of the Telecommunications Act of 1996 and In the Matter of US WEST COMMUNICATIONS INC.'s Statement of Generally Available Terms Pursuant to Section 252(f) of the Telecommunications Act of 1996.* Washington Docket Nos. UT-003022 and UT-003040 (November 14, 2001) ("WA 271 Order") at ¶ 125.

1 In addition, in the recent Verizon/CLEC arbitration in Washington, the 2 Commission found it appropriate to include an interval in the ICA to protect both 3 ILEC and CLECs "from unnecessary delay and gamesmanship."<sup>128</sup> 4 5 Q. HAS ANOTHER STATE COMMISSION FOUND THE NEED TO EXERT **ITS AUTHORITY WITH REGARD TO QWEST INTERVAL CHANGES?** 6 7 A. Yes. When Qwest previously tried to move from a 5-day to a 9-day loop interval 8 by simultaneously lengthening the interval for its retail customers, the Minnesota 9 Commission rejected Qwest's parity argument and found that the 5-day loop interval allowed competitors a meaningful opportunity to compete.<sup>129</sup> 10 The 11 Minnesota Commission found that Qwest cannot make intervals "unreasonable by lengthening the intervals for provision of retail service."<sup>130</sup> 12 13 14 Q. WOULD ESCHELON'S PROPOSAL #1 REQUIRE COMMISSION 15 **APPROVAL FOR ALL INTERVAL CHANGES?** 16 A. No. Eschelon's language will allow Qwest to shorten intervals without amending 17 the ICA, only requiring negotiation and amendment for lengthening the intervals. 18 According to Qwest's website, Qwest shortened service intervals in its SIG 39

<sup>&</sup>lt;sup>128</sup> Washington Order No. 18, ¶¶ 70, 114.

<sup>&</sup>lt;sup>129</sup> Findings of Fact, Conclusions of Law and Recommendations, In the Matter of a Commission Investigation into Qwest's Compliance with Section 271(c)(2)(B) of the Telecommunications Act of 1996; Checklist Items 1,2,4,5,6,11,13, and 14, Docket No. P-421/CI-01-1371 (Sept. 16, 2003) ("MN ALJ 271 Order") at ¶125.

<sup>&</sup>lt;sup>130</sup> *MN ALJ 271 Order* at ¶ 125.

times from July 2002 to June 2006. In contrast, according to Qwest, it has not lengthened any service intervals during this same time frame.<sup>131</sup> Based on past Qwest experience,<sup>132</sup> a vast majority of interval changes (if not all changes) would not require ICA amendments under Eschelon's proposed language. Therefore, Eschelon's proposal would not be burdensome because it would rarely, if ever, be used, and would be used only when there is a disagreement between the CLEC and Qwest. Qwest's proposal, on the other hand, would first require CLECs to address this issue in CMP, during which time Qwest can implement longer intervals over the challenge of CLECs, and then require the CLECs to come to the Commission when Qwest's unilateral changes affect the service provisioned to CLEC End User Customers.

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Q. YOU STATED THAT ESCHELON'S PROPOSAL FOR THIS ISSUE IS CONSISTENT WITH THE SCHEME OF THE ICA. IS IT TRUE, AS QWEST IMPLIES, THAT CMP CONTROLS SERVICE INTERVALS THAT ARE CONTAINED IN ICAS?

<sup>&</sup>lt;sup>131</sup> Eschelon counted two lengthened intervals during this time frame, but these lengthened intervals were to make corrections and comply with state service quality rules. Qwest "Service Interval Guide for Resale, UNE & Interconnection Services History Log" http://www.gwest.com/wholesale/downloads/2006/060615/HL SIG V71.doc

<sup>&</sup>lt;sup>132</sup> Qwest pointed out in the companion Minnesota docket that all interval changes have been shortened intervals. Qwest has not, however, made any commitment to continue this trend, and, unlike in previous years, no 271 approvals are pending to incent Qwest to shorten intervals.

1	A.	No. According to the CMP document, the only interval changes required by CMP
2		to go through CMP are interval changes to Qwest's SIG. <sup>133</sup> If an interval in the
3		contract conflicts with an interval in the SIG, the CMP Document is very clear
4		that the ICA controls. <sup>134</sup> Qwest's assertion that these intervals should be
5		relegated to CMP to ensure uniformity is belied by Qwest's CMP documentation
6		that discusses potential differences between the intervals established in SIG and
7		those negotiated between Qwest and the CLEC.
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9	Q.	YOU ALSO TESTIFIED THAT ESCHELON'S PROPOSAL FOR
10		INTERVALS IS CONSISTENT WITH FCC FINDINGS. HAS THE FCC
10 11		INTERVALS IS CONSISTENT WITH FCC FINDINGS. HAS THE FCC ADDRESSED RELIANCE ON NON-CONTRACTUAL WEBSITE
11	А.	ADDRESSED RELIANCE ON NON-CONTRACTUAL WEBSITE
11 12	А.	ADDRESSED RELIANCE ON NON-CONTRACTUAL WEBSITE POSTINGS, AS ADVOCATED BY QWEST IN ITS PROPOSAL?
11 12 13	А.	ADDRESSEDRELIANCEONNON-CONTRACTUALWEBSITEPOSTINGS, AS ADVOCATED BY QWEST IN ITS PROPOSAL?Yes. In its Forfeiture Order, the FCC held that at "no point did we create a
11 12 13 14	А.	ADDRESSEDRELIANCEONNON-CONTRACTUALWEBSITEPOSTINGS, AS ADVOCATED BY QWEST IN ITS PROPOSAL?Yes. In its Forfeiture Order, the FCC held that at "no point did we create ageneral 'web-posting exception' to section 252(a)." <sup>135</sup> In other words, the FCC
<ol> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> </ol>	А.	ADDRESSEDRELIANCEONNON-CONTRACTUALWEBSITEPOSTINGS, AS ADVOCATED BY QWEST IN ITS PROPOSAL?Yes. In its Forfeiture Order, the FCC held that at "no point did we create a general 'web-posting exception' to section 252(a)."In other words, the FCChas made clear that Qwest cannot avoid negotiation or arbitration simply by

<sup>133</sup> Exhibit BJJ-1 CMP Document at §5.4.3 and §5.4.5 <u>http://www.qwest.com/wholesale/downloads/2006/060130/QwestWholesaleChangeManagementDo</u> <u>cument\_01\_30\_06\_1\_.doc</u>

<sup>135</sup> FCC Forfeiture Order at ¶32.

<sup>&</sup>lt;sup>134</sup> Exhibit BJJ-1 CMP Document at §1.0.

1 Q. YOU EXPLAINED ABOVE THAT COMMISSION APPROVAL WOULD 2 RARELY, IF EVER, BE NEEDED BECAUSE LENGTHENED 3 INTERVALS HAVE NOT OCCURRED IN THE PAST. HAS ESCHELON 4 DESIGNED ITS PROPOSAL SUCH THAT IT IS NOT UNDULY 5 BURDENSOME ON THE RARE OCCASION THAT COMMISSION 6 **APPROVAL IS SOUGHT FOR A LONGER INTERVAL?** 

7 A. Yes. Amending the contract for changes in intervals is an efficient process 8 because Eschelon's language uses established streamlined procedures to amend. 9 Eschelon's proposed Section 1.7.2 and Exhibits N and O largely mirror Section 10 1.7.1 and Exhibits L and M, which contain streamlined procedures agreed to by 11 Eschelon and Qwest, to implement new products in the ICA. And, assuming 12 Qwest does not radically change past policy to pursue longer intervals, ICA 13 amendments would not be necessary for interval changes under Eschelon's 14 Proposal #1.

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# 16 Q. GIVEN THE IMPORTANCE OF INTERVALS, SHOULDN'T THE ICA 17 STATE THAT ALL INTERVAL CHANGES REQUIRE COMMISSION 18 APPROVAL?

A. Eschelon's Proposal #1 does not require Commission approval for shortened
intervals because shortened intervals can benefit the CLEC and its End User
Customers, and a longer due date can be obtained, if needed. Since changes to
shorten intervals would almost certainly be agreed to, and occur much more

1		frequently than lengthened intervals, Eschelon's proposal efficiently utilizes
2		resources of the Commission, Qwest and CLECs by requiring Commission
3		approval only when disagreement about the change in interval may occur.
4		However, given the importance of intervals, the Commission may desire
5		that all interval changes require Commission-approved amendments. If so,
6		Eschelon proposes a second language option (Proposal #2), which requires ICA
7		amendment whether an interval is lengthened or shortened. This option also uses
8		the established, streamlined procedures that have been applicable in the past to
9		new products (see Section 1.7.1) to expedite these amendments.
10 11 12 13 14		Issue No. 1-1(a): Interconnection Trunks – Section 7.4.7; Issue 1-1(b): UDIT Rearrangements—Exhibit C, Group 2.0; Issue 1-1(c): LIS Trunking—Exhibit C, Group 9.0; Issue 1-1(e): Intervals for Loop Mux Combinations (LMC)—Section 9.23.9.4.3 (Eschelon)/ Section 24.4.4.3 (Qwest)
15	Q.	WHAT IS THE RATIONALE BEHIND ESCHELON'S PROPOSALS ON
16		ISSUES 1-1(A) INTERCONNECTION TRUNKS, 1-1(B) UDIT
17		REARRANGEMENTS, <sup>136</sup> 1-1(C) LIS TRUNKING, AND 1-1(E) LOOP-
18		MUX COMBINATIONS?

<sup>&</sup>lt;sup>136</sup> Qwest's website describes a UDIT Rearrangement as follows: Rearrangement allows you to move or rearrange your UDIT or E-UDIT terminations on your demarcation point or change your UDIT or E-UDIT options. These Rearrangements are available through a single office or dual office request. Single office Rearrangements are limited to the movement of terminations within a single wire center. Dual office Rearrangements are used to change options or movement of terminations in two wire centers. Rearrangement is only available for existing and working UDITs or E-UDITs. <u>http://www.qwest.com/wholesale/pcat/udit.html</u>

1	A.	These issues pertain to whether intervals for various products that Eschelon
2		purchases from Qwest must be contained in the contract, or whether it is sufficient
3		for the contract to include references to Qwest's PCAT, SIG or its website.
4		The intervals proposed by Eschelon in Exhibit C for each of these products are
5		identical to the intervals that Qwest provides for the products today. Therefore,
6		Eschelon's proposal requires no change by Qwest; Eschelon seeks only the
7		inclusion of the current intervals in the Eschelon / Qwest contract, with the ability
8		of Qwest to lengthen intervals through the amendment process. In contrast, a
9		unilateral lengthening of product intervals by Qwest could significantly adversely
10		affect Eschelon's business and its ability to compete.
11		
12 13		Issue No. 1-1(d): ICB Provisioning Intervals – Exhibit I, Section 3
	Q.	Issue No. 1-1(d): ICB Provisioning Intervals – Exhibit I, Section 3 WHAT IS ESCHELON'S RATIONALE FOR ITS PROPOSAL FOR THIS
13	Q.	
13 14	<b>Q.</b> A.	WHAT IS ESCHELON'S RATIONALE FOR ITS PROPOSAL FOR THIS
13 14 15		WHAT IS ESCHELON'S RATIONALE FOR ITS PROPOSAL FOR THIS ISSUE?
13 14 15 16		WHAT IS ESCHELON'S RATIONALE FOR ITS PROPOSAL FOR THIS ISSUE? Again, Qwest's language points to non-contractual sources (here the SIG) for the
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> </ol>		<ul><li>WHAT IS ESCHELON'S RATIONALE FOR ITS PROPOSAL FOR THIS</li><li>ISSUE?</li><li>Again, Qwest's language points to non-contractual sources (here the SIG) for the timeframe in which Qwest will provide ICB intervals. Eschelon's proposal, on</li></ul>
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> </ol>		<ul><li>WHAT IS ESCHELON'S RATIONALE FOR ITS PROPOSAL FOR THIS</li><li>ISSUE?</li><li>Again, Qwest's language points to non-contractual sources (here the SIG) for the timeframe in which Qwest will provide ICB intervals. Eschelon's proposal, on</li></ul>
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> </ol>	A.	WHAT IS ESCHELON'S RATIONALE FOR ITS PROPOSAL FOR THIS ISSUE? Again, Qwest's language points to non-contractual sources (here the SIG) for the timeframe in which Qwest will provide ICB intervals. Eschelon's proposal, on the other hand, includes the ICB due date intervals in the ICA.
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> </ol>	A.	WHAT IS ESCHELON'S RATIONALE FOR ITS PROPOSAL FOR THIS ISSUE? Again, Qwest's language points to non-contractual sources (here the SIG) for the timeframe in which Qwest will provide ICB intervals. Eschelon's proposal, on the other hand, includes the ICB due date intervals in the ICA. ARE THERE OTHER REASONS THAT ESCHELON'S LANGUAGE

## OVERALL REASONING THAT INTERVALS SHOULD BE INCLUDED IN THE ICA?

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3 A. Yes. Section 3.1 of Exhibit I ("Individual Case Basis") states that Qwest will 4 provide an ICB interval within 20 business days, unless the ICA contains a 5 "specific provision" for when the ICB interval will be provided. Qwest provides 6 an ICB interval for certain products in the Firm Order Confirmation (FOC), which 7 arrives in much less than 20 days. Therefore, Eschelon's proposal for Issue 1-8 1(d) is designed to include in the ICA the same ICB provisioning intervals for 9 certain products that Qwest provides via FOCs in less than 20 business days today.<sup>137</sup> Eschelon's proposal requires no change by Owest in its ICB due date 10 intervals<sup>138</sup> and, unlike Qwest's proposal, gives meaning to Section 3.1 of Exhibit 11 I. 12

## 14 Q. PLEASE ELABORATE ON HOW ESCHELON'S PROPOSAL GIVES 15 MEANING TO SECTION 3.1 OF EXHIBIT I.

A. Section 3 of Exhibit I discusses "specific provision(s)" in which ICB intervals
will be less than 20 business days. Eschelon's proposed language only spells out
some of those specific provisions – provisions that exist today – to ensure that
Qwest provides these ICB intervals in the FOC as it does today and not the much
longer 20 business day interval.

<sup>&</sup>lt;sup>137</sup> These products and intervals are found in Eschelon's proposed language for Issue 1-1(d), shown above.

<sup>&</sup>lt;sup>138</sup> <u>http://www.qwest.com/wholesale/downloads/2006/060615/InterconnSIG\_V71.doc</u>

1	l	In addition, Section 9.2.4.3.1. of the ICA provides in agreed upon
2		language that, for certain loop products, Qwest will return a FOC to CLEC within
3		72 hours from order receipt. It states that "[s]uch FOC will provide CLEC with a
4		firm Due Date commitment" There is no exception for ICB due dates.
5		Eschelon's proposed language would therefore connect the dots between Section
6		3.1 of Exhibit I, which discusses specific provisions in which Qwest will provide
7		ICB intervals within the FOC period, and Section 9.2.4.3.1.2, which discusses
8		FOC intervals of 72 hours.
9		
10	Q.	PLEASE SUMMARIZE THE INTERVAL CHANGE ISSUES (ISSUE 1-1
11		AND (A)-(E)).
12	A.	Provisioning intervals are critical to Eschelon's ability to provide timely service
12 13	A.	Provisioning intervals are critical to Eschelon's ability to provide timely service to its End User Customers on the date they expect service. Eschelon's proposed
	Α.	
13	A.	to its End User Customers on the date they expect service. Eschelon's proposed
13 14	Α.	to its End User Customers on the date they expect service. Eschelon's proposed language calls for this key term to be included in ICA language for the relevant
13 14 15	Α.	to its End User Customers on the date they expect service. Eschelon's proposed language calls for this key term to be included in ICA language for the relevant products offered by Qwest. Eschelon does not ask for any change to Qwest's
13 14 15 16	Α.	to its End User Customers on the date they expect service. Eschelon's proposed language calls for this key term to be included in ICA language for the relevant products offered by Qwest. Eschelon does not ask for any change to Qwest's current intervals, just the inclusion of the terms in the ICA to provide necessary
13 14 15 16 17	Α.	to its End User Customers on the date they expect service. Eschelon's proposed language calls for this key term to be included in ICA language for the relevant products offered by Qwest. Eschelon does not ask for any change to Qwest's current intervals, just the inclusion of the terms in the ICA to provide necessary reliability for end users and Eschelon. Eschelon's proposal allows the
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> </ol>	А.	to its End User Customers on the date they expect service. Eschelon's proposed language calls for this key term to be included in ICA language for the relevant products offered by Qwest. Eschelon does not ask for any change to Qwest's current intervals, just the inclusion of the terms in the ICA to provide necessary reliability for end users and Eschelon. Eschelon's proposal allows the Commission appropriate regulatory oversight over these significant provisions,
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> </ol>	Α.	to its End User Customers on the date they expect service. Eschelon's proposed language calls for this key term to be included in ICA language for the relevant products offered by Qwest. Eschelon does not ask for any change to Qwest's current intervals, just the inclusion of the terms in the ICA to provide necessary reliability for end users and Eschelon. Eschelon's proposal allows the Commission appropriate regulatory oversight over these significant provisions, but allows for an existing, streamlined process to execute any change. Eschelon's

1	I	language, which would allow Qwest unilateral, non-contractual control over
2		provisioning intervals.
3		
4	IV.	SUBJECT MATTER NO. 11: POWER
5 6 7		<u>Issue No. 8-21 and subparts: ICA Sections 8.2.1.29.2.1; 8.2.1.29.2.2; 8.3.1.6;</u> <u>8.3.1.6.1; and 8.3.1.6.2 and subparts</u>
8	Q.	WHAT IS THE BUSINESS NEED ESCHELON ADDRESSES IN SECTION
9		8 OF THE ICA WITH ITS PROPOSED CONTRACT LANGUAGE
10		RELATED TO ISSUES 8-21 (A)-(D)?
11	А.	Eschelon purchases DC ("Direct Current") power from Qwest to electrify
12		telecommunications equipment it houses in collocation areas within Qwest's
13		central offices. Eschelon purchases DC power produced by the same "power
14		plant" equipment Qwest uses to electrify its own telecommunications equipment.
15		The contract language proposed by Qwest would force Eschelon to pay for large
16		amounts of power plant capacity it does not use. Likewise, it would force
17		Eschelon to pay more for DC power than Qwest itself pays. Eschelon's proposed
18		language is meant to ensure that Eschelon pays for the DC power and the power
19		plant capacity that it uses, and no more. Likewise, Eschelon's language is meant
20		to prohibit the type of discrimination inherent in Qwest's proposal.
21		
22	Q.	WHAT ARE ESCHELON'S PROPOSALS FOR ISSUES 8-21 AND (A)-(D)?

A. Eschelon proposes the following language for Issues 8-21 and (a)-(d). Eschelonproposed language opposed by Qwest is shown in <u>underlined text</u>, while Qwest-

proposed language that Eschelon opposes is shown in strikeout text:

### **Issue 8-21**

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8.2.1.29.2.1 CLEC orders DC power <u>plant\_feeder cables</u> in increments of twenty (20) amps per feed minimum. If CLEC orders an increment larger than sixty (60) amps, engineering practice normally terminates such feed on a power board. Qwest measures power usage on the power board, as described in Section 8.2.1.29.2.2 below. If CLEC orders an increment of sixty (60) amps or less, the power feed will normally appear on a Battery Distribution Fuse Board (BDFB). No power usage measurement occurs at a BDFB.

