

1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION
3
4 In the Matter of the) Docket No. UT-003013
5 Continued Costing and Pricing) Volume XXXVIII
6 of Unbundled Network Elements) Pages 4287-4486
7 and Transport and Termination.)
8 _____)

9
10 A hearing in the above matter was
11 held on May 7, 2002, at 9:28 a.m., at 1300 South
12 Evergreen Park Drive, Southwest, Olympia, Washington,
13 before Administrative Law Judge LAWRENCE BERG.

14 The parties were present as
15 follows:

16 QWEST, by Lisa Anderl and Adam
17 Sherr, Attorneys at Law, 1600 Seventh Avenue, Room
18 3206, Seattle, Washington, 98191.

19 WORLDCOM, INC./MCI, by Michel
20 Singer-Nelson, Attorney at Law, 707 17th Street,
21 Suite 4200, Denver, Colorado, 80202.

22 COVAD COMMUNICATIONS COMPANY, by
23 Megan Doberneck, Attorney at Law, 7901 Lowry
24 Boulevard, Denver, Colorado 80230.

25 VERIZON, by Jennifer McClellan,
Attorney at Law, Hunton & Williams, 951 East Byrd
Street, Richmond, Virginia 23219.

Barbara L. Nelson, CCR
Court Reporter

1 THE COMMISSION, by Mary M.
2 Tennyson, Assistant Attorney General, 1400 S.
3 Evergreen Park Drive, S.W., P.O. Box 40128, Olympia,
4 Washington 98504.
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1

2

INDEX OF WITNESSES

3

4

WITNESS:

PAGE:

5

6

TERESA K. MILLION

7

Cross-Examination by Ms. Tennyson

4292

8

Examination by Dr. Gabel

4307

9

Redirect Examination by Ms. Anderl

4324

10

Recross-Examination by Ms. Doberneck

4337

11

Examination by Dr. Gabel

4340

12

13

WILLIAM R. EASTON

14

Direct Examination by Ms. Anderl

4345

15

Cross-Examination by Ms. Doberneck

4347

16

Examination by Dr. Gabel

4363

17

18

KATHRYN MALONE

19

Cross-Examination by Ms. Doberneck

4368

20

Cross-Examination by Ms. Tennyson

4471

21

Redirect Examination by Ms. Anderl

4475

22

Recross-Examination by Ms. Singer-Nelson

4480

23

Examination by Dr. Gabel

4483

24

Redirect Examination by Ms. Anderl

4485

25

4290

1

2

INDEX OF EXHIBITS

3

4

EXHIBIT:	IDENTIFIED:	OFFERED:	ADMITTED:
----------	-------------	----------	-----------

5

2085-2089	--	4300	4300
-----------	----	------	------

6

2090, C-2090		4300	4300
--------------	--	------	------

7

2091	--	4300	4300
------	----	------	------

8

2099	--	4346	4347
------	----	------	------

9

T-2100, E-2100	4343	4346	4347
----------------	------	------	------

10

T-2101	4343	4346	4347
--------	------	------	------

11

E-2101	4344	4346	4347
--------	------	------	------

12

T-2101	4344	4346	4347
--------	------	------	------

13

2103-2113	4344	4362	4362
-----------	------	------	------

14

2114-2128	4345	4362	4363
-----------	------	------	------

15

2129	--	4346	4347
------	----	------	------

16

T-2130	4365	4368	4368
--------	------	------	------

17

T-2131	4366	4368	4368
--------	------	------	------

18

T-2132	4366	4368	4368
--------	------	------	------

19

2133-2134	4366	4368	4368
-----------	------	------	------

20

2135	4366	4427	4428
------	------	------	------

21

2136-2139	4366	--	--
-----------	------	----	----

22

2140	--	not admitted	4436
------	----	--------------	------

23

2046-2048	4125	4129	4129
-----------	------	------	------

24

25

4291

1 JUDGE BERG: We will be back on the record.
2 This is a continued hearing in Docket Number
3 UT-003013, the Part D proceeding. This is a
4 continuation of a hearing that started yesterday.
5 Today's date is May 7th, 2002. It's not necessary
6 for Counsel to re-enter their appearances. I will
7 note for the record that Mr. Kopta, who was present
8 for yesterday's proceeding, is -- may not be present
9 -- is not present and may not be present later in the
10 day. The reporter should just please note on the
11 transcript counsel from yesterday's session. Off the
12 record.

13 (Discussion off the record.)

14 JUDGE BERG: Back on the record. We'll
15 also note that we'll take an appearance from Staff's
16 co-counsel in this case.

17 MS. TENNYSON: My name is Mary M. Tennyson,
18 Senior Assistant Attorney General, representing
19 Commission Staff.

20 JUDGE BERG: Thank you, Ms. Tennyson.
21 Anything from the parties as a matter of the record
22 before we resume cross-examination of Ms. Million?
23 Ms. Million, I'll just remind you that you remain
24 subject to the oath that you took yesterday.

25 MS. MILLION: Thank you, Judge.

1 JUDGE BERG: And we begin with
2 cross-examination by Commission Staff.

3

4 C R O S S - E X A M I N A T I O N

5 BY MS. TENNYSON:

6 Q. Good morning, Ms. Million.

7 A. Good morning.

8 Q. Okay. We'll start by digging out all our
9 notebooks. Let's start with Exhibit 2051.

10 A. I'm sorry.

11 Q. I believe this is the cost study for
12 channel regeneration. It's your TKM-56.

13 A. I appear not to have that up here.

14 MS. ANDERL: Your Honor, may I approach the
15 witness and provide her with a copy?

16 JUDGE BERG: Yes. Thank you, Ms. Anderl.

17 THE WITNESS: Thank you. I have that.

18 Q. Okay, thank you. Now, if you could turn to
19 page five of that exhibit, and under the -- there's a
20 column that states channel regeneration per repeater,
21 and then there's a recurring cost for the NRC, or
22 nonrecurring cost. There's just a grey space.

23 A. That's correct.

24 Q. Now, that's meant to reflect that that's a
25 zero charge for nonrecurring cost; correct?

4293

1 A. Yes, it is.

2 Q. Okay. Now, this is -- I just want to
3 clarify -- this is different than Exhibit 2027, your
4 TKM-33, and this is meant to replace that?

5 A. Yes, it is.

6 Q. Okay. Also, I would like to go -- go to
7 Exhibit 2050. You may not have that if you don't
8 have 2051.

9 A. Actually, I do. Thank you.

10 Q. Okay. And going down on the first page of
11 that exhibit, under 8.0, Collocation, 8.1.7, Channel
12 Regeneration, again, we see no charge for
13 nonrecurring cost?

14 A. That's correct.

15 Q. Okay. These two, these are the two most
16 recent proposals and the one we should be looking at
17 for Qwest's proposal in this case?

18 A. Yes, it is.

19 Q. Okay. Now, I'd like you, at this point, to
20 refer to Exhibit 2087, which was one of the Staff
21 cross exhibits.

22 A. I have that.

23 Q. And specifically the page -- well, I think
24 it's on the first page. Let me get my copy of it
25 available. In the response to this Staff Data

4294

1 Request 71, the last sentence says, Also, the
2 spreadsheet incorporates the most recent Part D
3 proposal found in TKM-55.

4 A. Yes, it does.

5 Q. Okay. Well, I would like you to look at
6 the confidential -- or the Attachment B. I don't
7 believe it is confidential. It's the supplemental
8 response.

9 A. I have that.

10 Q. And look particularly at page two of 19.
11 And under 8.1.7, per channel regeneration. Now, here
12 I see there is a nonrecurring charge.

13 A. Yes, there is. That is the SGAT Exhibit A,
14 and evidently the people that prepared that did not
15 get the message to remove that nonrecurring charge.
16 That should not be there.

17 Q. Okay. So although it should be consistent
18 with TKM-55, that's what we should be looking to?

19 A. That's correct. And I apologize, because I
20 see that they've updated the recurring charge, but
21 they did not remove the nonrecurring, and that's a
22 mistake.

23 Q. Okay, thank you.

24 A. We will correct that and make sure that the
25 next SGAT release reflects that appropriately.

1 Q. Okay. That was our concern, that there
2 seemed to be an inconsistency there. Ms. Million,
3 are you aware that in the SGAT proceeding in the
4 UT-003022 and 003040, the Commission has ordered that
5 Qwest eliminate the E-UDIT prices?

6 A. I understand that there is an order
7 regarding UDIT and E-UDIT, and that we're doing --
8 that we've withdrawn those rates and that we're going
9 to be resubmitting them in a later proceeding. I
10 don't know exactly what the order says at this point.
11 I haven't spent any time reviewing that yet.

12 Q. Okay. So do I understand it, then, that in
13 this -- in the documents you've submitted in this
14 proceeding, that has not been changed, or your
15 treatment of UDIT and E-UDIT has not been changed?

16 A. No, it hasn't at this point, but we did
17 note, I think, that we were withdrawing the cost
18 studies that we had submitted for E-UDIT, and that we
19 would be preparing new studies to reflect what the
20 Commission's order was on that point.

21 Q. Okay, thank you. Now, you did submit some
22 testimony -- I believe both you and Mr. Kennedy, then
23 Mr. Easton will be testifying to this -- regarding
24 costing and pricing of pole attachment nonrecurring
25 costs. Has Qwest taken the issue of imputation into

1 account with regard to costing out the pole
2 attachment nonrecurring cost that it's proposed in
3 this proceeding?

4 A. I'm sorry, I don't believe we have any pole
5 attachment nonrecurring. We have pole attachment
6 fees and innerduct fees that are recurring rates, but
7 I'm not aware of any pole attachment nonrecurrings.

8 Q. Could you look at Exhibit 2050?

9 A. Certainly.

10 Q. The last page of that.

11 A. I have that.

12 Q. Okay. Under access to poles, duct, conduit
13 and rights of way, I see nonrecurring costs. I don't
14 see recurring costs.

15 A. Okay. I misunderstood, then, because I
16 think of pole attachment as the recurring fee for
17 pole attachments. These are nonrecurring charges for
18 CLECs who inquire about poles and manholes and ask
19 for verifications of those. So --

20 Q. So it was the pole attachment reference
21 that I made that --

22 A. That confused me, yes. I think of that in
23 terms of the recurring costs for those things, so I
24 apologize. And what was your question with regard to
25 those fees?

4297

1 Q. Whether you have taken the issue of
2 imputation into account with regard to those costs?

3 A. Not that I'm aware of.

4 Q. At this point, I'd like you to turn to your
5 -- it's your rebuttal testimony. It's T-2049.

6 A. I have that.

7 Q. And specifically at page 22. Of course, I
8 didn't highlight it, so I can't find it right now.
9 Starting at line two, I believe what we're talking
10 about here is -- to get the context, you have to go
11 back quite a bit. We're discussing the costs --
12 Qwest's cost for setting up the DSL. Is that your
13 recollection of what this testimony discusses in
14 general?

15 A. Qwest's costs to establish remote
16 terminals, I believe.

17 Q. And that cost is in the range of 250 to
18 \$480; is that approximately what --

19 A. On a TELRIC basis, assuming that Qwest
20 assumes 85 percent of the cost at the remote
21 terminal, and that is on a per-line basis or
22 per-customer basis served.

23 Q. Okay. Now, Qwest does also have a tariff
24 in place for DSL service; correct?

25 A. Yes, that's correct.

4298

1 Q. And if you can refer to Exhibit 2075, it's
2 one of Covad's cross-examination exhibits.

3 A. I have that.

4 Q. And referring to page 18 of the tariff that
5 is part of that exhibit.

6 A. Yes, I have that, as well.

7 Q. Now, this referenced nonrecurring charges
8 for Qwest DSL deluxe. Is this the same -- is this
9 anything comparable to what is discussed at page 22
10 of your rebuttal testimony?

11 A. No, it is not.

12 Q. Okay. Can you describe how they're
13 different?

14 A. Well, a couple of things. For one thing,
15 the nonrecurring retail charge is going to be based
16 on a combination of ways that Qwest provisions DSL
17 services to its customers, including central office
18 provisioning of DSL, which has a very different cost
19 and is weighted into the calculation of this charge,
20 as opposed to what I'm presenting in this testimony,
21 which is just based on the TELRIC cost for a remote
22 terminal and Qwest, assuming 85 percent of this cost,
23 this would be Qwest's cost at the remote location.

24 But when you put a service together for
25 retail customers, our retail offering is both the

4299

1 central office offering and the remote offering
2 weighted together based on the customers that we
3 serve from both of those offerings. And so this
4 nonrecurring reflects both of those offerings and the
5 TELRIC -- and on a TSLRIC basis or a retail basis, as
6 opposed to the TELRIC number here that I'm just
7 trying to reflect, of the TELRIC number, this is
8 Qwest's portion of that cost.

9 So that's a good portion of the difference,
10 as well as, in Qwest's retail offering, the same way
11 that the CLECs would do some of the costs that you
12 incur to set up a service, your nonrecurrings may not
13 reflect the entire nonrecurring charge -- or the
14 nonrecurring cost to you to set that service up, that
15 some of that may be recovered in your retail rate
16 over time from the customer, and so -- and that's the
17 same way that a CLEC would price their service. They
18 would have a nonrecurring charge to their customer
19 and then they would have a recurring cost that -- or
20 a recurring charge that would recover both their
21 direct cost of the service on a recurring basis and
22 some of their nonrecurring costs to acquire or set
23 that customer up.

24 Q. Okay, thank you. I'd like to turn now to
25 some questions about cost factors, and I believe that

4300

1 your counsel may have discussed this with you. I had
2 originally planned to ask some of the questions of
3 one of the other Qwest witnesses, not Dr. Gude. And
4 I should note at this time, we have Staff Cross
5 Exhibits 2085 through 2091. Actually, through 2089
6 are responses -- Qwest responses to Staff data
7 requests, and I did discuss those with Ms. Anderl,
8 and she has no objection to them being admitted.

9 JUDGE BERG: All right. Staff Cross
10 Exhibits 2085 through 2089 are admitted.

11 MS. TENNYSON: We also have Staff Cross
12 Exhibit 2090, C-2090 and 2091 that I would offer for
13 admission.

14 MS. ANDERL: No objection.

15 JUDGE BERG: C-2090, 2091 and 2092 are also
16 admitted.

17 MS. ANDERL: And Your Honor, just so you
18 know, the confidential attachment is confidential
19 because it was prepared at a time when all of our
20 cost studies and information and backup were being
21 filed as confidential. If the confidentiality of
22 this exhibit becomes an issue, I can certainly check
23 and see whether, under our current way of thinking,
24 we could withdraw the confidential designation on
25 that.

4301

1 JUDGE BERG: I appreciate the FYI on that.
2 Not really being more familiar with it, we'll just
3 leave it as is. And if it turns out that any party
4 needs to discuss that in briefs and wishes to make
5 express reference to any of that data, I would like
6 those parties to first check with Qwest, and then
7 parties can approach the Commission with a proposed
8 redesignation, if appropriate.

9 MS. TENNYSON: Okay.

10 Q. Ms. Million, I would like to start first
11 with -- unfortunately, we need to have those exhibits
12 available, but also Exhibit 2023, which is your
13 TKM-29. We all need bigger spaces for this case.

14 A. I have that available.

15 Q. Okay. I'd like to refer first to page 23
16 of Exhibit 2023.

17 A. I have that.

18 Q. Okay. I'm not sure I do. Just a moment.

19 JUDGE BERG: We're looking at 2023,
20 Counsel?

21 MS. TENNYSON: That's correct.

22 JUDGE BERG: Give me the page reference one
23 more time.

24 MS. TENNYSON: Well, I have it as 23, but
25 it's not looking like the one I looked at earlier,

4302

1 so --

2 JUDGE BERG: All right.

3 THE WITNESS: Are you aware that this
4 document is numbered in the front and then one
5 through --

6 MS. TENNYSON: It is. What I'm looking
7 for, actually, is customer transfer charge first
8 mechanized.

9 THE WITNESS: Within the study itself.

10 MS. TENNYSON: Within the study, yes, and I
11 have written it down as page 23, but I'm having a
12 very dyslexic day, so -- oh, I see, it is the second
13 -- page 23 of 513. That's what you were trying to
14 help me with.

15 THE WITNESS: Yes.

16 Q. It's the second page 23 of this exhibit.
17 Okay.

18 A. I'm there.

19 Q. Under customer transfer charge POTS first
20 mechanized continued, the first heading is Direct
21 Cost, and below that, we have directly assigned. Do
22 you see that?

23 A. Yes, I do.

24 Q. Now, there are cost factors listed here and
25 then a number for total direct costs?

4303

1 A. Yes, that's correct.

2 Q. And that is \$4.73?

3 A. Yes, it is.

4 Q. Okay. Then going back to -- I'm now on
5 page 16 of the first part of the summary of the
6 study, the summary of results, Commission prescribed
7 costing and pricing.

8 A. Yes, I have that.

9 Q. Okay. And the first line there, we have
10 customer transfer charge POTS first mechanized, then
11 you have total direct cost, we see the same \$4.73?

12 A. That's correct.

13 Q. Now, you also then have two state
14 cost/price factors, and the one, it's .1962 or 19.62
15 percent?

16 A. Yes, that's correct.

17 Q. The second one would be 4.05 percent?

18 A. Yes, it is.

19 Q. So in this case, I gather Qwest is taking
20 directly assigned cost that is calculated in this
21 case and is then also applying the cost factors that
22 were approved in the part -- or 960369 of this case?

23 A. Yes, that's correct, and that's consistent
24 with the way that we've calculated these costs for
25 all of our costs throughout this case, from Part A

4304

1 onward, is to take a direct investment amount that is
2 calculated on a monthly recurring basis, apply the
3 direct factors, and then calculate a total direct
4 cost to which we then apply the directly attributable
5 factor of 19.62 percent and the common factor of
6 .0405, or 4.05 percent.

7 Q. Okay. So in Ms. Gude's testimony, she
8 stated that, for directly assigned costs, Qwest has
9 appropriately considered these costs in developing
10 its directly attributable and common factors and
11 consistently applied such factors through all phases
12 of these proceedings?

13 A. Yes, that's correct.

14 Q. You agree with that?

15 A. Yes.

16 Q. I'd like to refer back at this point to
17 your Exhibit T-2049, your rebuttal testimony.

18 A. Yes, I have that.

19 Q. And specifically page 16 and line ten.

20 A. I have that.

21 Q. Now, at this point, you're referring to
22 operator service and directory assistance, or OS and
23 DAS competitive services?

24 A. Yes, I am.

25 Q. Okay. Does Qwest provide the UNE platform

4305

1 without OS and DA?

2 A. I'm not sure I understand that question.

3 Q. Well, if -- do you provide the UNE platform
4 without OS and DA removed or does a CLEC have to buy
5 that and buy another service to have those features
6 stripped off?

7 A. You know, I guess I don't know the answer
8 to that. I would refer that to one of our product
9 witnesses to explain how those services are provided.

10 Q. Okay. And your product witnesses, I mean,
11 is there a preference?

12 MS. ANDERL: I believe it would be Ms.
13 Malone.

14 THE WITNESS: Ms. Malone.

15 Q. That is what I was going to suggest. Okay.
16 Do you know if Qwest offers customized routing as a
17 separate service?

18 A. Yes, customized routing is available.

19 Q. And there is a separate charge for that?

20 A. Yes, there are two nonrecurring rates, one
21 to establish the class codes and one to install those
22 class codes into the switches. And they're line
23 class codes, excuse me, I misspoke.

24 Q. Okay. Let's go back at this point to your
25 direct testimony. You may or may not need to refer

4306

1 to it, but I'm referring to page 34, line three of
2 your direct testimony, which -- Exhibit T-2020.

3 A. I have that.

4 Q. Okay. You refer at this point to market
5 rates or prices being set at market rates or by --
6 you said by the market, I believe?

7 A. Yes, I believe I do.

8 Q. In this proceeding, is Qwest proposing any
9 prices for any elements that Qwest believes are
10 exempt from TELRIC pricing under the FCC's rules and
11 orders?

12 A. I would answer that this way. In my
13 Exhibit 2050, or its predecessors where I have
14 proposed rates, those are strictly the UNE rates
15 based on TELRIC studies. In the SGAT Exhibit A,
16 certainly there are prices in there for operator
17 services and directory assistance that are included
18 on the SGAT that Qwest considers to be market-based
19 rates and not supported by a TELRIC study and,
20 therefore, not proposed in my exhibit or in my
21 testimony, but that are a part of the product
22 offering that Qwest has.

23 Q. So in that case, do you -- are you
24 proposing or offering to the Commission a proposal
25 for Commission approval on setting those prices?

