

**BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

**IN THE MATTER OF THE INVESTIGATION )  
INTO QWEST CORPORATION'S )  
COMPLIANCE WITH §271(C) OF THE ) DOCKET NO. UT-003022  
TELECOMMUNICATIONS ACT OF 1996. )**

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**MARIE E. SCHWARTZ**

**ON BEHALF OF**

**QWEST CORPORATION**

**August XX, 2000**

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1 **I. INTRODUCTION, QUALIFICATIONS AND PURPOSE OF TESTIMONY**

2 **Q. .... PLEASE STATE YOUR NAME.**

3 A. My name is Marie E. Schwartz. I am a manager in FCC Regulatory Accounting at Qwest  
4 Corporation ("Qwest Corp.") I submitted Direct Testimony in this docket on August 7,  
5 2000.

6 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

7 A. The purpose of my supplemental testimony is to provide the Commission with specific  
8 information regarding Section 272 requirements as requested in the Supplemental  
9 Interpretive and Policy Statement issued in Docket No. UT-970300 and adopted by Order  
10 dated March 21, 2000.

11 **II. COMMISSION QUESTIONS**

12 **Q. DOES YOUR DIRECT TESTIMONY DATED AUGUST 7, 2000 PROVIDE ANSWERS TO THE**  
13 **QUESTIONS THE COMMISSION ASKED IN THE SUPPLEMENTAL AND INTERPRETIVE POLICY**  
14 **STATEMENT?**

15 A. Yes. In Appendix A, Section VII, the Commission asked eight questions regarding the requirements  
16 of Section 272 of the Act. My Direct Testimony addressed all of these questions. I have prepared  
17 Exhibit MES-8 which is a matrix of the questions and the location in my direct testimony and the  
18 exhibits attached thereto where the answers to those questions can be located.

1 **Q. IN YOUR DIRECT TESTIMONY AT PAGE 32, LINES 11 to 13, YOU STATE THAT QWEST**  
2 **CORPORATION WILL ABIDE BY THE PROVISION FOR JOINT MARKETING AS STATED IN**  
3 **SECTION 272(g) OF THE ACT. WHAT ARE THOSE PROVISIONS?**

4 A. There are three general provisions contained within Section 272(g) of the Act. They are:

5 1) If the Long Distance Affiliate markets the BOCs telephone exchange service, it must do so  
6 in a non-discriminatory manner;

7 2) The BOC may not market the Long Distance Affiliate's interLATA services until the BOC  
8 receives authority to offer interLATA services pursuant to Section 271 of the Act; and

9 3) Once the BOC has received authority to offer interLATA long distance service in a particular  
10 state, it may jointly market such services with its Long Distance Affiliate.

11 **HOW WILL QWEST CORPORATION COMPLY WITH SECTION 272(G) (2)?**

12 Qwest Corp. will not market or sell interLATA services with Qwest LD until Qwest LD is authorized to  
13 provide interLATA service in Washington by the FCC.

14 **Q. HOW DOES QWEST CORPORATION INTERPRET 272(g)(3)?**

15 A. Section 272 (g)(3) states that "the joint marketing and sale of services permitted under this subsection  
16 shall not be considered to violate the nondiscrimination provisions of subsection 272(c) ."

1 Qwest Corp. understands marketing activities that fall within the scope of Section 272(g)(3) will not be  
2 subject to the nondiscrimination requirements in Section 272(c). Qwest LD and Qwest Corp. may  
3 provide marketing for each other, provided that such services are conducted pursuant to an arm's-  
4 length transaction, consistent with the requirements of section 272(b)(5).

5 **III. CONCLUSION**

6 **Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY.**

7 A. My supplemental testimony addresses the questions raised by the Commission in the Supplemental  
8 Interpretive and Policy Statement.

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

10 A. Yes, this concludes my testimony.

11

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**DOCKET NO. UT-003022**

**EXHIBITS OF  
MARIE E. SCHWARTZ  
ON BEHALF OF  
QWEST CORPORATION  
REGARDING SECTION 272**

**August XX, 2000**

INDEX OF EXHIBITS

DESCRIPTION

EXHIBIT

Checklist Issue 272 Matrix of Testimony and Exhibit References . . . . . MES-7

**CHECKLIST ISSUE 272  
SEPARATE AFFILIATE OPERATIONS**

<b>QUESTION</b>	<b>TESTIMONY AND/OR EXHIBIT REFERENCE</b>
1. Does the affiliate operate independently from Qwest?	Exhibit MES-1T Page 9, line 11 to Page 10, line 12
2. Does the affiliate maintain separate books, accounts, and records as prescribed by this Commission and section 272?	Exhibit MES-1T Page 10, line 13 to Page 13, line 10
3. Does the affiliate employ separate officers, directors, and employees from Qwest?	Exhibit MES-1T Page 13, line 11 to Page 15, line 5
4. Has the affiliate obtained credit under any arrangement that would permit a creditor, upon the affiliate's default, to have recourse of Qwest assets?	Exhibit MES-1T Page 15, line 6 to Page 16, line 7
5. Does the affiliate conduct transactions with Qwest on an arm's-length basis, with any transactions being reduced to writing and available for public inspection?	Exhibit MES-1T Page 16, line 8 to Page 21, line 8 Exhibit MES-2 Exhibit MES-3 Exhibit MES-4
6. How will Qwest and its affiliates comply with the audit requirements of section 272(d)?	Exhibit MES-1T Page 27, line 1 to Page 28, line 9
7. How will Qwest provide services on a non-discriminatory basis, in order to meet the requirements of section 272(e)?	Exhibit MES-1T Page 21, line 9 to Page 26, line 21 Exhibit MES-5
8. How will Qwest and its affiliates comply with the joint marketing provisions of section 272(g)?	Exhibit MES-1T Page 31, line 6 to Page 32, line 13 Exhibit MES-7T Exhibit MES-6 Page 2, line 1