## **Issue 8-21(a)**

8.2.1.29.2.2 Measurement of Power Usage at the Power Board -Unless CLEC requests power measurement, power will not be measured. Qwest will bill CLEC power usage based on the size of the feeder cable ordered pursuant to Section 8.2.1.28.2.1 above amount of power ordered-unless power measurement is requested and until a reading is taken pursuant to this Section. Owest will measure power-usage at the power board on a semi-annual basis. However, Qwest also agrees to take a reading within thirty (30) Days of a written CLEC request. Qwest will perform a maximum of four (4) readings per year for a particular Collocation site. CLEC is required to have its equipment in place prior to making any request for Qwest measure power usage. If the initial measurement is zero, CLEC must notify Qwest when its equipment is in place and allow Owest an additional reading to measure power. Based on these readings, if CLEC is utilizing less than the ordered amount of power, Qwest will reduce the monthly power usage rate to CLEC's actual use based on the reading from the date of CLEC's measuring request on a going forward basis until the next reading. If CLEC is utilizing more than the ordered amount, Qwest will increase the monthly usage rate to the CLEC's actual use. Once Qwest receives a CLEC measuring request, it will bill

1 2 3 4	the actual power usage rate based on the reading from the date of the CLEC's measuring request, on a going forward basis, until the next reading.
5	<u>Issue 8-21(b)</u>
6 7 8 9 10 11	<ul> <li>8.3.1.6 -48 Volt DC Power. There are two -48 Volt DC Power charges, as described below, one for -48 Volt DC Power Plant and one for -48 Volt DC Power Usage.</li> <li><u>Both Power Charges described in this Section are adjusted based on usage readings when power is measured.</u></li> </ul>
12	<u>Issue 8-21(c)</u>
13 14 15 16 17 18 19 20 21	8.3.1.6.1 <u>There are two -48V DC Power charges: (1)</u> The -48 Volt DC Power Plant charge provides -48 Volt DC power to CLEC collocated equipment and is fused at one hundred twenty-five percent (125%) of request. The DC Power Plant Charge recovers the cost of the capacity of the power plant available for CLEC's use. (2) The -48 Volt DC Power Usage Charge, which is also specified in Exhibit A. Both -48V DC Power charges may be either non-measured or measured, as follows:
22	<u>Issue 8-21(d)</u>
23 24 25 26	8.3.1.6.2 The -48 Volt DC Power Usage Charge recovers the cost of the CLEC's power usage48 Volt DC Power Usage can be provided and charged on a non-measured basis, or, in some cases specified below, on a measured basis.
27 28 29 30 31 32 33 34 35	a) Non-Measured -48 Volt DC Power Usage Charge – Qwest will apply the -48 Volt Power Usage charge for the quantity of power ordered by the CLEC. Qwest will not adjust the billed usage based upon power usage readings. This applies to all CLEC orders for -48 Volt DC Power which are equal to or less than sixty (60) amps. Qwest will apply the -48 Volt DC Power Usage Charge for the quantity of power ordered by CLEC. Qwest will not adjust the billed usage based upon <u>actual usage.</u> –power usage

$     \begin{array}{r}       1 \\       2 \\       3 \\       4 \\       5 \\       6 \\       7 \\       8 \\       9 \\       10 \\       11 \\       12 \\       13 \\       14 \\       15 \\       16 \\       17 \\       18 \\       19 \\       20 \\     \end{array} $		<ul> <li>readings. This charge also applies to all CLEC orders for 48 Volt DC Power Usage which are greater than sixty (60) amps, unless CLEC orders 48 Volt DC Power Measurement, in which case CLEC will be charged for Measured 48 Volt DC Power Usage as described in Section 8.3.1.6.2(b) below.</li> <li>b) Measured -48 Volt DC Power Usage Charge – This measured power usage charge applies, if elected by CLEC, on a per amp basis to all orders of greater than sixty (60) amps. For orders of greater than sixty (60) amps. For orders of greater than sixty (60) amps. For orders of greater than sixty (60) amps. CLEC may elect Measured 48 Volt DC Power Usage pursuant to this provision by ordering 48 Volt DC Power Measurement. Qwest will initially apply the -48 Volt DC Power Usage Charge to the quantity of power ordered by CLEC. Qwest will determine read-the actual power-usage as described in Section 8.2.1.29.2.2 and will charge based on the power-usage at the time of the reading, on a going forward basis, until the next reading. There is a minimum charge of one amp.</li> </ul>
21	Q.	WHAT ARE QWEST'S PROPOSALS FOR ISSUES 8-21 AND (A)-(D).
22	A.	Qwest's proposed ICA language is shown below. Qwest proposed language that
22 23	A.	
	A.	Qwest's proposed ICA language is shown below. Qwest proposed language that
23	A.	Qwest's proposed ICA language is shown below. Qwest proposed language that Eschelon opposes is underlined and proposes to strike is shown in bold and
23 24	A.	Qwest's proposed ICA language is shown below. Qwest proposed language that Eschelon opposes is underlined and proposes to strike is shown in bold and

<u>Issue 8-21(a)</u>

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Measurement of Power Usage at the Power Board -8.2.1.29.2.2 Unless CLEC requests power measurement, power will not be measured. Qwest will bill CLEC power usage based on the size of the feeder cable ordered pursuant to Section 8.2.1.28.2.1 above amount of power ordered unless power measurement is requested and until a reading is taken pursuant to this Section. Qwest will measure power-usage at the power board on a semi-annual basis. However, Qwest also agrees to take a reading within thirty (30) Days of a written CLEC request. Qwest will perform a maximum of four (4) readings per year for a particular Collocation site. CLEC is required to have its equipment in place prior to making any request for Qwest measure power usage. If the initial measurement is zero, CLEC must notify Qwest when its equipment is in place and allow Qwest an additional reading to measure power. Based on these readings, if CLEC is utilizing less than the ordered amount of power, Owest will reduce the monthly power usage rate to CLEC's actual use based on the reading from the date of CLEC's measuring request on a going forward basis until the next reading. If CLEC is utilizing more than the ordered amount, Qwest will increase the monthly usage rate to the CLEC's actual use. Once Qwest receives a CLEC measuring request, it will bill the actual power usage rate based on the reading from the date of the CLEC's measuring request, on a going forward basis, until the next reading.

#### **Issue 8-21(b)**

8.3.1.6 -48 Volt DC Power. There are two -48 Volt DC Power charges, as described below, one for -48 Volt DC Power Plant and one for -48 Volt DC Power Usage. <u>Both Power Charges described</u> in this Section are adjusted based on usage readings when power is <u>measured</u>.

#### <u>Issue 8-21(c)</u>

8.3.1.6.1 There are two -48V DC Power charges: (1) The -48 Volt DC Power Plant charge provides -48 Volt DC power to CLEC collocated equipment and is fused at one hundred twenty-five

percent (125%) of request. The DC Power Plant Charge recovers the cost of the capacity of the power plant available for CLEC's use.

#### **Issue 8-21(d)**

 8.3.1.6.2 The -48 Volt DC Power Usage Charge recovers the cost of the CLEC's power usage. -48 Volt DC Power Usage can be provided and charged on a non-measured basis, or, in some cases specified below, on a measured basis.

a) Non-Measured -48 Volt DC Power Usage Charge -Qwest will apply the -48 Volt Power Usage charge for the quantity of power ordered by the CLEC. Owest will not adjust the billed usage based upon power usage readings. This applies to all CLEC orders for -48 Volt DC Power which are equal to or less than sixty (60) amps. Qwest will apply the -48 Volt DC Power Usage-Charge for the quantity of power ordered by CLEC. Qwest will not adjust the billed usage based upon-actual usage. -power usage readings. This charge also applies to all CLEC orders for -48 Volt DC Power Usage which are greater than sixty (60) amps, unless CLEC orders -48 Volt DC Power Measurement, in which case CLEC will be charged for Measured -48 Volt DC Power Usage as described in Section 8.3.1.6.2(b) below.

b) Measured -48 Volt DC Power <u>Usage</u> Charge – This <u>measured power usage charge</u> applies, if elected by CLEC, on a per amp basis to<u>all</u>-orders of greater than sixty (60) amps. For orders of greater than sixty (60) amps, <u>CLEC</u> may elect Measured -48 Volt DC Power Usage pursuant to this provision by ordering -48 Volt DC Power <u>Measurement</u>. Qwest will initially apply the -48 Volt DC Power <u>Usage</u> Charge to the quantity of power ordered by CLEC. Qwest will determine read-the actual <u>power-usage</u> as described in Section 8.2.1.29.2.2 and will charge based on <u>the power</u> usage at the time of the reading, on a going forward basis, until the next reading. There is a minimum charge of one amp.

## Q. PLEASE BRIEFLY DESCRIBE THE DISAGREEMENT BETWEEN ESCHELON AND QWEST EMBODIED BY ISSUES 8-21 AND ITS SUBPARTS.

5 A. Language subsumed by Issues 8-21 and (a) through (d) deals with the proper 6 application of DC Power Rate elements assessed by Qwest when Eschelon 7 purchases DC power to electrify telecommunications equipment Eschelon 8 collocates in Qwest central offices. While Eschelon is not, in this proceeding, 9 questioning the DC Power rate levels included by Qwest in Exhibit A to the ICA 10 (*i.e.*, the Pricing Exhibit), Eschelon does take issue with the manner by which 11 Owest intends to assess those rates. Specifically, Eschelon has asked Owest to measure the amount of electrical usage Eschelon consumes in electrifying its 12 13 equipment, and assess its DC Power rates based upon that usage (on a "per 14 Ampere" or "per Amp" basis). Owest has agreed to that approach for one of its 15 rate elements (*i.e.*, the rate element specifically assigned to the current used by 16 Eschelon's equipment), but not the other (a rate element meant to recover Qwest's 17 investment in the "power plant" facilities that convert AC current purchased by 18 Qwest from the electric utility into the DC power required by telecommunications 19 equipment).

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Q. PLEASE DESCRIBE THE TWO DC POWER-RELATED RATE ELEMENTS THAT YOU REFERENCE ABOVE?

Qwest, in Exhibit A, identifies two rate elements related to -48 Volt DC Power: 1 A. 2 (i) a *Power Usage* element that recovers the cost of the electrical current that 3 electrifies telecommunication equipment (Exhibit A, 8.1.4.1.2) and (ii) a Power Plant element that recovers Qwest's investment in the physical equipment that 4 5 converts the AC power purchased from the utility to the -48 Volt DC Power used 6 by most telecommunications equipment (Exhibit A, 8.1.4.1.1). Both rate 7 elements are identified in Exhibit A as being applied "per ampere, per month." 8 The disagreement arises as to whether the "amps per month" should be based 9 upon the electricity Eschelon actually uses (*i.e.*, a measured basis), or whether 10 Qwest should be allowed to use the size (in amps) of Eschelon's power 11 distribution cables connecting its collocation arrangement to the Qwest power 12 plant to assess the rates (what Qwest erroneously refers to as Eschelon's "power 13 order"). There are five discrete sections of the ICA in which contract language 14 has not been agreed to (representing Issues 8-21 and subparts), and each of these 15 issues is directly tied to this overall disagreement.

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Q.

## WHAT IS POWER PLANT, AS THAT TERM IS USED IN YOUR **TESTIMONY?**

19 A. There are four basic components which comprise a central office power system 20 used to electrify telecommunications equipment: (i) AC commercial power 21 (shown in black in Figure 1 below), (ii) standby AC power equipment (shown in 22 green), DC power plant (shown in blue) and (iv) DC power distribution including

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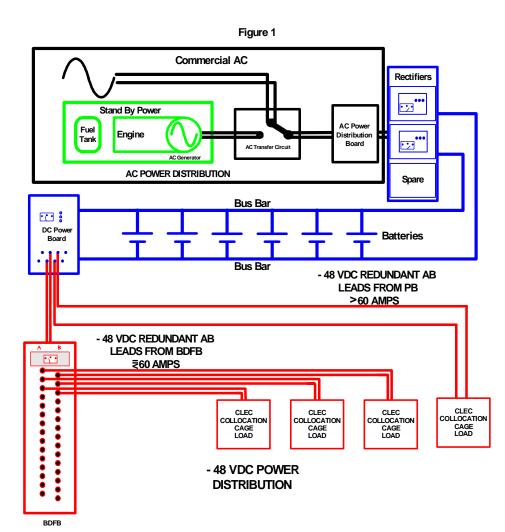
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power cables that connect a collocation area to Qwest's power plant (shown in red):



The primary purpose of the "power plant" is to convert the AC power purchased from the utility, to the DC power required by telecommunications equipment. DC power plant generally consists of the following equipment: (i) rectifiers, which are used for the AC/DC conversion; (ii) batteries, which provide the necessary current to power the equipment, serve as a filter to smooth out fluctuations in the

Page 105

commercial power, remove the 'noise' that power often carries, and provide necessary backup power should commercial power fail; and (iii) controllers, which manage the DC power. Power plant is a shared resource that serves all equipment in the central office. Qwest and its collocators power their equipment from the same power plant facilities.

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7 Q. HAS QWEST AGREED THAT ONE OF THE RATE ELEMENTS 8 DESCRIBED ABOVE, I.E., POWER USAGE GREATER THAN 60 AMPS, PER AMP, PER MONTH (8.1.4.1.2.2)<sup>139</sup> SHOULD BE BILLED BASED 9 UPON ESCHELON'S ACTUAL ELECTRICAL USAGE, RATHER THAN 10 11 THE SIZE OF THE POWER FEEDER CABLES ESCHELON MAINTAINS BETWEEN ITS COLLOCATION AND QWEST'S POWER 12 **PLANT?** 13

A. Yes. In late 2004, Qwest made available to its collocating CLECs an ICA amendment that would change the way Qwest assesses its DC power rate elements – the *DC Power Measuring Amendment* (a copy of that amendment is included with this testimony as Exhibit MS-3). In its amendment, Qwest agrees to change the manner by which it would assess at least one of its DC power rates (*i.e.*, *Power Usage Greater than 60 Amps, per amp, per month* - 8.1.4.1.2.2). Qwest agreed to measure the amount of electricity actually used by collocators

<sup>&</sup>lt;sup>139</sup> There are three (3) separate Power Usage rates: (1) Power Usage – Less Than 60 Amps; (2) Power Usage – Greater Than 60 Amps; and (3) Power Usage – Equal to 60 Amps. Power Measurement applies to power feeds of greater than 60 amps. (8.2.1.29.2.1).

and assess its Power Usage rate based upon the measured amperage, rather than applying its per amp rate to the number of amps capable of being carried by the collocators' power distribution cables as it had done in the past.

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# DID QWEST'S PROPOSED AMENDMENT INDICATE THAT IT Q. WOULD ALSO CHANGE THE WAY IT ASSESSES ITS POWER PLANT RATE, I.E., WHETHER IT WOULD NOW ALSO CHARGE ITS POWER PLANT RATE BASED UPON MEASURED USAGE?

9 There is substantial debate between Qwest and at least one of its collocators in A. 10 that regard.<sup>140</sup> The Amendment can certainly be read to suggest that Qwest did indeed agree to change the manner by which it charges CLECs its *Power Plant* 12 rate as well (*i.e.*, agreeing to assess it based upon measured usage), however, that 13 issue is moot in this circumstance. Eschelon did not sign the amendment. 14 Instead, because Eschelon was already in discussions with Qwest regarding a 15 successor ICA, Eschelon has addressed this issue in its ICA negotiations and now 16 in this arbitration. Nonetheless, whether Qwest should assess its per amp Power 17 Plant rate by applying it to the number of amps actually used by Eschelon (as 18 measured by Qwest), or to the number of amps defining the capacity of 19 Eschelon's power distribution cables remains the underlying question. Eschelon's 20 proposed language, Issues 8-21 (a)-(d), would require Qwest to assess both its

<sup>&</sup>lt;sup>140</sup> See McLeodUSA Telecommunications Services, Inc. v Qwest Corporation. WUTC Docket No. UT-063013.

*Power Usage* and *Power Plant* rates based upon the number of amps Eschelon actual uses (as measured by Qwest). Given that Qwest has agreed to assess its power usage charge in this fashion, the remaining dispute involves only the *Power Plant* element.

# Q. WHY SHOULD QWEST ASSESS THE POWER PLANT CHARGE BASED ON THE POWER USED BY ESCHELON RATHER THAN THE SIZE OF THE POWER CABLE ESCHELON ORIGINALLY ORDERED?

A. Qwest sizes its power plant facilities so that they are capable of producing enough electricity to power all of the telecommunications equipment in the central office (equipment for both Qwest and collocators) at peak demand. More specifically, Qwest power engineers identify, over time, the "busy hour" that exists in a given year, meant to reflect the absolute maximum or "peak" electrical drain required of the power plant by all existing equipment. The engineers then ensure that the power plant is sized so as to accommodate that "peak drain" – what power engineers often refer to as the "List 1 drain" for the central office In this way the power plant is driven by the amount of DC power used by the equipment in the central office (or stated differently, costs related to increasing the size of the equipment are incremental to additional usage). This is consistent with the application of *Power Plant* rates based on a collocator's usage because it requires power users who consume more electricity to pay for a larger portion of the power

plant needed to meet their needs, while smaller electrical consumers pay less because they use less of the power plant's overall capacity.

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# Q. WOULD APPLYING QWEST'S "PER AMP" *POWER PLANT* RATE TO THE SIZE OF ESCHELON'S POWER CABLE (MEASURED IN AMPS) BRING ABOUT A SIMILAR RESULT?

A. No. DC power distribution cables are sized not based upon peak demand under normal operating conditions (*i.e.*, List 1 drain) like power plant is, but instead on the maximum current that the equipment <u>may</u> draw when the batteries providing DC power are approaching a condition of total failure (loosely defined as "List 2 drain") – and as such, the equipment must draw more current (amps) so as to maintain necessary voltage. At the highest level, power cables are sized to accommodate the much larger List 2 drain because they anticipate non-"normal operating conditions" that may occur. If Eschelon or any other collocator is regularly using enough DC power to fully load its power feeder cables, a serious problem exists. For that reason, Qwest, by assessing its Power Plant rate based upon the size of Eschelon's DC power cables (instead of its measured usage), forces Eschelon to pay for a substantial amount of power plant capacity that it doesn't use.

The List 2 drain is also known as the recommended amperage because it is the amperage level Eschelon must order for its power cables to operate the equipment properly and in accordance with manufacturer's recommendations and safety standards. The recommended amperage is set at a higher amperage level (compared to the amperage that will actually be used by the equipment under normal circumstances) because it takes into account the worst case scenario, such as low voltage during a battery discharge.

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When sizing power cables a power engineer must identify the allowable maximum voltage drop between the BDFB/PB and the telecommunications equipment or CLEC collocation. This allows the engineer to size the smallest diameter power cable based on the cable length that must be traversed with a given amperage.

# Q. YOU STATE THAT QWEST SIZES DC POWER PLANT BASED ON THE PEAK USAGE OF ALL TELECOMMUNICATIONS EQUIPMENT IN THE CENTRAL OFFICE. WHAT IS YOUR BASIS FOR THAT STATEMENT?

A. Qwest uses engineering requirements and guidelines memorialized in Qwest's own Technical Publications to size power plant (and other components of central office power systems). Qwest's Technical Publications dictate that power plant should be sized based on peak usage (*i.e.*, List 1 drain). For example, Bellcore technical document "Power Systems Installation Planning" BR-790-100-652 requires Qwest engineers, when sizing power plant, to "determine equipment powered directly from the dc plant and the average busy hour current drain of the

1		equipment at normal operating voltage." This engineering manual goes on to
2		describe the procedure used by Qwest engineers to size power plant as follows:
3 4 5 6 7 8 9 10 11 12 13		<ul> <li>"Step 1: Identify all DC operated telecommunications equipment that needs power,</li> <li>Step 2: determine operating voltages (nominal and limits) of all DC-operated telecommunications equipment,</li> <li>Step 3: determine List 1 drains of all telecommunications equipment,</li> <li>Step 4: compute and plot all busy-hour and power failure drains, Step 5: Select DC plants."</li> </ul>
13 14		Steps 3 and 4 are particularly relevant to this point because they show that Qwest
15		sizes DC power plant on peak usage.
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17	Q.	CAN YOU PROVIDE A SIMPLE EXAMPLE OF HOW QWEST
17 18	Q.	CAN YOU PROVIDE A SIMPLE EXAMPLE OF HOW QWEST ENGINEERS WOULD GO ABOUT SIZING POWER PLANT FOR THE
	Q.	
18	<b>Q.</b> A.	ENGINEERS WOULD GO ABOUT SIZING POWER PLANT FOR THE
18 19		ENGINEERS WOULD GO ABOUT SIZING POWER PLANT FOR THE CENTRAL OFFICE?
18 19 20		ENGINEERS WOULD GO ABOUT SIZING POWER PLANT FOR THE CENTRAL OFFICE? Yes. In a basic example of a Qwest central office, Qwest power engineers
18 19 20 21		ENGINEERS WOULD GO ABOUT SIZING POWER PLANT FOR THE CENTRAL OFFICE? Yes. In a basic example of a Qwest central office, Qwest power engineers monitor the actual usage of DC power and observe the peak power usage that
<ol> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ol>		ENGINEERS WOULD GO ABOUT SIZING POWER PLANT FOR THE CENTRAL OFFICE? Yes. In a basic example of a Qwest central office, Qwest power engineers monitor the actual usage of DC power and observe the peak power usage that takes place at the busy hour. Qwest engineers would then take steps to ensure that
<ol> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>		ENGINEERS WOULD GO ABOUT SIZING POWER PLANT FOR THE CENTRAL OFFICE? Yes. In a basic example of a Qwest central office, Qwest power engineers monitor the actual usage of DC power and observe the peak power usage that takes place at the busy hour. Qwest engineers would then take steps to ensure that the DC power plant is capable of handling the usage that occurs at this peak
<ol> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>		ENGINEERS WOULD GO ABOUT SIZING POWER PLANT FOR THE CENTRAL OFFICE? Yes. In a basic example of a Qwest central office, Qwest power engineers monitor the actual usage of DC power and observe the peak power usage that takes place at the busy hour. Qwest engineers would then take steps to ensure that the DC power plant is capable of handling the usage that occurs at this peak period. In other words, DC power plant is sized based on the maximum power

in a busy hour scenario. Hence, when usage hits that "target" level, they begin to explore augmentation alternatives. Importantly, however, Qwest DC power engineers do not augment the DC power plant infrastructure based on particular orders for power distribution cables of a CLEC or Qwest. Given that DC power plant is sized based on forecasted peak usage for all equipment in the office, there is no correlation between Qwest's investment/augmentation in DC power plant and sizes of power cables (whether they are from Qwest or a CLEC).

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# Q. PLEASE DEFINE THE TERMS "BUSY HOUR DRAIN" AND "LIST 1 DRAIN."

11 A. The "busy hour drain" is the load (or amount of power usage) of the central office 12 for the busy day of the busy season, and represents the point at which the load on 13 the central office power plant is greatest. The "busy hour" oftentimes occurs 14 sometime on Mother's Day, though the busy hour can vary by central office. The 15 "busy hour" is simply the hour, once per year, that represents the highest level of 16 drain on the power system. List 1 drain is the busy hour current during normal 17 plant operation, as indicated by Qwest Technical Publication "Power Equipment 18 and Engineering Standards," Technical Document No. 77385 (Chapter 2):

### **2.4 Engineering Guidelines**

When sizing power plants, the following criteria shall be used:

List 1 drain is used for sizing batteries and chargers; *the average busy-hour current at normal operating voltage should be used*. Telephony List 1 drains are measured at 9 ccs or at 18 ccs for the first 2 hours of a discharge and 6 ccs thereafter.