4307

1 A. I don't believe so. I would suggest that,
2 to the extent that the FCC has ruled that something
3 should be determined by market forces, that that at
4 least implies that there's no approval necessary for
5 those rates, that the market will take care of
6 establishing those rates.

7 MS. TENNYSON: I have no further questions
8 of Ms. Million at this time. Thank you.

9 THE WITNESS: Thank you.

10 JUDGE BERG: Thank you.

11

12 E X A M I N A T I O N

13 BY DR. GABEL:

14 Q. Good morning, Ms. Million. I'd like to ask
15 you to start with Exhibit 2020. That is your direct
16 testimony.

17 A. I have that.

18 Q. Page 25, please. At line six and seven,
19 you state that Verizon's rates for fiber terminations
20 do not provide any recovery for the equipment on
21 which the fibers terminate. Would you identify the
22 basis for this statement? How did you reach the
23 conclusion that Verizon's rates do not provide for
24 any recovery for the equipment on which the fibers
25 terminate?

4308

1 A. We had discussions with the Verizon cost
2 people and examined their cost study and the rates
3 that they were providing and we -- in going through
4 the cost studies, in setting up our rates and
5 preparing them for the tariff filing, we tried to
6 find the costs for the termination location and
7 couldn't find it, made some phone calls, and got on
8 some discussions with the Verizon folks, and they
9 confirmed that there were no costs for those fiber
10 terminations in their study.

11 Q. And is that because, in a Verizon rate
12 schedule, the cost of the fiber terminations are
13 recovered through a separate rate? Did you explore
14 that?

15 A. We didn't.

16 Q. Didn't, okay. Could I ask you to turn to
17 page 27 of that same exhibit, lines two through five.
18 Here you discuss the FCC staff study for the cost of
19 digital switching. At line two, you state that the
20 FCC staff study did not include Qwest capitalized
21 least cost that would represent right to use fees,
22 which Qwest pays for the additional software needed
23 to provision vertical features in the switch.

24 A. Yes, that's correct.

25 Q. So let me make sure I understand this

4309

1 issue. At the time in which FCC staff did their
2 analysis of the cost of digital switching, was the
3 right to use fee expensed?

4 A. Yes, it was.

5 Q. And so at that time Qwest would have been
6 expensing its right to use fee?

7 A. That's correct, and it would not have been
8 included in the accounting -- in the accounting
9 vernacular, it's FRC 377-C. Those costs would not
10 have been included in that book account because they
11 were being expensed.

12 Q. Okay. And would that expense have been
13 reflected in the Qwest maintenance factor that is
14 used to develop the annual charge factor that
15 converts investments to annual cost?

16 A. No, it would not have, because our right to
17 use fees -- in our preparation of our factors, one of
18 the things that we have consistently removed are the
19 right to use fees in our development of our factors.

20 Q. So in 1996, Qwest was undertaking a study
21 of a digital switching machine. Where or how would
22 it have attempted to recover its right to use fees?

23 A. The right -- ooh, 1996.

24 Q. Or 1997.

25 A. Well, I'm not sure I'm able to address very

4310

1 specifically how we would have done that then. I am
2 aware that those have always been pulled out, in my
3 discussions with the people responsible for
4 development of the factors, but I -- my understanding
5 is that those rates would have been -- or those
6 expenses would have been determined separately and
7 included in our proposal for switching as a separate
8 component of the cost.

9 I would have to go back to the people who
10 actually prepared those studies, though, to verify
11 that information.

12 Q. In the preparation of this testimony, did
13 you have an opportunity to review the Commission's
14 Eighth Supplemental Order in Docket UT-960369, where
15 the Commission addresses the development of the port
16 and the traffic sensitive rates, UNE rates?

17 A. Yes, I did read through that information.

18 Q. Okay. Do you have a copy, per chance, of
19 the Eighth Supplemental Order with you?

20 MS. ANDERL: Yes, she does.

21 THE WITNESS: I'm sure my counsel does.

22 JUDGE BERG: We'll be off the record for
23 just a moment.

24 (Recess taken.)

25 JUDGE BERG: Back on the record.

4311

1 Q. Ms. Million, may I ask for you to turn to
2 paragraph 319 of that order?

3 A. I have that.

4 Q. Okay. Would you please read that paragraph
5 into the record for us?

6 A. Yes. Investments can be converted to a
7 monthly cash flow requirement through the application
8 of annual charge factors.

9 MS. ANDERL: Slowly.

10 THE WITNESS: Unfortunately, none of the
11 models provide a transparent economically rational
12 method for modifying annual charge factors in a
13 manner that is consistent with our findings in this
14 order. Therefore, we will use a factor of 22.95
15 percent for digital switching. This value was
16 derived from Exhibit C-115, analog end office line
17 port study, recurring costs, prescribed lives, August
18 1996.

19 Q. In the preparation of your testimony, did
20 you have an opportunity to review that exhibit, the
21 exhibit that's referred to at paragraph 319 of the
22 Eighth Supplemental Order?

23 A. No, I did not.

24 Q. Do you know if the annual charge factor
25 that was referenced at paragraph 319 includes any

4312

1 allowance for the recovery of right to use fees?

2 A. I was not aware that it did.

3 Q. But do you know if it excludes it?

4 A. I don't know that.

5 Q. Okay. So as a bench request, could you
6 please look into the development of that annual
7 charge factor and explain why you believe the
8 development of that factor does or does not include
9 recovery of right to use fees?

10 A. Yes, I can do that.

11 Q. And not only provide an explanation, but
12 provide some documentation to support your
13 conclusion?

14 A. Yes.

15 JUDGE BERG: That would be Bench Request
16 48. I was taking notes, but let me just check with
17 Qwest's Counsel to see if you have a clear
18 understanding of the request?

19 MS. ANDERL: I believe that we do.

20 JUDGE BERG: All right, thank you.

21 MS. ANDERL: Your Honor, can I just clarify
22 that the deadline will be the ordinary deadline,
23 which is ten days after receipt of the transcript?

24 JUDGE BERG: Sure, that's fine. Thank you
25 very much, Ms. Anderl.

4313

1 Q. Ms. Million, just to pursue this topic a
2 little more, could you now turn to page 35 of the
3 same direct testimony, Exhibit 2020?

4 A. Yes, I have that.

5 Q. Exhibit TKM-46 is a PRI Port Study. Is
6 this a port on a digital switching machine?

7 A. Yes, it is.

8 Q. Now, is the investment for a PRI port
9 included in Account 377-C, which you earlier
10 referenced as being the account for digital switching
11 investment?

12 A. I wouldn't know that without going back and
13 looking at the study and how we've referenced that
14 investment.

15 Q. Well, for each one of these ports, that
16 would be TKM-44, 45, 46 and 47, I would have the same
17 general question, which would be why wouldn't the
18 port investment already be included in the FCC data,
19 which was used to estimate the cost of digital
20 switching?

21 I don't know if you can answer that or if
22 that's something that you want to go back and look at
23 the -- if you assume -- my question is if it's
24 correct to assume that PRI port investment is
25 recorded in Account 377-C, why wouldn't that

4314

1 investment already be reflected in the accounting
2 data that was used by the FCC to estimate the cost of
3 digital switching?

4 A. I guess I don't know the answer to that.

5 Q. Okay. So we'll have that as a bench
6 request for you to --

7 JUDGE BERG: That will be Bench Request 49,
8 subject to the standard terms.

9 Q. Now, Ms. Million, I'd like to ask you to
10 turn to Exhibit 2049.

11 A. I have that.

12 Q. Page 28, line 11. First, do I understand
13 that the issue here is the rate structure for access
14 service request? Is that the issue that's being
15 discussed here? And that is, should the rate
16 structure just be one nonrecurring charge or should
17 there be a separate rate for manual, as opposed to
18 electronic orders?

19 A. Yes, that's my understanding.

20 Q. And for this particular rate, Qwest has
21 submitted just one rate, which is a weighted average
22 of manual and electronic orders; is that correct?

23 A. Well, in its -- if I might explain, it's
24 not just one particular rate, because there are a
25 number of different nonrecurring charges that include

4315

1 order processing for access service requests, or
2 ASRs. And so the issue I understood of manual versus
3 electronic processing of those orders applied to any
4 of the nonrecurrings that reflected ASR processing in
5 them, and so yes, then, in that case, it is an issue
6 of manual versus electronic processing of orders for
7 any of those nonrecurrings.

8 Q. For some of the rate elements you have
9 separate nonrecurring charges, depending upon if an
10 order is placed manually or electronically. Why, in
11 this instance, did you submit one nonrecurring rate
12 structure, as opposed to a rate structure that had
13 one rate for manual orders and a second for
14 electronic?

15 A. Primarily our decision process on that has
16 been a matter of do we process a lot of orders
17 electronically versus a few manual orders that we
18 continue to receive by fax or some method that
19 requires manual processing. We were certainly aware,
20 for things like UNE-P and some of those, that we
21 would be receiving a vast majority of those orders
22 electronically fairly soon.

23 At the time when we were developing
24 nonrecurring costs for orders that required ASR
25 processing, we were still receiving a large majority

4316

1 of those on a manual, rather than electronic basis.
2 My understanding is that at some point we will be
3 moving to more electronic processing for those.

4 And my point in my testimony here was that
5 while there may be a valid reason to separate those
6 out at some point, the answer is not to just simply
7 eliminate the manual processing from the cost
8 structure until we've had a chance to revisit that
9 and separate it out appropriately, if that's the
10 desire of the Commission.

11 Q. The next area that I'd like to ask you
12 about is a follow up to the discussion that you had
13 yesterday with WorldCom's counsel, and that is about
14 the degree to which your time estimates reflect
15 changes that you anticipate will be made in the
16 process for carrying out orders. Do you recall that
17 general discussion?

18 A. Yes.

19 Q. And did I understand correctly that you
20 believe that your time estimates reflect changes that
21 are likely to take place in the next year or year and
22 a half?

23 A. Yes, that's correct.

24 Q. But it's not possible to look at your work
25 papers and say that you expected a three percent

4317

1 improvement in time or a nine percent; rather, your
2 work papers just show here's our time estimate and we
3 believe it reflects anticipated improvements in the
4 process?

5 A. That's correct.

6 Q. And is that because when you contact your
7 subject matter experts, you ask them to provide them
8 with one number, and that is their estimate of what
9 it will -- of the time it will take in the future,
10 and you do not ask them to give you an estimate of
11 what time it takes today, as opposed to how much time
12 it will take in a year?

13 A. That's correct. Our instructions in the
14 meetings that we have with the subject matter experts
15 -- and if you can imagine a group of people who are
16 doing the processing to sit down in a conference room
17 somewhere and talk about what it is that they're
18 doing to process these things today, how they see
19 those things impacted in the future and then coming
20 up with, based on the input of a number of different
21 people, what they think that average time is going to
22 look like based on their experience and what they
23 anticipate those changes to be.

24 So you're correct, we do not ask them for
25 anything other than their estimate of time and

4318

1 probability for these activities.

2 Q. Okay. I'd like to focus on one particular
3 area in the nonrecurring cost studies, and that's the
4 time associated with interconnection service center.

5 A. Yes.

6 Q. This is a number that's probably been
7 discussed more than any other in the different
8 proceedings, so that's the natural one for me to
9 focus on.

10 A. That's correct.

11 Q. So back in -- am I correct, back in 1996 or
12 1997, it was Qwest's estimate that the time for
13 initial order was 45 minutes?

14 A. I believe that's correct.

15 Q. And a few years later, your time estimate
16 was 24 minutes; is that --

17 A. That sounds right to me, yes. It had
18 improved dramatically.

19 Q. Right. And have you ever explored, you
20 know, what were the factors that caused the time to
21 be reduced significantly, from 45 minutes to 24
22 minutes? Could you explain, do you understand why
23 the number has changed significantly?

24 A. I could not go back and detail for you what
25 process has changed. It is, again, just a part of

4319

1 that ongoing work by our various centers to try to
2 improve what they're doing, and certainly I would
3 assume that that has to do with possibly electronic
4 improvements, process improvements, but I don't know
5 for a fact what that difference is related to.

6 Q. I'm trying to think of the right way to
7 phrase this. I'll just explain to you, you know,
8 what my -- what I'm thinking on this issue and ask
9 for your reaction. When I read your testimony and
10 the testimony submitted by the CLECs, the CLECs have
11 their own estimates of how much time it should take
12 to process an order and Qwest has relied on its
13 subject matter experts to provide a different set of
14 estimates.

15 A. That's correct.

16 Q. As I understand your response or your
17 rebuttal testimony, you say, Well, the CLECs have
18 their opinions, but they're not actually involved in
19 carrying out these orders, so unless they come up
20 with better evidence, you recommend that the
21 Commission rely on Qwest's subject matter experts,
22 because they're involved on carrying out these kinds
23 of orders on a regular basis. Is that a fair
24 characterization of your testimony and your
25 understanding of the testimony?

4320

1 A. That certainly captures it, I think. I
2 guess -- I guess what I -- what I see in terms of the
3 CLEC estimates is a lot of times our number cut in
4 half, and it appears to me that that's not a very
5 scientific estimate. That is somebody saying, I
6 think your number is too high, and so if I recommend
7 something that's half of what you've recommended,
8 maybe I'll make some improvement here. But I'm not
9 seeing anything that backs that up that says, Here
10 are my own subject matter experts or -- or if it is
11 my own subject matter experts, what makes their
12 opinion so much better than the subject matter
13 experts who are doing the work currently, performing
14 it on a day-to-day basis, and understand exactly what
15 it is that we're asking for in terms of an estimate.

16 We've gone in, we've provided you with
17 information about what instructions we give to the
18 subject matter experts, we've explained how the
19 process works in developing the number, we've given
20 you backup that shows what their estimates are, in
21 some cases, who those people are that are making
22 those recommendations to our cost analyst, and all
23 you're receiving from the CLECs is our number cut in
24 half and a recommendation that our number is too
25 high.

4321

1 To me, there's -- I understand that we have
2 the burden of providing the proof, but to me that's a
3 very unbalanced situation to make a decision on, the
4 weight of evidence that we've provided versus a
5 recommendation that our time is too high and it
6 should be half of what it is.

7 Q. Well, you used the term, I believe, that
8 the CLECs' evidence isn't very scientific, which
9 brings me to a term which has been used many times in
10 these cost proceedings, and that is the need to
11 validate the reasonableness of the estimates provided
12 by subject matter experts.

13 Do you have any suggestions on how the
14 Commission could validate the reasonableness of your
15 time estimates? And please, in responding to this
16 question, also let me know, have you done any
17 benchmarking of your time estimates with numbers that
18 appear in studies submitted and accepted by other
19 regulatory commissions for other companies. So have
20 you ever compared your numbers to what a Verizon or
21 an SBC claims it should take to process similar types
22 of orders?

23 A. In answering that, I guess I would say
24 that, formally, we have not done comparisons.
25 Certainly, when we review our rates and when our cost

4322

1 analysts review our rates, there are -- there is
2 information available to us about what some of the
3 rates are for some of the other RBOCs in other
4 regions and we are aware of those and we do try to at
5 least look at comparability.

6 One of the problems that we have is often
7 the way that we set up a nonrecurring charge or the
8 way that we provision something, it appears to be
9 very different from the way that another company
10 might provision it. I can remember looking at some
11 of the numbers in New York, and based on the way they
12 had their numbers laid out, it was very difficult to
13 understand what, in their list of nonrecurrings,
14 equated to what ours were, but it also appeared, when
15 we made some assumptions about what those might be,
16 they had a separate number for order provisioning and
17 then they had a separate number for the installation
18 work, and when we added those things together it
19 seemed as though we weren't terribly far off, based
20 on our understanding of the differences of those
21 numbers.

22 But no, we have not conducted a formal
23 analysis of those differences. And it is a difficult
24 question, because, for example, I don't think time
25 and motion studies that take a look at what we're

4323

1 doing today and capture, at a very high cost, a
2 sample of work that may or may not reflect our
3 experience over a 14-state region and over a number
4 of different orders is necessarily the answer.

5 I think we talked earlier yesterday with
6 Mr. Richter and there was some question and concern
7 over the validity of the time and motion studies that
8 were being submitted. So I'm not sure that at the
9 cost of that, that it gains enough for the Commission
10 and certainly for us in a time when all of businesses
11 are struggling with the economic situation. It's
12 hard to justify the cost to do that.

13 So I don't know what a good answer is for
14 that or how you go about validating that, other than
15 to look at the evidence that we've provided and
16 understand that the people who have provided it do
17 know what it is that they've been asked to do and
18 that the instructions have been clear and --

19 DR. GABEL: Thank you.

20 JUDGE BERG: No questions from the bench.

21 Ms. Anderl, would you like to conduct redirect or
22 would you like to take a break first?

23 MS. ANDERL: Sure, a morning break would be
24 fine.

25 JUDGE BERG: All right. We'll take a

4324

1 morning break, and we definitely want to start right
2 on the quarter hour. So Counsel should plan on
3 settling in several minutes beforehand. Thank you,
4 everyone. We'll be off the record.

5 (Recess taken.)

6 JUDGE BERG: Let's be back on the record.
7 Ms. Anderl, would you like to conduct some redirect
8 with this witness?

9 MS. ANDERL: Yes. Thank you, Your Honor.
10 Sorry I didn't arrange my microphone.

11 JUDGE BERG: If you need more rope, we can
12 probably --

13 MS. ANDERL: Oh, I got plenty. Thank you.

14

15 R E D I R E C T E X A M I N A T I O N

16 BY MS. ANDERL:

17 Q. Good morning, Ms. Million.

18 A. Good morning.

19 Q. I'm going to ask you first some questions
20 about the questions that Ms. Tennyson asked you,
21 while that subject is fresh in our minds, referring
22 to factors, and then I am going to go back and kind
23 of step through the redirect chronologically from
24 yesterday morning. So if you'd turn to Exhibit 2089,
25 and then 2090 and 2091. Do you have those?

4325

1 A. I have those.

2 Q. Do you remember that Ms. Tennyson asked you
3 some questions about these exhibits?

4 A. Yes.

5 Q. And the extent to which Qwest had applied
6 the directly assigned factors and other factors in a
7 manner consistent throughout these dockets?

8 A. Yes, I do.

9 Q. Ms. Million, do you recognize Exhibit
10 C-2090 as an excerpted page from a cost study that
11 was submitted in the old cost docket, 960369?

12 A. Yes, I do.

13 Q. And at the top of that page, under the
14 column that says RL Cap value, do you recognize those
15 three factors, product management, sales expense, and
16 business fees as the factors that make up the
17 directly assigned component of Qwest's cost?

18 A. Yes, those, in addition to product
19 advertising, which of course is always assigned a
20 zero value, so -- but those three are the directly
21 assigned factors, yes.

22 Q. And in accordance with Qwest's data request
23 response, which is Exhibit 2089, is it correct that
24 Qwest used those factors that are set forth in 2090
25 in the exhibit -- in the Docket 960369?

1 A. Yes, those are the factors that would have
2 been used in that docket.

3 Q. And did Qwest use those same numerical
4 values for those factors in this new cost docket,
5 003013?

6 A. No, it did not. It would have updated its
7 factors to -- at the beginning of the new docket and
8 then applied those, the updated factors, consistently
9 throughout the new docket. Same way that we will do
10 when we move into the new docket this fall, we will
11 update all of our factors and provide new factors for
12 the new docket, then, as well.

13 Q. And to the best of your knowledge, were the
14 new factors that were updated for 003013 used in the
15 Part A part of this proceeding?

16 A. Yes, they were. These factors that are
17 listed here, the directly assigned factors, and then
18 the application of the prescribed factors for
19 directly attributable and common have been applied
20 consistently for Parts A, B. They would have been
21 used in our calculations of the numbers that -- from
22 which the settlement in Part C was derived, and then
23 what we proposed here in D, as well.

24 Q. And in your opinion, is Qwest's application
25 of those factors between the old cost docket and the

4327

1 new cost docket consistent with the approach that Ms.
2 Gude described in her testimony in terms of the
3 appropriate application of factors?

4 A. Yes, I believe it is.

5 Q. Okay. Early yesterday, in Ms.
6 Singer-Nelson's cross-examination of you, she asked
7 you some questions about whether the cost studies
8 themselves contained any indication of who prepared
9 them. Do you remember those questions?

10 A. Yes, I do.

11 Q. She asked you specifically about TKM-32,
12 which is Exhibit 2026. Can you turn to that study,
13 please? If you don't have it, I can provide you with
14 a copy of it.