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2	Q.	ARE THERE OTHER SOURCES THAT REQUIRE POWER PLANT TO
3		BE SIZED BASED ON PEAK USAGE?
4	A.	Yes. For instance, Qwest Technical Publication 77385 discusses the sizing of
5		battery plant – a component of DC power plant – as follows:
6 7 8 9 10 11 12 13		BATTERY PLANT SIZING — when a battery plant is initially installed, the meter and bus bar should be provided based on the projected power requirements for the life of the plant. Base chargers and batteries should be provided based on the projected end of engineering interval connected average busy-hour current drains (List 1).
14		In addition, Bellcore's "DC Distribution," Technical Document No. 790-100-656,
15		Section 2 "Telecommunications Equipment Loads" states as follows:
16 17 18 19		List 1 – These drains are used to size batteries and rectifiers. These drains represent the average busy-hour current at normal operating voltages.
20		Furthermore, legacy document REGN 790-100-654RG "DC Plant" (published by
21		Qwest) states as follows:
22 23 24 25 26 27 28		When selecting DC power plants and system components, the following current drain types can be used: List 1 drains are used to size batteries and rectifiers. These drains represent the average busy-hour current at normal operating voltages

1		Another excerpt from Qwest's engineering manuals specifically warns against
2		sizing power plant on any other standard. Qwest technical document REGN 790-
3		100-655G "Batteries" Issue No. 9 dated February 2006 (at page 22) states:
4 5 6 7		In some cases, List 2 drains are significantly higher than List 1 drains, and if they were used, would result in sever [sic] oversizing of the battery plant.
8		This last quote is particularly relevant because by applying the power plant charge
9		based on cable size (which are sized based on List 2 drain), Qwest is assessing
10		charges on Eschelon based on a severely oversized DC power plant.
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12	Q.	EARLIER YOU MENTIONED LIST 2 DRAIN. WHAT IS LIST 2 DRAIN
13		AND WHAT IS ITS SIGNIFICANCE?
13 14	A.	AND WHAT IS ITS SIGNIFICANCE? Qwest's Technical Publications define List 2 drain as follows:
	A.	
14 15 16 17	A.	Qwest's Technical Publications define List 2 drain as follows: List 2 – These drains are used to size feeder cables and fuses. These drains represent the peak current for a circuit or a group of
14 15 16 17 18	A.	Qwest's Technical Publications define List 2 drain as follows: List 2 – These drains are used to size feeder cables and fuses. These drains represent the peak current for a circuit or a group of circuits under worst case operating conditions.
14 15 16 17 18 19	A.	<ul> <li>Qwest's Technical Publications define List 2 drain as follows:</li> <li>List 2 – These drains are used to size feeder cables and fuses. These drains represent the peak current for a circuit or a group of circuits under worst case operating conditions.</li> <li>The concept of List 2 drain is significant because Qwest proposes to assess Power</li> </ul>
14 15 16 17 18 19 20	A.	<ul> <li>Qwest's Technical Publications define List 2 drain as follows:</li> <li>List 2 – These drains are used to size feeder cables and fuses. These drains represent the peak current for a circuit or a group of circuits under worst case operating conditions.</li> <li>The concept of List 2 drain is significant because Qwest proposes to assess Power</li> <li>Plant charges based on the size of Eschelon's power cables, which as noted</li> </ul>
<ol> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> </ol>	A.	<ul> <li>Qwest's Technical Publications define List 2 drain as follows:</li> <li>List 2 – These drains are used to size feeder cables and fuses. These drains represent the peak current for a circuit or a group of circuits under worst case operating conditions.</li> <li>The concept of List 2 drain is significant because Qwest proposes to assess Power</li> <li>Plant charges based on the size of Eschelon's power cables, which as noted above, are sized based on List 2 drain (so that the cables are capable of handling a</li> </ul>

1 plant based on List 1 drain (peak usage), it assesses the power plant charge based 2 on the higher List 2 drain (used to size the power cables). 3 This is problematic because it forces Eschelon to pay Power Plant rates based upon the much higher List 2 drain upon which its power cables are sized, 4 5 when it actually only uses a much smaller amount of electricity and, in turn, a 6 much smaller component of Qwest's power plant capacity. In other words, it 7 forces Eschelon to pay for more of Qwest's power plant than it actually uses. 8 Because Qwest uses the majority of the electricity in the central office, and 9 therefore, it uses the majority of the power plant capacity, Eschelon's 10 overpayment reduces the amount of capacity Qwest must recover from its own 11 services supported by its equipment. This results in a discriminatory situation wherein Eschelon pays substantially more for DC power than does Qwest - a 12 13 situation specifically prohibited by the FCC's rules governing prices for 14 collocation and unbundled network elements.

Q. IN ADDITION TO THE DISAGREEMENT ABOUT THE POWER PLANT
 RATE APPLICATION, ESCHELON AND QWEST ALSO DISAGREE
 ABOUT THE COMMENCEMENT OF POWER CHARGES. PLEASE
 EXPLAIN.

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A. This disagreement is under Issue 8-21. Eschelon's proposal is that, once the
CLEC's equipment is in place in its collocation, it will notify Qwest so that Qwest

can measure, and charge based on, actual usage. Qwest's proposal would require the CLEC to have its equipment in place before making a request for measured power usage. Qwest's proposal appears to be designed to prevent CLECs from requesting power measurement before installing equipment (so that the measure is zero) and after installing equipment, obtaining up to six months of zero usage charges. Eschelon agrees that this should not occur and its language would require CLEC to notify Qwest when equipment is placed so that Qwest can take a measurement - and so that situation that apparently concerns Qwest does not occur. Eschelon's language has an added benefit that Qwest's proposal does not: Eschelon's proposal would keep Qwest from charging Eschelon for power that it does not use. It makes no sense for Qwest to assess power charges associated with Eschelon's power draw before Eschelon even has the ability to draw power; yet that is what Qwest's proposal would require. Eschelon's proposal, on the other hand, treats both sides fairly by allowing Qwest to measure power draw once equipment is collocated and, at the same time, not forcing Eschelon to pay for power that it never uses.

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### Q. PLEASE SUMMARIZE ISSUES 8-21 AND (A)-(D).

A. Power plant is a shared resource within the central office that is used by all power
users in the central office, including Qwest, to electrify their respective
telecommunications equipment. Accordingly, the investment in power plant

1 should be recovered from the users of that power plant based on the proportionate 2 usage of each power user. Eschelon's ICA language ensures that the Power Plant 3 rate element is applied in this manner. Qwest's proposed language would result 4 in Eschelon paying for power that Eschelon does not use, and Eschelon paying 5 more than Qwest pays to use the very same power plant. Or, in other words, 6 Qwest's language is discriminatory. For all of the reasons described in 7 Eschelon's business need and in these responses, the Commission should adopt 8 Eschelon's language for Issues 8-21 and (a)-(d). 9 10 V. **SUBJECT MATTER NO. 12: NEBS STANDARDS** 11 Issue No. 8-24: ICA Section 8.2.3.9 12 13 WHAT IS ESCHELON'S BUSINESS CONCERN REGARDING NEBS Q. 14 **STANDARDS (ISSUE 8-24)?** 15 A. Qwest requires all equipment in its central office to comply with Network 16 Equipment Building Standards ("NEBS") safety standards as well as other 17 applicable laws and regulations. When equipment does not comply, Qwest is able 18 to stop work on the collocation until the issue is resolved. Because of the 19 significant disruption, delay, and expense that would result from such a stop work 20 order, Eschelon has proposed language that would help to prevent that from 21 happening.

Qwest requires that a CLEC provide, as part of its collocation application, a considerable amount of information about equipment it intends to collocate. Qwest reviews that information to ensure that the application is complete and accurate, and to ensure that Qwest is able to meet the CLEC's collocation request. It is very expensive and time-consuming for a CLEC to turn up equipment in its collocation arrangement. The CLEC must incur costs related to, among other things: planning the collocation deployment; Qwest's charges for designing, engineering, constructing a collocation arrangement; and the cost of the equipment that will be collocated. The CLEC's costs would be increased considerably if the CLEC were to go through all of the time, money and effort to collocate a piece of equipment only to have Qwest stop that collocation on the day it is to be installed. The CLEC would also be delayed in turning up services and bringing its product to the local marketplace.

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Eschelon has reasonably proposed language that would require Qwest to review Eschelon's collocation application and notify Eschelon in a timely manner if it believes that a piece of equipment does not comply with the applicable safety standards. This will avoid the increased cost and delay that would be caused if Qwest were to issue a stop work order just as the collocation is nearing completion.

Perhaps the most telling aspect of this issue is that, although Qwest will not agree to review Eschelon's collocation application and notify Eschelon within ten days of any safety issues, Qwest has agreed in a different section of the ICA to

review Eschelon's collocation application and notify Eschelon within 10 days if Qwest finds the application to be incomplete or inaccurate. Qwest also agreed to work with Eschelon to cure any deficiencies it discovers when reviewing the application. However, when it comes to Eschelon's request for Qwest to notify it of a safety concern, Qwest claims that Eschelon is pushing its obligations off onto Qwest. It is at least as important to ensure that equipment complies with safety standards before it is collocated in the central office as it is for the collocation application to be complete and accurate. It does not make sense for Qwest to refuse to notify Eschelon in the former instance, but agree to notifying Eschelon in the latter instance. Qwest should not be given the opportunity to increase its competitors' costs and delay their entry to market by raising eleventh hour objections on issues that could have easily been rectified much earlier.

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### Q. WHAT IS ESCHELON'S PROPOSAL ON ISSUE 8-24?

15 A. Eschelon proposes the following language for Issue 8-24:

8.2.3.9 Qwest will determine and notify CLEC, in the manner described below, within ten (10) Days of CLEC submitting its Collocation application if Qwest believes CLEC's listed equipment does not comply with NEBS Level 1 safety standards or is in violation of any Applicable Laws or regulations, all equally applicable to Qwest. If CLEC disagrees, CLEC may respond with the basis for its position within ten (10) Days of receipt of such notice from Qwest. If, during installation, Qwest determines CLEC activities or equipment other than those listed in the Collocation application do not comply with the NEBS Level 1 safety standards listed in this Section or are in violation of any Applicable Laws or regulations all equally applied to Qwest, Qwest has the right to stop all installation work related to the activities or equipment at

issue until the situation is remedied or CLEC demonstrates that Qwest's determination was incorrect.

Eschelon's language would require Qwest to notify Eschelon within 10 days of Eschelon's collocation application if Qwest believes that the equipment Eschelon intends on collocating does not comply with NEBS safety standards. Upon notification, Eschelon would have 10 days from receipt of Qwest's notice to respond for the basis in its position. Eschelon has proposed that Qwest may stop installation of equipment that Qwest determines does not comply with safety standards because it is a necessary safety measure to protect personnel and property. However, because Eschelon provides a list of all collocated equipment to Qwest on its collocation application to specifically inform Qwest about the equipment Eschelon will collocate, Qwest should review this information when it is reviewing the application for completeness and accuracy, and notify Eschelon of a problem, rather than waiting until the date of installation when Eschelon has already expended considerable time and resources in planning to collocate the equipment and turning up service.

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## Q. WHAT IS QWEST'S PROPOSAL FOR ISSUE 8-24?

A. Qwest's proposed language is shown below (with Eschelon's proposed language shown in strikeout):

8.2.3.9 Qwest will determine and notify CLEC, in the manner described below, within ten (10) Days of CLEC submitting its Collocation application if Qwest believes CLEC's listed equipment does not

comply with NEBS Level 1 safety standards or is in violation of any Applicable Laws or regulations, all equally applicable to Qwest. If CLEC disagrees, CLEC may respond with the basis for its position within ten (10) Days of receipt of such notice from Qwest. If, during installation, Qwest determines CLEC activities or equipment\_other than those listed in the Collocation application do not comply with the NEBS Level 1 safety standards listed in this Section or are in violation of any Applicable Laws or regulations all equally applied to Qwest, Qwest has the right to stop all installation work related to the activities or equipment at issue until the situation is remedied or CLEC demonstrates that Qwest's determination was incorrect.

Qwest proposes to strike the language that Eschelon has proposed regarding Qwest notifying a CLEC if Qwest sees a problem with Eschelon's equipment list in terms of NEBS compliance. In support of its proposal, Qwest states that Eschelon's proposal inappropriately shifts the burden of determining whether equipment is NEBS compliant to Qwest, and would keep Qwest from raising concerns about non-NEBS compliant equipment after the 10 day notice period.<sup>141</sup>

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# 21 **Q.**

# . WHAT ARE NEBS STANDARDS?<sup>142</sup>

A. NEBS or Network Equipment Building Standards "defines a rigid and extensive set of performance, quality, environmental and safety requirements"<sup>143</sup> which are

<sup>&</sup>lt;sup>141</sup> *Qwest Petition*,  $\P$  76.

<sup>&</sup>lt;sup>142</sup> NEBS Level 1 criteria is the minimum acceptable level of environmental compatibility needed to protect the network facility (equipment and structure) and operating personnel. Possible applications where Level 1 compliance is acceptable include trials of prototype equipment, limited installations of equipment used for non-vital services and the minimum requirement established by RBOCs and other incumbent carriers for co-located equipment installed by CLECs. Estep, Duncan. "NEBS 101", Telephony Online, April 24, 2000. http://telephonyonline.com/mag/telecom\_nebs/index.html

<sup>&</sup>lt;sup>143</sup> <u>Newton's Telecom Dictionary</u>, 20<sup>th</sup> edition, pp. 558-559.

1		"often required by telecommunications service providers such as BOCs (Bell
2		Operating Companies) and Interexchange Carriers (IEC) for equipment installed
3		in their switching offices. NEBS defines everything from fire spread and
4		extinguish ability test to Zone 4 earthquake tests to thermal shock, cyclic
5		temperature, mechanical shock, and electro-static discharge."144
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7	Q.	IS IT REASONABLE TO REQUIRE QWEST TO REVIEW THE
8		EQUIPMENT LISTS THAT CLECS PROVIDE TO QWEST ON THEIR
9		COLLOCATION APPLICATIONS FOR NEBS COMPLIANCE?
10	A.	Absolutely. On the application form that CLECs provide to Qwest, CLECs list all
11		of the equipment that they will collocate in Qwest's central office, including
12		vendor, model number, functionality and dimensions for each piece of equipment.
13		See Exhibit MS-4, page 6 of 15, for the pertinent page of Qwest's collocation
14		application. The ICA identifies the information Eschelon is required to provide
15		on Qwest's application form about the equipment it plans to collocate:
16 17 18 19 20 21 22 23 24 25		8.4.1.4 (f) Collocated equipment and technical equipment specifications (Manufacturer Make, Model No., Functionality, <i>i.e.</i> , Cross Connect, DLC, DSLAM, Transmission, Switch, etc., Physical Dimensions, Quantity). (NOTE: Packet or circuit switching equipment requires, in writing and attached to the application, how this equipment is necessary for access to UNEs or Interconnection. Upon Qwest's reasonable request, CLEC will provide high level equipment interface or connectivity diagram for switching equipment described in the application.
	144	Newton's Telecom Dictionary, 20th edition, pp. 559.

This equipment list is provided specifically to inform Qwest about the equipment CLEC intends to collocate so that Qwest can plan accordingly. Requiring Qwest to review this information is eminently reasonable because Qwest should be reviewing this information to protect its network and the equipment of other carriers. And requiring Qwest to notify Eschelon of potential problems before installation commences benefits all carriers in the central office, including Qwest, because it ensures that any non-compliant equipment is identified before the potential exists that Eschelon could collocate that equipment and cause a potential safety hazard.

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# Q. DOES QWEST ALREADY REQUIRE ALL EQUIPMENT COLLOCATED IN ITS CENTRAL OFFICE TO BE NEBS LEVEL 1 COMPLIANT?

A. Yes. Qwest requires that all equipment collocated in its central office to be NEBS Level 1 compliant. I have attached a copy of Qwest's collocation application form as Exhibit MS-4, and page 6, Section 4, Equipment Detail Note 1 states that "Collocation equipment must meet NEBS 1 standards and other safety standards as applies to Qwest."<sup>145</sup> Other ILECs also require the same NEBS compliance for equipment collocated in their central offices (as indicated by the definitions of NEBS standards provided above).

<sup>&</sup>lt;sup>145</sup> This is also evident from Qwest's Statement of Generally Available Terms (SGAT), in which at Section 8.2.1.8 it states that "All equipment shall meet and be installed in accordance with Network Equipment Building System (NEBS) Level 1 safety standards...Qwest shall not impose safety or engineering requirements on CLEC that are more stringent than the safety or engineering requirements Qwest imposes on its own equipment located on its Premises..."

# Q. IS QWEST ALREADY FAMILIAR WITH THE EQUIPMENT CLECS INTEND TO COLLOCATE BEFORE THEY PLACE THE EQUIPMENT IN THE COLLOCATION CAGE?

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A. Yes. The equipment that a CLEC collocates must either be on a list of Qwestapproved equipment or the CLEC must provide Qwest with additional information about the equipment prior to it being collocated in Qwest's central office.<sup>146</sup> Therefore, Qwest is aware of the precise type of equipment CLEC intends to collocate on the day it receives CLEC's collocation application and is already familiar with that equipment because oftentimes the equipment is already on the Qwest-approved list.

**OWEST RECEIVES A CLEC EQUIPMENT LIST IN THE** 13 **O**. IF 14 COLLOCATION APPLICATION, AND THAT **EOUIPMENT** IS **REQUIRED TO BE NEBS COMPLIANT AND ON A QWEST-APPROVED** 15 EQUIPMENT LIST, WHY WOULD QWEST DISAGREE WITH 16 **ESCHELON'S PROPOSAL?** 17

<sup>&</sup>lt;sup>146</sup> Section 8.4.1.5 of Qwest Washington SGAT states that "CLEC shall submit a Collocation Application to order Collocation at a particular Qwest Premises. A Collocation Application shall be considered complete, if it contains...(f) Collocated equipment and technical equipment specifications (Manufacturer Make, Model No., Functionality *i.e.*, Cross Connect, DLC, DSLAM, Transmission, Switch, etc., Physical Dimensions, Quantity). (NOTE: Packet or circuit switching equipment requires, in writing and attached to the Application, how this equipment is necessary for access to UNEs or Interconnection. High level equipment interface or connectivity schematic for equipment that is not on the approved equipment list or has not been used by CLEC for a similar purpose before, must also accompany this Application. CLEC using approved equipment found at www.qwest.com/wholesale/pcat/collocation.html need not comply with this provision)"

1	А.	Qwest's position is especially puzzling in light of the closed language in 8.4.1.5.1
2		of the ICA which states:
3 4 5 6 7 8 9 10 11 12		8.4.1.5.1 Parties will work cooperatively to ensure the accuracy of the Collocation application. If Qwest determines that the application is not complete, Qwest shall notify CLEC of any deficiencies within ten (10) Days after receipt of the application. Qwest shall provide sufficient detail so that CLEC has a reasonable opportunity to cure each deficiency. To retain its place in the Collocation queue for the requested Premises, CLEC must cure any deficiencies in its application and resubmit the application within ten (10) Days after being advised of the deficiencies.
13		This language shows that Qwest is already reviewing the collocation application
14		within 10 days to ensure that it is not deficient. Obviously, if a piece of
15		equipment is not NEBS compliant - a requirement of Qwest's for collocated
16		equipment – then the CLEC's collocation's application (which contains the list of
17		equipment) is deficient and this deficiency should be cured. Qwest has agreed to
18		notify the CLEC within 10 days if its collocation application is inaccurate or
19		incomplete (containing wrong or missing information), but refuses to do so if a
20		CLEC intends to collocate a piece of equipment that does not meet Qwest's
21		requirements and could potentially cause a safety hazard. <sup>147</sup>
22		Qwest says that Eschelon is attempting to shift the burden of determining
23		what equipment is NEBS compliant onto Qwest. But as I've shown above, there

<sup>&</sup>lt;sup>147</sup> Qwest's agreement to notifying CLEC about a potential deficiency in its collocation application under 8.4.1.5.1 means that notifying CLEC about a potential NEBS compliance issue would not require any new or unique processes or modifications to systems (see, Qwest's position on Issue 8-24 in the Washington Issues Matrix, p. 58.

would be no reason for Eschelon to be imposing any burden on Qwest because already reviews the CLEC's collocation application well in advance of the installation day and Qwest should be able to easily identify any equipment that is not on Qwest's own list. Once a potential safety problem is identified by Qwest, it would unreasonable and risky for Qwest to sit on that information and surprise the CLEC with it on the day of installation. Furthermore, the equipment is usually from Qwest's own list, and is required to be NEBS compliant in the first place.

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10 Q. YOU EXPLAIN ABOVE THAT QWEST HAS ALREADY AGREED TO
11 NOTIFY A CLEC WITHIN 10 DAYS IF ITS COLLOCATION
12 APPLICATION IS INCOMPLETE OR INACCURATE. ARE THERE
13 OTHER EXAMPLES THAT SHOW THAT A 10 DAY TIMEFRAME FOR
14 QWEST TO NOTIFY CLEC OF A POTENTIAL CONCERN ABOUT
15 NEBS COMPLIANCE IS REASONABLE?