15 A. I have it.

16 Q. It's the direct CLEC-to-CLEC
17 interconnection study.

18 A. Yes, I have that here.

19 Q. Can I ask you to turn to page six of 23?

20 A. I have that.

21 Q. In your response to one of Ms.
22 Singer-Nelson's questions, you responded that the
23 analyst who developed some of the interconnection or
24 collocation and CLEC-to-CLEC interconnection cost
25 models was someone by the name of Vicki Bishara?

4328

1 A. Yes, I did.

2 Q. Is her name shown anywhere on this page six
3 of 23?

4 A. Yes, she's shown as the reviewer.

5 Q. And are there other persons identified on
6 this summary sheet who were involved in the
7 preparation of the cost study?

8 A. Yes, the name of Tom Wilkinson appears on
9 this sheet, as well.

10 Q. And to the best of your knowledge, is there
11 a similar sheet for each of the cost studies that
12 Qwest prepared and submitted in this proceeding?

13 A. Yes, there is, and I forgot about that
14 yesterday.

15 Q. You were asked some questions by Ms.
16 Singer-Nelson about how the subject matter experts
17 know what process improvements are scheduled to be
18 implemented, and also on how those impacts -- how the
19 subject matter expert would know of the projected
20 impacts of process improvements. Do you remember
21 that?

22 A. Yes.

23 Q. Can you give any examples of how Qwest's
24 cost studies currently reflect CLECs' estimates about
25 process improvements that are anticipated, but

1 perhaps not yet being achieved?

2 A. Yes, and I believe I provided that as an
3 example in my rebuttal testimony, where the process
4 improvement related to the up front ordering process
5 or the OSS improvements that we're making for the
6 CLEC interfaces to electronic interfaces to Qwest's
7 systems represent some flow-throughs. In the case of
8 customer transfer charges and UNE-P processing for
9 electronic orders for existing customers, for
10 example, we have a flow-through rate of 95 percent
11 that we reflect in our studies, and those are process
12 improvements or electronic improvements that are
13 reflected in our studies by our subject matter
14 experts that Qwest has not achieved to date in its
15 processing.

16 The measurements that we've provided for
17 those flow-throughs have been considerably less than
18 that up to this time, and it's an improvement that
19 we've agreed to reach or achieve by the end of the
20 year 2003, and yet those are already reflected as
21 electronic flow-throughs in our nonrecurring studies.
22 That's one example.

23 Unbundled loop, we have a flow-through rate
24 of about 85 percent, I believe, that is reflected,
25 and we, again, don't currently achieve that. At the

4330

1 time that we instituted that in the study, our flow
2 through percent was something less than five percent,
3 and yet we were reflecting the 85 percent
4 flow-through in the study.

5 Q. You were asked by Ms. Singer-Nelson a
6 question along the lines of, to the extent that
7 others in the telecom industry used practices that
8 are more efficient than Qwest's, whether those are
9 reflected in the Qwest cost studies. And you
10 responded to that no, and I don't believe you were
11 able to follow up with an explanation.

12 Let me ask you this. Have you reviewed the
13 testimony filed by WorldCom's witnesses, Covad's
14 witnesses, and the other witnesses in this docket?

15 A. Yes, I have.

16 Q. Has that testimony identified to you
17 practices that others in the telecom industry are
18 using that are more efficient than those that are
19 reflected in Qwest's cost studies?

20 A. No, it has not.

21 Q. You were asked, with regard to your
22 rebuttal testimony, which is Exhibit 2049, your
23 discussion on pages 31 and 32 about Mr. Lathrop and
24 his recommendations in connection with the QPF and
25 the space optioning administration service. Do you

4331

1 remember those questions?

2 A. Yes, I do.

3 Q. When a CLEC options space and pays the
4 space optioning administration fee, does Qwest do the
5 work in connection with that space optioning that it
6 would do in connection with a quote preparation for
7 an actual collocation space?

8 A. Some of the tasks that are identified are
9 the same types of tasks, but it -- in the case of
10 space optioning, those tasks are related to
11 identifying nonspecific space within the office that
12 is guaranteed, if you will, to the CLEC to be
13 available in the event that they choose to collocate
14 at some point in time. But, again, it's nonspecific
15 space and it's tasks that are conducted in order to
16 identify that there is some space available, that it
17 would meet the needs that the CLEC is requesting, and
18 that then allows us to track that space or that some
19 space is available in the event that other CLECs come
20 in and collocate in the interim.

21 That's a -- while some of the tasks
22 identified are similar, that's a different process
23 than having the engineers sit down and actually
24 engineer a specific space that a CLEC has requested
25 for a specific purpose at a point in time.

1 Q. And if the CLEC takes the space optioning
2 option and subsequently decides to convert that
3 optioned space into a request for actual collocation,
4 will Qwest undertake the process of then actually
5 preparing a quote and -- preparing the quote?

6 A. Yes, it will, because, again, the
7 activities that were undertaken for the space option
8 were is there space available, will it meet the needs
9 of the CLEC when and if they decide to collocate in
10 this office, possibly two years, three years, five
11 years down the road. And those activities, at the
12 time that they're undertaken, don't set any kind of
13 specific space in stone for that CLEC. In the
14 meantime, you may have two or three more CLECs that
15 come into the office, they fill up space.

16 At the point that the space option applies
17 is when the next CLEC comes into the office and
18 there's no space available left, except the optioned
19 space. And at that point, then, Qwest has an
20 obligation to go back to the CLEC with the option and
21 ask them if they're prepared at that point to
22 collocate in the office or if they're willing to give
23 that space up to the CLEC who has a bona fide request
24 at that point for collocation.

25 So whether it's that CLEC coming back in at

4333

1 that point and saying I'm ready to collocate and
2 another CLEC coming in, at that point in time, the
3 space has to be engineered and the specific
4 requirements for the collocation request have to be
5 identified.

6 Q. And does the fact that the CLEC had
7 previously optioned space in the central office
8 enable Qwest to avoid any of the costs or activities
9 associated with the quote preparation fee for the
10 preparation of the actual collocation space?

11 A. No, it does not.

12 Q. And then, just for clarification, if the
13 CLEC goes ahead with the actual physical -- or the
14 actual collocation, is it correct that, at that
15 point, Qwest does credit the quote preparation fee to
16 the costs for the collocation?

17 A. Yes, because at that point the quote prep
18 fee will be charged. In other words, the quote prep
19 fee is only charged for -- the one that Mr. Lathrop
20 is referring to in his testimony, anyway, is only
21 charged when the CLEC requests a collocation and
22 collocation takes -- is going to take place.

23 If the CLEC goes ahead with the space
24 construction, then at that point that quote prep fee
25 is credited against the space construction charge.

4334

1 Q. And if they don't go ahead with the
2 collocation, then they simply pay the quote prep fee?

3 A. That's correct.

4 Q. You were asked some questions by Ms.
5 Doberneck with regard to any other rates that might
6 be assessed in connection with remote terminal
7 collocation. Do you remember that?

8 A. Yes, I recall that.

9 Q. Have you had a chance to consider that
10 question since yesterday?

11 A. Yes, I have.

12 Q. Are there any other rates that are
13 potentially assessed in connection with a remote
14 terminal collocation?

15 A. The one rate that I forgot to mention was
16 the rate for power, and the power charges -- in other
17 words, at a remote terminal collocation, there's a
18 requirement for power to power the equipment that's
19 located there, and there are power charges already
20 established in Qwest's collocation rates, recurring
21 power charges for power usage that would apply to the
22 remote collocation, as well, for usage of power in
23 those instances.

24 Q. Ms. Doberneck also asked you, I believe, a
25 question along the lines of is it possible that the

4335

1 reason that Qwest only has two remote terminal
2 collocations in its region is because the costs are
3 too high. Do you remember that question?

4 A. I recall that she asked me if it was
5 because it was too expensive.

6 Q. Too expensive. Is there anything you'd
7 like to add to your answer to that question that you
8 gave her yesterday?

9 A. Well, I guess the only thing that I would
10 say is, while certainly she got me to agree that it's
11 possible that it's expensive, I don't believe that
12 that means that our costs are incorrect. I believe
13 that, to the extent that a CLEC determines that those
14 costs are high, that's based on their own business
15 plan and their own assessment of those costs, but I
16 don't believe that that means that we've calculated
17 those costs incorrectly.

18 It's a matter of whether or not the CLEC
19 determines, just as it is for Qwest to determine
20 whether those costs are something that they can live
21 with in determining whether to provide the service or
22 not.

23 Q. Now, Ms. Tennyson asked you some questions
24 about pole attachments and other fees associated with
25 access to poles, ducts, conduits and rights of way.

4336

1 Do you recall that?

2 A. Yes, she did.

3 Q. Okay. Now, she talked with you about the
4 rates that Qwest has proposed at Section 10.8 of your
5 Exhibit 2050. Do you remember that?

6 A. Yes.

7 Q. Do you consider those fees that are
8 associated with access and inquiries in connection
9 with poles, ducts, conduits and rights of way to be
10 pole attachment fees?

11 A. I did not understand them to be pole
12 attachment fees, no.

13 Q. In fact, if a CLEC requests a pole inquiry
14 and subsequently a pole field verification or
15 inspection, is it correct that the CLEC would be
16 assessed the charges associated with those
17 activities, whether or not the CLEC ultimately
18 decides to actually attach to the poles?

19 A. Yes, they would.

20 Q. You were also asked -- and I just so wish I
21 could find -- oh, there it is, your exhibit. You
22 were also asked some questions by Ms. -- or a
23 question by Ms. Tennyson about the extent to which
24 Qwest had considered these rates in Section 10.8 in
25 connection with any imputation requirements. Do you

4337

1 recall that question?

2 A. Yes, I do recall it.

3 Q. Are you aware whether there is any
4 imputation requirement in connection with the rates
5 that Qwest proposes in Section 10.8?

6 A. No, I'm not aware of that, and I was
7 confused, because I didn't understand what imputation
8 that might -- what product that imputation might even
9 apply to.

10 Q. Is imputation typically an analysis or
11 issue that arises in connection with Qwest's retail
12 rates?

13 A. Yes, it is.

14 Q. And do you testify about that anywhere in
15 your testimony?

16 A. Certainly not in this case, with the
17 exception of imputation analysis regarding line
18 sharing, recurring charges, I've never heard that
19 come up with regard to a TELRIC hearing.

20 MS. ANDERL: Thank you. That's all I have
21 on redirect.

22 JUDGE BERG: Okay.

23

24 R E C R O S S - E X A M I N A T I O N

25 BY MS. DOBERNECK:

4338

1 Q. I had just one clarifying question, Ms.
2 Million. When you were talking about power charges
3 that might apply to a remote terminal collocation --

4 A. Yes.

5 Q. -- are you referring -- and I'm looking at
6 Exhibit 2087, which is the complete SGAT Exhibit A.
7 Are you referring to the power charges that are set
8 forth in 8.1.4 and 8.1.5?

9 A. If I may have a moment to find that.

10 JUDGE BERG: Let me just also ask, Ms.
11 Doberneck, is there any particular reason why you're
12 referring to this exhibit with the Exhibit A to the
13 SGAT dated June 29th, 2001, rather than the exhibit
14 with the SGAT Attachment A dated April 2002?

15 MS. DOBERNECK: It's just what I had handy.

16 JUDGE BERG: Okay, fine.

17 MS. DOBERNECK: And it had the actual rates
18 --

19 JUDGE BERG: That's fine. And if that's
20 changed in any way between the versions, then perhaps
21 Ms. Million can state.

22 THE WITNESS: Yes, Your Honor, it --
23 actually, the power rates would not have changed,
24 because those are reflected as tariffed rates in the
25 state of Washington that have already been determined

4339

1 by the Commission, and so those would be reflected
2 the same between those two documents.

3 But yes, actually it's 8.1.4. The rates
4 that you're referring to under 8.1.5 are AC power
5 rates that are typically AC power rates within a
6 central office. What you would typically be talking
7 about would be the 8.1.4 rates, I believe, the power
8 plant usage and the per-amp per-month usage fee.

9 MS. DOBERNECK: Okay. Thank you.

10 THE WITNESS: But that -- excuse me. If I
11 can clarify, that would be the recurring rates, not
12 the nonrecurring rates there.

13 JUDGE BERG: I'll also clarify that while I
14 was looking at the footer at the bottom of the page,
15 it looks like this schedule does include more recent
16 information than June 2001.

17 Q. And when you're talking about the
18 nonrecurring power, that's included in the remote
19 terminal rate elements, isn't it, the remote terminal
20 collocation rate elements?

21 A. Yes, it is.

22 MS. DOBERNECK: Okay, great. Thank you.

23 JUDGE BERG: Anything further, Ms.
24 Doberneck?

25 MS. DOBERNECK: No, Your Honor.

4340

1 JUDGE BERG: Any further re-cross, Ms.
2 Tennyson?

3 MS. TENNYSON: No.

4

5 E X A M I N A T I O N

6 BY DR. GABEL:

7 Q. Ms. Million, you were asked about updates
8 to the annual charge factors. Does Qwest have a
9 group that annually updates its annual charge
10 factors?

11 A. Yes, it does.

12 Q. And so as you were preparing the cost
13 studies for Phase D, you did have access to annual
14 charge factor numbers that were more current than the
15 ones that had been approved in earlier phases in
16 either this docket or in 960369?

17 A. Yes, we did. We update those factors
18 annually, as I said, but once we're in a docket such
19 as this, we apply -- it can be confusing if you apply
20 one vintage of factors in one phase of a docket and
21 another vintage of factors in another phase, and I
22 think Ms. Gude addressed in her testimony why it is
23 that we try, once we're within a docket, to stay
24 consistent all the way through that docket.

25 And so where we would have applied a set of

4341

1 factors or a vintage of factors in Phase A, we would
2 have carried that same vintage of factors to be
3 consistent throughout all of our studies in Docket
4 003013 from Phase A to whenever we end that docket
5 with the same set of factors all the way through.
6 But then, if we move into a new docket in the fall,
7 for example, then we will update to the most current
8 set of factors that we have at that point in time.

9 Q. Do you have with you information about what
10 would be the aggregate factor if you add together the
11 common, directly assigned, the direct annual charge
12 factors, using the most recent information, how it
13 would have compared to the annual charge factor that
14 you actually used in this proceeding?

15 A. Well, if you are talking about using our
16 directly assigned, plus the Commission-established
17 19.62 and 4.05, our aggregate factor is still
18 considerably higher than that. I think that amounts
19 to something quite a bit less than what we would
20 propose as a factor, even based on today's factor
21 rates.

22 Q. And the reason why your factor would be
23 higher, could you explain that, please?

24 A. Well, I guess because when we calculate our
25 factors based on the relationship of expenses to

4342

1 investment as they exist most currently, that
2 relationship reflects -- and I can't tell you
3 exactly. It seems to me it's up still in the 30 to
4 40 percent range somewhere of investment dollars,
5 expenses to investment dollars relationship, and
6 that's -- based on our methodology for calculating
7 factors, that is still where our cost relationship
8 between expenses and investment remains today,
9 approximately. And like I said, I can't tell you an
10 exact number for that, but it's considerably higher
11 what you get -- than what you get using the 19.62 and
12 the 4.05.

13 Q. Do you know what factors principally drive
14 the difference between what you would prefer to use,
15 as opposed to what the Commission has authorized?

16 A. I don't know that off the top of my head.

17 Q. Okay.

18 A. I'd have to look at those.

19 Q. And when you say the Qwest numbers are
20 higher, do you know if that reflects the
21 Commission-authorized rate of return and the
22 Commission-authorized depreciation rates?

23 A. Yes, it does.

24 DR. GABEL: Thank you. I have no further
25 questions.

4343

1 MS. ANDERL: Nothing.

2 JUDGE BERG: All right. Ms. Million, that
3 concludes your testimony. Thank you very much for
4 your time, your attention, and your great patience,
5 and you're excused from the proceeding.

6 THE WITNESS: Thank you.

7 JUDGE BERG: We'll just take a short break
8 while we change over to Mr. Easton, and I'd ask that
9 counsel remain in the room, although you certainly
10 can stand and stretch and talk with support staff, if
11 necessary. We'll be off the record.

12 (Recess taken.)

13 JUDGE BERG: Let's be back on the record.
14 Mr. Easton, if you'll stand and raise your right
15 hand.

16 Whereupon,

17 WILLIAM R. EASTON,
18 having been first duly sworn, was called as a witness
19 herein and was examined and testified as follows:

20 JUDGE BERG: Thank you, sir.

21 (The following exhibits were identified in
22 conjunction with Mr. Easton's testimony.)

23 T-2100, Direct Testimony of Robert F.
24 Kennedy, RFK-T4. E-2100, Errata to Direct Testimony
25 of Kennedy, RFK-T4, T-2100. T-2101, Supplemental

4344

1 Direct Testimony of Kennedy, RFK-T5. E-2101, Errata
2 to Direct Supplemental Testimony of Kennedy, RFK-T5,
3 T-2101. T-2102, Rebuttal Testimony of William R.
4 Easton, WRE-T1.

5 Covad cross exhibits: 2103, Qwest Response
6 to Covad Data Request 3. 2104, Qwest Response to
7 Covad Data Request 5. 2105, Qwest Response to Covad
8 Data Request 6. 2106, Qwest Response to Covad Data
9 Request 7. 2107, Qwest Response to Covad Data
10 Request 16. 2108, Qwest Response to Covad Data
11 Request 18. 2109, Qwest Response to Covad Data
12 Request 19. 2110, Qwest Response to Covad Data
13 Request 20. 2111, Qwest Response to Covad Data
14 Request 21. 2112, Qwest Response to Covad Data
15 Request 54. 2113, Qwest response to Covad Data
16 Request 56.

17 Staff cross exhibits: 2114, Qwest Response
18 to Staff's Data Request Number 9. 2115, Qwest
19 Response to Staff's Data Request Number 10. 2116,
20 Qwest Response to Staff's Data Request Number 11.
21 2117, Qwest response to Staff's Data Request Number
22 12. 2118, Qwest Response to Staff's Data Request
23 Number 13. 2119, Qwest Response to Staff's Data
24 Request Number 17. 2120, Qwest Response to Staff's
25 Data Request 19.

4345

1 2121, Qwest Response to Staff's Data
2 Request Number 20. 2122, Qwest Response to Staff's
3 Data Request Number 21. 2123, Qwest Response to
4 Staff's Data Request Number 23. 2124, Qwest Response
5 to Staff's Data Request Number 25. 2125, Qwest
6 response to Staff's Data Request Number 30.

7 2126, Qwest Response to Staff's Data
8 Request Number 49. 2127, Qwest response to Staff's
9 Data Request Numbers 53, 54 and 55. 2128, Qwest
10 Response to Staff's Data Request Number 75.

11 (Conclusion of exhibits identified for Mr.
12 Easton.)

13 MS. ANDERL: Thank you, Your Honor.

14

15 D I R E C T E X A M I N A T I O N

16 BY MS. ANDERL:

17 Q. Good morning, Mr. Easton.

18 A. Good morning.

19 Q. Please state your name and your business
20 address for the record.

21 A. My name is William R. Easton. My address
22 is 1600 Seventh Avenue, Seattle, Washington.

23 Q. By whom are you employed?

24 A. I'm employed by Qwest Corporation.

25 Q. Mr. Easton, on the break this morning, were

4346

1 you able to understand the renumbering of your
2 exhibits that you filed today?

3 A. I think we've straightened that out. We
4 shall see.

5 Q. So do you have before you the direct, the
6 supplemental direct, and rebuttal testimonies that
7 were filed either by yourself or Robert Kennedy, as
8 well as the associated erratas?

9 A. I do not have the erratas with me.

10 Q. Did you nevertheless cause erratas to be
11 filed?

12 A. I did.

13 MS. ANDERL: And Your Honor, my records, if
14 they correctly reflect those documents numbered as
15 Exhibit 2099, 2100, T-2100, T-2101, T-2102 and 2129.

16 Q. Mr. Easton, the testimony that we've
17 identified, both yours and Mr. Kennedy's, with the
18 corrections made in the errata sheets, is that true
19 and correct, to the best of your knowledge?

20 A. It is.

21 Q. And do you have any additional changes or
22 corrections to make?

23 A. No, I do not.

24 MS. ANDERL: Your Honor, I would offer the
25 five exhibits previously identified and tender the

4347

1 witness for cross.

2 JUDGE BERG: Hearing no objection, exhibits
3 2099, T-2100 through T-2102, and Exhibit 2129 are
4 admitted. Ms. Doberneck.

5 MS. DOBERNECK: Thank you, Your Honor.

6

7 C R O S S - E X A M I N A T I O N

8 BY MS. DOBERNECK:

9 Q. Good morning, Mr. Easton.

10 A. Good morning.

11 Q. I'd like to talk to you about one segment
12 of the testimony of Mr. Kennedy that you adopted
13 dealing with installation with cooperative testing,
14 and I'm looking -- I'd like to start specifically at
15 page 15, and I'm talking about page 15, which is
16 contained in Exhibit 2099, which is the errata. Are
17 you ready?

18 A. I've got it.

19 Q. Okay. Now, in the first full paragraph on
20 that page 15, it talks about a distinction between
21 new or existing unbundled local loops or new and
22 existing end users. Can you tell me, when you're
23 talking about an existing end user, an existing
24 unbundled loop, what you mean by that?

25 A. Okay. If we could just pause for a second.

4348

1 I think I need to get a copy of the errata, because
2 it looks like my page numbers are different here.

3 Q. You know what, maybe I'm -- I'm sorry, I
4 could be wrong. I'm looking at the replacement
5 pages. Is that not the errata?

6 A. And you're on page --

7 Q. Fifteen of that.

8 A. Fifteen, okay.

9 JUDGE BERG: Correct. That would be --
10 let's be off the record for a moment.

11 (Discussion off the record.)

12 JUDGE BERG: So we'll be back on the
13 record. I'll just clarify for the record that, in
14 addition to errata that was submitted to the direct
15 testimony of Robert F. Kennedy, that being the
16 original Exhibit RFK-T-4, which has been marked as
17 Exhibit T-2100, there were also replacement pages
18 previously distributed to counsel and to the
19 Commission. The Commission has acted in accordance
20 with the cover documentation that was provided and
21 actually inserted the replacement pages into
22 exhibits. Those replacement pages, when referred to
23 during the course of this proceeding, do include
24 parenthetical information in the header stating the
25 revised date.

1 And counsel will make an initial reference
2 to make sure everybody is aware of the reference to a
3 replacement page document, but thereafter, we'll just
4 deal with it as the page 15 to the exhibit and the
5 errata will continue to be referred to specifically
6 as errata.

7 The errata documentation is generally
8 changes that have been made subsequent to the
9 preparation of exhibits and cross exhibits and
10 reflect last-minute corrections or changes.

11 MS. DOBERNECK: All right. Thank you.

12 Q. Well, once again from the top, if you could
13 look at T-2100, replacement page 15, which was
14 revised on December 6th, 2001. Do you have that page
15 in front of you?

16 A. I do.

17 Q. Okay. And again, in that first paragraph,
18 there's a discussion regarding existing loops,
19 existing end users. Can you tell me what you mean by
20 an existing end user?

21 A. An existing end user is a customer to whom
22 Qwest is providing service.

23 Q. So when we're talking about basic
24 installation for a CLEC of an existing customer, it
25 is a migration from Qwest to that CLEC; right?

4350

1 A. That's correct.

2 Q. Okay. And in that circumstance, where it's
3 an existing end user, the loop that we're talking
4 about is already terminated at the NID out at the end
5 user customer; right?

6 A. That's correct.

7 Q. Okay. So the work that's required is just
8 in the central office to complete the installation?

9 A. Yes.

10 Q. Okay. There's also -- then you go on and
11 describe a new end user service. And can you tell me
12 what you mean by new end user service?

13 A. This would be a new loop going in, so in
14 other words, it wasn't -- Qwest was not providing
15 existing service.

16 Q. To clarify, does that mean that the loop
17 was -- or services being provided over an entity
18 other than Qwest?

19 A. Could be. It could be that the loop had
20 not been previously activated.

21 Q. Okay. So it could be a situation, then,
22 where the -- for the new end user service, that the
23 loop is not connected to the Qwest switch at the time
24 the order is placed?

25 A. That's possible.

4351

1 Q. Okay. Now, where it's a new end user
2 service, I understand your testimony to be that there
3 may be -- Qwest may be required to dispatch a
4 technician to the end user premise?

5 A. Yes, to ensure that there's continuity.

6 Q. So when you say to ensure there's
7 continuity, it's to make sure that the loop is
8 attached to the NID?

9 A. Yes.

10 Q. Okay. And does Qwest, if you know, always
11 dispatch a technician where it's a new end user
12 service?

13 A. Not necessarily always.

14 Q. And can you tell me when Qwest would not
15 dispatch a technician?

16 A. I cannot, but Mr. Hubbard should be able to
17 tell you that.

18 Q. Okay. And perhaps this is another question
19 for Mr. Hubbard, but do you know sort of an
20 approximate percentage that Qwest would be required
21 to dispatch a technician to the end user premise?

22 A. That I can't tell you, but, again, Mr.
23 Hubbard should be able to.

24 Q. Okay, thank you. Turning to replacement
25 page 15-A, which was also revised on December 6th,

4352

1 2001. Looking at lines 12 through it appears 14, and
2 I'm looking specifically at, Therefore, when Qwest
3 performs basic installation with performance testing,
4 Qwest reads out and subsequently e-mails performance
5 test results of Qwest facility to the CLEC prior to
6 facility acceptance. Did I read that correctly?

7 A. Yes.

8 Q. And so does that mean that a CLEC is given
9 an opportunity to reject the facility after it's had
10 an opportunity to review the results of the
11 performance testing?

12 A. Again, Qwest performs performance testing
13 on all of the loops, and Qwest would not turn the
14 loop over to the CLEC unless it met the technical
15 standards for the loop which was ordered. So as
16 Qwest turns that loop over, we would say, you know,
17 here is the readout from the test. There would be no
18 reason in my mind why the CLEC would say they didn't
19 want the loop at that point.

20 Q. Well, when you say the loop meets all the
21 technical specifications, you're talking about the
22 technical specifications that are captured in the
23 NC/NCI codes?

24 A. That's correct.

25 Q. And to clarify this record, when a CLEC

4353

1 orders a loop, it orders the loop by NC/NCI codes,
2 does it not?

3 A. Yes, it does.

4 Q. And those codes describe for Qwest when it
5 provisions the order exactly what technical
6 parameters the loop is supposed to meet; correct?

7 A. Yes.

8 Q. Okay. So the performance testing Qwest
9 does perform, that is performed on every single loop
10 order, regardless of the installation option; right?

11 A. Yes.

12 Q. So if Covad just ordered a two-wire
13 nonloaded loop with basic installation, no additional
14 testing, those performance tests would be performed
15 on that loop prior to the loop being turned over to
16 Covad?

17 A. They would.

18 Q. Okay. Now, the performance tests, are they
19 designed to ensure or to guarantee that the loop
20 meets the technical specifications that are contained
21 in the NC/NCI codes?

22 A. Yes, they are.

23 Q. Okay. And do the performance tests, do
24 they ensure or guarantee that the loop ordered has
25 circuit continuity from the end user to the ICDF in

4354

1 the central office?

2 A. Yes.

3 Q. And can you explain -- I have an
4 understanding of when I use the phrase circuit
5 continuity. Can you explain what you mean when you
6 use the phrase circuit continuity?

7 A. That there's not a break, that we're able
8 to send a signal over the entire circuit. I would
9 like to be clear, when you talked about to the end
10 user, it would be to the network interface device at
11 the end user premise.

12 Q. Right. And I'm sorry, I didn't clarify,
13 but yes, it's just to the NID, no further. I agree.
14 So it's -- it is according to a correct statement if
15 Covad orders basic installation with cooperative
16 testing, that before Qwest ever calls Covad, the loop
17 has been tested and Qwest has determined that it
18 meets all applicable technical specifications; right?

19 A. Yes.

20 Q. And before ever calling Covad to undertake
21 cooperative testing, Qwest has confirmed that there's
22 circuit continuity over that loop; right?

23 A. That is the procedure, yes.

24 Q. Okay. And I often use the phrase a good
25 loop to describe a loop that meets the applicable

4355

1 technical specifications and has circuit continuity.

2 Would you agree with that use of that definition?

3 A. I can accept that.

4 Q. Okay. I'd also like just to confirm what
5 the dollar amount Qwest is assigning to sort of the
6 cooperative testing portion of basic installation of
7 cooperative testing. As I understand it, and for
8 your ease of reference, I'm looking at Exhibit 2087,
9 which is the April 6th, 2002 Exhibit A to the SGAT,
10 because it contains all the rates.

11 A. I need to get a copy of that.

12 Q. You know, I can -- he can use my copy.

13 MS. ANDERL: Sure. It wasn't identified as
14 his exhibit, so he does not have it there, but --

15 MS. DOBERNECK: May I approach the witness,
16 Your Honor?

17 JUDGE BERG: Yes.

18 Q. This is simple math, and hopefully my
19 mathematical skills will be up to the challenge.
20 When I compare the basic installation rate of \$37.53
21 --

22 MS. ANDERL: Excuse me, Counsel. Could we
23 get a page reference?

24 MS. DOBERNECK: Oh.

25 MS. ANDERL: No, of course not, because you

4356

1 don't have the exhibit anymore.

2 THE WITNESS: It's page seven of ten.

3 MS. DOBERNECK: Thank you.

4 THE WITNESS: Or seven of 19, excuse me.

5 MS. ANDERL: And just for clarification,
6 that Exhibit 2087 has two attachments. There's
7 Attachment A, which is the comparison table, and
8 Attachment B, which is the Exhibit A to the SGAT.
9 Could I ask which one you would like him to be
10 looking at?

11 MS. DOBERNECK: I handed him Attachment B.

12 THE WITNESS: Which is -- yes.

13 MS. DOBERNECK: Are you ready, Lisa?

14 MS. ANDERL: I am.

15 MS. DOBERNECK: Okay, thank you.

16 Q. Okay. I see the basic installation with
17 cooperative testing as being \$109.82; is that right?

18 A. Yes.

19 Q. And the basic installation rate is \$37.53;
20 is that right?

21 A. That's correct.

22 Q. So the difference, knock on wood, is
23 approximately \$72?

24 A. That sounds correct.

25 Q. Okay. And that \$72 is being charged by

4357

1 Qwest for the additional steps Qwest undertakes over
2 and above what it performs in connection with basic
3 installation; right?

4 A. Yes.

5 Q. And those specific steps are laid out in
6 Mr. Hubbard's testimony?

7 A. Yes, they are.

8 Q. And would I be best served by asking Mr.
9 Hubbard about those specific steps?

10 A. I believe so.

11 MS. DOBERNECK: Okay, thank you.

12 JUDGE BERG: Mr. Easton, I would say just
13 give a pause for the question to finish before you
14 answer. It will help the reporter accurately record
15 your responses.

16 THE WITNESS: Okay.

17 JUDGE BERG: Thank you, sir.

18 Q. Mr. Easton, are you aware of any
19 circumstances or conditions under which Qwest would
20 not deliver a good loop to a CLEC?

21 A. No, I am not.

22 Q. Mr. Easton, in response to Covad Data
23 Request 1-005, which is Exhibit 2104 --

24 A. I've got it.

25 Q. Okay. In the second sentence of Qwest's

4358

1 response to Data Request 5, the statement is, The
2 purpose of the cooperative test is to see if the
3 facility meets CLEC expectations; it does not
4 identify faults. Did I read that correctly?

5 A. Yes, you did.

6 Q. And can I assume, if you adopted Mr.
7 Kennedy's testimony, that you adopted the substance
8 of his responses to data requests?

9 A. I did.

10 Q. Okay. Now, isn't it correct, though, that
11 when you state that what the purpose of cooperative
12 testing is, that that is an assumption on Qwest's
13 part?

14 A. Again, Qwest performs performance testing
15 on all loops and determines whether there are faults
16 on those loops, and so Qwest has determined that, in
17 fact, there are not faults and we go on to the next
18 step of doing the cooperative testing to see if it
19 meets the CLEC expectations.

20 Again, we would be testing the full circuit
21 at that point, not just the piece between the NID and
22 the central office.

23 Q. And again, isn't it actually the CLEC who
24 determines why they're actually using the cooperative
25 testing?

4359

1 A. Yes, they determine which tests they would
2 like to have performed in cooperation with Qwest.

3 Q. And the purpose for requesting the
4 cooperative testing is actually what the CLEC decides
5 the purpose is; right?

6 A. That's correct.

7 Q. Okay. And so if a CLEC were to state that
8 they request cooperative testing to ensure receipt of
9 a good loop from Qwest, you can't disagree with that,
10 can you?

11 A. They are able to do that, but, again, as I
12 testified earlier, Qwest does perform testing on all
13 loops and, at the time those loops are turned over to
14 the CLEC, I believe that those are, in your words,
15 good loops.

16 Q. Qwest didn't serve any discovery on Covad
17 to determine why it requested cooperative testing of
18 UNE loops, did it?

19 A. I'm not aware of any such discovery.

20 Q. Mr. Easton, do you agree that a CLEC
21 shouldn't have to pay anything extra in order to
22 ensure receipt of a good loop?

23 A. I guess I'm not clear on when you say pay
24 anything extra. As I described earlier, when you
25 order the basic installation element from Qwest, we

4360

1 do perform testing and turn over loop that meets the
2 technical specifications that were ordered.

3 Q. Well, let me walk you through a
4 hypothetical scenario that requires you to make a few
5 assumptions, then. First, if you could assume that a
6 CLEC orders cooperative testing to ensure that the
7 loop meets the technical parameters contained in the
8 NC/NCI codes. You got that first assumption?

9 A. Okay.

10 Q. And then, secondly, assume a CLEC is
11 ordering cooperative testing to ensure that there is
12 circuit continuity from the NID to the ICDF.

13 A. Okay.

14 Q. Now, the third and final assumption is that
15 you should assume that the CLEC had to do so because
16 it has experienced problems in receiving loops from
17 Qwest that meet the technical specifications or that
18 have circuit continuity. Do you have all three
19 assumptions in mind?

20 A. I have your three assumptions, yes.

21 Q. Okay. Under those circumstances, is it
22 Qwest's position that a CLEC would have to pay for
23 that cooperative testing if the purpose is to ensure
24 that the loop meets the technical specifications and
25 has circuit continuity?

4361

1 A. If the CLEC orders cooperative testing,
2 they will be paying for cooperative testing.

3 Q. I don't believe your answer responded to
4 the series of assumptions I've asked you to use in
5 answering the question, so can you try again?

6 A. I cannot speak to what assumptions the CLEC
7 has in mind when they place an order. I can tell
8 you, if they order with cooperative testing, they
9 will be charged for cooperative testing. I can tell
10 you if they order basic installation, they will
11 receive a loop that meets the technical standards
12 that they ordered.

13 Q. And if there were evidence in this record
14 that demonstrated, in fact, that even after
15 performance testing, that Qwest delivered loops that
16 do not meet the technical specifications or contain
17 circuit -- or have circuit continuity, does that
18 change your answer at all?

19 A. That doesn't change my answer, but I would
20 like to understand what's causing that and why the
21 procedures are not being followed.

22 Q. You mean the Qwest procedures are not being
23 followed?

24 A. The Qwest procedures, yes.

25 MS. DOBERNECK: Okay, thank you. Your

4362

1 Honor, at this time I would like to move for the
2 admission of the Covad-designated cross exhibits for
3 Mr. Easton. Those are Exhibits 2103 through 2113.

4 MS. ANDERL: No objection.

5 JUDGE BERG: Exhibits 2103 through 2113 are
6 admitted.

7 MS. DOBERNECK: I have no further questions
8 for Mr. Easton.

9 JUDGE BERG: Thank you, Ms. Doberneck.

10 MS. SINGER-NELSON: Judge, I don't have any
11 questions for Mr. Easton.

12 JUDGE BERG: All right. Ms. Tennyson.

13 MS. TENNYSON: Thank you, Your Honor. I
14 would like to move for admission of Staff Cross
15 Exhibits 2114 through 2128.

16 MS. ANDERL: No objection. The only
17 clarification that I'd want to put into the record
18 right now, which is an alert to Mr. Easton, as well,
19 is that since the exhibit list changed numbers after
20 2121, the hand-marked exhibits that Mr. Easton has
21 with him will be off by one number, in case, Ms.
22 Tennyson, you're going to ask him about them.

23 MS. TENNYSON: No, I don't intend to ask
24 any questions at this point.

25 MS. ANDERL: Okay. But no objection.

1 JUDGE BERG: All right. Exhibits 2114
2 through 2128 are admitted. And Ms. Tennyson, just
3 for clarification, do you have any cross-examination
4 questions for this witness?

5 MS. TENNYSON: No, I do not.

6 MS. ANDERL: Oh.

7 JUDGE BERG: All right.

8

9 E X A M I N A T I O N

10 BY DR. GABEL:

11 Q. Mr. Easton, I was just hoping you could
12 help clarify one area that I'm a little bit confused
13 about, and that is if I turn to your -- the
14 supplemental direct testimony of Robert Kennedy, and
15 I'm sorry, I don't recall the exhibit number.

16 JUDGE BERG: That would be Exhibit T-2101.

17 Q. Page two, lines four through eight, it
18 states that Qwest is introducing two right-of-way
19 rate elements, the right-of-way inquiry fee and a
20 right-of-way documentation fee.

21 Could you explain how these rates are
22 distinguishable from the pole, ducts and right-of-way
23 nonrecurring charges and field verification charges
24 that were discussed in Phase B of this same docket?

25 A. I'm sorry, I was not involved in Phase B,

4364

1 so I'm not familiar with specifically what went on
2 there and what those elements are.

3 MS. ANDERL: We'd be happy, Your Honor, to
4 respond to a bench request on that.

5 DR. GABEL: That would be fine.

6 JUDGE BERG: All right, thank you. That
7 would be Bench Request 50. Standard time.

8 MS. ANDERL: Thank you.

9 DR. GABEL: Thank you. I have no further
10 questions. No additional questions.

11 JUDGE BERG: I have no questions. Anything
12 further, Ms. Anderl?

13 MS. ANDERL: No.

14 JUDGE BERG: All right. Ms. Doberneck.

15 MS. DOBERNECK: Nothing further, Your
16 Honor.

17 JUDGE BERG: All right. Mr. Easton, thank
18 you very much for being here and for helping us.
19 You're excused from the witness stand and from this
20 proceeding.

21 THE WITNESS: Thank you.

22 MS. ANDERL: My ears are red from the
23 speed.

24 JUDGE BERG: We'll be off the record.

25 (Lunch recess taken.)

4365

1 JUDGE BERG: There's one administrative to
2 take care of before we resume testimony from
3 witnesses in our afternoon session, and that is with
4 regards to Exhibit 2127, admitted during the
5 cross-examination of Mr. Easton.

6 The description of that document needs to
7 be revised so that Exhibit 2127 consists of Qwest's
8 responses to Staff's Data Request Numbers 53, 54, and
9 55. And I've asked Commission Staff to wait till the
10 start of tomorrow's hearing to distribute any pages
11 that counsel -- other counsel have not already
12 received and to present copies to the bench.

13 Are there any other administrative matters
14 that the parties want to bring up before we start
15 testimony here this afternoon? All right, then. Ms.
16 Malone, if you'll please stand, raise your right
17 hand.

18 Whereupon,

19 KATHRYN MALONE,
20 having been first duly sworn, was called as a witness
21 herein and was examined and testified as follows:

22 JUDGE BERG: Thank you.

23 (The following exhibits were identified in
24 conjunction with Ms. Malone's testimony.)

25 T-2130, Direct Testimony of Kathy Malone,

4366

1 KM-T2. T-2131, Rebuttal Testimony of Kathy Malone,
2 KM-T3. T-2132, Supplemental Rebuttal Testimony of
3 Malone, KM-T4. 2133, Qwest's Response to WorldCom DR
4 Number WCI 01-101, KM-5. 2134, Qwest's Response to
5 WorldCom DR Number WCI 01-108, KM-6.

6 WorldCom cross exhibits: 2135, Letter from
7 Katherine Marie Krause to FCC re: CC Docket Number
8 96-115, et al. 2136, California PUC Decision in
9 Application 01-01-010, in the Matter of the
10 Application by Pacific Bell for Arbitration of an
11 Interconnection Agreement with MCImetro. 2137, New
12 York PSC Opinion, Number 00-02, Case Number
13 98-C-1357, Proceeding to Examine NYTC's rates for
14 UNEs. 2138, Texas PUC, Arbitration Award in Number
15 19075, Petition of MCI. 2139, Michigan PSC Order,
16 Case Number U-12320, Ameritech Michigan Compliance
17 with Competitive Checklists in Section 271.

18 2140, Michigan PSC, CNAM Download
19 Agreement. 2141, 14th Supplemental Order in WUTC
20 960369.

21 Staff cross exhibit: 2142, Qwest Response
22 to Staff's Data Request Number 43.

23 (Conclusion of exhibits identified for Ms.
24 Malone.)