A. Ten days has been used in other sections of Qwest's SGAT for timeframes related
to Qwest's notification obligations. For instance, Section 8.2.1.9 requires Qwest
to, upon request by a CLEC, provide a collocation space availability report within
ten (10) calendar days. Certainly, it would be easier for Qwest to provide the
information required by Eschelon's language – *i.e.*, whether Qwest has any
potential problem with equipment on Eschelon's collocation application in terms
of NEBS compliance – than it would be for Qwest to provide all of the

information required by the collocation space availability report – e.g., whether sufficient power is available to meet the specific CLEC request, number of CLECs in queue at the Premises, if any; whether the Wire Center is equipped with DS3 capability; and the number and description of Qwest and its Affiliates and CLEC reservations of space.

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Ten days is also the timeframe in which Qwest must post to the internet when a certain central office runs out of physical collocation space (as well as when space becomes available in an exhausted office) under Section 8.2.1.13 of the SGAT. The fact that Qwest can provide these reports within ten days, as required by its SGAT, shows that Qwest can easily provide the notice about NEBS compliance concerns, especially when Qwest has committed to review the application and inform the CLEC about any deficiencies within the same 10 day timeframe.

# 15 Q. PLEASE SUMMARIZE WHY ESCHELON'S PROPOSAL FOR 8-24 16 SHOULD BE ADOPTED.

A. Under Eschelon's proposal, Qwest has an effective tool to ensure that equipment
is not collocated in its central office unless it is eligible to be collocated – that is,
Qwest can prohibit the CLEC from collocating this equipment. Eschelon's
proposal simply provides that Qwest will review the collocation application, and
the list of equipment provided in that application, and determine within 10 days
whether it sees a potential problem with that list of equipment – equipment that is

likely on Qwest's own approved list - in terms of NEBS compliance. These notices would be required very rarely as Qwest's collocation requirements already put the CLEC on notice that its equipment must be NEBS 1 compliant, but if a CLEC intends to collocate a piece of equipment that is not NEBS compliant, Qwest should be required, based on the information that it has readily at its disposal and is already reviewing to notify that CLEC at a time and in a manner that is designed to minimize any potential disruption and associated expense.

## VI. SUBJECT MATTER NO. 14: NONDISCRIMINATORY ACCESS TO UNES

## Issue No. 9-31: ICA Section 9.1.2

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# 14Q.WHAT IS ESCHELON'S BUSINESS ISSUE RELATING TO15NONDISCRIMINATORY ACCESS TO UNES (ISSUE 9-31)?

16 A. Nondiscriminatory access to UNEs and interconnection is the cornerstone of local 17 competition. The FCC has read this nondiscriminatory access requirement for 18 UNEs to apply broadly and has required that UNEs must be provisioned in a way 19 that would make them useful. This means Qwest is required to provide 20 nondiscriminatory access to the UNEs themselves as well as to the means of 21 obtaining the UNEs, repairing the UNEs, and modifying the UNEs. This is 22 critical for CLECs because these are all activities that Owest performs for its own

retail customers, and if CLECs are unable to obtain these activities related to UNEs on reasonable terms and conditions and at cost based rates, CLECs will be competitively disadvantaged vis-à-vis Qwest. This is not an idle concern on Eschelon's part, as Qwest has already attempted to restrict nondiscriminatory access to UNEs through reliance on non-contractual sources, such as its tariffs and CMP, and intends to continue this approach by applying non-cost based charges to these UNE related activities.

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One example of such a restriction is Qwest's 12/9/05 CMP notice, which introduced a CMP change<sup>148</sup> that added language to the DS1 Loop product description that stated that, "Unbundled Loops are not available for telecommunications services provided directly to you or for your own administrative purposes *nor are they available to serve another CLEC, IXC, or other Telecommunications Provider.*" (emphasis added) Since Qwest introduced this change in CMP, it was not required to show how its proposed changes that prohibit CLECs from using UNE loops to serve another telecommunications carriers comport with 47 C.F.R §51.309, which provides that subject to certain limited restrictions, the ILEC "shall not impose limitations, restrictions, or requirements on requests for, or the use of, unbundled network elements for the service a requesting telecommunications carrier seeks to

<sup>&</sup>lt;sup>148</sup> CMP Document No. PROD.12.09.05.F.03543.EEL\_and\_LMC\_MTE.

offer."<sup>149</sup> None of the restrictions on the use of UNEs prohibits a CLEC from using a UNE to provide service to another CLEC, IXC or Telecommunications Provider.

Since the ICA does not include Qwest's PCAT restriction and says, to the contrary, that no other limitations on the use of UNEs shall be imposed,<sup>150</sup> Eschelon believes that the ICA language controls and that this clause does not apply to Eschelon. Qwest had every opportunity to propose this language during this arbitration, but has not. All of this notwithstanding, based on the manner in which Qwest has cherry-picked issues that it has and has not addressed in CMP to its advantage, Eschelon is concerned that it will get through this entire case without this language found anywhere in the contract, but Qwest will still apply the restriction to Eschelon (perhaps by claiming that the contract is silent on the

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(d) A requesting telecommunications carrier that accesses and uses an unbundled network element consistent with paragraph (b) of this section may provide any telecommunications services over the same unbundled network element.

<sup>&</sup>lt;sup>149</sup> 47 CFR § 51.309 provides:

<sup>(</sup>a) Except as provided in §51.318, an incumbent LEC shall not impose limitations, restrictions, or requirements on requests for, or the use of, unbundled network elements for the service a requesting telecommunications carrier seeks to offer.

<sup>(</sup>b) A requesting telecommunications carrier may not access an unbundled network element for the exclusive provision of mobile wireless services or interexchange services.

<sup>(</sup>c) A telecommunications carrier purchasing access to an unbundled network facility is entitled to exclusive use of that facility for a period of time, or when purchasing access to a feature, function, or capability of a facility, a telecommunications carrier is entitled to use of that feature, function, or capability for a period of time. A telecommunications carrier's purchase of access to an unbundled network element does not relieve the incumbent LEC of the duty to maintain, repair, or replace the unbundled network element.

<sup>&</sup>lt;sup>150</sup> "9.1.1.2.1: Except as provided in this Section 9.1.1.2.1 and in Section 9.23.4.1, Qwest shall not impose limitations, restrictions, or requirements on requests for, or the use of, Unbundled Network Elements for the service CLEC seeks to offer."

1		matter, which it is not). <sup>151</sup> Eschelon is not asking the Commission to rule on this
2		issue here because Qwest has not raised the restriction on using UNEs to service
3		other carriers in language in the arbitration, but it is further support for the
4		Commission making clear in the Eschelon and Qwest ICA that nondiscriminatory
5		access to UNEs will be established in the ICA and that any changes to the terms
6		and conditions for "access" to UNEs between Eschelon and Qwest should be
7		spelled out in an ICA amendment so that no ambiguity exists. This is one of a
8		number of examples of Qwest attempting to chip away at the nondiscriminatory
9		access to UNEs required by federal rules and orders through CMP and non-CMP
10		sources outside the ICA.
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12	Q.	HAS QWEST ISSUED ADDITIONAL CMP NOTICES THAT FURTHER
13		<b>RESTRICT ACCESS TO UNES SINCE THEN?</b>
13 14	А.	<b>RESTRICT ACCESS TO UNES SINCE THEN?</b> Yes. On September 11, 2006, Qwest issued a Level 3 CMP notice that revised its
	А.	
14	A.	Yes. On September 11, 2006, Qwest issued a Level 3 CMP notice that revised its

<sup>&</sup>lt;sup>151</sup> The operative language makes clear that no other limitations on UNEs will be imposed (beyond those in the contract) and the restriction on using UNEs to serve other carriers is not in the ICA.

This language restricts the availability of CFA changes,<sup>152</sup> unnecessarily 1 2 complicates the provisioning process and leaves the door open for Qwest to assess 3 "additional charges" - which coupled with Qwest's 8/31/06 notice (discussed below in the next example) means that Qwest will apply access charges. As I 4 5 explained in my direct testimony (and as indicated in Eschelon's proposed 6 language for Issue 9-31), design changes are activities that are necessary for 7 nondiscriminatory access to UNEs, and this arbitrary restriction on this access is 8 concerning to Eschelon (the CLEC comment due date on this CMP notice is not 9 until after this testimony is filed). What is even more concerning is that unless the 10 Commission adopts Eschelon's language to make clear that Qwest must provide 11 design changes as part of its obligation to provide nondiscriminatory access to 12 UNEs, Qwest may attempt to impose this arbitrary restriction on Eschelon. This 13 restriction would impose additional work and costs on Eschelon (related to 14 unnecessarily supplementing orders) and would delay Eschelon's ability to serve 15 its customers (by placing the order in jeopardy and pushing the provisioning due 16 date off until some time in the future) – and there is no indication that Qwest 17 intends to subject its retail customers to this same restriction. This is further proof 18 of the way in which Qwest can (and apparently will) attempt to disadvantage 19 CLECs unless the Commission spells out obligations very clearly in the ICA.

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<sup>&</sup>lt;sup>152</sup> Design changes, and more specifically CFA changes, are addressed in Issue 4-5 (Design Changes) in the testimony of Mr. Denney.

# Q. YOU MENTIONED ABOVE THAT QWEST IS ATTEMPTING TO RESTRICT NONDISCRIMINATORY ACCESS TO UNES BY APPLYING ACCESS CHARGES. IS THIS ANOTHER EXAMPLE THAT BRINGS ESCHELON'S CONCERNS ON ISSUE 9-31 TO LIFE?

A. Yes, and this is perhaps the most important example. Qwest recently revealed a new agenda to charge tariff access rates for activities that have been performed at TELRIC rates pursuant to Qwest's Section 251 obligations to provide access to UNEs. Qwest did not raise this issue in a cost case or ICA negotiations before Eschelon filed its first petition for arbitration, and Eschelon first learned of this strategy later through Qwest's new rate proposal, in which Qwest referred to the tariff instead of Commission approved rates for certain elements. According to Qwest, application of TELRIC rates is limited to the enumerated list of UNEs; if not named on that list (*e.g.*, loops), according to Qwest, it is not a UNE for which TELRIC pricing applies – even when these activities are performed on UNE orders.

On August 31, 2006, Qwest confirmed this strategy by issuing a non-CMP notification announcing that it intended to post a new "template" interconnection agreement on its website on September 1, 2006 (on one day's notice). *See,* Process Notification PROS.08.31.06.F.04159.Amendments.ComlAgree.SGAT. This new negotiations template added a tariff reference for the following rate elements: Additional Dispatch, Trouble Isolation Charge, Design Charge, Expedite Charge, Cancellation Charge, and Maintenance of Service Charge.

During negotiations on design changes Qwest submitted a proposal that would have applied tariff rates to certain activities - much like its 8/31/06 non-CMP notice. Qwest later changed its position in negotiations, but indicated in meetings between the two companies that Qwest's change in position for negotiations should not be construed as Qwest giving up on its tariff rate proposal for design changes, and that Qwest fully intended to pursue this proposal outside of negotiations. By changing its position in negotiations with Eschelon while maintaining its tariff position outside of arbitration, Qwest is attempting to leave the door open for Qwest to ultimately impose its tariff proposal on Eschelon (despite the considerable time and resources expended to arbitrate this issue). The activities that Qwest lists in its notice as activities for which tariff rates will apply are the same activities in Eschelon's proposed language for Issue 9-31 (to be included as necessary to access to UNEs). Eschelon's language for Issue 9-31 puts this issue squarely before the Commission, and a Commission ruling is needed to ensure that CLECs receive the nondiscriminatory access to UNEs to which they are entitled and avoid future disputes.

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### Q. WHAT IS ESCHELON'S PROPOSAL ON ISSUE 9-31?

19 A. Eschelon proposes the following language for Section 9.1.2:

Access to Unbundled Network Elements includes moving, adding to, repairing and changing the UNE (through *e.g.*, design changes, maintenance of service including trouble isolation, additional dispatches, and cancellation of orders).

1	Q.	WHAT IS QWEST'S PROPOSAL ON ISSUE 9-31?
2	А.	Qwest originally proposed to omit Eschelon's language and provided no
3		competing language. In support of this position, Qwest states that Eschelon's
4		language would require Qwest to provide a "superior network" and would require
5		Qwest to provide non-Section 251 offerings at TELRIC rates. <sup>153</sup> In its Rebuttal
6		Testimony in the Minnesota arbitration proceeding, Qwest proposed the following
7		language:
8 9 10 11 12 13		<u>Additional activities available for Access to Unbundled Access to</u> Unbundled Network Elements includes moving, adding to, repairing and changing the UNE (through <i>e.g.</i> , design changes, maintenance of service including trouble isolation, additional dispatches, and cancellation of orders) <u>at the applicable rate</u> .
14	Q.	WHY HAS ESCHELON PROPOSED TO INCLUDE MOVES, ADDS,
14 15	Q.	WHY HAS ESCHELON PROPOSED TO INCLUDE MOVES, ADDS, REPAIRS AND CHANGES TO UNES IN THE DESCRIPTION OF
	Q.	
15	<b>Q.</b> A.	REPAIRS AND CHANGES TO UNES IN THE DESCRIPTION OF
15 16		REPAIRS AND CHANGES TO UNES IN THE DESCRIPTION OF ACCESS TO UNES?
15 16 17		REPAIRS AND CHANGES TO UNES IN THE DESCRIPTION OF ACCESS TO UNES? It is crucial to include these items to ensure that CLECs get nondiscriminatory
15 16 17 18		REPAIRS AND CHANGES TO UNES IN THE DESCRIPTION OF ACCESS TO UNES? It is crucial to include these items to ensure that CLECs get nondiscriminatory access to UNEs as Qwest's attack on TELRIC pricing for these activities clearly
15 16 17 18 19		REPAIRS AND CHANGES TO UNES IN THE DESCRIPTION OF ACCESS TO UNES? It is crucial to include these items to ensure that CLECs get nondiscriminatory access to UNEs as Qwest's attack on TELRIC pricing for these activities clearly demonstrates. The importance of making this clear in the ICA is evident in both
15 16 17 18 19 20		REPAIRS AND CHANGES TO UNES IN THE DESCRIPTION OF ACCESS TO UNES? It is crucial to include these items to ensure that CLECs get nondiscriminatory access to UNEs as Qwest's attack on TELRIC pricing for these activities clearly demonstrates. The importance of making this clear in the ICA is evident in both

<sup>153</sup> *Qwest Petition*, ¶¶ 81 and 82.

A. In its *First Report and Order* at ¶268, the FCC found that the requirement to provide "access to UNEs" must be read broadly, concluding that the Act requires that UNEs "be provisioned in a way that would make them useful" and "[t]he ability of other carriers to obtain access to a network element for some period of time does not relieve the incumbent LEC of the duty to maintain, repair, or replace the unbundled network element."

# Q. WHAT OTHER FCC ORDERS OR RULES GOVERNING NON-DISCRIMINATION FOR UNES APPLY HERE?

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10 A. Section 251(c)(3) of the Telecommunications Act requires that Qwest provide 11 access to unbundled network elements, including unbundled local loops, on rates, 12 terms and conditions that are just, reasonable and non-discriminatory. The FCC *First Report and Order*<sup>154</sup> further defined the meaning of "just, reasonable and 13 14 non-discriminatory," which was included in 47 CFR §51.313. Specifically, the 15 Order stated that at the minimum, the obligation of "just, reasonable and nondiscriminatory" includes two conditions: First, the ILECs should provide 16 17 unbundled network elements to requesting carriers under terms and conditions 18 that are equal to the terms and conditions under which the ILEC provides the

<sup>&</sup>lt;sup>154</sup> First Report and Order, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers, CC Docket Nos. 96-98, 95-185, 11 FCC Rcd 15499 (1996) FCC Dockets CC Nos. 96-98 and 95-185, ("Local Competition Order") adopted on August 1, 1996.

1	service to itself. <sup>155</sup> Second, the ILECs should offer equal terms and conditions to
2	all carriers requesting unbundled network elements. <sup>156</sup> Further, the Order noted
3	that the obligation of "just, reasonable and non-discriminatory" terms and
4	conditions are conditions that provide the requesting carriers a meaningful
5	opportunity to compete:
$\begin{array}{c} 6\\ 7\\ 8\\ 9\\ 10\\ 11\\ 12\\ 13\\ 14\\ 15\\ 16\\ 17\\ 18\\ 19\\ 20\\ 21\\ 22\\ 23\\ 24\\ 25\\ 26\end{array}$	The duty to provide unbundled network elements on "terms, and conditions that are just, reasonable, and nondiscriminatory" means, at a minimum, that whatever those terms and conditions are, they must be offered equally to all requesting carriers, and where applicable, they <u>must be equal to the terms and conditions under</u> which the incumbent LEC provisions such elements to itself. We also conclude that, because section $251(c)(3)$ includes the terms "just" and "reasonable," this duty encompasses more than the obligation to treat carriers equally. Interpreting these terms in light of the 1996 Act's goal of promoting local exchange competition, and the benefits inherent in such competition, we conclude that these terms require incumbent LECs to provide unbundled elements under terms and conditions that would provide an efficient competitor with a <u>meaningful opportunity to compete</u> . Such terms and conditions should serve to promote fair and efficient competition. This means, for example, that incumbent LECs may not provision unbundled elements that are inferior in quality to what the incumbent provides itself because this would likely deny an efficient competitor a meaningful opportunity to compete. <sup>157</sup>
27	In addition, the Order stated that the provision of unbundled network elements
28	does not relieve the ILEC from the duty to maintain and repair the unbundled
29	network element:

<sup>&</sup>lt;sup>155</sup> 47 CFR §51.313(b).

<sup>&</sup>lt;sup>156</sup> 47 CFR §51.313(a).
<sup>157</sup> Local Competition Order at ¶ 315 (emphasis added; footnotes omitted).

We conclude that we should adopt our proposed interpretation that 1 2 the terms "access" to network elements "on an unbundled basis" 3 mean that incumbent LECs must provide the facility or 4 functionality of a particular element to requesting carriers, separate 5 from the facility or functionality of other elements, for a separate fee. We further conclude that a telecommunications carrier 6 7 purchasing access to an unbundled network facility is entitled to 8 exclusive use of that facility for a period of time, or when 9 purchasing access to a feature, function, or capability of a facility, 10 a telecommunications carrier is entitled to use of that feature, 11 function, or capability for a period of time. The specified period 12 may vary depending on the terms of the agreement between the 13 incumbent LEC and the requesting carrier. The ability of other 14 carriers to obtain access to a network element for some period of 15 time does not relieve the incumbent LEC of the duty to maintain, repair, or replace the unbundled network element.<sup>158</sup> 16 17 18 The final rules defining the meaning of "just, reasonable and nondiscriminatory" 19 access to UNEs prescribed that an ILEC must provide a carrier purchasing UNEs 20 with the pre-ordering, ordering, provisioning, maintenance and repair, and billing functions of the incumbent LEC's operations support systems.<sup>159</sup> 21 22 23 Q. HOW DOES THE EXISTING ESCHELON AND QWEST ICA ADDRESS 24 **THIS ISSUE?** 25 Section 6.2 to Attachment 5 of the ICA states, in part: A. 26 6.2.1 U S WEST shall provide repair, maintenance, testing, and 27 surveillance for all Telecommunications Services and unbundled Network Elements and Combinations in 28 29 accordance with the terms and conditions of this 30 Agreement. 31

<sup>&</sup>lt;sup>158</sup> Local Competition Order at ¶ 268 (emphasis added; footnotes omitted).
<sup>159</sup> 47 CFR §51.313(c).

6.2.1.1 U S WEST shall provide CO-PROVIDER with the same level of maintenance support as U S WEST provides itself in accordance with standards and performance measurements that U S WEST uses and/or which are required by law, regulatory agency, or by U S WEST's own internal procedures, whichever are the most rigorous. These standards shall apply to the quality of the technology, equipment, facilities, processes ,and techniques (including, but not limited to, such new architecture, equipment, facilities, and interfaces as U S WEST may deploy) that U S WEST provides to CO-PROVIDER under this Agreement.

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- 6.2.1.2 U S WEST shall provide a SPOC (Single Point of Contact) for Residence, and a SPOC for Business for CO-PROVIDER to report via a toll free telephone number maintenance issues and trouble reports twenty four (24)hours a day and seven (7) days a week. The SPOC Residence toll free number, and SPOC Business toll free number, will be the numbers for all of U S WEST's fourteen (14) states.
  - 6.2.1.3U S WEST shall provide CO-PROVIDER maintenance dispatch personnel on the same schedule that it provides its own Customers.

Q. BASED ON THE EXISTING ICA AND APPLICABLE FCC RULES AND
ORDERS, WHY IS IT CRUCIAL FOR THE ITEMS IDENTIFIED IN
ESCHELON'S LANGUAGE TO BE SPECIFICALLY IDENTIFIED IN
THE ICA AS "ACCESS" TO UNES?

A. Because without the nondiscriminatory access to UNEs that would result from
Eschelon's proposed language (and which would not be preserved under Qwest's
proposal), Eschelon would not have a meaningful opportunity to compete.
Eschelon has an expectation, as supported by governing rules and orders, that it

will continue to have access to the same maintenance and repair procedures and level of quality available to Qwest's other customers - whether retail, resale or QPP – under terms and conditions that are nondiscriminatory.

### Q. WOULD QWEST'S PROPOSAL UNDER THIS ISSUE RESULT IN **DISCRIMINATION AGAINST ESCHELON?**

A. Yes, potentially. By proposing to exclude Eschelon's proposed language from the ICA, Qwest is indicating that it does not intend to perform the activities (moves, adds, repairs) in a nondiscriminatory fashion for Eschelon vis-à-vis Qwest's retail 10 or resale customers (otherwise, Qwest would not disagree with Eschelon's language). Qwest has confirmed this is the case by recently announcing that it 12 would apply access charges to services that are necessary for nondiscriminatory 13 access to UNEs. There is no reason to believe that without Eschelon's proposed 14 language in the ICA that Owest will continue to provide these activities, and the 15 nondiscriminatory access they provide, of its own free will. Eschelon's language 16 is therefore necessary to ensure that CLECs continue to have the access to UNEs to which they are entitled.