25

1 D I R E C T E X A M I N A T I O N

2 BY MS. ANDERL:

3 Q. Good afternoon, Ms. Malone.

4 A. Good afternoon.

5 Q. Could you please state your name and your
6 business address for the record?

7 A. My name is Kathryn Malone. My address is
8 1801 California Street, Suite 2360, Denver Colorado.

9 Q. By whom are you employed?

10 A. I'm employed by Qwest Corporation.

11 Q. Ms. Malone, are you the same Kathy Malone
12 who filed direct, rebuttal and supplemental rebuttal
13 testimony in this docket?

14 A. Yes, I am.

15 Q. And do you have before you the documents
16 that are marked as T-2130 through 2134, which consist
17 of your three pieces of direct testimony and two
18 exhibits?

19 A. Yes, I do.

20 Q. Are those documents true and correct, to
21 the best of your knowledge?

22 A. Yes, they are.

23 Q. Do you have any changes or corrections to
24 make to them?

25 A. No, I don't.

4368

1 MS. ANDERL: Your Honor, we would offer
2 those exhibits and make Ms. Malone available for
3 cross.

4 JUDGE BERG: Hearing no objection, except
5 from my own failing voice, Exhibits T-2130 through
6 2134 are admitted.

7 MS. SINGER-NELSON: Thank you, Judge.

8

9 C R O S S - E X A M I N A T I O N

10 BY MS. SINGER-NELSON:

11 Q. Good afternoon, Ms. Malone.

12 A. Good afternoon.

13 Q. I want to start with Exhibit T -- here, let
14 me get to your exhibits -- T-2130, please, which is
15 your direct testimony.

16 A. I have that in front of me.

17 Q. Thank you. Then could you also get your
18 hands on Exhibit 2050?

19 A. I have that, also.

20 Q. That's TKM-55?

21 A. That's correct.

22 Q. Specifically, would you look at Section
23 9.10 of that exhibit?

24 A. I have that. That's the local tandem
25 switching?

4369

1 Q. Yes. And in your testimony, in your direct
2 testimony, on page three, you describe local tandem
3 switching, pages three and four.

4 A. Okay, I have that.

5 Q. Just to understand how those rates would
6 apply in the real world, if WorldCom wanted to
7 establish a single point of interconnection at the
8 tandem, would WorldCom be required to purchase a DS1
9 local message trunk port, purchase installation of
10 that port?

11 A. Yes, they would. That's how they would
12 acquire tandem switching, is they'd have to have a
13 trunk port to be able to utilize tandem switching.

14 Q. Could you please look at SGAT -- at your
15 SGAT. I think that is Exhibit 2059. Section Seven
16 of 2059 addresses interconnection. Let me know when
17 you're there, please.

18 A. Okay. Any particular paragraph number or
19 --

20 Q. I would like you to point out to me the
21 provisions in the interconnection section of the SGAT
22 that say that WorldCom would have to purchase
23 installation of the DS1 local message trunk port if
24 it wanted to establish a single point of
25 interconnection at the tandem.

1 MS. ANDERL: Your Honor, I guess I'll
2 object at this point. This is really the type of, I
3 think, questioning that's -- or exploration of terms
4 and conditions that's appropriate for a docket other
5 than the cost docket.

6 And while the SGAT was certainly marked as
7 an exhibit for cross-examination, it is a lengthy
8 document, it contains a number of complex terms. The
9 interconnection section is, I will attest, complex,
10 from having read it myself, and I don't believe that
11 this is an appropriate line of cross-examination for
12 a cost docket.

13 I mean, what we're looking at here are what
14 are the TELRIC costs for this rate element. If
15 appropriately established, Qwest ought to be
16 permitted to charge them. If there's a dispute about
17 the applicability or interpretation of a particular
18 term of an interconnection agreement, then I think we
19 can address that at a separate point in time.

20 MS. SINGER-NELSON: Judge, part of the
21 issue with rates is when do rates apply, and you
22 would think that there would be some kind of
23 relationship between the application of the rate and
24 the terms and conditions over which that rate
25 applies. The cost would be related to those terms

4371

1 and conditions.

2 What was unclear from Qwest's testimony,
3 and Mr. Price does talk about this in his testimony,
4 is that WorldCom couldn't figure out when the rates
5 in 9.10 would apply in the real world when it was
6 actually doing business with Qwest, so this is
7 intended to get a better understanding of when those
8 rates apply so that we could evaluate whether those
9 rates are appropriate under that circumstance. I
10 think it's very important to explore this.

11 JUDGE BERG: I think it is relevant to
12 understand how rates apply, but I want to cut through
13 any kind of cat and mouse game that may be going on.
14 And to that extent, I think you need to proceed with
15 this witness to ascertain where else that rate may
16 appear and if she has knowledge whether it appears in
17 this document, because I'm sure you understand the
18 futility of having her -- excuse me, this witness,
19 happens to be a her, to go through a document that
20 she has not reviewed before for this specific
21 purpose.

22 If you have knowledge that it's not in
23 there, then -- or there's some area that you can zero
24 in on where there's a possible conflict, then it's
25 helpful for you to direct the witness' attention, but

4372

1 I want to avoid any kind of a broad kind of a
2 scavenger hunt here. And please don't take those
3 words in a pejorative sense; it's just a matter of
4 trying to make the most of the time we have.

5 MS. SINGER-NELSON: I understand, Judge.

6 JUDGE BERG: All right.

7 Q. Ms. Malone, are you aware of an explanation
8 in the Qwest SGAT as to when the rates in Section
9 9.10 would apply?

10 A. If you reference that same section in the
11 SGAT, 9.10.2, that allows for the terms and
12 conditions for which local tandem switching is
13 provided.

14 Q. And does that section address the single
15 point of interconnection?

16 A. I would have to read it. Hold on a moment.

17 Q. Thank you.

18 A. Specifically, what question did you have,
19 again, with regard to the single point of
20 interconnection?

21 Q. I was asking whether WorldCom would have to
22 pay the rates described in Section 9.10 if it chose
23 to establish its single point of interconnection at
24 Qwest's tandem?

25 A. I would say here that Section 9.10.2.2

4373

1 gives you the requirement of where the connection
2 between the companies are, the trunk termination -- I
3 mean, I don't know specifically if you're asking for
4 the words single point of connection.

5 Q. If WorldCom wanted to establish its single
6 point of interconnection at the tandem, would it know
7 to look at this section of -- would it know that,
8 from the SGAT, whether the rates at Section 9.10
9 apply to that service?

10 A. I would think it would, because our SGAT,
11 Exhibit A that lists the prices, the sections there
12 that have the prices correlate to the sections in the
13 SGAT that provides the rate elements, the terms and
14 conditions. Those are the type of things that would
15 be negotiated at the time you're negotiating an
16 interconnection agreement with Qwest, I mean, if you
17 didn't understand that section or if you had that
18 type of a question.

19 Q. Thank you. If WorldCom wanted to set up a
20 fiber meet with Qwest for interconnection, would the
21 rates at Section 9.10 apply? Do you know what a
22 fiber meet is?

23 A. No. I'm sorry, maybe one of the network
24 witnesses could answer that for you. I'm not a
25 technical network witness.

1 Q. Are you Qwest's witness that is here to
2 describe when the local tandem switching rates would
3 apply?

4 A. Yes, and I think I -- I thought I had
5 already explained that to you, that that's when
6 WorldCom would have traffic that comes to a Qwest
7 tandem, then they would pay the local tandem
8 switching. The recurring charge is a per minute of
9 use rate; the nonrecurring charges would be the trunk
10 ports.

11 Q. Is there any situation where, when Qwest --
12 when WorldCom would have a trunk connected to Qwest's
13 tandem, that it would not incur these rates?

14 A. I don't know.

15 Q. You don't know?

16 A. I don't know.

17 Q. On my question relating to fiber meets, who
18 would be the witness I should address that with?

19 MS. ANDERL: Well, I guess, Your Honor,
20 again, I don't know that Ms. Malone can identify a
21 witness. I don't know that the question of fiber
22 meets is squarely tied up by any rate elements or
23 testimony in this docket, so what it seems like Ms.
24 Singer-Nelson is asking is who she should ask about
25 something that I'm not sure is properly within the

4375

1 scope of this docket.

2 JUDGE BERG: Yeah, I think that may run a
3 little far afield --

4 MS. SINGER-NELSON: That's great.

5 JUDGE BERG: -- Ms. Singer-Nelson. And I
6 understand that that may be a point of interest, but
7 here's what I see happening in this case. We had
8 terms and conditions that were, to a large extent,
9 developed in the SGAT 271 case, for which there were
10 no established element rates, and so those particular
11 subjects were teed up in this proceeding for rates to
12 be developed.

13 To the extent that there is a particular
14 rate that parties want to understand how that rate
15 applies, I can -- to some extent, I can work
16 backwards, back towards terms and conditions. On the
17 other hand, if what we're dealing with now is a term
18 and condition that was not identified as requiring a
19 specific price point to be developed in this
20 proceeding, then it's -- I'm not sure that that's
21 something that we could just pick up, unless the
22 questioning was would this be the rate that would
23 cover that situation.

24 MS. SINGER-NELSON: That is the question.

25 JUDGE BERG: If it's a matter of putting a

4376

1 proper definition of a fiber meet point --

2 MS. SINGER-NELSON: Mm-hmm.

3 JUDGE BERG: -- then we can -- or some
4 technical information, so that this witness can
5 understand the question, we can always retain this
6 witness for further questioning after the technical
7 point is clarified with one of those other witnesses.

8 MS. SINGER-NELSON: Judge, a couple of
9 things. One of the concerns that I have of limiting
10 the testimony in this docket to a discussion of just
11 the rates, without the terms and conditions, is as I
12 described before. They're -- they're very related to
13 each other, they're interrelated to each other. And
14 in order to fully evaluate the costs that Qwest is
15 proposing, we need to understand the terms or the
16 situations where those costs are going to be charged
17 or those rates are going to be charged to us, as a
18 customer.

19 And the second point is, during the 271
20 workshops, there were no experts in the room that
21 could address cost issues at all and appropriate rate
22 elements for particular services. So the issues that
23 were kicked to this docket were not only specifically
24 what the cost should be, but also the application of
25 the rates to particular products and services,

4377

1 because the people in the room during the workshop
2 were not able to fully address those issues at that
3 time.

4 So it necessarily -- we necessarily in this
5 docket need to explore more than just the rates
6 themselves and whether there is consistent with
7 TELRIC principles.

8 And my question on the fiber meet, really,
9 the definition of fiber meet was just a foundational
10 question to see if these particular rates for local
11 tandem switching applied to that service or product.

12 JUDGE BERG: All right. And then what I
13 heard this witness state is that she doesn't
14 understand what is meant by fiber meet to answer that
15 question from a costing perspective. Let me just go
16 on and say I, you know, I'm dealing with this just
17 sort of in the abstract, but there will be a
18 subsequent part to this proceeding.

19 If there are terms and conditions that are
20 being developed in the SGAT case that were not
21 properly identified at the start of this proceeding
22 for development within this proceeding, then that can
23 also be addressed in a subsequent part of 3013.

24 The Commission will continually have to
25 deal with a situation where new elements are being

4378

1 identified or new needs are being identified, but at
2 some point, the SGAT will come to closure and then
3 the question will become how -- what process should
4 be used to develop additional terms and conditions.
5 As we get to the end of both proceedings, 3013 and
6 the SGAT, we have seen some crossover. We are
7 dealing with some aspects of terms and conditions in
8 this proceeding, and I get a sense that there are
9 some quasi or pseudo pricing issues that are being
10 addressed in the other proceeding.

11 We'll do the best to make sure that as much
12 as possible can be addressed in one proceeding or the
13 other before they conclude, but we certainly can't
14 deal with something that has not been identified at
15 an issue -- at a point in time when parties no longer
16 have the opportunity to develop prefiled testimony
17 and other supporting evidence, and that's my concern
18 at this point regarding the fiber meet.

19 So I'm -- and I understand it was a
20 foundation question and it may be a non-issue at this
21 point, but I'm trying to make clear my vision of what
22 the scope of this proceeding is and how best to
23 proceed if, in fact, you need to develop more
24 information.

25 MS. SINGER-NELSON: Thank you.

4379

1 JUDGE BERG: Is that helpful?

2 MS. SINGER-NELSON: Thank you, Judge.

3 That's fine.

4 Q. The fiber meet is actually defined in the
5 SGAT, and perhaps that could help you in responding
6 to whether -- because my real question goes to
7 whether the local tandem switching rates at 9.10
8 would be -- whether WorldCom would have to pay those
9 rates in the situation of a fiber meet. That's
10 really all I was trying to get to. And the fiber
11 meet is defined in the SGAT, so that's Exhibit 2059,
12 at Section 4. It's page 16. It's my page 16. Ms.
13 Malone, could you just read the definition of fiber
14 meet into the record?

15 A. Fiber meet means an interconnection
16 architecture method whereby the parties physically
17 interconnect their networks via an optical fiber
18 interface, as opposed to an electrical interface, at
19 a mutually agreed upon location.

20 Q. All right. Do you understand that
21 definition?

22 A. No.

23 Q. Okay.

24 A. I don't.

25 Q. Okay. So are you able to tell me, as you

4380

1 sit here today, whether or not the rate elements for
2 local tandem switching that you've introduced at
3 Section 9.10 would apply to a fiber meet?

4 A. I can't answer that.

5 Q. Ms. Malone, did demand play a part of
6 developing the costs of tandem ports?

7 A. I can't answer that, either. I'm not the
8 cost witness. That, I think, is a question you
9 should have asked Ms. Million.

10 Q. So tell me again what your qualifications
11 are to testify today and what the scope of your
12 testimony is supposed to be?

13 A. I provide a product description. And I'm
14 not how the costs were developed, why -- the demand
15 that went into the development of those costs. Those
16 aren't the type of things. All I do is provide a
17 product description and tell you what rates go with
18 that particular product.

19 Q. All right. So the product description for
20 local tandem switching is provided in your direct
21 testimony at pages three and four?

22 A. That's correct.

23 Q. And that's the extent of your testimony
24 relating to that?

25 A. Well, I mean, I don't -- I would say yes,

4381

1 unless you have another question you'd like to ask
2 me.

3 Q. I don't think that I have any more on local
4 tandem switching.

5 A. Okay.

6 Q. Let's move on to vertical features.

7 A. Okay.

8 Q. In your direct testimony, at pages seven
9 and eight, you reference the vertical switch features
10 that -- the rates that Qwest is proposing in this
11 docket relating to vertical switch features. And as
12 Ms. Million discussed yesterday, the unbundled line
13 port, Qwest is proposing a recurring charge to
14 recover the cost of the port previously established
15 by the Commission, and is, as you state in your
16 testimony at the top of page eight, proposing an
17 additional element of recurring cost to recover the
18 previously unaccounted for capitalized least cost.

19 A. That's correct.

20 Q. Has Qwest incorporated the increased cost
21 to the rates that it charges its retail customers?

22 MS. ANDERL: Objection, Your Honor.

23 Clearly outside the scope of both this docket and the
24 witness' testimony.

25 MS. SINGER-NELSON: Judge, it's a question

4382

1 of whether or not Qwest is providing the service on a
2 nondiscriminatory basis. So it would be a comparison
3 between what it provides to wholesale customers
4 versus what it provides to retail customers.

5 JUDGE BERG: Are you asking whether there's
6 a different rate?

7 MS. SINGER-NELSON: Whether the change
8 that's been incorporated into the wholesale rate has
9 also been incorporated into the retail rate.

10 JUDGE BERG: I'll allow that question to be
11 answered. You want to further object, Ms. Anderl?

12 MS. ANDERL: Yes, Your Honor, I do. First
13 of all, Ms. Singer-Nelson's statement
14 mischaracterizes here. We have not incorporated any
15 change to the wholesale rate yet. We've proposed a
16 change to the wholesale rate.

17 Second, the question, even as she's
18 rephrased it, is unclear, because there's no
19 foundation to address what rate she's referring to
20 and -- in terms of Qwest's retail rates.

21 And finally, there's -- it is -- remains
22 outside the scope of this witness' testimony. I
23 could go on and describe for you how TELRIC costing
24 and pricing, which cost and price individual rate
25 elements for purposes of wholesale is completely --

4383

1 not completely different, but different enough from
2 TSLRIC pricing, which is how we cost and price our --
3 cost and form a basis for pricing our retail
4 services. They do not line up in parallel. There
5 are similarities between them, but I just see this
6 whole line of questioning as impermissibly broadening
7 the scope of this docket and really setting us up for
8 lines of inquiry that, you know, that are wholly
9 inappropriate here.

10 If WorldCom wants to bring a separate
11 proceeding to address whether Qwest's prices are
12 nondiscriminatory vis-a-vis wholesale and retail, I
13 suppose they would have the right to ask the
14 Commission to open such a docket, but I don't think
15 that's what we ought to be doing here.

16 JUDGE BERG: All right. I want to thank
17 both counsel. I've -- one of the advantages of
18 having somebody like Dr. Gabel on the bench is that
19 he brings an expert economist perspective to the
20 decisions that get made, and I don't really
21 understand the relationship between characterizing
22 this as TSLRIC versus TELRIC, but what I do
23 understand now is, in fact, that the FCC required
24 that these costs for elements be cost-based and not
25 be based on retail rates. And for that reason, I

4384

1 will sustain the objection.

2 MS. SINGER-NELSON: Okay. Thank you,
3 Judge.

4 Q. Ms. Malone, let's go on to your rebuttal
5 testimony, which is Exhibit T-2131.

6 A. I have that.

7 Q. Are you aware that WorldCom has at least
8 one of its own class five switches deployed in
9 Washington for the provision of local
10 telecommunications services?

11 A. No, I was not aware of that.

12 Q. Could you assume, for purposes of my
13 questions, that WorldCom does?

14 A. Yes.

15 Q. And if that switch were in Seattle, would
16 it be your understanding that WorldCom would want to
17 exchange traffic with Qwest for traffic between Qwest
18 and WorldCom customers?

19 A. I don't know. I mean, have they requested
20 that from us?

21 Q. Well, wouldn't it be true that if we had a
22 class five switch here in Washington, that we would
23 want to exchange traffic between our networks,
24 between Qwest's and WorldCom's networks?

25 A. I guess I can make that assumption. I

4385

1 mean, I don't know. It would be up to WorldCom to
2 come to Qwest and say what they intended to do.

3 Q. Okay. If WorldCom wants to interconnect
4 with Qwest for purposes of exchanging traffic, would
5 you agree that the section from the SGAT on
6 interconnection would be the relevant portion of the
7 SGAT to look to for terms and conditions relating to
8 that service?

9 MS. ANDERL: Well, Your Honor, and I guess
10 I will object here, just for lack of foundation.
11 It's not in this record whether that is the effective
12 interconnection agreement between these parties or
13 not. And so maybe just some foundational questions
14 would help set that up.

15 Q. Ms. Malone, on page two, starting on page
16 two of your rebuttal testimony, you address common
17 channel signaling and SS7 charges; isn't that right?

18 A. That's correct.

19 Q. And from pages three through five you
20 describe the application of Qwest's SS7 rates; isn't
21 that right?

22 A. That's correct. I did that in a response
23 to Mr. Price saying that he needed further
24 explanation of our signaling rates.

25 Q. And those rates are addressed in Section

4386

1 9.14 of Exhibit 2050; isn't that right?

2 A. That's correct.

3 Q. Now, the first rate that you address on
4 bottom of page three is the STP port. Do you know
5 whether WorldCom would need to order the STP port
6 from Qwest if it wanted to interconnect with Qwest
7 for purposes of exchanging traffic?

8 A. If WorldCom wanted to do SS7 signaling,
9 they would have to have an STP port, yes.

10 Q. In all circumstances?

11 A. Yes, they would have to have ports for
12 their signaling to go to.

13 Q. And so this rate would be implicated, and
14 that's the rate at 9.14.1?

15 A. The nonrecurring rate, yes. To establish
16 the port is what that rate is for.

17 Q. Then you start addressing the signal
18 transport charge, and that's at 9.14 -- you say in
19 your testimony it's at 9.14.4 and 9.14.5. Do you see
20 that on page four of your rebuttal testimony?

21 A. Yes, I do.

22 Q. In the situation that I've been describing,
23 where WorldCom wants to interconnect with Qwest for
24 purposes of exchanging traffic, would that rate
25 element be implicated?

4387

1 A. Yes, it would, depending on which type of
2 traffic they're exchanging, what type of a message it
3 is. Either the ISUP or the TCAP message charges
4 would apply.