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19 Q. WHY IS THE LANGUAGE THAT QWEST RECENTLY PROPOSED 20 NOT SUFFICIENT TO CLOSE THIS ISSUE?

21 A. Owest's modified language for Section 9.1.2 misses the point. The Commission 22 needs to decide that these are part of nondiscriminatory access to UNEs. Qwest's

language states that these activities are "available for" UNEs, and strikes the key word "access." Qwest's choice of "available for" suggests that the activities are not UNE activities but are non-UNE activities that are "available for" UNEs, a concept with which Qwest knows Eschelon disagrees. This does nothing to address Eschelon's concern that the ICA should clarify that these activities are part of Qwest's obligation to provide nondiscriminatory access to UNEs. Further, Qwest's language leaves the door open for Qwest charging expensive, non-cost based charges for these activities (potentially tariff rates) that Qwest would argue are not under the Commission's purview. The fact that Qwest had agreed to make these activities "available for" UNEs would be of little comfort to Eschelon if the prices Qwest assesses for these activities are set at expensive, non-cost based levels such that Qwest enjoys a cost advantage when serving its customers.

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### Q. PLEASE SUMMARIZE ISSUE 9-31

A It is critical that the ICA language make clear that Qwest must continue to provide nondiscriminatory access to UNEs, including activities performed to make the UNE useful. This is supported by FCC rules and orders as well as the current Eschelon/Qwest ICA. For all of the reasons described in Eschelon's business need and in these responses, the Commission should adopt Eschelon's language for 9-31.

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#### VII. SUBJECT MATTER NO. 18. CONVERSIONS

Issue Nos. 9-43 and 9-44 and subparts: ICA Sections 9.1.15.2.3; 9.1.15.3 and subparts; 9.1.15.3.1; 9.1.15.3.1.1; 9.1.15.3.1.2

#### Q. WHAT IS ESCHELON'S BUSINESS ISSUE REGARDING CONVERSIONS (ISSUES 9-43 AND 9-44 AND (A)-(C))?

A. A conversion happens when a circuit that was formerly available as a UNE must be converted to a non-UNE alternative arrangement, as the result of a finding of "non-impairment." By definition, conversions will take place on live circuits that are up and running and currently supporting service to End User Customers. Therefore, a seamless and error free conversion is crucial because if problems arise during the conversion, the likelihood that an Eschelon Customer will be placed "out of service" is high.

Further, it is important to note the "conversions" discussed in this testimony involve only changing the rate charged for the facility and, in the vast majority of circumstances, the CLEC and its End User Customer should be using the same facility that was used prior to the conversion. These conversions are required solely for purposes of implementing a regulatory construct and have nothing to do with improving or otherwise managing the Customer's service – in essence, the conversion is intended to re-label what was before a UNE, something different. This reinforces the need for conversions to be transparent to Eschelon's End User Customers as any disruption in service would be completely unexpected and difficult to explain. In other words, even though these conversions are being

undertaken to effectuate Qwest's reduced legal obligations relative to UNEs, it is Eschelon who bears all the risk of failure. Furthermore, the FCC has found that CLECs should not be assessed conversion charges associated with serving a Customer for the first time because the CLEC is already serving the Customer and service is working fine. Eschelon, therefore, is highly motivated to ensure that conversions can be accomplished reliably, efficiently and cost-effectively, and Eschelon is concerned that Qwest will not abide by its obligation in this regard.

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# 9 Q. IS THERE GOOD REASON FOR ESCHELON'S CONCERNS THAT 10 QWEST WILL MAKE THE CONVERSION PROCESS 11 UNNECESSARILY CUMBERSOME AND POTENTIALLY DISRUPT 12 SERVICE TO ESCHELON'S END USER CUSTOMERS?

13 Yes. In my discussion of the Change Management Process (Section II above), I A. 14 explained that Qwest has issued several non-CMP "secret PCATs" used to advise 15 CLECs of Qwest's view of how its obligations regarding UNEs has changed due 16 to the TRO/TRRO. These notices are password protected, and since they do not 17 go through CMP, there is no opportunity for CLEC comment about the changes. 18 Owest issued one of these password-protected, non-CMP secret PCAT notices on  $7/21/06^{160}$  entitled "TRRO – Reclassification of Terminations for Unbundled 19 20 Network Element (UNE) Conversions - V1.0," with an effective date of

<sup>&</sup>lt;sup>160</sup> Document No. PROS.07.21.06.F.04074.TRRO\_Reclass\_Termin\_V1 (Qwest Wholesale Notification – not CMP notice).

7/28/2006 – just one week from the 7/21/06 date of announcement. This notice announced a "procedure that is needed when you [CLECs] are converting UNE Services to Finished Services in Non-Impaired Central Offices as required by the TRRO." Or, in other words, Qwest announced that CLECs would need to go through a "procedure" to effectuate the same type of conversions that are the subject of Issues 9-42 and 9-43.

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This procedure, as explained in Qwest's notice, requires the CLEC to submit a collocation application for each central office to "reclassify UNE terminations," which was explained as having "Qwest reclassify your UNE Collocation terminations to a Finished Service Interconnection Tie Pair (ITP) with the DEMARC outside the collocation as required by the TRRO." Qwest went on to explain that DS1s would be reclassified in blocks of 28 DS1s as part of reclassification and must reside in the same cable sheath,<sup>161</sup> with DS3 terminations being reclassified on an ICB basis. When Qwest completes all of this work, it will send the CLEC a revised Alternative Point of Termination ("APOT"), whose responsibility it would be to update their databases to reflect the new cabling arrangement.

<sup>&</sup>lt;sup>161</sup> In a document Qwest provided to Eschelon on August 11, 2006, in response to the question, "Under Qwest's "TRRO PCAT," can the UNE EELs and the non-UNE converted alternative arrangements reside on the same block of 28?," Qwest said: "Yes, when the same cable is being redesignated . . . . In this example, Qwest will allow UNE EELs and non-UNE converted alternative arrangements to reside <u>on the same cable being reclassified</u>" (emphasis added). In other words, collocation and UNEs are both addressed by this Secret TRRO PCAT. The entire block (including UNEs) will be frozen.

1	In sum, Qwest's notice indicates that Qwest intends to require a significant
2	amount of work to convert a UNE to an alternative service - work that could
3	potentially put CLECs' Customers out of service. Qwest's procedure is also very
4	time consuming - 45 day and ICB intervals - and Qwest indicates that unless
5	CLECs "reclassify" or "convert" their UNE circuits that are no longer impaired
6	pursuant to Qwest's new procedure, it will stop accepting the CLEC's connect,
7	change and disconnect orders. Worse yet, Qwest's procedure requires the CLEC
8	to either complete or cancel all work in progress related to the cables being
9	reclassified, thereby putting a "freeze" on these cables and customers for a
10	minimum of 15 calendar days. <sup>162</sup> This "freeze" is certainly not indicative of the
11	seamless conversions required by the FCC.
12	Qwest's procedure conflicts with the FCC's view of conversions in other

West's procedure conflicts with the FCC's view of conversions in other ways as well. Qwest's notice indicates that there is a potential for Qwest to assess non-recurring charges on CLECs for these conversion activities. Qwest states that, CLECs "will not be charged a nonrecurring charge to perform this reclassification of terminations from UNE to Finished Service *when the activity is associated with TRRO*." (emphasis added) And then Qwest indicates that "Tariffs/Catalogs/Price Lists" may apply. This ambiguity on Qwest's part about

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<sup>&</sup>lt;sup>162</sup> Qwest's PCAT states: "To eliminate CFA mismatches on orders, it is recommended that all work in progress related to the cable being reclassified either be completed or cancelled by the CLEC prior to quote acceptance. Submission of new connect, change, and disconnect orders on the cable being reclassified will be restricted 15 calendar days prior to the Ready for Service (RFS) date of the reclassification order. The restriction of orders is necessary to enable Qwest to change the designated name of the cable and provide that revised APOT information to the CLEC prior to issuance of orders against that cable."

1 applicable charges for conversion instills little confidence in Eschelon that Qwest 2 intends to abide by the very clear FCC rule regarding conversion charges. 3 This conversion procedure announced in Qwest's non-CMP PCAT flies in 4 the face of the FCC's determinations on conversions and Qwest never once raised 5 this issue in CMP or in the Eschelon arbitration cases – despite Issues 9-42 and 9-43 (conversions) being negotiated for quite some time.<sup>163</sup> Since Qwest's notice 6 7 was slim on details, Eschelon issued questions to Qwest on 8/3/06 inquiring about 8 several aspects of Qwest's notice – primarily, why the extensive work described 9 in the secret PCAT is necessary to simply convert a facility from UNE pricing to 10 a non-UNE pricing. In Owest's responses to Eschelon's questions, Owest 11 indicated that "[t]his is a records change, no CLEC or Owest physical 12 modifications can be made to the facility as a part of the reclassification" – though 13 this record change, according to Qwest's PCAT, would take 45 days to execute 14 for the first five applications per week per state, and an ICB interval would apply to any applications exceeding this amount.<sup>164</sup> Eschelon should be clear that it 15 16 does not believe that this non-CMP notice applies to Eschelon because this 17 language is not in Eschelon's ICA with Owest and Owest has not proposed this 18 language for negotiation/arbitration. However, Eschelon is concerned, based on

<sup>&</sup>lt;sup>163</sup> Qwest also never raised the APOTs issue in any of the wire center proceedings, which discussed conversions.

<sup>&</sup>lt;sup>164</sup> <u>http://www.qwest.com/wholesale/pcat/trroreclassuneterm.html</u> (as of 9/18/06): "Qwest will complete the reclassification request within 45 days of receipt of a valid application. The 45-day interval for Reclassification applies to the first five (5) Collocation Applications per CLEC per week per state. If six (6) or more Collocation Applications are submitted by CLEC in a one (1) week period in the state, intervals for the Collocation Applications in excess of the first five (5) shall be individually negotiated."

Qwest's past conduct, that if there are not clear terms and conditions in the Eschelon and Qwest ICA that track the FCC's requirements on conversions, Eschelon will get through this arbitration and Qwest will attempt to apply the terms of this notice to Eschelon. Eschelon's proposals on Issues 9-42 and 9-43 will provide these clear terms and conditions and avoid future disputes.

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#### Q. HAS QWEST REFUSED TO NEGOTIATE THIS APOT ISSUE?

8 A. Yes. On September 6, 2006, Qwest responded to Eschelon's questions about this 9 notice indicating that Qwest is refusing to negotiate the APOT issue because 10 according to Qwest, "the level of process Eschelon is seeking is best managed through CMP."<sup>165</sup> This response is ironic and highly objectionable given that the 11 12 APOT notice was a non-CMP notice - meaning that Qwest itself refuses to use CMP for this issue.<sup>166</sup> Again, this is a prime example of Qwest using the CMP 13 14 process as a sword or shield depending on what benefits Owest. It refuses to 15 negotiate the APOT issue in state commission arbitrations, but also refuses to 16 address this issue in CMP (though Qwest admits that it is "best served by CMP"). 17 Eschelon is gravely concerned that the ultimate outcome of Qwest's strategy is to 18 attempt to omit language pertaining to conversions in Eschelon's ICA, implement 19 its troublesome, potentially customer-affecting conversion procedure outside of 20 CMP (thereby avoiding the participation afforded CLECs in CMP), and then

<sup>&</sup>lt;sup>165</sup> Email from Kathleen Salverda (Qwest), dated 9/6/06.

<sup>&</sup>lt;sup>166</sup> Qwest issued a follow-up non-CMP notice on August 31, 2006, effective September 7, 2006 entitled "TRRO Reclassification of Terminations V2.0"

1		ultimately impose this procedure on Eschelon (arguing that the ICA does not
2		address conversions). This underscores the importance of the Commission
3		rendering a decision on conversions in this arbitration and maintaining
4		consistency with the FCC's findings regarding seamless conversions.
5		
6	Q.	WHAT ARE ESCHELON'S PROPOSALS FOR CONVERSIONS (ISSUE 9-
7		43 AND 9-44 AND (A)-(C))?
8	A.	Eschelon proposes the following language:
9		<u>Issue 9-43</u>
10 11 12 13 14		9.1.15.2.3 The circuit identification ("circuit ID") will not change. After the conversion, the Qwest alternative service arrangement will have the same circuit ID as formerly assigned to the high capacity UNE.
15		<u>Issue 9-44</u>
16 17 18 19 20 21		9.1.15.3 If Qwest converts a facility to an analogous or alternative service arrangement pursuant to Section 9.1.15, the conversion will be in the manner of a price change on the existing records and not a physical conversion. Qwest will re-price the facility by application of a new rate.
22		<u>Issue 9-44(a)</u>
23 24 25 26 27 28 29 30		9.1.15.3.1 Qwest may perform the re-pricing through use of an "adder" or "surcharge" used for Billing the difference between the previous UNE rate and the new rate for the analogous or alternative service arrangement, much as Qwest currently does to take advantage of the annual price increases in its commercial Qwest Platform Plus product.

1	<u>Issue 9-44(b)</u>
2 3 4 5	9.1.15.3.1.1 Qwest may add a new Universal Service Ordering Code ("USOC") for this purpose and assign the "adder" or "surcharge" rate to that USOC.
6	<u>Issue 9-44(c)</u>
7 9 10 11 12 13 14	9.1.15.3.1.2 For any facility converted to an analogous or alternative service arrangement pursuant to Section 9.1.15.3, Qwest will either use the same USOC or the USOC will be deemed to be the same as the USOC for the analogous or alternative service arrangement for pricing purposes, such as for the purpose of calculating volumes and discounts for a regional commitment plan.
16	Taken together, Eschelon's proposals for Issues 9-43 and 9-44 explain how the
17	conversions from UNEs to alternative service arrangements will be conducted.
18	For Issue 9-43, Eschelon proposes language that states that the circuit ID for the
19	facility that is being converted will not change during the conversion. For Issue
20	9-44, Eschelon proposes language that reflects the FCC's language regarding the
21	billing changes involved in conversions, and Eschelon's language for Issues 9-
22	44(a) and 9-44(b) set out an efficient option for implementing the re-pricing of
23	converted facilities – an adder or surcharge to the original rate – that Qwest
24	already uses for re-pricing services. Eschelon's language for Issue 9-44 states
25	that the USOC associated with the converted circuit will remain the same for
26	calculating volume discounts.
27	

#### 1 Q. WHAT IS QWEST'S PROPOSALS FOR CONVERSIONS? 2 A. Qwest proposes to omit all of the Eschelon language shown above, and provides 3 no competing language. As it has with respect to a number of other issues, Qwest claims that Eschelon's proposals for Issues 9-43 and 9-44 would circumvent the 4 CMP and require costly, unique processes that affect all CLECs.<sup>167</sup> This is 5 6 despite Qwest's refusal to address this issue in CMP. 7 8 Q. WHAT TYPE OF CONVERSIONS ARE ADDRESSED IN ISSUES 9-43 9 AND 9-44? 10 A. These issues apply to conversions from a UNE facility to an analogous or 11 alternative service arrangement (see, Section 9.1.15 of the ICA). These 12 conversions would occur when the parties agree, or it is determined in dispute 13 resolution, that the UNE is impacted by a finding of non-impairment. Analogous 14 or alternative service arrangements include access products purchased from 15 Owest's access tariff. For instance, a UNE DS1 loop could be converted to a DS1 16 special access circuit if it is determined that the applicable non-impairment 17 thresholds are met for a particular wire center (see 47 CFR § 51.319(a)(4)). 18 19 **Q**. IS THIS TRANSITION AWAY FROM UNES WITHIN THE SCOPE OF 20 SECTIONS 251 AND 252 OF THE ACT?

<sup>&</sup>lt;sup>167</sup> Qwest Position Statement in Issues Matrix.

1	A.	Yes. The Washington Commission has found that this transition away from
2		UNEs is within the scope of 251/252 of the Act. <sup>168</sup> Similarly, the FCC found that
3		"as contemplated in the Act, individual carriers will have the opportunity to
4		negotiate specific terms and conditions necessary to translate our rules into the
5		commercial environment, and to resolve disputes over any new contract language
6		arising from differing interpretations of our rules." <sup>169</sup>
7		
8	Q.	SHOULD ANY CHANGES BE MADE BY QWEST DURING A
9		CONVERSION THAT COULD RESULT IN SERVICE DISRUPTION FOR
10		ESCHELON'S END USER?
11	A.	No. When it has been determined that a UNE facility needs to be converted to an
12		analogous or alternative service arrangement, Eschelon and its End User
13		Customer will continue to use the same physical facility. Therefore, the change
14		required to effectuate the FCC's regulatory requirements can be accomplished
15		with a record-only change.
16		
17	Q.	PLEASE ELABORATE ON WHY CONVERSIONS SHOULD NOT
18		ENTAIL WORK THAT WOULD PUT ESCHELON'S CUSTOMERS OUT
19		OF SERVICE?

<sup>&</sup>lt;sup>168</sup> Washington ALJ Report (Order No. 17 in Verizon/CLEC arbitration), ¶ 150.
<sup>169</sup> TRO, pp. 14-15.

1 A. The conversions at issue are conversions from UNE to non-Section 251 2 alternative/analogous service (e.g., access product). The "conversion" in this 3 instance is really a conversion from cost-based UNE prices (i.e., TELRIC based prices) to special access prices (e.g., conversion from UNE rates for DS1 loop to 4 5 access rates for DS1 special access circuit). However, since the physical facility 6 otherwise remains unchanged - indeed, the end user should not even know that it 7 has been "converted" - no other changes should be required for conversion. 8 Given that this re-pricing should not affect the operation of the facility itself, 9 Qwest should not be allowed to change the facility currently being provided. 10 11 **O**. DOES THE FCC AGREE THAT CONVERSIONS SHOULD INVOLVE **RECORD CHANGES AND AVOID NETWORK-RELATED CHANGES** 12 THAT COULD PUT ESCHELON'S END USER CUSTOMER OUT OF 13 14 **SERVICE?** Yes. The FCC addressed the issue of conversions in the  $TRO^{170}$  and found that 15 A. conversions should be seamless from the end user's perspective, and should 16 17 involve only billing changes from Qwest's perspective. At paragraph 586 of the 18 TRO, the FCC discussed the seamlessness of conversions: 19 Converting between wholesale services and UNEs or UNE 20 combinations should be a seamless process that does not affect the 21 customer's perception of service quality. 22

<sup>&</sup>lt;sup>170</sup> The *TRO* addressed conversions from UNEs to wholesale services and from wholesale services to UNEs.

1	The FCC codified the requirement that conversions should be seamless from the
2	perspective of the CLEC's end user in 47 CFR §51.316(a) as follows:
3 4 5 6 7	(b) An incumbent LEC shall perform any conversion from a wholesale service or group of wholesale services to an unbundled network element or combination of unbundled network elements without adversely affecting the service quality perceived by the requesting telecommunications carrier's end-user customer.
8 9	And at paragraph 588 of the TRO, the FCC addressed the notion that conversions
10	are billing changes:
11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26	588. We conclude that conversions should be performed in an expeditious manner in order to minimize the risk of incorrect payments. We expect carriers to establish any necessary timeframes to perform conversions in their interconnection agreements or other contracts. We decline to adopt ALTS's suggestion to require the completion of all necessary billing changes within ten days of a request to perform a conversion because such time frames are better established through negotiations between incumbent LECs and requesting carriers. We recognize, however, that converting between wholesale services and UNEs (or UNE combinations) is largely a billing function. We therefore expect carriers to establish appropriate mechanisms to remit the correct payment after the conversion request, such as providing that any pricing changes start the next billing cycle following the conversion request.
27	It is clear from the language above that the FCC's concern was directed at
28	ensuring proper payment for the facility, depending on whether it is a Section 251

1		UNE or a wholesale service (e.g., access product), and did not envision work on
2		the ILEC's part leading to the potential for Customer disruption. <sup>171</sup>
3		
4 5		Issue No. 9-43: Conversions – Circuit ID, Section 9.1.15.2.3
6	Q.	WHAT IS A CIRCUIT ID AND WHAT IS ITS PURPOSE?
7	A.	The term is somewhat self-explanatory. A circuit ID is just that, a number or
8		code that identifies a specific circuit, generally by defining its two end points -
9		referred to as the "A" and "Z" location. Both CLEC and Qwest use this circuit ID
10		throughout their operational support systems to identify that circuit for numerous
11		activities including billing and repair matters.
12		
13	Q.	SHOULD A CIRCUIT ID CHANGE DURING A CONVERSION?
14	А.	No. As described above, in the vast majority of circumstances in which Eschelon
15		will be required to convert an existing circuit from a UNE to an alternative service
16		arrangement, the physical facility need not (and should not) change. As such, the
17		circuit ID need not (and should not) change either. This is important from
18		Eschelon's perspective because Eschelon specifically tracks that particular facility
	171	The FCC did mention in paragraph 586 of the <i>TRO</i> that there may be an increase in the risk of Customer disruption caused by CLECs grooming inter-exchange traffic in order to comply with the

of he eligibility criteria. However, this potential for disruption stems from decisions made by the CLECs, not Qwest. The fact that the FCC mentioned the potential for End User Customer disruption caused by CLEC grooming, yet did not mention the possibility for disruption caused by Qwest (and indeed requires conversions to be seamless), indicates that the FCC never envisioned the potential for Qwest-caused Customer disruption because from Qwest's perspective, the conversion involves simply changing the rate that applies to the facility.

and the Customer it serves via the circuit ID. Numerous Eschelon systems rely on that circuit ID in providing ongoing billing and customer service to the Customer. To the extent Qwest is allowed to (a) unnecessarily change the underlying facility simply to effectuate what should be accomplished by a billing change and then (b) assign a new circuit ID to the same arrangement, Eschelon's systems will be substantially, adversely, and unnecessarily affected. This will be accompanied by notable cost and inconvenience. Likewise, unnecessarily re-arranging facilities puts the Customer at risk of losing service – a Customer who never asked to be converted and should not even realize that it happened.

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#### 11 Q. PLEASE EXPLAIN HOW CHANGING CIRCUIT IDS DURING 12 **CONVERSIONS** COULD AFFECT **ESCHELON'S END** USER CUSTOMERS. 13

14 A. Changing the circuit ID for a circuit that is already in place and working well for a 15 Customer in connection with "converting" the circuit from a UNE to an 16 alternative arrangement significantly increases the risk of Customer disruption. 17 For instance, Owest processes circuit ID changes using "disconnect" and "new" 18 service orders. A simple typing error in an order could send the order to Qwest 19 facilities assignment with a "disconnect" on the order, and the Customer will be 20 erroneously disconnected and put out of service. In addition, if records are not 21 correctly and timely updated to show new circuit IDs in either Qwest or CLEC 22 systems, problems are likely to arise in the areas of maintenance and repair. For

example, if six months after the conversion, the end user notifies Eschelon that its circuit is in need of repair, but the circuit ID is incorrectly stored in either the Eschelon or Qwest systems as a result of an unnecessary physical conversion, it is likely that Eschelon and Qwest will be unable to effectively open a trouble-ticket. As a result, the repair function will be delayed and is likely to require substantial additional resources to resolve, as compared to a normal repair ticket. All of this can be avoided by adopting Eschelon's proposal and making sure that Qwest does not change circuit IDs for conversions.

## 10 Q. HAS QWEST ALREADY PROCESSED CONVERSIONS WITHOUT 11 CHANGING CIRCUIT IDS?

A. Yes. When Qwest first converted special access circuits to UNEs, the original circuit IDs did not change. Issue 9-43 deals with the reverse situation – *i.e.*, conversion of UNEs to special access. To date Qwest has been unable, or unwilling, to explain why the circuit ID must be changed in the current situation when no such change was required in previous conversions.

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#### Q. WILL CHANGING CIRCUIT IDS FOR CONVERSIONS IMPOSE COSTS ON ESCHELON?

A. Yes. If a circuit ID is changed for a conversion, Eschelon will be forced to
modify its systems and its records to account for the new circuit ID. Qwest
complains about purported costs that it would incur to leave the circuit ID

unchanged, but ignores the cost imposed on Eschelon by changing the circuit ID for the same facility.

#### Q. SHOULD ESCHELON BEAR THE COSTS ASSOCIATED WITH CIRCUIT ID CHANGES?

6 A. The physical circuit already exists and Eschelon paid substantial non-No. 7 recurring charges to establish that circuit. There is no technical need to change that circuit just to convert it from one service-type (UNE) to another (special 8 9 It is Qwest's decision to make a physical change (or change access). 10 unnecessarily the ID for that circuit), and it is Owest who should bear the costs. 11 Otherwise, there will be no economic discipline associated with Qwest's decision. 12 In a circumstance in which Qwest can foist additional costs on its competitors like 13 Eschelon, while at the same time endangering the service provided by its 14 competitors by requiring a physical conversion, all the while garnering additional 15 fees for unnecessary tariffed non-recurring charges, why wouldn't Qwest require 16 an unnecessary physical change in every circumstance? Unfortunately, all of 17 these additional fees and expenses will have to ultimately be paid by Owest's 18 competitors and/or their End User Customers and, therefore, the Commission should adopt the process which is most efficient and least likely to disrupt 19 20 Customer services. That approach is the one advocated by Eschelon.

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1	Q.	YOU DESCRIBED THE RISK OF DISRUPTION FACING ESCHELON'S
2		CUSTOMERS IF QWEST CHANGES THE CIRCUIT IDS FOR
3		CONVERSIONS. WOULD QWEST'S RETAIL CUSTOMERS FACE
4		THIS SAME RISK?
5	A.	No, and this is a very important point. Conversions only apply to the facilities
6		used by CLECs, and not facilities used by Qwest, and therefore, Qwest's retail
7		customers would face none of the risks that are inherent in Qwest's proposal to
8		change circuit IDs during conversions. The FCC recognized this very point when
9		addressing conversion charges in paragraph 587 of the TRO:
10 11 12 13 14 15 16		Because incumbent LECs are never required to perform a conversion in order to continue serving their own customers, we conclude that such charges are inconsistent with an incumbent LEC's duty to provide nondiscriminatory access to UNEs and UNE combinations on just, reasonable, and nondiscriminatory rates, terms, and conditions.
17		The FCC was speaking to conversion charges that ILECs may attempt to assess,
18		but the same reasoning holds true with respect to circuit ID changes. Qwest is
19		never required to perform a conversion in order to continue serving its own
20		Customers, and therefore, Qwest's proposal to change circuit IDs for conversions
21		to CLEC circuits, thereby increasing the risk of CLEC Customer disruption and
22		undermining the FCC's requirements for seamless conversions, does not meet
23		Qwest's obligation to provide access to UNEs on just, reasonable, and
24		nondiscriminatory rates, terms and conditions.

1 Issue No. 9-44 – Manner of Conversion – Section 9.1.15.3 2 3 Q. **IS ESCHELON'S PROPOSAL FOR ISSUE 9-44, WHICH RECOGNIZES** THAT CONVERSIONS CAN BE ACCOMPLISHED THROUGH A 4 5 BILLING CHANGE, SUPPORTED BY THE FCC'S FINDINGS ON 6 **CONVERSIONS?** 7 Yes. As explained above, the FCC has found in paragraph 588 of the TRO that A. 8 conversions affect the billing of rates - not physical changes in the facilities. 9 Eschelon's proposed Section 9.1.15.3 simply memorializes the FCC's findings. 10 11 WHY IS IT CRITICAL TO ENSURE SEAMLESS CONVERSIONS? **O**. 12 A. For starters, seamless conversions are required by the FCC (see, TRO, ¶ 586). In 13 addition, a conversion is a regulatory construct and not a change requested by 14 Eschelon or its Customer, and because only the price of a facility is changing, 15 service to end users should not be put at risk. Eschelon's proposed Section 16 9.1.15.3 prohibits Qwest from putting Eschelon's Customers at risk by 17 performing unnecessary physical rearrangements. Furthermore, since Owest's 18 Customers will not face any of the same risks (because ILECs do not need to 19 perform conversions to continue to serve their Customers), Eschelon's End User 20 Customers will face a higher likelihood of service outage problems than will 21 Qwest's Customers. These problems will be directly attributable to Qwest's

insistence on making physical facility changes when the FCC has already found that record-only changes will suffice.

#### Q. ARE THERE OTHER REASONS WHY ESCHELON'S LANGUAGE IS NECESSARY?

6 A. Yes. Agreed upon language in Section 9.1.15 states that, if a CLEC has not 7 converted a UNE at the end of a transition period, Qwest "will convert" it to 8 month-to-month service arrangements under its tariff. Without Eschelon's 9 language in Section 9.1.15.3, the ICA does not describe what "convert" means or 10 the terms and conditions under which this conversion will take place. As a result, 11 absent Eschelon's proposed Section 9.1.15.3, Qwest could interpret the contract to 12 be open-ended with respect to the changes Qwest can make during conversions 13 that could harm Eschelon's Customers' service quality.

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#### Q. HAS THE FCC ADDRESSED THE CHARGES THAT CAN AND CANNOT BE ASSESSED BY THE ILEC FOR CONVERSIONS?

A. Yes. The FCC's rules and orders determine the charges that the ILEC can and
cannot apply on a CLEC for a conversion. The FCC spoke to charges related to
conversions at paragraph 587 of the TRO as follows:

587. ... We recognize, however, that once a competitive LEC starts serving a customer, there exists a risk of wasteful and unnecessary charges, such as termination charges, re-connect and disconnect fees, or non-recurring charges associated with establishing a service for the first time. We agree that such

$ \begin{array}{c} 1\\2\\3\\4\\5\\6\\7\\8\\9\\10\\11\\12\\13\\14\\15\end{array} $	charges could deter legitimate conversions from wholesale services to UNEs or UNE combinations, or could unjustly enrich an incumbent LEC as a result of converting a UNE or UNE combination to a wholesale service. Because incumbent LECs are never required to perform a conversion in order to continue serving their own customers, we conclude that such charges are inconsistent with an incumbent LEC's duty to provide nondiscriminatory access to UNEs and UNE combinations on just, reasonable, and nondiscriminatory rates, terms, and conditions. Moreover, we conclude that such charges are inconsistent with section 202 of the Act, which prohibits carriers from subjecting any person or class of persons ( <i>e.g.</i> , competitive LECs purchasing UNEs or UNE combinations) to any undue or unreasonable prejudice or disadvantage.
16	The FCC promulgated a rule related to conversion charges in 47 CFR §51.316(c)
17	as follows:
18 19 20 21 22 23 24	51.316 (c) Except as agreed to by the parties, an incumbent LEC shall not impose any untariffed termination charges, or any disconnect fees, re-connect fees, or charges associated with establishing a service for the first time, in connection with any conversion between a wholesale service or group of wholesale services and an unbundled network element or combination of unbundled network elements.
25	The FCC's rules and orders on conversion charges prohibit Qwest from assessing
26	termination charges, re-connect fees, connect fees and other charges associated
27	with establishing a circuit for the first time. That is because the circuit is already
28	established and working properly, and the requesting carrier has already paid non-
29	recurring charges to originally establish the circuit. Given that no physical work
30	is needed to convert the circuit, no charges for physical work to establish the
31	circuit are allowed for conversions. Furthermore, the FCC unambiguously

rejected the notion of conversion charges: it found them to be not only "inconsistent with an incumbent LEC's duty to provide nondiscriminatory access to UNEs and UNE combinations on just, reasonable, and nondiscriminatory rates, terms, and conditions," but it also found them to be "inconsistent with section 202 of the Act, which prohibits carriers from subjecting any person or class of persons (*e.g.*, competitive LECs purchasing UNEs or UNE combinations) to any undue or unreasonable prejudice or disadvantage." Therefore, any claim by Qwest that Eschelon's proposals inappropriately limit Qwest's ability to recover its costs of conversions, should be seen for what it is – a collateral attack on the FCC's findings regarding conversion charges.

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#### <u>Issue No. 9-44(a): Manner of Conversion – Use of adder or surcharge – Section</u> <u>9.1.15.3.1</u>

Q. YOU HAVE EXPLAINED ABOVE THAT CONVERSIONS INVOLVE A
BILLING CHANGE AND NOT A CHANGE IN PHYSICAL FACILITY. IS
THERE A SIMPLE, TECHNICALLY FEASIBLE WAY IN WHICH
QWEST COULD EFFECTUATE THIS BILLING CHANGE AND
IMPLEMENT THE CONVERSION?

A. Yes. Providing such an option to Qwest is the purpose of Eschelon's proposed
 language under Issue 9-44(a). Eschelon's proposal would allow Qwest to
 accomplish this conversion (or re-pricing) through the application of an adder or

surcharge to bill the difference between the old rate and new rate (*i.e.*, pre and post conversion rates). For instance, if a DS1 UNE loop was converted to a DS1 special access circuit, the adder or surcharge would reflect the difference between the UNE rate and the special access rate.

#### Q. DOES QWEST ALREADY USE SUCH AN ADDER/SURCHARGE APPROACH TO REFLECT PRICE CHANGES?

A. Yes. Qwest has already demonstrated this with its implementation of the Qwest Platform Plus ("QPP") agreements. Under those agreements, QPP circuits are subject to annual rate increases. Qwest does not physically convert the circuits to convert to the new rates. Instead, Qwest re-prices the circuits by using an "adder" or "surcharge" for billing the difference between the previous rate and the new rate. Eschelon's proposed language in Section 9.1.15.3.1 merely makes clear that Qwest may use this same approach for the conversions described in Section 9.1.15.

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#### Q. IS THE USE OF ADDERS UNDER THE QPP AGREEMENTS STRONG EVIDENCE THAT SUCH A RE-PRICING METHODOLOGY COULD BE USED TO IMPLEMENT CONVERSIONS?

A. Yes. The rate changes involved with QPP are significantly more complex than
rate changes involved in converting UNE rates to analogous/alternative service
rates. That is, QPP rates differ depending on whether the End User Customer is a

1 residential or a business customer, and depend upon whether the CLEC has met 2 certain volume quotas. Implementing such a re-pricing methodology should be 3 easier to implement for conversion adders, which would not vary based on these 4 factors. 5 Issue No. 9-44(b): Manner of Conversion – Use of USOC – Section 9.1.15.3.1.1 6 7 8 Q. IS THE DISAGREEMENT UNDER ISSUE 9-44(B) AN EXTENSION OF 9 **ISSUE 9-44(A) ABOVE?** 10 A. Yes. As explained above, Eschelon's proposal under Issue 9-44(a) would permit 11 Quest to implement the re-pricing involved in a conversion through the use of an 12 "adder" or "surcharge" reflecting the difference between the old and new rate, just 13 as Qwest does when re-pricing under the QPP agreements. It is possible that 14 Quest may need to add new USOC codes to identify the conversion adders. Eschelon's language for Section 9.1.15.3.1.1 is designed to allow Qwest to 15 16 introduce new USOC(s) if needed to implement the same re-pricing methodology 17 for conversions as Qwest uses for QPP. 18 19 SHOULD QWEST BE ABLE TO DEVELOP A CHARGE TO APPLY TO Q. 20 CLECS TO RECOVER THE COST OF ADDING NEW USOCS USED 21 FOR CONVERSIONS?

1 A. No. This would be a charge that the FCC prohibits under paragraph 587 of the 2 TRO and 47 CFR § 51.316(c). Specifically, this would be a conversion charge 3 "associated with establishing a service for the first time" which the FCC found to be inconsistent with Qwest's non-discrimination obligation as well as its 4 5 obligation not to subject any person or class of persons to undue or unreasonable 6 prejudice or disadvantage under Section 202 of the Act. Since Qwest is never 7 required to perform conversions in order to continue serving its Customers, Qwest 8 and its Customers would not incur costs related to establishing USOCs for 9 conversions. Based on the FCC's discussion in TRO paragraph 587, this means 10 that Qwest cannot assess these types of charges on CLECs.

#### Issue No. 9-44(c): Manner of Conversion – Same USOC – Section 9.1.15.3.1.1

#### Q. WHAT CONCERN IS ESCHELON ATTEMPTING TO ADDRESS THROUGH ITS PROPOSED LANGUAGE FOR ISSUE 9-44(C)?

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A. Eschelon's proposals under Issues 9-44(a) and 9-44(b) would permit Qwest to
perform the re-pricing involved in a conversion by way of an adder, similar to the
way in which Qwest re-prices under its QPP Agreements. The USOCs that are
used to represent rate elements are used for other pricing purposes, such as
calculating volumes and discounts for a regional commitment plant. For example,
a CLEC may have a volume commitment with Qwest to purchase a certain dollar
value worth of services over a particular state or region in order to receive a

percentage discount on the services it purchases from Qwest. The services that contribute to that volume commitment, and in turn, the associated discount may be identified by USOC. Eschelon is concerned that Qwest may change or add USOCs to accomplish a conversion and then remove the revenue associated with the facility from the calculated volume commitments, thereby making it more difficult for Eschelon to meet its volume commitments and obtain a discount, which leads to more wholesale revenues for Qwest. Eschelon's language for this issue was designed to ensure that any USOC changes involved in a conversion do not change the way in which the USOCs are used for pricing purposes (*e.g.*, calculating volume commitments and discounts).

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## 12 Q. PLEASE ELABORATE ON WHY A USOC CHANGE USED TO 13 ACCOMPLISH A CONVERSION SHOULD NOT AFFECT THE WAY IN 14 WHICH THE USOC IS USED FOR PRICING PURPOSES.

A. The facility is the exact same facility after the conversion as it was before the conversion, and this would hold true even if Qwest assigned a new USOC to the circuit to reflect the post-conversion pricing. Qwest should not be allowed to manipulate its USOCs in such a way as to allow Qwest to recover higher charges from CLECs. This would be particularly unfair since the USOC methodology of implementing conversions makes the conversions efficient for Qwest, and in light of the FCC's strong emphasis on nondiscriminatory, just and reasonable treatment by Qwest for conversions (given that conversions apply only to CLECs and not Qwest).

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#### Q. PLEASE SUMMARIZE ISSUES 9-43 AND 9-44.

A. Conversions should be seamless to the CLEC End User Customer. A conversion involves re-pricing a facility – a facility that is operational and serving an End User Customer - from UNE prices to the price of the alternative/analogous service, and it should not involve any work that would result in service disruption for the End User Customer. Qwest and its Customers do not bear any risk of disruption or costs from conversions because Qwest does not convert its circuits. Eschelon's proposed language would ensure that conversions are implemented just as the FCC required them to be - seamlessly. Eschelon's proposal of implementing conversions through a billing change is specifically discussed by the FCC and the billing change option included in Eschelon's ICA language is already used by Qwest to re-price services. Qwest's proposals, on the other hand, could result in disruption for Eschelon End User Customers and leaves the door open for Owest to assess conversion charges that the FCC promulgated a rule to prohibit. For all of the reasons described in Eschelon's business need and in these responses, the Commission should adopt Eschelon's language for Issues 9-43 and 9-44.

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#### 1 VIII. SUBJECT MATTER NO. 19. INTERFERING BRIDGE TAP

Issue No. 9-46: ICA Section 9.2.2.9.6

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#### PLEASE PROVIDE A BRIEF SUMMARY OF ISSUE 9-46.

5 A. A fundamental underpinning of Qwest's position on about one-third of the issues 6 in this arbitration is that there should be no overlap between a CLEC's ICA and 7 the PCAT. With respect to Issue 9-46, Qwest took a different tact, however.<sup>172</sup> I 8 discuss the significance of this inconsistency above in my testimony relating to 9 the CMP. After rejecting five different language options proposed by Eschelon to 10 address every objection Qwest expressed about this subject, Qwest has since 11 come back and agreed to one of those options, with a one-word modification. The 12 parties therefore will have the "contractual certainty" offered by contract language 13 on this issue that Qwest seeks to deny to Eschelon on a number of other issues by 14 proposing to exclude language from the ICA. The parties have agreed to the 15 following language, subject to Commission approval, to close Issue 9-46:

> "Interfering Bridged Tap is defined as any amount of Bridged Tap that would <u>interfere with proper performance parameters as</u> <u>defined in this Section 9.2.2.9.6 and applicable industry</u> <u>standards</u>."

<sup>&</sup>lt;sup>172</sup> *Compare* Linse Minnesota Direct, p. 8, lines 20-21 (Qwest's language should be adopted because it "is consistent with the PCAT") *with* Minnesota Linse Direct, p. 9, lines 17-19 (Eschelon's language should be rejected it "attempts to inappropriately incorporate information from Qwest's product catalog ("PCAT") into the party's interconnection agreement").

#### IX. SUBJECT MATTER NO. 24. LOOP-TRANSPORT COMBINATIONS

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<u>Issue No. 9-55: ICA Sections 9.23.4; 9.23.4.4; 9.23.4.4; 9.23.4.5; 9.23.4.6; 9.23.4.5.4</u>

### Q. WHAT IS ESCHELON'S BUSINESS ISSUE REGARDING LOOP TRANSPORT COMBINATIONS?

A. Eschelon is entitled to receive from Qwest UNEs that are combined, or "commingled," with non-UNEs. Commingling does not mean that the UNE component is no longer a UNE and Qwest remains responsible for providing the UNE in a commingled arrangement, subject to the same requirements that apply to non-commingled UNEs.

When Qwest's proposals are closely scrutinized, it becomes clear that Qwest is attempting to position one type of loop transport combination, in particular a commingled EEL, so that the terms governing the non-UNE (or the "facilities or services that a requesting telecommunications carrier has obtained at wholesale from an incumbent LEC") will dictate how the UNE portion of the combination is ordered, provisioned, and repaired. Qwest's proposal is a thinlyveiled attempt to remove the terms regarding these UNEs from Commission purview by dictating the terms and conditions over the entire offering through its access tariffs. At least one component of these offerings are a Section 251 UNE, and therefore, the Commission should, at a minimum, retain its jurisdiction over the UNE component of Loop-Transport Combinations, including the UNE in a Commingled EEL, and ensure that terms that affect the UNE are included in the

1		filed and approved ICA. The nondiscrimination requirements of Section 251 of
2		the Act are not contained in Qwest's access tariffs and therefore should not be
3		used to govern UNEs.
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5	Q.	WHAT IS ESCHELON'S PROPOSAL ON ISSUE 9-55?
6	A.	Eschelon proposes the following language for Section 9.23.4: <sup>173</sup>
7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23		9.23.4 Loop-Transport Combinations: Enhanced Extended Links (EELs), Commingled EELs, and High Capacity EELs Loop-Transport Combination –For purposes of this Agreement, "Loop-Transport Combination" is a Loop in combination, or Commingled, with a Dedicated Transport facility or service (with or without multiplexing capabilities), together with any facilities, equipment, or functions necessary to combine those facilities. At least as of the Effective Date of this Agreement "Loop-Transport Combination" is not the name of a particular Qwest product. "Loop-Transport Combination" includes Enhanced Extended Links ("EELs"), Commingled EELs, and High Capacity EELs. If no component of the Loop-transport Combination is a UNE, however, the Loop-Transport Combination is not addressed in this Agreement. The UNE components of any Loop-Transport Combinations are governed by this Agreement.
24 25 26 27 28 29 30 31 32 33		Commingled EEL – If CLEC obtains at UNE pricing part (but not all) of a <u>Li</u> oop- <u>T</u> transport Combination, the arrangement is a Commingled EEL. (Regarding Commingling, see Section 24.) High Capacity EEL – "High Capacity EEL" is a <u>L</u> oop- <u>T</u> ransport Combination (either EEL or Commingled EEL) when the Loop or transport is of DS1 or DS3 capacity. High Capacity EELs may also be referred to as "DS1 EEL" or "DS3 EEL," depending on capacity level.