5 MS. ANDERL: Ms. Malone, could you please
6 spell out those acronyms?

7 THE WITNESS: I can if you hold on just a
8 minute. ISUP is ISDN user part, and TCAP is
9 transaction capabilities application part.

10 MS. ANDERL: Thank you. Sorry, Ms.
11 Singer-Nelson, for the interruption.

12 Q. When would ISUP apply?

13 A. ISUP applies when SS signaling is involved
14 from one end office to the other, you would incur the
15 ISUP charge. If you want something in addition to
16 that, like if you have caller ID and you need to
17 access a database, then is when the TCAP charge is
18 applied, as well, because it has to go to a database
19 to find out that information, and that is a very
20 simple explanation of the TCAP. That's when a
21 database query is required in the signaling process.

22 Q. So it depends on what kind --

23 A. Depends on what kind of call is being made
24 and what type of information you want from that call.

25 Q. All right. Thank you. Then the next rate

4388

1 that you're discussing on page four is the signal
2 switching charge?

3 A. Yes.

4 Q. And when would that rate apply, if WorldCom
5 wants to interconnect with Qwest for purposes of
6 exchanging traffic?

7 A. The switching charges apply for the calls
8 from one end office to another or from switching
9 traffic to a database lookup back to an end office.

10 Q. Signal formulation is the next rate element
11 that you address. When would that apply in the
12 situation where WorldCom wants to interconnect with
13 Qwest for the purpose of exchanging traffic?

14 A. You have the signaling here in our 9.4.3 --
15 9.14.3, pardon me, is the signal formulation for,
16 again, if it's an ISUP, to set up the initial call is
17 when you use that, and then you pay for the different
18 switching and transport of that type of a signaling
19 message.

20 Q. Now, in a different situation, when
21 WorldCom is providing local service to a customer
22 using Qwest's UNE-P product, are you familiar with
23 the SGAT at Section 9.23, where UNE-P is addressed?

24 A. Yes.

25 Q. Does that section address at all the

4389

1 circumstances where the rates at 9.14 in Exhibit 2050
2 would be implicated?

3 A. Again, we'd have to go back and read in the
4 SGAT itself in the 9.23 section. Just vaguely, I
5 would say somewhere in there it does mention
6 signaling, but I couldn't swear to it and we'd have
7 to go back and look at it. But it does talk about
8 signaling, I'm sure.

9 Q. And if WorldCom is providing local service
10 through Qwest's UNE-P product, when would WorldCom
11 need to pay the rates that are addressed in Section
12 9.14?

13 A. Any time any type of signaling is used, SS
14 signaling is used. And it's used on all types of
15 calls, so I would say at one point in time, one of
16 the signaling charges would apply on any type of
17 traffic between Qwest and WorldCom.

18 JUDGE BERG: While there's a slight pause,
19 I'll just, for the good of the record, indicate that
20 ISUP is I-S-U-P and TCAP is T-C-A-P.

21 Q. Ms. Malone, isn't it true that if WorldCom
22 was providing service to local customers through
23 Qwest's UNE-P product, that WorldCom purchases the
24 local switching element within that UNE-P product?

25 A. Yes, they do purchase local switching, but

4390

1 SS7 is different than local switching. I mean, is
2 that what you're saying, because they'd have local
3 switching, there wouldn't be any SS7 signaling?

4 Q. Isn't -- so it's your testimony that
5 WorldCom would need to pay additional charges for SS7
6 signaling?

7 A. Well, signaling is different than actual
8 switching of a call for call completion.

9 Q. The SS7 charges are not already included in
10 the local switching element?

11 A. That I would have to check on.

12 Q. If they were already included in the local
13 switching element, wouldn't you agree with me that
14 Qwest would be double-recovering if it also charged
15 WorldCom for SS7 charges?

16 A. I would rather -- rather than just agree, I
17 would like the opportunity to check to make sure that
18 the local switching is included in the UNE-P, rather
19 than just, you know, agreeing that we were
20 over-recovering on something when I'm not sure of the
21 answer.

22 Q. You don't know whether local switching is
23 included in the UNE-P product?

24 A. Yes, local switching is included in the
25 UNE-P, but you pay for switching on a per minute of

4391

1 use basis.

2 Q. Yes. And so -- well, perhaps you misspoke.

3 Did you mean to say you wanted to verify whether SS7

4 was included --

5 A. Yes.

6 Q. -- in the local switching rate element?

7 A. That's what I meant to verify.

8 Q. Okay. That's what you meant to say?

9 A. Yes.

10 MS. SINGER-NELSON: Judge, could I ask for

11 a record requisition to get that information?

12 JUDGE BERG: Yes, that would be record

13 requisition 2502. Does Qwest need any additional

14 information to respond?

15 MS. ANDERL: I don't -- I think I have the

16 gist of the request. If Ms. Singer-Nelson, though,

17 wants to state it again for the record, that might be

18 helpful. Is it simply are the costs associated with

19 SS7 signaling already included in the local switching

20 rate element?

21 JUDGE BERG: As part of UNE-P.

22 MS. SINGER-NELSON: Right, already included

23 in the cost development for the local switching rate

24 element.

25 JUDGE BERG: And Ms. Anderl, do you think

4392

1 that's something that your support staff could
2 respond to at some point prior to the conclusion of
3 the proceeding?

4 MS. ANDERL: I think we can get Ms. Million
5 to look into that, since she's the cost witness. She
6 certainly knows what went into each piece. We can
7 research that. I think it's likely that we could
8 have an answer by Friday.

9 JUDGE BERG: All right. Maybe you can
10 check on that after -- during or after a break, and
11 before today's conclusion, let me know when a
12 response would be possible. No point to take time
13 away right now.

14 MS. ANDERL: We'll do that, Your Honor.

15 JUDGE BERG: All right, thank you.

16 MS. SINGER-NELSON: Thank you.

17 Q. Okay. Let's move on, Ms. Malone, to -- on
18 page five of your rebuttal testimony, which is
19 Exhibit T-2131, where you're discussing customer
20 transfer charge, and I just want to clarify for the
21 record that the customer transfer charge does not
22 apply to the UNE-P product; isn't that right? The
23 customer transfer charge that you discuss at this
24 page of your testimony?

25 A. That's correct, it applies to resale only.

1 Q. Thank you. Moving on to page six, where
2 you address directory assistance operator services, I
3 note at line four that Qwest is pricing directory
4 assistance and operator services at market-based
5 rates. Is that your testimony?

6 A. That's my testimony.

7 Q. And that hasn't changed since you filed
8 this?

9 A. No, it has not. I guess I can further add
10 to my testimony that currently directory assistance
11 and operator services are available through a tariff
12 here in Washington and the tariff was done at TELRIC
13 prices.

14 Q. But that doesn't change your testimony that
15 Qwest is pricing directory assistance and operator
16 services at market-based rates, it's Qwest's position
17 in this proceeding?

18 A. That's correct.

19 Q. Okay. Pages six through nine of your
20 rebuttal testimony discuss the subject of customized
21 routing and some more on operator services and
22 directory assistance. It appears from your testimony
23 that you disagree with WorldCom witness, Mr. Caputo's
24 testimony relating to customized routing; is that
25 right?

4394

1 A. That's correct.

2 Q. Customized routing, as defined by the FCC
3 -- tell me if this is your understanding of the
4 definition of customized routing -- is it permits
5 requesting carriers to designate the particular
6 outgoing trunks that will carry certain classes of
7 traffic originating from competitors' customers;
8 isn't that right?

9 A. Where are you reading this definition from?

10 Q. I'm reading it from paragraph 221 in the
11 BellSouth Louisiana Two FCC order.

12 A. I'm not familiar with that particular order
13 that you're referring to.

14 Q. Is that consistent with your understanding
15 of the definition of customized routing?

16 A. I guess I've really never seen a definition
17 of customized routing in a process like that. I can
18 give you what I term as a definition of customized
19 routing.

20 Q. Why don't you do that?

21 A. What I believe customized routing is is a
22 product that a CLEC would use if they choose to route
23 their DA and operator services traffic to trunking
24 other than that of Qwest.

25 Q. Okay. And so that would be consistent with

4395

1 what the FCC defines at paragraph 221 of the
2 BellSouth Louisiana Two order, which is customized
3 routing permits requesting carriers to designate the
4 particular outgoing trunks that will carry certain
5 classes of traffic originating from competitors'
6 customers?

7 A. I guess I just made it more clear, rather
8 than saying certain classes of traffic. I
9 specifically identified DA and operator services.

10 Q. But otherwise, you would agree that your
11 definition's consistent with what the FCC has laid
12 out?

13 A. That's correct.

14 Q. You contend, at lines eight through 12 of
15 your testimony, on page seven, that WorldCom has
16 never requested customized routing from Qwest; isn't
17 that right?

18 A. That's correct.

19 Q. Are you aware of discussions between
20 MCI/WorldCom and Qwest account teams concerning
21 customized routing that dated back to the summer of
22 2000, regarding MCI/WorldCom's provision of local
23 service using Qwest's UNE-P product?

24 A. When I spoke with the account team that
25 you're referring to, they told me that they've had

4396

1 some discussion with WorldCom, but WorldCom has never
2 put any type of a formal request in for customized
3 routing or actually defined, you know, really
4 narrowed down. There have just been more or less
5 discussions and talks about it, but no formal request
6 has been submitted, that I'm aware of.

7 Q. Are you aware that Mr. Caputo, from
8 WorldCom, last year filed testimony in Colorado and
9 Arizona in the cost case -- cost cases explaining
10 MCI/WorldCom's desire for customized routing over
11 feature group D trunks?

12 A. I am, but Qwest does not consider that as a
13 formal request for customized routing. That was just
14 testimony, again, where Mr. Caputo or WorldCom was
15 discussing what they believed customized routing
16 should be.

17 Q. And you testified in Arizona, so you're
18 intimately familiar with Mr. Caputo's testimony to --
19 WorldCom's desire to obtain feature group D
20 customized routing?

21 A. Yes, I've seen his testimony.

22 Q. Are you aware that MCI/WorldCom and Qwest
23 negotiated, in fact, a contract amendment that it
24 filed in Washington that provided for the option of
25 customized routing over MCI/WorldCom's existing

4397

1 feature group D trunks?

2 A. No, I'm not aware of that.

3 Q. You're not aware of the interconnection
4 agreement amendment?

5 A. No, I'm not. I mean, Qwest does provide
6 customized routing, so if WorldCom is requesting it,
7 I don't see -- and if they have an amendment to their
8 agreement, I don't see where there would be a
9 problem. It's still my knowledge and understanding
10 that, to date, we have not had a formal request from
11 any company in any state for customized routing as of
12 the time my testimony was filed.

13 Q. How about as of today? My questions really
14 go to today.

15 A. Well, if it was done this morning, no, I'm
16 not aware of that.

17 Q. Are you aware that WorldCom has completed
18 Qwest's customized routing request form and submitted
19 it to Qwest?

20 A. No, I'm not. Again, I'll go back and say
21 that as of the date my testimony was filed, there was
22 no formal request from WorldCom for customized
23 routing.

24 Q. And today, as you sit here, are you
25 familiar with the customized routing request form

4398

1 that WorldCom completed and submitted to Qwest?

2 A. I've just said no, I am not.

3 Q. Okay. Thank you. Well, you keep going
4 back and forth as to when you're testifying, as to
5 whether it was the date of your testimony or as of
6 today, and I'm just seeking clarification on that
7 issue.

8 A. And that's right, because you do keep
9 saying, today, am I aware of that. And I'm saying as
10 of today, no.

11 Q. Thank you.

12 A. When I filed my testimony, there had not
13 been a formal request. If something has been filed
14 since that time, I am not aware of it.

15 Q. Are you aware that Qwest and MCI/WorldCom
16 representatives have met to discuss a WorldCom
17 request for customized routing over feature group D
18 trunks?

19 A. Nothing more than the informal conversation
20 I told you that I was aware of between WorldCom and
21 the account teams.

22 Q. Anything recently?

23 A. No.

24 Q. Are you aware that Qwest initially told
25 WorldCom that it was not denying WorldCom's request

1 for technical reasons?

2 A. I'm not aware of what took place in the
3 conversations.

4 Q. Are you aware that Qwest represented to
5 WorldCom that a Washington Commission order
6 prohibited Qwest from regenerating or translating the
7 call to go to WorldCom's feature group D trunks?

8 MS. ANDERL: I object, Your Honor. First,
9 Ms. Singer-Nelson is mischaracterizing a conversation
10 between the WorldCom representatives and the Qwest
11 representatives. Second, I'm not sure for what
12 purpose the inquiry's being pursued with this
13 witness, who has clearly stated she's unaware of
14 these conversations. I can represent that Mr. Craig
15 has been involved in the discussions with WorldCom on
16 this issue and will be available to testify, to the
17 extent that Your Honor deems those conversations
18 relevant for purposes of our inquiry.

19 JUDGE BERG: Any response?

20 MS. SINGER-NELSON: Judge, Ms. Malone has
21 stated that she is unfamiliar with any request from
22 WorldCom relating to customized routing. She's
23 testified that that didn't happen in her testimony,
24 and so I'm exploring with her the situation where
25 WorldCom actually did submit it. She's the witness

4400

1 that has addressed the issue and I know that Mr.
2 Craig has also addressed the issue, but I wanted to
3 fully explore her knowledge on this subject, since
4 she's put testimony in the record addressing
5 customized routing.

6 JUDGE BERG: Well, without regard to the
7 issue of relevance, I really get a sense you're sort
8 of beating it into the ground at this point. This
9 witness, my understanding of this witness is that she
10 has no knowledge of it, and what I hear you doing is
11 picking apart separate details of communications that
12 you're familiar with, which you believe have
13 occurred, for which this witness has no knowledge.
14 If she has no knowledge, she's not going to have any
15 about the big picture, she's not going to have any
16 knowledge about the details. So if there's something
17 else you want to explore, that's fine, but I don't
18 want to hear any more questioning about the details
19 of the conversations that she has no knowledge about.
20 It doesn't help me.

21 MS. SINGER-NELSON: Okay. Thank you,
22 Judge.

23 JUDGE BERG: Okay.

24 MS. SINGER-NELSON: I'll just address those
25 questions with Mr. Craig.

4401

1 JUDGE BERG: And if you think that you
2 haven't sufficiently covered that this witness has no
3 knowledge of the big picture of those communications,
4 I'd, you know, be willing to entertain another
5 question or two without ruling that it's been asked
6 and answered, just to let you be certain that you're
7 covered.

8 MS. SINGER-NELSON: Thank you, Judge.

9 Q. So Ms. Malone, you're not familiar with any
10 interactions between Qwest and WorldCom in the last
11 couple of months relating to WorldCom's request for
12 customized routing over feature group D trunks?

13 A. No, I am not.

14 Q. Let's move on to your criticism of Mr.
15 Caputo's statement relating to the directory
16 assistance and operator services rates being
17 discriminatory. And you talk about that on the
18 bottom of page seven of your testimony.

19 A. Okay, I have that.

20 Q. And you reference that the FCC found
21 numerous providers are offering directory assistance
22 and operator services in the market today.

23 A. That's correct.

24 Q. Do you see that?

25 A. Yes.

4402

1 Q. Are you aware of any local service
2 competitors in the Qwest territory in Washington
3 actually providing directory assistance for Qwest
4 UNE-P customers, other than Qwest?

5 A. There -- I know that there are numerous
6 providers throughout the United States, including
7 Washington. Specifically by name, I can't identify
8 one for you. The reason that the FCC made this
9 determination is because they are also convinced and
10 aware that there is competition for DA and operator
11 services.

12 Q. Are you, though, familiar with any company
13 here in Washington that is providing directory
14 assistance to end user customers of a Qwest UNE-P
15 wholesale customer? So are you aware of any
16 alternative for WorldCom, as a UNE-P provider, to
17 Qwest's operator services and directory assistance?

18 A. Specifically by name, no, I am not.

19 Q. Do you know whether anyone exists in the
20 state?

21 A. Oh, they don't have to be located locally
22 in order to be able to provide DA and operator
23 services in Washington. It can be provided from
24 another location.

25 Q. Right. And I didn't imply that they needed

4403

1 to be located here in Washington, but I was asking
2 whether they're providing services to customers here
3 in Washington?

4 A. I'm not -- I don't know that information.

5 Q. Do you know whether, if WorldCom provides
6 local service through its purchase of unbundled
7 network elements through the UNE-P product, Qwest's
8 UNE-P product, Qwest is the only choice for operator
9 services and directory assistance at this point in
10 time?

11 A. If a customer, WorldCom, buys a UNE-P, they
12 have the option of purchasing customized routing if
13 they choose to have their DA and operator services
14 routed to someone other than Qwest.

15 Q. Has any carrier purchased customized
16 routing from Qwest here in Washington?

17 A. We have had no request anywhere for
18 customized routing.

19 Q. So is customized routing today the only
20 option that -- the only option that a carrier has for
21 operator services and directory assistance, other
22 than Qwest?

23 A. Yes, they would have --

24 Q. So Qwest is the only provider of operator
25 services and directory assistance to UNE-P customers

4404

1 today?

2 A. Yes.

3 Q. On pages eight and nine of your testimony,
4 it appears that you agree that the FCC rules require
5 all telecommunications carriers to provide
6 nondiscriminatory access to directory assistance and
7 operator services?

8 A. That's correct.

9 Q. And that's actually laid out in an FCC
10 rule, is it not?

11 A. Yes, it is.

12 Q. And nondiscriminatory rates require that
13 Qwest charge CLECs no more than what Qwest charges
14 itself; isn't that right?

15 A. For which services, or for --

16 Q. For directory assistance and operator
17 services?

18 A. Well, for directory assistance and operator
19 services, the FCC has deemed that it's not a UNE.
20 Therefore, it's set at market-based rates.

21 Q. You would agree with me, wouldn't you, that
22 the FCC rules require that nondiscriminatory includes
23 that Qwest needs to provide CLECs with operator
24 services and directory assistance at the same rates
25 and terms that Qwest provides it to itself?

4405

1 A. That is true. That's a definition for
2 nondiscriminatory.

3 Q. Thank you. Qwest's costs for operator
4 services and directory assistance are not in the
5 record here; isn't that right?

6 A. Will you explain what you mean by not in
7 the record?

8 Q. Has Qwest put any evidence into this docket
9 relating to its costs for for the provision of
10 operator services and directory assistance?

11 A. No, they have not.

12 Q. So without knowing the costs, this
13 Commission cannot evaluate whether the services,
14 operator services and directory assistance, are
15 provided on rates, terms and conditions equal to what
16 Qwest provides itself; isn't that right?

17 A. Well, I think I said a little bit earlier,
18 and I don't know if you understood, but we do say
19 that directory assistance and operator services, per
20 the UNE remand, can be market-based price. However,
21 currently, our prices for DA and operator services
22 are tariffed in the Washington tariff and were based
23 on TELRIC pricing at the time they were put in the
24 tariff.

25 Q. Okay. But listen to my question. It's a

4406

1 specific question, and please, try to answer the
2 question. Without knowing the costs -- you said that
3 the costs for operator services and directory
4 assistance are not in the record here; isn't that
5 right?

6 A. That's correct. We're not requesting any
7 new costs at this point in time for DA or operator
8 services.

9 Q. And you've agreed with me that the FCC
10 rules require that operator services and directory
11 assistance be provided on a nondiscriminatory basis;
12 isn't that right?

13 A. I agree that the service is provided on a
14 nondiscriminatory basis. Access to those services is
15 nondiscriminatory. The pricing, however, the FCC has
16 deemed it to be not a UNE. Therefore, it's not under
17 TELRIC guidelines for pricing and it can be priced at
18 something other than TELRIC, which is market-based.
19 The market will drive the pricing for DA and operator
20 services.

21 Q. Okay. Are you familiar with the FCC rule
22 51.217, addressing nondiscriminatory access? It's
23 the same rule we just discussed a few minutes ago,
24 when you agreed with me that the FCC requires
25 nondiscriminatory access.

4407

1 A. Correct.

2 Q. Okay.

3 A. I mean, I --

4 Q. Could you get a -- I can show you a copy of
5 that rule, because I'm going to ask you about it. It
6 sounded like it was your position that the rule does
7 not include the requirement that the rates be
8 nondiscriminatory. Is that your understanding?

9 A. Well, I guess there's a difference in
10 providing something on a nondiscriminatory basis and
11 the rates being market-based.

12 Q. Yes.

13 A. I mean, I think we're talking two separate
14 things here.

15 Q. Okay.

16 A. I do believe that we provide DA and
17 operator services on a nondiscriminatory basis.

18 Q. Do you understand that the FCC rules
19 require that Qwest provide nondiscriminatory access
20 to operator services and directory assistance?