<sup>&</sup>lt;sup>173</sup> Eschelon also capitalizes the term "Loop-Transport" in its language to indicate that it is a defined term in the ICA.

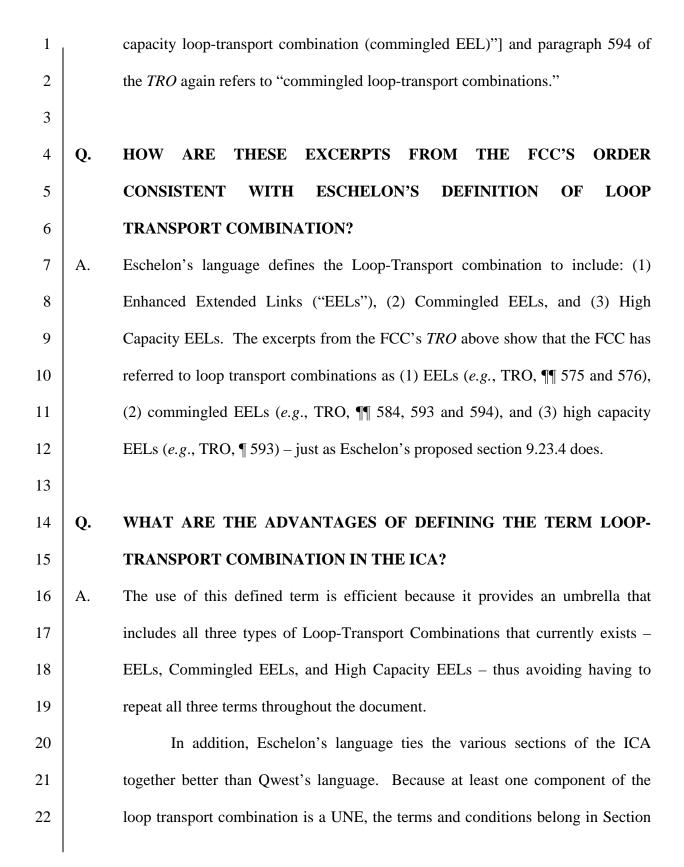
1	l	9.23.4.4 Additional Terms for <u>UNE Components of Loop Transport</u>
2		<b>Combinations</b>
3		
4		9.23.4.4.1 EELs and Commingled EELs may consist of loops and
5		interoffice transport of the same bandwidth (Point-to-Point).
6		When multiplexing is requested, EELs and Commingled EELs
7		may consist of loops and interoffice transport of different
8		bandwidths (Multiplexed). CLEC may also order combinations of
9		interoffice transport, concentration capability and DS0 loops.
10		0.22.4.5 Ordening Decements of Long Transment
11		9.23.4.5 Ordering Process for <u>UNE Components of Loop Transport</u>
12		<u>Combinations</u>
13 14		0.22.4.5.4 Ownest many require two (2) comics requests when
14 15		9.23.4.5.4 Qwest may require two (2) service requests when CLEC orders Multiplexed Loop Transport Combinations (which
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10		are not Point-to-Point) and EEL loops (as part of a multiplexed
17		EEL). Regarding Commingling see Section 24.
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19		9.23.4.6 Rate Elements for UNE Components of Loop Transport
20		<u>Combinations</u>
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22		Eschelon's proposed language defines the term Loop-Transport Combination and
23		includes language in the contract to make clear that the UNE component of a
24		Loop-Transport combination is governed by the ICA. Eschelon's language,
25		however, does not attempt to dictate the terms of the non-UNE piece of a Loop-
26		Transport combination.
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28	Q.	WHAT IS QWEST'S PROPOSAL ON ISSUE 9-55?
20	ν.	
29	A.	Qwest proposes the following language (with Qwest language underlined and
30		Eschelon language in strikeout):

1	9.23.4 Loop-Transport Combinations: Enhanced Extended
2	Links (EELs), Commingled EELs, and High Capacity
3	EELs
4	Loop-Transport Combination -For purposes of this
5	Agreement, "Loop Transport Combination" is a Loop in
6	combination, or Commingled, with a Dedicated Transport
7	facility or service (with or without multiplexing
8	capabilities), together with any facilities, equipment, or
9	functions necessary to combine those facilities. At least as
10	of the Effective Date of this Agreement "Loop-Transport
11	Combination" is not the name of a particular Qwest
12	product. "Loop-Transport Combination" includes
13	Enhanced Extended Links ("EELs"), Commingled EELs,
14	and High Capacity EELs. If no component of the Loop-
15	transport Combination is a UNE, however, the Loop-
16	Transport Combination is not addressed in this Agreement.
17	The UNE components of any Loop-Transport
18	Combinations are governed by this Agreement.
19	
20 21 22 23 24 25 26 27 28 29 30 31 32 33	<ul> <li>Commingled EEL – If CLEC obtains at UNE pricing part (but not all) of a Lloop-Transport Combination, the arrangement is a Commingled EEL. (Regarding Commingling, see Section 24.)</li> <li>High Capacity EEL – "High Capacity EEL" is a Lloop-Transport Combination (either EEL or Commingled EEL) when the Loop or transport is of DS1 or DS3 capacity. High Capacity EELs may also be referred to as "DS1 EEL" or "DS3 EEL," depending on capacity level.</li> <li><u>9.23.4.4 Additional Terms for EELs</u>UNE Components of Loop Transport Combinations</li> <li>9.23.4.4.1 EELs and Commingled EELs-may consist of loops and</li> </ul>
34	interoffice transport of the same bandwidth (Point-to-Point).
35	When multiplexing is requested, EELs and Commingled EELs
36	may consist of loops and interoffice transport of different
37	bandwidths (Multiplexed). CLEC may also order combinations of
38	interoffice transport, concentration capability and DS0 loops.
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40	9.23.4.5 Ordering Process for EELsUNE Components of Loop-
41	Transport Combinations
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1 9.23.4.5.4 Qwest may require two (2) service requests when 2 CLEC orders Multiplexed **EELs** Loop Transport Combinations 3 (which are not Point-to-Point) and EEL loops (as part of a 4 multiplexed EEL). Regarding Commingling see Section 24. 5 6 9.23.4.6 Rate Elements for EELs UNE Components of Loop-7 **Transport Combinations** 8 9 Qwest disagrees that the term Loop-Transport should be defined in the ICA, and 10 uses the term "EEL" instead. Qwest also proposes to omit the term "commingled 11 EEL" from these sections of the ICA. Qwest, in support of its proposal, states 12 that Loop Transport is not a separate Qwest product and complains that 13 Eschelon's use of the term Loop Transport is different than the way in which the FCC uses the term.<sup>174</sup> 14 15 WHAT IS THE PRIMARY DISAGREEMENT BETWEEN ESCHELON 16 Q. 17 **AND QWEST ON ISSUE 9-55?** 18 A. The crux of the issue is how Loop-Transport Combinations will be treated under 19 the ICA, particularly if they involve commingling. The FCC defines 20 Commingling in 47 CFR §51.5 as follows: Commingling. Commingling means the connecting, attaching, or 21 22 otherwise linking of an unbundled network element, or a 23 combination of unbundled network elements, to one or more 24 facilities or services that a requesting telecommunications carrier 25 has obtained at wholesale from an incumbent LEC, or the 26 combining of an unbundled network element, or a combination of 27 unbundled network elements, with one or more such facilities or 28 services. Commingle means the act of commingling.

<sup>174</sup> *Qwest Petition*, ¶¶ 109-111.

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2	Q.	DOES ESCHELON'S LANGUAGE USE THE TERM "LOOP
3		TRANSPORT COMBINATION" IN THE SAME WAY AS THE FCC HAS
4		USED THE TERM IN ITS ORDERS?
5	A.	Yes. Eschelon's proposed definition of "Loop-Transport Combination" mirrors
6		the way the FCC has used that term to define any combination of loop and
7		transport. For example, when discussing EELs in paragraph 575 of the TRO, the
8		FCC states as follows:
9 10 11 12 13 14		575. As noted above, our rules currently require incumbent LECs to make UNE combinations, including <i>loop-transport combinations</i> , available in all areas where the underlying UNEs are available and in all instances where the requesting carrier meets the eligibility requirements (emphasis added)
15		Again, at paragraph 576 of the TRO, the FCC states: "We further agree that the
16		availability of EELs and other UNE combinations promotes innovation because
17		competitive LECs can provide advanced switching capabilities in conjunction
18		with <i>loop-transport combinations</i> ." (emphasis added)
19		The FCC goes on in paragraph 584 of the TRO to state that "as we explain
20		in detail below, we obviate the risk identified by the court by applying service
21		eligibility criteria to commingled loop-transport combinations." Indeed,
22		paragraph 593 of the TRO specifically refers to a high capacity loop transport
23		combinations as a commingled EEL ["to obtain at UNE pricing part of a high-



9, which is entitled "Unbundled Network Elements." Although there is also a section on Commingling (Section 24), that section contains general terms and not the type of terms and conditions that Eschelon and Qwest otherwise agree belong in Section 9.23, such as Service Eligibility Criteria for High Capacity EELs. Qwest's proposal to place only these terms (Service Eligibility Criteria) of Commingled EELs in Section 9 while placing others in Section 24 does not make sense from an organizational or ease-of-use perspective. Commingled EELs have a UNE component and that UNE component should be addressed in Section 9, and at the same time, Section 9 contains ample cross references to Section 24 on Commingling so that the user of the ICA will readily be able to locate the Commingling general terms.

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#### Q. DOES ESCHELON'S LANGUAGE COVER NON-UNES NOT GOVERNED BY SECTION 251 OF THE ACT?

15 A. No. Eschelon's proposed definition makes clear that only the UNE components 16 of a Loop-Transport Combination are subject to the ICA, and that, if no 17 component is a UNE, the combination is not governed by the ICA. This language 18 should eliminate any suggestion on Qwest's part that the terminology is some kind of attempt to govern non-UNEs in the ICA. Eschelon further clarifies this 19 20 point by capitalizing the term in the headings (see, Sections 9.23.4; 9.23.4.4; 21 9.23.4.5; 9.23.4.6) to indicate it is a defined term and referring to the UNE 22 components of Loop-Transport Combinations.

1	I	
2	Q.	PLEASE SUMMARIZE ISSUE 9-55?
3	А.	Eschelon is entitled to commingle UNEs with non-UNEs. The UNEs in these
4		commingled arrangements are still UNEs and must be provided in a non-
5		discriminatory manner pursuant to Section 251 of the Act and should be governed
6		by Section 9 (UNEs) of the ICA. Eschelon's language makes these requirements
7		clear and defines and uses the term "Loop-Transport Combinations" precisely as
8		the FCC has used it. For all of the reasons described in Eschelon's business need
9		and in these responses, the Commission should adopt Eschelon's language for
10		Issue 9-55.
11		
12 13 14 15 16 17	<u>x.</u>	SUBJECTMATTERNO.27:MULTIPLEXING(LOOP-MUXCOMBINATIONS)Issue No.9-61 and subparts: ICA Sections9.23.9 and subparts; 24.4 andsubparts;9.23.2;9.23.4.4.3;9.23.6.2;9.23.9.4.3;24.4.3;Exhibit A; Section 9.23.6.6 and subparts
13 14 15 16	<u>X.</u> Q.	<u>COMBINATIONS</u> <u>Issue No. 9-61 and subparts: ICA Sections 9.23.9 and subparts; 24.4 and</u> <u>subparts; 9.23.2; 9.23.4.4.3; 9.23.6.2; 9.23.9.4.3; 9.23.4.4.3; 9.23.6.2; Exhibit C;</u>
13 14 15 16 17		<u>COMBINATIONS</u> ) <u>Issue No. 9-61 and subparts: ICA Sections 9.23.9 and subparts; 24.4 and subparts; 9.23.2; 9.23.4.4.3; 9.23.6.2; 9.23.9.4.3; 9.23.4.4.3; 9.23.6.2; Exhibit C; 24.4.4.3; Exhibit A; Section 9.23.6.6 and subparts</u>
13 14 15 16 17 18		COMBINATIONS)Issue No. 9-61 and subparts: ICA Sections 9.23.9 and subparts; 24.4 and subparts; 9.23.2; 9.23.4.4.3; 9.23.6.2; 9.23.9.4.3; 9.23.4.4.3; 9.23.6.2; Exhibit C; 24.4.4.3; Exhibit A; Section 9.23.6.6 and subpartsWHAT IS ESCHELON'S BUSINESS CONCERN REGARDING
13 14 15 16 17 18 19		COMBINATIONS)Issue No. 9-61 and subparts: ICA Sections 9.23.9 and subparts; 24.4 and subparts; 9.23.2; 9.23.4.4.3; 9.23.6.2; 9.23.9.4.3; 9.23.4.4.3; 9.23.6.2; Exhibit C; 24.4.4.3; Exhibit A; Section 9.23.6.6 and subpartsWHAT IS ESCHELON'S BUSINESS CONCERN REGARDING MULTIPLEXING (LOOP MUX COMBINATIONS) (ISSUE 9-61 AND (A)-
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> </ol>	Q.	COMBINATIONS)Issue No. 9-61 and subparts: ICA Sections 9.23.9 and subparts; 24.4 and subparts; 9.23.2; 9.23.4.4.3; 9.23.6.2; 9.23.9.4.3; 9.23.4.4.3; 9.23.6.2; Exhibit C; 24.4.4.3; Exhibit A; Section 9.23.6.6 and subpartsWHAT IS ESCHELON'S BUSINESS CONCERN REGARDING MULTIPLEXING (LOOP MUX COMBINATIONS) (ISSUE 9-61 AND (A)- (C))?
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> </ol>	Q.	COMBINATIONS)Issue No. 9-61 and subparts: ICA Sections 9.23.9 and subparts; 24.4 and subparts; 9.23.2; 9.23.4.4.3; 9.23.6.2; 9.23.9.4.3; 9.23.4.4.3; 9.23.6.2; Exhibit C; 24.4.4.3; Exhibit A; Section 9.23.6.6 and subpartsWHAT IS ESCHELON'S BUSINESS CONCERN REGARDING MULTIPLEXING (LOOP MUX COMBINATIONS) (ISSUE 9-61 AND (A)- (C))?(C))?This issue concerns Eschelon's continued unbundled access to multiplexing when

WUTC Docket No. UT-063061 Eschelon Telecom, Inc. Direct Testimony of Michael Starkey September 29, 2006

has provided multiplexing in various forms, including as part of a UNE combination as well as on a stand alone basis, and the Commission has approved TELRIC rates for multiplexing. The FCC has made it very clear that multiplexing must be provided in conjunction with UNEs and UNE combinations. Despite all of this, Qwest has decided that it will stop providing multiplexing at TELRIC rates and relegate the terms, conditions and rates for multiplexing to the special access tariff.

Eschelon is not asking for stand-alone multiplexing or unlimited access to multiplexing at TELRIC rates. Rather Eschelon's proposal is narrowly-tailored to treat multiplexing the same way that a reasonable reading of the FCC's order treats multiplexing - i.e., that unbundled access to multiplexers must be provided when combined with UNEs. In these instances, multiplexing should be governed by the ICA and priced at TELRIC.

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#### Q. WHAT IS ESCHELON'S PROPOSALS ON ISSUES 9-61 AND (A)-(C)?

A. Eschelon proposes the following language in Section 9:

#### **ISSUE 9-61**

9.23.2 UNE Combinations Description and General Terms

UNE Combinations are available in, but not limited to, the following products: EELs (subject to the limitations set forth below) and Loop Mux Combinations. If CLEC desires access to a different UNE Combination, CLEC may request access through

1 2 3	the Special Request Process set forth in this Agreement
4	<u>ISSUE 9-61(a)</u>
5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>9.23.9.1.1 Loop-Mux combination (LMC) is an unbundled Loop as defined in Section 9.2 of this Agreement (referred to in this Section as an LMC Loop) <u>combined</u> with a DS1 or DS3 multiplexed facility with no interoffice transport. The multiplexed facility is provided as an Interconnection Tie Pair (ITP) from the high side of the multiplexer to CLEC's Collocation. The multiplexer and the Collocation must be located in the same Qwest Wire Center.</li> <li>9.23.9.1.2 LMC provides CLEC with the ability to access End User Customers and aggregate DS1 or DS0 unbundled Loops to a higher bandwidth via a PLT/SA–DS1 or DS3 multiplexer. There is no interoffice transport between the multiplexer and CLEC's Collocation.</li> <li>9.23.9.1.3 Qwest offers the LMC Loop-as a Billing conversion or as new Provisioning.</li> </ul>
23 24 25	9.23.9.2.1 An Extended Enhanced Loop (EEL) may be commingled with the PLT/SA multiplexed facility.
26 27 28 29 30 31 32	<ul> <li>9.23.9.2.2 LMC Loops-will be provisioned where existing facilities are available or pursuant to the provisions of Section 9.1.2.1 of the Agreement.</li> <li>9.23.9.2.3 The PLT/SA-DS1 or DS3 multiplexed facility must terminate in a Collocation.</li> </ul>
33 34	9.23.9.2.4 Intentionally Left Blank.
35 36	9.23.9.2.6 Rearrangements may be requested for work to be performed by Qwest on an existing LMC-Loop, or on some private line/special

1 2 3	access circuits, when coupled with a conversion-as-specified request to convert to LMC-Loop.
4 5 6 7 8 9 10 11 12 13 14	<ul> <li>9.23.9.3.2 LMC multiplexing is offered in DS3 to DS1 and DS1 to DS0 configurations. LMC multiplexing is ordered with LMC Loops. The recurring and nonrecurring rates in Exhibit A apply.</li> <li>9.23.9.3.2.1 3/1 multiplexing rates are contained in Exhibit A of this Agreement, and include the following:         <ul> <li>a) Recurring Multiplexing Charge. The DS3 Central Office Multiplexer provides de-multiplexing of one DS3 44.736 Mbps to 28 1.544 Mbps channels.</li> <li>b) Non-recurring Multiplexing Charge. One-time charges apply for a specific work activity associated with installation of the</li> </ul> </li> </ul>
15 16 17 18 19 20 21 22 23 24 25 26	<ul> <li><u>multiplexing service.</u></li> <li><u>9.23.9.3.2.2 1/0 multiplexing rates are contained in Exhibit A of this Agreement, and include the following charges: <ul> <li>a) Recurring Multiplexing Charge. The DS0 Central Office multiplexer provides de-multiplexing of one DS1 1.544 Mbps to 24 64 Kbps channels.</li> <li>b) Non-recurring Multiplexing Charge. One-time charges apply for a specific work activity associated with installation of the multiplexing service, including low side channelization of all 28 channels.</li> </ul> </u></li> </ul>
27 28 29	9.23.9.3.4 Nonrecurring charges for Billing conversions to LMC Loop-are set forth in Exhibit A.
30 31 32 33 34 35	9.23.9.3.5 A rearrangement nonrecurring charge as described in Exhibit A may be assessed on some requests for work to be performed by Qwest on an existing LMC-Loop, or on some private line/special access circuits, when coupled with a conversion-as-specified request to convert to LMC-Loop.
36 37 38 39	9.23.9.4.1 Ordering processes for LMC-Loop-(s) are contained below and in Section 12 of this Agreement. Qwest will document its ordering processes in Qwest's Product Catalog (PCAT). The following is a high-level description of the ordering process:

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2 3 4 5 6 7	<ul> <li>9.23.9.4.1.1 Step 1: Complete product questionnaire for LMC-Loop(s) with account team representative.</li> <li>9.23.9.4.1.4 Step 4: After account team notification, place LMC Loop orders via an LSR.</li> </ul>
8 9 10 11 12	9.23.9.4.3 For UNE Combinations with appropriate retail analogues, the Provisioning interval will be no longer than the interval for the equivalent retail service. CLEC and Qwest can separately agree to Due Dates other than the interval.
13 14 15 16 17 18 19 20 21 22 23	9.23.9.4.4 Due date intervals are established when Qwest receives a complete and accurate LSR made through the IMA, EDI or Exact interfaces or through facsimile. For LMC-Loops, the date the LSR is received is considered the start of the service interval if the order is received on a business Day prior to 3:00 p.m. For LMC-Loops, the service interval will begin on the next business Day for service requests received on a non-business day or after 3:00 p.m. on a business day. Business Days exclude Saturdays, Sundays, New Year's Day, Memorial Day, Independence Day (4 <sup>th</sup> of July), Labor Day, Thanksgiving Day and Christmas Day.
24 25 26 27 28 29 30 31 32 33	9.23.9.4.5 Out of Hours Project Coordinated Installations: CLEC may request an out of hours Project Coordinated Installation. This permits CLEC to obtain a coordinated installation for LMC <u>Loops</u> -with installation work performed by Qwest outside of Qwest's standard installation hours. For purposes of this Section, Qwest's standard installation hours are 8:00 a.m. to 5:00 p.m. (local time), Monday through Friday, except holidays. Installations commencing outside of these hours are considered to be out of hours Project Coordinated Installations.
34 35 36 37 38	9.23.9.6.1 Qwest will maintain facilities and equipment for LMC Loops provided under this Agreement. Qwest will maintain the multiplexed facility pursuant to the Tariff. CLEC or its End User Customers may not rearrange, move, disconnect or attempt to repair Qwest facilities or equipment, other than by connection or

1 2 3	disconnection to any interface between Qwest and the End User Customer, without the prior written consent of Qwest.
4	<u>ISSUE 9-61(b)</u>
5 6 7 8 9 10 11	9.23.9.4.3 Service intervals for LMC(s) are set forth in Exhibit C. For UNE Combinations with appropriate retail analogues, the Provisioning interval will be no longer than the interval for the equivalent retail service. CLEC and Qwest can separately agree to Due Dates other than the interval.
12 13 14 15 16	9.23.4.4.3 Installation intervals for <u>UNE Combinations</u> are set forth in Exhibit C but will be no longer than the respective Private Line Transport Service that Qwest will maintain on the following web-site address: http://www.qwest.com/carrier/guides/sig/index.html
17 18 19 20 21 22 23 24	9.23.6.2 Service intervals for each <u>UNE Combination</u> are set forth in Exhibit C. For UNE Combinations with appropriate retail analogues, the Provisioning interval will be no longer than the interval for the equivalent retail service. CLEC and Qwest can separately agree to Due Dates other than the interval.
24 25 26	Exhibit C: <u>Loop Mux Combo (LMC)</u>
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28	<u>ISSUE 9-61(c)</u>
29 30 31 32 33 34 35 36 37	9.23.6.1 Interconnection Tie Pair         9.23.6.1.1       \$ 1.29         9.23.6.1.2       \$ 15.26         9.23.6.6 LMC Multiplexing
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# 9.23.6.6.1 DS1 to DS0, \$203.47, \$295.92, B, B 9.23.6.6.2 DS3 to DS1, \$235.66, \$302.96, E10, B Eschelon's proposal would put terms, conditions and rates for Loop Mux Combinations in Section 9 (UNEs) of the ICA. Eschelon's language for Issue 9-61 includes the Loop Mux Combination in the description of UNE combinations (along with EELs); its language for Issue 9-61(a) defines the Loop Mux Combination; its language for Issue 9-61(b) ensures that service intervals for UNE combinations, including Loop Mux Combinations, are included in Exhibit C to the ICA; and its language for Issue 9-61(c) includes multiplexing rates for Loop Mux Combinations in the ICA – rates that have already been approved by the Commission.