21 JUDGE BERG: I'm going to cut in at this
22 point. I'm getting really tired of going in a
23 circle. We're going to take an afternoon break now,
24 but before we do, let me just point out, the witness
25 has just said that she sees that their rates are both

4408

1 nondiscriminatory and market-based. You are not
2 going to get this witness to tell you that their
3 rates are discriminatory. That's not going to
4 happen. And to the extent that that's an argument to
5 be based on legal conclusions, it may be a valid
6 argument, but I don't see any point in exploring it
7 further with this witness. I think you just got what
8 you needed, and that is this witness believes that
9 the rates are both market-based and
10 nondiscriminatory, and there's nowhere to go from
11 there, from my perspective.

12 Why don't you think about it and when we
13 come back on the record, if you think there's
14 something else to be done in that respect, I'll let
15 you argue it to me.

16 MS. SINGER-NELSON: Okay.

17 JUDGE BERG: But let's take a break now for
18 15 minutes, because I want you to think about this
19 and -- Ms. Singer-Nelson, with all due respect, and
20 we'll be back on the record at about 2:45.

21 MS. ANDERL: And your Honor, the only thing
22 I would ask --

23 JUDGE BERG: We're off the record now.

24 (Recess taken.)

25 JUDGE BERG: We'll be back on the record.

4409

1 To begin with, there's just a quasi-administrative
2 matter. I'd like to issue a bench request, Bench
3 Request 51, and that will just be to Qwest to just
4 confirm that all of the cost studies submitted by Ms.
5 Million in fact reflect Washington-specific data
6 without regard to any other states that might be
7 mentioned in the text of the study.

8 MS. ANDERL: Thank you, Your Honor. And
9 specifically, we will undertake to look at Washington
10 prescribed lives and Washington cost of money to
11 ensure that those are correct. I know that there are
12 references to other states, such as Nebraska and
13 Utah, in the text of some of the cost studies, and we
14 will report back in that bench request response.

15 JUDGE BERG: All right. I'm not concerned
16 about correcting those references, so long as we have
17 a representation from the company that the numbers
18 that have been presented are all Washington -- are
19 intended for the Washington jurisdiction. And do you
20 want to take a stab at when that review might be
21 concluded? Would Friday be satisfactory?

22 MS. ANDERL: Let me just ask Ms. Million.
23 So perhaps Monday, Your Honor. If Ms. Million gets
24 me the information by Friday, we'll either file it
25 that same day or provide it to you on Monday.

4410

1 JUDGE BERG: Okay. And if for some reason
2 you need more time, just let me and the other parties
3 know.

4 MS. ANDERL: Thank you. We will.

5 JUDGE BERG: Okay. All right. And Ms.
6 Singer-Nelson, my wife tells me that I can be overly
7 brusque at times, and so let me just say what I was
8 trying to express to you before is I thought I
9 understood both parties' positions, that, at the same
10 time, that there is a position on Qwest's part that
11 they can set the price at whatever level they want,
12 that they recognize that there's a nondiscriminatory
13 requirement under the FCC's rules. And maybe I was
14 surmising something that isn't quite in the record,
15 but I just took that to mean that the company can put
16 whatever price on operator services, directory
17 assistance that they want to, so long as it's the
18 same price to both their own customers and to their
19 wholesale customers, for their retail customers and
20 their wholesale customers.

21 And the position I was concerned that you
22 were trying to establish was that you were looking at
23 cost and not necessarily at the rates, but let me
24 just -- so that's just to explain where I was
25 mentally and why I concluded I thought you'd gotten

4411

1 as much as you were going to get on that point from
2 this witness, and then it's a matter of putting the
3 pieces together, that this witness may not put the
4 pieces together the way that you want to, but that
5 doesn't mean that the pieces aren't there.

6 And let me just check with you to see if
7 there's anything else that you think you need to
8 explore with this witness so that you can make the
9 legal arguments that you need to make.

10 MS. SINGER-NELSON: Judge, I was trying to
11 just explore with Ms. Malone her understanding of
12 what the FCC rule requires, and it sounded to me that
13 she understood the rule required nondiscriminatory
14 access, but it did not require nondiscriminatory
15 rates. That's what I was trying to get to.

16 Q. And so I think, in sum, tell me if this is
17 correct, Ms. Malone. It sounds like it's your
18 position, as Qwest's witness on operator services and
19 directory assistance products, that Qwest believes
20 that access to operator services and directory
21 assistance must be nondiscriminatory; is that right?

22 A. That's part of it, yes.

23 Q. And it's your position that prices for
24 operator services and directory assistance are set by
25 the market?

4412

1 A. That's correct.

2 MS. SINGER-NELSON: That's all I've got on
3 that one issue.

4 JUDGE BERG: All right. And I thank you
5 for making that point.

6 MS. SINGER-NELSON: Thank you.

7 Q. Now, if you would, Ms. Malone, get ahold of
8 Exhibit 2056 and let me know when you have it.

9 A. I have that.

10 Q. Go to page 25 of that exhibit. Section
11 10.5 addresses directory assistance for
12 facilities-based providers; isn't that right?

13 A. That's correct.

14 Q. And the price listed in the column up to
15 date interconnection tariff, WN U-42, is 35 cents,
16 isn't that right?

17 A. That's correct.

18 Q. And that's the same rate that's in the
19 column relating to the SGAT?

20 A. That's correct.

21 Q. So that's a per call rate that Qwest will
22 charge for -- charge WorldCom for every directory
23 assistance that one of WorldCom's UNE-P customers
24 makes?

25 A. That's correct.

4413

1 Q. Now, are you familiar with Qwest's tariff
2 for resale wholesale customers, its resale tariff?

3 A. I'm vaguely familiar with it.

4 Q. Are you aware that Qwest offers
5 telecommunications carriers who provide directory
6 assistance on a resale basis a wholesale discount?

7 A. Yes, I am.

8 Q. And so that that discount would allow the
9 resale customers to purchase directory assistance at
10 92 percent of the 35-cent charge that Qwest charges
11 facilities-based carriers?

12 A. I'm not certain what the wholesale discount
13 is, but if it were 18 percent, that would be correct.

14 Q. Okay. So just whatever the discount rate
15 is in Qwest's tariff, you would agree that the resale
16 customers of Qwest would be permitted to get
17 directory assistance at that wholesale discount?

18 A. That's correct, a resale customer is
19 allowed to have a wholesale discount where there are
20 no wholesale discounts applied to UNE-P services.

21 Q. Does Qwest consider UNE-P to be a
22 facilities-based service in terms of directory
23 assistance in Section 10.5?

24 A. UNE-P can be considered a facilities-based,
25 yes.

4414

1 Q. And specifically for that charge, does
2 Qwest consider UNE-P to be facilities-based?

3 A. Yes, that is the charge that they would pay
4 under the UNE-P scenario.

5 MS. SINGER-NELSON: Okay. At this point,
6 Judge, I would like the Commission to take
7 administrative notice of Qwest's resale tariff. It's
8 WN U-43.

9 MS. ANDERL: No objection.

10 JUDGE BERG: All right. We'll just take
11 the entire resale tariff, take notice of the entire
12 resale tariff.

13 MS. SINGER-NELSON: Thank you.

14 Q. All right. I think we can switch subjects.

15 A. Okay.

16 Q. Let's move on to directory -- or to --
17 well, it's actually directory assistance listings,
18 and you address that on page ten of your rebuttal
19 testimony, which is T-2131.

20 A. Yes, I have that.

21 Q. And it appears that you would agree with
22 me, based on your testimony at lines nine through
23 eleven, that customer listings must be provided on a
24 nondiscriminatory basis, under Section 251 of the
25 Telecom Act?

4415

1 A. That's true.

2 Q. And the FCC rules implementing the
3 requirement are found at 51.217(C)(3)(ii)?

4 A. Correct.

5 Q. So we do agree on that. Where does Qwest
6 get its directory assistance listings? Is it from
7 the customer service order process?

8 A. Yes.

9 Q. Is this the same process that Qwest gets
10 its internetwork calling name information, and that's
11 commonly known as the ICNAM, internetwork calling
12 name?

13 A. Yes.

14 Q. Would you agree that providing operator
15 services and directory assistance service is
16 different than providing directory assistance
17 listings?

18 A. Yes, they'd be provided in two different
19 types, two different bases for -- two different
20 needs. The customers would have two different needs
21 in requiring one versus the other.

22 Q. Okay. And the FCC, in the rule that you
23 cite in your testimony, addresses those in two
24 different sections, as well; isn't that right? Two
25 different -- they address directory assistance

4416

1 listings --

2 A. Oh, yes.

3 Q. -- separately from directory assistance
4 services?

5 A. Yes, they do.

6 Q. Thank you. Qwest doesn't use the Internet
7 or a third-party provider to get listings for its
8 operators, does it?

9 A. No, it does not.

10 Q. And that's because no one but Qwest offers
11 Qwest listings, and others who offer Qwest listings
12 or others who offer listings offer a service inferior
13 to Qwest's; isn't that right?

14 A. I don't -- I couldn't make a judgment on
15 whether another provider's services is inferior to
16 Qwest.

17 Q. Wouldn't you agree that Qwest directory
18 assistance listings are the most complete and
19 accurate listings for subscribers here in Washington?

20 A. Yes, because they're Qwest customers, I
21 would say that they would be more accurate than
22 someone who wasn't a Qwest customer.

23 Q. At page 11, line three of your testimony,
24 you're proposing market pricing for directory
25 assistance listings?

4417

1 A. That's correct.

2 Q. If Qwest is the only provider of such
3 accurate and complete listings for its customers, how
4 does it determine what the market is?

5 A. It's the idea that there's competition
6 there. I think more so it gets back to the fact that
7 the FCC has not designated directory assistance
8 listings as a UNE and it does not require TELRIC
9 pricing. The UNE remand identifies directory
10 assistance listings as it's something that needs to
11 be provided on a nondiscriminatory basis.

12 Q. Mm-hmm.

13 A. Access to it just needs to be
14 nondiscriminatory.

15 Q. All right. And Ms. Malone, my question was
16 how does Qwest determine what the market is for
17 directory assistance listings?

18 A. Just what -- I think a market-based price
19 in itself is just that. If you're charging too much
20 for the service, no one would buy it from you. It
21 has to be based on what is acceptable within a market
22 if it's a product you're trying to sell.

23 Q. How does Qwest define this market?

24 A. What -- maybe what others are charging. I
25 don't know how a market-based price is established.

4418

1 Q. But you're a product manager for Qwest?

2 A. No, I am not a product manager. I'm a
3 wholesale advocate --

4 Q. Okay.

5 A. -- for product organizations, but I don't
6 have any -- I'm not a product manager and I don't do
7 any type of costing for the products.

8 Q. Has Qwest -- are you aware of whether Qwest
9 has done any market studies for directory assistance
10 listings?

11 A. I really am not.

12 Q. It looks like at your testimony, lines four
13 through five, that it's your position that the FCC
14 has recognized there are alternatives available to
15 the use of Qwest customer listings, then you say it's
16 negating the need for regulated prices. Do you see
17 that?

18 A. Yes, I do.

19 Q. Has the FCC or the Washington Commission
20 specifically negated the need for regulation of
21 Qwest's prices for directory assistance listings?

22 A. I don't believe the Washington Commission
23 has addressed this issue at all. This particular
24 proceeding that we're in now was to discuss TELRIC
25 pricing for unbundled network elements, and it was my

4419

1 understanding that anything that was not at TELRIC
2 price was not to be addressed in this docket
3 initially. And then I think WorldCom and some others
4 wanted it brought into the docket, and that's the
5 only reason Qwest is really addressing it at this
6 time.

7 Q. Has the FCC or this Commission specifically
8 said that regulated prices were not required for
9 directory assistance listings?

10 A. Just because of -- I don't think
11 specifically they have said it that way.

12 Q. Thank you.

13 A. I believe our interpretation of what is
14 being said is that it has to be offered on a
15 nondiscriminatory basis, but not at a -- as a UNE at
16 TELRIC pricing.

17 Q. Are you aware of Section 251(B)(3) of the
18 act that states that local exchange carriers have a
19 duty to provide competing providers nondiscriminatory
20 access to directory listings, then?

21 A. Yes.

22 Q. If it costs Qwest an eighth of a cent to
23 generate a directory assistance listing and Qwest
24 sells that listing to another local exchange carrier
25 at 20 times that amount, would you agree that that is

4420

1 discriminatory?

2 A. No, I wouldn't.

3 Q. Are you aware that the FCC has specifically
4 found that nondiscriminatory access means not only
5 what local exchange carriers provide to others, but
6 nondiscriminatory access must be the same in terms of
7 what local exchange carriers impute to themselves?

8 A. Yes.

9 MS. ANDERL: Objection, Your Honor. Again,
10 I would ask that the witness be provided with either
11 the rule or the FCC order on which she's being
12 cross-examined.

13 JUDGE BERG: I think the best way to
14 proceed, if the witness has the ability to answer
15 without looking at the rule, then she can answer it,
16 but I'd like the witness to just recognize that if
17 you need to refer to a document or a rule, to please
18 let us know.

19 THE WITNESS: Okay, thank you.

20 JUDGE BERG: All right.

21 Q. Are you able to answer that without the
22 rule?

23 A. I would actually rather see it.

24 Q. Okay.

25 A. It's a rule, of course, I've heard, but if

4421

1 you were asking me to quote you which rule it is, I
2 would rather see it in person.

3 MS. SINGER-NELSON: May I approach, Judge?

4 JUDGE BERG: Yes, Ms. Nelson.

5 MS. SINGER-NELSON: Thank you.

6 Q. I'm handing you the FCC's Third Report and
7 Order in CC Docket Number 96-115, Second Order on
8 Reconsideration of the Second Report and Order in CC
9 96-98, and the NPRM in CC Docket 99-273, and I would
10 direct your attention to paragraph 128. Could you
11 please review that and read it into the record?

12 A. Paragraph 128 says, We deny Ameritech's
13 request and affirm that, under Section 251(B)(3),
14 nondiscriminatory access means that providing LECs
15 must offer access equal to that which they provide to
16 themselves. Did you want me to read the whole --

17 Q. No, that's okay. So is it your
18 understanding that the FCC requires that Qwest
19 provide access to directory assistance listings on
20 the same terms and conditions that it provides it to
21 itself?

22 A. Yes.

23 Q. Thank you. Ms. Malone, are you aware that
24 Qwest offers e-mail address listing to its retail
25 customers in its retail directory assistance listing

4422

1 tariff?

2 A. No, I'm not familiar with what's offered on
3 the retail side.

4 Q. Do you know whether Qwest offers e-mail
5 address listings to its wholesale customers?

6 A. Not that I'm aware of.

7 Q. How would I find that out?

8 MS. ANDERL: Well, again, Your Honor --

9 THE WITNESS: I don't know.

10 MS. ANDERL: -- I'm going to object.

11 JUDGE BERG: One second. Ms. Malone,
12 particularly when your counsel is objecting, it's
13 usually a good time to just relax.

14 MS. ANDERL: We've transitioned from
15 directory assistance listings now to directory
16 listings, and that's a whole 'nother area, I believe,
17 again outside the scope of this docket. Terms and
18 conditions for directory listings were addressed in
19 workshop one several years ago in the SGAT
20 proceeding, and to my knowledge have been resolved
21 for some time. Again, I believe that all of these
22 questions are outside the scope of this docket, and
23 therefore do not think it's appropriate to explore
24 them with this witness.

25 MS. SINGER-NELSON: Judge, I did want to

4423

1 address this in the context of directory assistance
2 listings and I was unaware of whether Qwest provides
3 that e-mail listing services to its operators. So if
4 it does provide it to its operators, it would be
5 something in the directory assistance listings
6 database, and that's what I was inquiring into.

7 MS. ANDERL: If I may respond, though, Your
8 Honor, again, to what end? I mean --

9 MS. SINGER-NELSON: The nondiscriminatory
10 access issue.

11 JUDGE BERG: My only -- my major concern
12 here, Ms. Singer-Nelson, is that at least with
13 regards to whether or not e-mail listings are
14 provided to wholesale customers, this is the
15 wholesale product expert and she doesn't know. And
16 if, in fact -- and but my main concern is that it
17 hasn't been identified as an issue to be specifically
18 addressed and developed with testimony in this case.
19 So I'm having trouble seeing how I do bring it in.
20 And let's presume that you're right and this is where
21 I'm going to issue how I issue an initial order that
22 would stand up to due process arguments on review
23 before the Commissioners.

24 MS. SINGER-NELSON: If I may, Judge, two
25 things. One is what the witness addressed was

1 whether she -- what she has answered -- the question
2 she has not answered is whether Qwest provides the
3 service to the wholesale customers. That's the
4 question that was pending when Ms. Anderl objected.
5 But what she did say was that she was unaware of
6 whether e-mail was provided in directory assistance
7 listings for retail customers. She did say that.
8 She didn't know that.

9 But what she has not yet told me is whether
10 she knows if that service is available to wholesale
11 customers. That's the first thing. The second thing
12 is this specific issue is just a piece part of the
13 bigger issue of whether Qwest is providing this
14 service on a nondiscriminatory basis. So even though
15 we didn't explore this specific thing in testimony,
16 it still goes to the issue of nondiscriminatory
17 access.

18 JUDGE BERG: I'll let you finish exploring
19 whether or not this witness has knowledge about the
20 availability to wholesale customers.

21 MS. SINGER-NELSON: Thank you, Judge. And
22 that's all I had on this subject. That was my sole
23 question.

24 JUDGE BERG: All right.

25 Q. So Ms. Malone, do you understand what the

4425

1 question is?

2 A. Would you repeat it again, please?

3 Q. Do you know whether or not e-mail listings
4 are available as a service to wholesale customers,
5 e-mail listings in the directory assistance listings
6 database?

7 A. Not that I am familiar with, they are not
8 available to a wholesale customer.

9 Q. Thank you. Ms. Malone, can I have you find
10 Exhibit 2135? It's identified as a WorldCom
11 cross-examination exhibit for you. Let me know when
12 you have it.

13 A. I have it.

14 Q. Is that an August 23rd, 2000 letter from
15 Kathryn Marie Krause at Qwest to the FCC?

16 A. Yes, that's what it appears to be.

17 Q. Can I have you turn to page five of that
18 exhibit, please?

19 A. Yes.

20 Q. Is that an October 22nd, 1999 letter from
21 John Kelley of Qwest to Excell Agent Services,
22 L.L.C.?

23 A. Yes, that's what it appears to be.

24 Q. I would direct your attention to the third
25 paragraph in this letter.

4426

1 A. The one that starts, Your reference to the
2 Texas?

3 Q. Yes. And I would ask you to read, starting
4 from the "As a comparison." Or you can actually read
5 the first two sentences of that paragraph, please.

6 JUDGE BERG: And when you do read, be sure
7 to slow down just below a normal reading speed.

8 THE WITNESS: Okay. Your reference to the
9 Texas case and SBC's pricing appear to be references
10 to a UNE proceeding involving TELRIC pricing. As a
11 comparison, US West's TELRIC prices vary across our
12 14 states, but average out at .0 -- I'm sorry, it's
13 0.0073 cents per listing for the initial load of the
14 database and 0.0171 per listing for daily listing
15 record updates.

16 Q. Thank you.

17 MS. ANDERL: Ms. Singer-Nelson, may I just
18 clarify one thing? Ms. Malone, you said cents there,
19 did you mean dollars?

20 THE WITNESS: I'm sorry, dollars.

21 MS. SINGER-NELSON: Oh, okay.

22 JUDGE BERG: We're used to dealing in near
23 infinitesimal amounts, and this would certainly cross
24 the border if we were dealing with cents, if that
25 makes any sense.

1 MS. ANDERL: Thank you for letting me put
2 that clarification in right there.

3 MS. SINGER-NELSON: That's all I wanted,
4 but I would move for the admission of this exhibit
5 into the record.

6 MS. ANDERL: And Your Honor, I guess if I
7 may just state for the record what our objection to
8 this document is. We do not object with regard to
9 its authenticity. We do, however, have a broader
10 objection as to relevance, and it really goes to the
11 issue that Your Honor has to decide ultimately in
12 this proceeding, which is are directory assistance
13 listings a UNE subject to TELRIC pricing or not.

14 It is my understanding that the only
15 purpose for which WorldCom seeks to admit this letter
16 is to establish what Qwest originally -- or US West
17 proposed as a UNE price at a time prior to the UNE
18 Remand Order. And as I said, for that purpose, we
19 have no objection to it.