## 16 Q. WHAT ARE QWEST'S PROPOSALS ON ISSUES 9-61 AND (A)-(C)?

A. Qwest's proposals on these issues are as follows:

#### <u>ISSUE 9-61</u>

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## 9.23.2 UNE Combinations Description and General Terms

UNE Combinations are available in, but not limited to, the following products: EELs (subject to the limitations set forth below) and Loop Mux Combinations. If CLEC desires access to a different UNE Combination, CLEC may request access through the Special Request Process set forth in this Agreement. ...

1 **ISSUE 9-61(a)**: Section 24.4.1 contains Qwest's corresponding language: 2 3 [24.4.1.1] Loop-Mux combination (LMC) is an unbundled Loop as 4 defined in Section 9.2 of this Agreement (referred to in 5 this Section as an LMC Loop) Commingled combined with a private line (PLT), or with a special access (SA), 6 7 Tariffed DS1 or DS3 multiplexed facility with no interoffice transport. The PLT/SA multiplexed facility is 8 9 provided as either an Interconnection Tie Pair (ITP) or 10 Expanded Interconnection Termination (EICT) from the 11 high side of the multiplexer to CLEC's Collocation. The 12 multiplexer and the Collocation must be located in the 13 same Qwest Wire Center. 14 15 [24.4.1.2] LMC provides CLEC with the ability to access End User 16 Customers and aggregate DS1 or DS0 unbundled Loops to a higher bandwidth via a PLT/SA DS1 or DS3 17 18 multiplexer. There is no interoffice transport between the 19 multiplexer and CLEC's Collocation. 20 21 [24.4.1.3] Qwest offers the LMC Loop as a Billing conversion or 22 as new Provisioning. 23 24 [24.4.2.1] An Extended Enhanced Loop (EEL) may be 25 commingled with the PLT/SA multiplexed facility. 26 27 [24.4.2.2] LMC Loops will be provisioned where existing facilities 28 are available or pursuant to the provisions of Section 29 9.1.2.1 of the Agreement. 30 31 [24.4.2.3] The PLT/SA DS1 or DS3 multiplexed facility must 32 terminate in a Collocation. 33 34 [24.4.2.4] The multiplexed facility is subject to all terms and conditions (ordering, provisioning, and billing) of the 35 36 appropriate Tariff. 37 38 [24.4.2.6] Rearrangements may be requested for work to be 39 performed by Qwest on an existing LMC Loop, or on 40 some private line/special access circuits, when coupled

1 2 3	with a conversion-as-specified request to convert to LMC <u>Loop</u> .
4 5	[24.4.3.4] Nonrecurring charges for Billing conversions to LMC Loop are set forth in Exhibit A.
6	<u>Loop</u> are set forth in Exhibit A.
7	[24.4.3.5] A rearrangement nonrecurring charge as described in
8	Exhibit A may be assessed on some requests for work to
9	be performed by Qwest on an existing LMC Loop, or on
10	some private line/special access circuits, when coupled
11	with a conversion-as-specified request to convert to LMC
12	Loop.
13	
14	[24.4.4.1] Ordering processes for LMC Loop (s) are contained
15	below and in Section 12 of this Agreement. Qwest will
16	document its ordering processes in Qwest's Product
17	Catalog (PCAT). The following is a high-level
18	description of the ordering process:
19 20	[24.4.4.1] Step 1: Complete product questionnaire for LMC
20 21	$\underline{Loop}(s)$ with account team representative.
21	<u>Loop(</u> s) with account team representative.
23	[24.4.4.1] Step 4: After account team notification, place LMC
24	<u>Loop</u> orders via an LSR.
25	
26	[24.4.4.4] Due date intervals are established when Qwest receives
27	a complete and accurate LSR made through the IMA,
28	EDI or Exact interfaces or through facsimile. For LMC
29	Loops, the date the LSR is received is considered the start
30 21	of the service interval if the order is received on a business Day prior to 2:00 p m For LMC Lagran the
31	business Day prior to 3:00 p.m. For LMC <u>Loops</u> , the
32 33	service interval will begin on the next business Day for
33 34	service requests received on a non-business day or after 3:00 p.m. on a business day. Business Days exclude
35	Saturdays, Sundays, New Year's Day, Memorial Day,
36	Independence Day (4 <sup>th</sup> of July), Labor Day, Thanksgiving
37	Day and Christmas Day.
38	
39	[24.4.4.5] Out of Hours Project Coordinated Installations: CLEC
40	may request an out of hours Project Coordinated
41	Installation. This permits CLEC to obtain a coordinated

1 2 3 4 5 6 7 8 9	installation for LMC <u>Loops</u> with installation work performed by Qwest outside of Qwest's standard installation hours. For purposes of this Section, Qwest's standard installation hours are 8:00 a.m. to 5:00 p.m. (local time), Monday through Friday, except holidays. Installations commencing outside of these hours are considered to be out of hours Project Coordinated Installations.
10 11 12 13 14 15 16 17 18	[ 24.4.6.1] Qwest will maintain facilities and equipment for LMC <u>Loops</u> provided under this Agreement. <u>Qwest will</u> <u>maintain the multiplexed facility pursuant to the Tariff.</u> CLEC or its End User Customers may not rearrange, move, disconnect or attempt to repair Qwest facilities or equipment, other than by connection or disconnection to any interface between Qwest and the End User Customer, without the prior written consent of Qwest.
18 19 20	<u>ISSUE 9-61(b)</u>
21 22 23 24 25 26 27 28 29	<ul> <li>24.4.4.3 <u>Standard</u> service intervals for LMC(<u>s) Loops</u> are <u>set forth</u> in <u>Exhibit C</u> in the Service Interval Guide (SIG) available at www.qwest.com/wholesale. For UNE Combinations with appropriate retail analogues, the Provisioning interval will be no longer than the interval for the equivalent retail service. CLEC and Qwest can separately agree to Due Dates other than the interval.</li> <li>9.23.4.4.3 Installation intervals for <u>EELs</u> <u>UNE</u> Combinations are</li> </ul>
2) 30 31 32 33 34	set forth in Exhibit C but will be no longer than the respective Private Line Transport Service that Qwest will maintain on the following web-site address: http://www.qwest.com/carrier/guides/sig/index.html
35 36 37 38 39 40 41	9.23.6.2 Service intervals for each- <u>UNE Combination EEL</u> are set forth in Exhibit C. For UNE Combinations with appropriate retail analogues, the Provisioning interval will be no longer than the interval for the equivalent retail service. CLEC and Qwest can separately agree to Due Dates other than the interval.

#### Exhibit C:

#### **ISSUE 9-61(c)**

#### 9.23.6.6 Intentionally Left Blank.

Qwest proposes to locate language on Loop Mux Combinations in Section 24 (Commingling) instead of Section 9 (UNEs). Qwest's language for Issue 9-61 excludes the Loop Mux Combination from UNE combinations; Qwest's language for Issue 9-61(a) states that multiplexing will be provided pursuant to a special access as opposed to TELRIC rates, and utilizes the term "LMC Loop" instead of Loop Mux Combinations; Qwest's language for Issue 9-61(b) states that intervals for LMC Loops (or Loop Mux Combinations, as Eschelon calls them) will be determined in the non-contractual SIG instead of the ICA, and uses the term EELs instead of UNE combinations;<sup>175</sup> and Qwest's proposal for Issue 9-61(c) is that Multiplexing rates should be omitted from the ICA and special access rates should apply. In support of its position, Qwest states that it is under no obligation to provide stand-alone multiplexing and that multiplexing is not a feature or functionality of a loop.<sup>176</sup>

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<sup>&</sup>lt;sup>175</sup> Qwest uses EELs instead of UNE combinations because it does not acknowledge a Loop Mux Combination as a UNE combination.

<sup>&</sup>lt;sup>176</sup> *Qwest Petition*, ¶ 126.

1 2 Section 24 3 4 Q. 5 A. 6 7 8 9 10 11 12 Q. 13 A. 14 15 16 17 18 Q. 19 A. Qwest's proposed language would result in Section 9.23 discussing only one UNE

Issue No. 9-61: Loop-Mux Combination ("LMC") – Placement – Section 9 and

#### PLEASE DESCRIBE THE DISAGREEMENT UNDER ISSUE 9-61.

There are actually two disagreements under Issue 9-61: (1) whether Loop-Mux Combinations language belongs in Section 9 (UNEs), as Eschelon proposes, or solely in Section 24 (Commingling) as Qwest proposes; and (2) whether Section 9.23 should be limited only to discussing one UNE combination – the EEL – as Qwest proposes, or whether Section 9.32 should also discuss other UNE combinations, as Eschelon proposes.<sup>177</sup>

## PLEASE EXPLAIN THE FIRST DISAGREEMENT - PLACEMENT.

It is unquestionable that the UNE loop is a component of the Loop-Mux Combination, and therefore, Eschelon's language belongs in Section 9 (UNEs). As explained above in Issue 9-55, Eschelon's proposed contract language makes clear that Eschelon is not attempting to broaden Section 9 to cover non-UNEs.

#### AND THE SECOND DISAGREEMENT?

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combination - the EEL. However, Loop-Mux Combinations are also a UNE

<sup>&</sup>lt;sup>177</sup> Eschelon's proposed language for Section 9.23.2 is as follows: "9.23.2 UNE Combinations Description and General Terms UNE Combinations are available in, but not limited to, the following products: EELs (subject to the limitations set forth below) and Loop Mux Combinations. If CLEC desires access to a different UNE Combination, CLEC may request access through the Special Request Process set forth in this Agreement. ...."

1 Combination and should therefore be identified in Section 9.23.2 along with 2 EELs. The issue of whether a Loop-Mux Combination is a UNE Combination is 3 addressed under Issue 9-61(a). 4 5 Issue No. 9-61(a): Loop-Mux Combination (LMC) – LMC Loop versus LMC, 6 Sections 9.23.9 and subparts, 24.4 and subparts, and 9.23.2 7 8 Q. YOUR IMMEDIATELY PRECEDING DISCUSSION, IN YOU 9 MENTIONED THAT ESCHELON AND QWEST DISAGREE ON WHETHER A LOOP MUX COMBINATION IS A UNE COMBINATION. 10 **IS THAT DISAGREEMENT ADDRESSED UNDER ISSUE 9-61(A)?** 11 12 A. Yes. Eschelon contends that there are numerous indications that Qwest must 13 provide access to multiplexing at TELRIC rates as a feature, function or 14 capability of the UNE, while Qwest argues that there is no legal requirement for 15 Qwest to provide access to multiplexing. 16 17 Q. PLEASE **ELABORATE** ON THE **FACTORS** THAT **SUPPORT** 18 **ESCHELON'S POSITION REGARDING MULTIPLEXING.** 19 First, multiplexing is a "feature, function, or capability" associated with both A. 20 unbundled loops and transport and, pursuant to the FCC's unbundling rules, 21 Eschelon is entitled to use that feature, function, or capability. 47 CFR §51.307 22 states as follows (emphasis added):

(a) An incumbent LEC shall provide, to a requesting telecommunications carrier for the provision of a telecommunications service, *nondiscriminatory access to network elements on an unbundled basis* at any technically feasible point on terms and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of any agreement, the requirements of sections 251 and 252 of the Act, and the Commission's rules.

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incumbent LEC (c) An shall provide requesting а telecommunications carrier access to an unbundled network element, along with all of the unbundled network element's features, functions, and capabilities, in a manner that allows the requesting telecommunications carrier to provide anv telecommunications service that can be offered by means of that network element.

Eschelon's language would call for multiplexing to be provided at UNE rates when it is provided in connection with multiplexed EELs – a combination of loop and transport in which the loop and transport components have different bandwidths and multiplexing is necessary to connect the facilities – and as part of a Loop-Mux Combination – when unbundled loops are connected to the multiplexer and the multiplexer is connected to Eschelon's collocation, with no transport provided. In each of these instances, nondiscriminatory access to unbundled network elements requires access to multiplexing, and that multiplexing is a feature, function and capability of the UNE loop and/or UNE transport to which the UNE is connected.

#### 1 Q. HAS QWEST AGREED TO LANGUAGE IN ANY OTHER SECTIONS OF 2 THE ICA THAT **SUPPORTS ESCHELON'S** POINT ON 3 **MULTIPLEXERS?** 4 A. Yes. The parties have agreed to the definition of "routine network modifications" 5 as "those activities of the type that Qwest regularly undertakes for its own End 6 User Customers." This definition also lists activities that are considered routine 7 network modifications -or activities that Qwest routinely provides for its own 8 retail customers -and those activities include "deploying a new multiplexer" and 9 "reconfiguring an existing multiplexer." If Qwest regularly deploys new 10 multiplexers and reconfigures existing multiplexers for its own retail customers, it 11 should not be allowed to argue here that it need not provide access to multiplexers to CLECs. 12 13 14 Q. ARE THERE OTHER INDICATIONS FROM THE FCC THAT ACCESS 15 TO MULTIPLEXERS SHOULD BE PROVIDED AT TELRIC RATES? 16 A. Yes. When discussing UNE loops at paragraph 214 of the *TRO*, the FCC states: 17 214. At its most basic level, a local loop that serves the mass 18 market consists of a transmission medium, which almost always 19 includes copper wires of various gauges. The loop may include 20 additional components (e.g., load coils, bridge taps, repeaters, 21 *multiplexing equipment*) that are usually intended to facilitate the

24 The FCC further clarified this point at footnote 1921 of the *TRO*, in which it 25 states: "Verizon cannot refuse to provision a particular loop by claiming that

provision of narrowband voice service. (emphasis added)

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1		multiplexing equipment is absent from the facility. In that case, Verizon must
2		provide the multiplexing equipment, because the requesting carrier is entitled to a
3		fully functioning loop." And at paragraph 571 of the TRO, the FCC makes clear
4		that multiplexing is a component of a UNE combination (see also, paragraph
5		575):
6 7 8 9 10		571. In the <i>Notice</i> , the Commission sought comment on issues related to the EEL, which is a UNE combination consisting of an unbundled loop and dedicated transport and may sometimes include additional electronics ( <i>e.g.</i> , multiplexing equipment).
11	Q.	IS THERE MORE SUPPORT FOR ESCHELON'S POSITION?
12	A.	Yes. Qwest has offered unbundled multiplexing in three ways: (1) as part of a
13		multiplexed EEL, (2) as part of a Loop-Mux Combination, and (3) as a stand
14		alone UNE. Furthermore, the Commission has set TELRIC rates for access to
15		multiplexers, and the UNE rates established for loops and transport include the
16		cost of multiplexing where appropriate.
17		
18	Q.	IS ESCHELON'S POSITION THAT QWEST SHOULD PROVIDE
19		UNLIMITED ACCESS TO UNBUNDLED MULTIPLEXING OR
20		MULTIPLEXING AS A STAND ALONE UNE?
21	A.	No, and I believe this point deserves special emphasis. Eschelon's position in this
22		arbitration only requires Qwest to provide multiplexing at UNE rates when the
23		loops and/or transport to which the multiplexer is connected are UNEs. This

1	l	would include providing multiplexing at UNE rates in connection with
2		multiplexed EELs and as part of a Loop-Mux Combination.
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4 5 6		<u>Issue No. 9-61(b): LMC Multiplexing – Intervals - Sections 9.23.9.4.3, 9.23.4.4.3, 9.23.4.4.3, 9.23.6.2, Exhibit C, and 24.4.4.3</u>
7	Q.	DOES ISSUE 9-61(B) CONSIST OF TWO DISAGREEMENTS THAT ARE
8		LARGELY EXTENSIONS OF THE DISAGREEMENTS DESCRIBED
9		ABOVE?
10	А.	Yes. As explained by Eschelon under Issue 1-1, it is critical for the ICA to
11		contain applicable intervals and require ICA amendment and Commission
12		approval when intervals are modified. That is precisely what Eschelon's language
13		for Section 9.23.9.4.3 is designed to achieve:
14 15 16 17 18 19 20		9.23.9.4.3 <u>Service intervals for LMC(s) are set forth in Exhibit</u> <u>C. For UNE Combinations with appropriate retail</u> <u>analogues, the Provisioning interval will be no</u> <u>longer than the interval for the equivalent retail</u> <u>service. CLEC and Qwest can separately agree to</u> <u>Due Dates other than the interval.</u>
21		Remaining true to its position under Issue 1-1, Qwest proposes language in
22		Section 24.4.4.3 that would allow Qwest to have unilateral control over changes
23		to intervals ["Standard service intervals for LMC Loops in the Service Interval
24		Guide (SIG) available at <u>www.qwest.com/wholesale</u> "] For the reasons explained
	1	

1 under Issue 1-1, intervals should be contained in the agreement and should be 2 modified by Commission-approved ICA amendment. 3 Q. WHAT IS THE SECOND DISAGREEMENT UNDER ISSUE 9-61(B)? 4 5 A. As described under Issue 9-61(a), Eschelon and Qwest disagree on whether Loop-6 Mux should be identified as a UNE combination along with an EEL. For the 7 reasons explained above, it is Eschelon's position that it should be. This 8 disagreement serves as the difference between Eschelon's Sections 9.23.4.4.3 and 9 9.23.6, in which Eschelon proposes to use the term "UNE Combinations" and 10 Qwest proposes to use the term "EEL." 11 12 Issue No. 9-61(c): LMC Multiplexing - Exhibit A Section 9.23.6.6 and subparts 13 ISSUE 9-61(C) PERTAINS TO LMC MULTIPLEXING RATES. IS 14 Q. **RESOLUTION OF THIS ISSUE RELATED TO THE ISSUES ABOVE?** 15 16 A. Yes. As explained above (primarily under Issue 9-61(a)), a primary disagreement 17 between Eschelon and Qwest in Section 9.23.9 is whether the contract should 18 reference UNE combinations - both EELs and Loop-Mux Combinations - or 19 whether it should exclude Loop-Mux Combinations and reference only EELs. If 20 Eschelon prevails on this issue, then multiplexing rates should be contained in the 21 agreement in Exhibit A Section 9.23.6.6 – just as they are today. 22

- 1 Q. PLEASE SUMMARIZE ISSUE 9-61 AND (A)-(C). 2 A. Access to multiplexing should be provided at TELRIC rates when combined with 3 a UNE loop. Qwest has provided access to multiplexing in this manner in the past 4 and currently has Commission-approved TELRIC rates for multiplexing. 5 Accordingly, terms, conditions and rates for Loop Mux Combinations should be 6 included in the ICA. For all of the reasons described in Eschelon's business need 7 and in these responses, the Commission should adopt Eschelon's language for 8 Issue 9-61 and (a) - (c). 9
  - Q. DOES THIS CONCLUDE YOUR TESTIMONY?
- 11 A. Yes.

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