20 We do, however, object to TELRIC-based
21 rates for our directory assistance listings, because
22 we do not think that is mandated in a post-UNE remand
23 environment. However, I understand that that has to
24 await the final outcome on some of the ultimate
25 issues in this case. I just did not want to be

4428

1 deemed to have waived that objection by not making it
2 now.

3 JUDGE BERG: Understood. Thank you. We'll
4 admit the exhibit and consider what weight to give it
5 in the broader context of the arguments to be
6 presented by the parties.

7 MS. SINGER-NELSON: Thank you.

8 JUDGE BERG: And that is Exhibit 2135.

9 Q. Let's move to, then, the ICNAM or the CNAM
10 database. That's addressed in your rebuttal
11 testimony on page -- starting on page 11; isn't that
12 right, Ms. Malone?

13 A. That's correct.

14 Q. Now, I understand that ICNAM stands for
15 internetwork calling name. Is CNAM synonymous with
16 ICNAM?

17 A. My understanding is yes.

18 Q. Okay. So if we use those terms
19 interchangeably in our conversation on the subject,
20 we're going to be talking about the same thing?

21 A. Yes.

22 Q. Could you please just briefly explain what
23 the ICNAM is?

24 A. It's a name database that would be used,
25 let's say, in conjunction with caller ID.

4429

1 Q. So as I understand it, it's the database
2 that is dipped into when someone calls a number to
3 pull the information relating to the name of the
4 calling party?

5 A. That's correct.

6 Q. Because that's not otherwise identified in
7 the switch, so you have to go to this database to --

8 A. Right, you have to do a database dip to
9 have that name appear associated with a particular
10 telephone number.

11 Q. Okay, thank you. Would you agree that the
12 CNAM database exists or resides on a computer
13 somewhere?

14 A. Yes.

15 Q. And Qwest can make a copy of that database
16 if it wants to?

17 A. I would assume it could.

18 Q. And if Qwest were to make the CNAM database
19 available as a download or if it merely allows a
20 per-query access, the database itself is the same,
21 regardless?

22 A. Yes, the database is the same. My
23 understanding is, at this point in time, Qwest does
24 not make the database available on a full download.
25 It's only available on a per-query basis.

4430

1 Q. If a copy of the database can be made,
2 wouldn't you agree that it's technically feasible to
3 download the database?

4 A. Yes, I would, but even here in Washington,
5 it's been ruled on in the 271 SGAT proceeding that,
6 again, this is kind of like a terms and conditions,
7 and it's already been ruled on here in Washington
8 that Qwest is not required to provide the CNAM
9 database on a bulk download basis. It's only
10 required to provide it on a per-dip basis, and that's
11 the way the FCC has also identified it to be
12 provided.

13 Q. But it's not a issue of technical
14 feasibility; isn't that right?

15 A. That's correct.

16 Q. Are you aware that Ameritech Michigan
17 provides a download of its CNAM database?

18 A. I would have to say not specifically.

19 Q. What do you mean?

20 A. I know you gave some orders that were going
21 to be used in cross, and I briefly reviewed them.
22 Some said that -- but to go back and say for sure
23 that was Ameritech, I couldn't say that without doing
24 it subject to check.

25 Q. Okay. Well, why don't we look at one of

4431

1 those. Could you please find Exhibit 2140 in the
2 cross-examination exhibits? Let me know when you've
3 got it.

4 A. Okay. I have it.

5 Q. Is that a CNAM download agreement between
6 Michigan Bell Telephone Company, d/b/a Ameritech
7 Michigan, and CLEC?

8 A. Yes, that's what the agreement says.

9 Q. Would you please turn to page five of 36 in
10 that exhibit? The page numbers are up at the top.

11 A. Okay, I have it.

12 Q. Okay. Do you see the definition of file
13 transfer protocol, or FTP?

14 A. At 2.9?

15 Q. Yes.

16 A. Yes, I do.

17 Q. Could you please read the explanation of
18 FTP?

19 A. File transfer protocol: FTP means a
20 communications protocol governing the transfer of
21 files from one computer to another over a network.

22 Q. And now turn to page six of 36, please.

23 MS. ANDERL: Your Honor, I guess at this
24 point I'll object to further cross-examination on
25 this document. This is not a document which this

4432

1 witness addressed in her testimony and I -- it
2 certainly seems, to the extent that this is in any
3 way favorable to WorldCom, that simply Ms.
4 Singer-Nelson's attempt to get additional direct
5 evidence in on behalf of WorldCom through having my
6 witness read a document into the record, and I don't
7 believe that that is appropriate cross-examination.

8 MS. SINGER-NELSON: Judge, if I may
9 respond, this is an exhibit that was referenced in
10 Mr. Lehmkuhl's testimony, so it isn't something that
11 we're first introducing through Ms. Malone, if that
12 objection is something that you're prone to sustain,
13 but I'm willing to not ask any more questions about
14 it if we could just move it into the record at this
15 point.

16 MS. ANDERL: We object to it being made a
17 part of the record. Certainly counsel is free to
18 cite on brief decisions from other jurisdictions to
19 the -- well, period, but we don't believe it's
20 appropriate to have it in as an exhibit. You know,
21 status as an exhibit has been somewhat flexible in
22 some of these proceedings, but certainly, from our
23 perspective on this document, it would not be
24 appropriate to admit this for the truth of any
25 matters contained therein. It can be cited in

4433

1 argument, and I think that would be the appropriate
2 way to handle it.

3 JUDGE BERG: Ms. Singer-Nelson, to the
4 extent you already have this witness' testimony that
5 it's not an issue of technical feasibility, but it's
6 more of a matter of Qwest's interpretation of its
7 duties and obligations, what else would this document
8 -- what other relevance would this document have?

9 MS. SINGER-NELSON: Just to demonstrate
10 that another RBOC is, in fact, providing the CNAM
11 download on a bulk basis the way that WorldCom
12 advocates that it should be done here in Washington,
13 that Qwest should provide it here in Washington. And
14 I guess just, you know, Ms. Malone has been tendered
15 as an expert witness on the issue of the CNAM
16 download and this goes to that issue. This is a
17 document that shows that it is being done in another
18 jurisdiction. So I think it would be relevant.

19 JUDGE BERG: All right.

20 MS. SINGER-NELSON: It's not really -- you
21 know, as an expert witness, she can be cross-examined
22 on matters within her expertise.

23 JUDGE BERG: Is WorldCom taking exception
24 with the characterization that this Commission has
25 already determined in the SGAT 271 proceeding that

4434

1 Qwest is not required to do -- provide such a
2 download in Washington?

3 MS. SINGER-NELSON: I think Mr. Lehmkuhl's
4 testimony addresses the issue of the rates being
5 prohibitive on a per-query basis, and so that at this
6 phase of the SGAT proceeding, we're talking about the
7 effect that the per-query rates would have on the
8 ability of a carrier to compete, and the rates
9 weren't something that were before the Commission in
10 the SGAT proceeding.

11 JUDGE BERG: But what I understand, the
12 other relevance here is to show that this is being
13 done in some other proceeding. That doesn't
14 necessarily establish anything regarding the
15 reasonableness of rates, that I understand. My
16 concern here is -- and my concern is that we might be
17 spending a lot more time on this than it's really
18 worth, but let me just say that if this Commission
19 has already decided in another proceeding that Qwest
20 is not required to do what some other incumbent has
21 agreed to do or has been ordered to do in some other
22 jurisdiction, then the likelihood of getting an
23 order, an initial order from me in this case that
24 Qwest should do so is very, very slim.

25 If it's -- on the other hand, if it's an

4435

1 issue that is still alive in the SGAT case, then it
2 sounds like that's where the -- if, in fact, the
3 Commission's made that decision, but the Commission
4 is reconsidering it in terms of the prohibitiveness
5 of the costs on a per-query basis in the SGAT case,
6 then it seems that that's really where it belongs.

7 But I don't know what's going on in that
8 other case, and that's why I'm trying to understand
9 what you're looking to do in this case relative to
10 this witness' representations or what the
11 Commission's already decided.

12 MS. SINGER-NELSON: Judge, it is not being
13 reconsidered in the other proceeding. But in this
14 proceeding, WorldCom felt it necessary to develop the
15 record on the basis of the rates that Qwest is
16 proposing the download on a per-query basis versus
17 the bulk basis.

18 JUDGE BERG: All right. I don't think this
19 exhibit helps you in that regard, so I'm going to
20 deny its admission. But if there's something about
21 this that I'm missing about how it does establish
22 that argument, I'll let you have one last word.

23 MS. SINGER-NELSON: I think they're
24 interrelated arguments, but that's fine. The order
25 can speak for itself. I thought that the download

4436

1 agreement specifically explains the way that
2 Ameritech carries out the order and provisions the
3 service, and that is exactly the way WorldCom would
4 like to see it done here in Washington, so I thought
5 it would be helpful for the Commission to have that
6 in the record here.

7 JUDGE BERG: All right, thank you. The
8 Exhibit 2140 is not admitted. Let me just say, I
9 also heard Ms. Anderl say that she has no objection
10 to counsel making references to orders from other
11 commissions in their -- in legal arguments.

12 MS. ANDERL: That's correct, Your Honor. I
13 think that's the way we've consistently handled these
14 issues in the past.

15 JUDGE BERG: And I'll just make sure the
16 parties understand that I'm not necessarily agreeing
17 that that's the case or that that's the way it should
18 be handled in every instance, but it's certainly
19 something that I think is appropriate in this case.

20 Q. Ms. Malone, would you agree that the CNAM
21 database is a call-related database?

22 A. I would think you could categorize it as
23 call-related database.

24 Q. In fact, the FCC has categorized it as a
25 call-related database; isn't that true?

4437

1 A. That's true.

2 Q. Since it's a call-related database,
3 wouldn't you agree that the CNAM is an unbundled
4 network element?

5 A. I don't know, because -- I mean, the
6 directory assistance listing is a call-related
7 database. However, it's not categorized as a UNE. I
8 don't think the CNAM database would be categorized as
9 a UNE, either.

10 Q. Are you familiar with the FCC order
11 addressing these issues?

12 A. If you have one you'd like to reference, I
13 would like to see what you're going to reference on
14 it. I'm not sure whether I'm familiar with it or
15 not.

16 Q. Are you familiar with any FCC order
17 addressing the CNAM database?

18 A. Not to quote to you.

19 Q. I wasn't going to -- I just am asking you,
20 are you familiar with any FCC order? I'm not asking
21 you to quote anything.

22 A. Yes, I'm familiar with FCC orders.

23 Q. That address the CNAM database?

24 A. That's what I'm trying to think of off the
25 top of my head.

4438

1 Q. Okay.

2 A. Which one specifically addressed it, I
3 can't -- it doesn't come to mind, so maybe I'd have
4 to say specifically for the CNAM database, I am not
5 familiar with it unless you can reference one for me.

6 Q. Okay.

7 A. And then it will jog my memory that -- I
8 don't know which one addresses it.

9 Q. Okay. I wasn't asking you which one
10 addresses it; I was just simply asking you whether
11 you were aware that an FCC order addresses the CNAM
12 database. That's all.

13 A. And I would say yes, there has to be
14 someone someplace.

15 Q. Okay, good. Let's see. Does Qwest agree
16 that it must provide nondiscriminatory access to the
17 CNAM database?

18 A. Yes, they do. And they do believe that, by
19 providing it on a query basis, they are providing it
20 in accordance with FCC requirements and again, with
21 the requirements of the Washington Commission that's
22 already ruled on this in its 25th Supplemental Order
23 to the 271 SGAT proceedings. And to even be more
24 specific, it says in there that this is the fourth
25 time they've said that Qwest is not required to

4439

1 provide CNAM database on a bulk download.

2 JUDGE BERG: All right. Ms. Malone, just
3 for the sake of time, I'm going to ask you to try and
4 stick with the questions. And understand I'm
5 listening to what's going on.

6 THE WITNESS: I understand.

7 JUDGE BERG: I hear you when you say it
8 once, and I usually will hear it if it's said twice,
9 but it's really important that we just try and get
10 the information you have to offer with as little time
11 and trouble as possible.

12 THE WITNESS: Okay. Sorry.

13 JUDGE BERG: Thank you.

14 Q. Are you familiar with the UNE Remand Order?

15 A. Yes, I am.

16 Q. Paragraph 400 of the order, I think, is the
17 paragraph that you cite in your testimony relating to
18 this issue?

19 A. Yes.

20 Q. Do you have a copy of the UNE Remand Order?

21 A. I don't have one up here with me, no.

22 MS. ANDERL: Your Honor, if Ms.
23 Singer-Nelson would like me to provide a copy of that
24 order to my witness, I have it available.

25 MS. SINGER-NELSON: Thank you. It's

4440

1 paragraph 400 that I would like her to direct her
2 attention to, please.

3 THE WITNESS: Okay. I have that in front
4 of me.

5 Q. Would you agree with me that, in that
6 paragraph, the FCC requires that access to
7 call-related databases be provided on an unbundled
8 basis?

9 A. Yes, I would. And then the next sentence
10 goes on to put it in context to say, for the purpose
11 of switch query and database response through the SS7
12 network.

13 Q. Good, thank you. Does Qwest query the
14 database in its own network?

15 A. Yes, they would.

16 Q. Did you review Mr. Lehmkuhl's testimony?

17 A. Yes, I did.

18 Q. Do you recall in his testimony where he
19 states that WorldCom queries its own database for
20 CNAM?

21 A. Not specifically, I don't remember that.

22 Q. Would you take that subject to check?

23 A. Yes, I would.

24 Q. Isn't what the FCC is saying is that these
25 call-related databases are used for switch query and

4441

1 database response through an SS7 network?

2 A. Yes.

3 Q. How else would Qwest retrieve the
4 information from its database, other than per query?

5 A. It wouldn't. A query is how you retrieve
6 it.

7 Q. Okay. Wouldn't WorldCom, if it had Qwest's
8 database, also retrieve the information on a
9 query-by-query basis?

10 A. Well, they do. They come to us on a query
11 basis and we provide it to them per query.

12 Q. If WorldCom had the database, wouldn't you
13 presume that, based on the way that Qwest queries its
14 own database, that WorldCom would also query it on a
15 query-by-query basis?

16 A. I would assume that might be what they're
17 asking to do, yes.

18 Q. Thank you. Has the FCC actually prohibited
19 download access to the CNAM database?

20 A. No, they have not prohibited; they just
21 said that the requirement is on a per-query basis.

22 Q. Do you know if Qwest wanted to make CNAM
23 available on an AIN platform basis, it could do so?
24 Do you know what that means?

25 A. I don't.

4442

1 Q. Okay. Do you know what an AIN platform is?

2 A. I know it's an advanced intelligent network
3 and certain services can be made available there
4 through the use of Qwest databases. It's not
5 something that's defined without individual case
6 basis on it. It's not readily, you know, something
7 that's done. It's unique to each CLEC and the need
8 that they might have.

9 Q. Okay. Do you know, if WorldCom wanted to
10 make the Qwest CNAM information available on its own
11 AIN platform, could it do so without having access to
12 the full Qwest database?

13 A. No, I don't believe it could.

14 Q. If Qwest wanted to make its CNAM data
15 available over some other form of signaling network
16 besides SS7, could it do so?

17 A. I don't believe it could, no.

18 Q. If WorldCom wanted to make the CNAM data
19 available over AIN or another signaling network, can
20 it do so if it only receives the data from Qwest on a
21 per-query basis?

22 MS. ANDERL: Objection, Your Honor. Again,
23 this issue has been addressed by this Commission in
24 the SGAT 271 proceeding. It is clearly a terms and
25 conditions issue in terms of how that database is

4443

1 accessed. The Commission or the Administrative Law
2 Judge in that docket has ruled on this issue four
3 times in two initial orders and a final order and in
4 an order on reconsideration, and in each case
5 WorldCom's method of access was denied.

6 I see this line of questioning as nothing
7 more than an effort to relitigate that issue and take
8 another essentially run at that issue. It is not
9 addressing products or costs or prices, as Qwest has
10 presented them in this proceeding, and I believe this
11 line of questioning is objectionable.

12 JUDGE BERG: You know, I am bound to follow
13 orders of the Commission. I don't know what's in
14 those other orders, at least on this subject. So I,
15 you know, again, I'll just express my concern that
16 you're building a record for which I cannot provide
17 you relief, and if this is something that has --
18 there have been a number of issues where there's been
19 an issue that's been on the bubble. UDIT, E-UDIT,
20 for example, where the issue was pending in this
21 proceeding at the same time as it was pending in the
22 271 SGAT proceeding. And the Commission made a
23 decision that the issue would be addressed one side
24 or the other where there was more of a better record
25 in one side or the other without regard to the clear

4444

1 distinction of whether it's a price or whether it's a
2 term and condition.

3 And I'm concerned here that, while you may
4 be pursuing something that is a legitimate pricing
5 issue, in fact, the term and condition has already
6 been established.

7 MS. SINGER-NELSON: Judge, is this a docket
8 where Qwest's rates are going to be established for
9 purposes other than just for the SGAT or for purposes
10 other than 271? Is this a more generic cost
11 proceeding?

12 JUDGE BERG: I would say that every part of
13 the proceedings had a different character, but
14 generally what we try and do at the very start is to
15 set out those very specific items that are, in fact,
16 to be addressed and if there's been any trend, it's
17 as we've gotten further along, they've become more
18 and more specific to the point where, in the
19 prehearing conferences leading up to this Part D
20 hearing, we had Qwest develop a rather lengthy list
21 of -- Qwest and other parties develop a lengthy list
22 of elements that had been identified in the 271 SGAT
23 proceeding for which no price points had been
24 connected or developed.

25 It may be that there -- since then, there

4445

1 are other elements that have been identified that
2 also require prices, but haven't been added to the
3 list of issues to be addressed in this proceeding.
4 We know that there will be items that, once the Part
5 D order comes out, parties are going to be, you know,
6 parties may be directed to provide additional
7 evidence, which will carry over into the yet-to-be
8 formalized Part E, so it's difficult to say that all
9 terms and conditions are handled in one case and all
10 terms -- all prices are handled in the other.

11 My, you know, main concern here is what I'm
12 hearing from Ms. Anderl is that this is an issue that
13 has gone to final order in that other case, and if
14 that's true, then you won't get relief from me
15 different than what the Commission has already
16 decided in the other case.

17 For example, a conclusion that -- you won't
18 get a conclusion that per-query pricing is more
19 reasonable or that a database in its entirety,
20 pricing is more reasonable than per-query pricing if
21 in fact the Commission has already decided, as a
22 final matter in that other case, that per database
23 does not have to be -- it does not have to be
24 provided on a per-database basis.

25 MS. SINGER-NELSON: Judge, the only reason

4446

1 that I asked that was I'm concerned, because this is
2 an issue that's important to WorldCom in its ongoing
3 provision of services here in Washington. It is now
4 in the UNE-P market for residential customers. It
5 hopes to expand its service offerings in the future
6 separate and apart from Qwest's 271 case.

7 And many of the decisions that are outlined
8 in the Commission's 271 docket are guided by what the
9 FCC has said is required for purposes of 271, but
10 beyond that, the Commission has not gone. Packet
11 switching is a good issue where the Commission has
12 said that, for purposes of 271, the FCC has not
13 required RBOCs to unbundle beyond the way the FCC has
14 laid it out in the UNE Remand Order, so the
15 Commission has said, So we're not going to require
16 Qwest to do that at this time, but we could open this
17 issue and talk about it in another proceeding to
18 address Washington-specific stuff.

19 So CNAM is another one of those issues
20 where WorldCom would like this issue addressed fully
21 without regard to whether or not it's required for
22 Qwest to satisfy its 271 requirements. This is --
23 like in Arizona and Colorado and Minnesota -- well,
24 Arizona and Colorado, anyways, they were generic cost
25 proceedings that addressed these issues, and so

4447

1 WorldCom hoped to have this Commission address that
2 same issue on a generic cost basis in this docket.

3 JUDGE BERG: Has it been identified as a
4 specific issue to be addressed in this Part D?

5 MS. SINGER-NELSON: Yes. WorldCom added it
6 to the list that Ms. Anderl provided initially.
7 WorldCom had several rate elements that Qwest did not
8 want to explore, but I did add those to the list,
9 customized routing, operator services, directory
10 assistance and -- well, customized routing, I guess
11 Qwest had put in the record, but I had several of my
12 own issues that I had asked the Commission address,
13 and CNAM is one of those.

14 MS. ANDERL: Your Honor, and if I could
15 just respond to that, I disagree that the issue of
16 bulk access versus per-query was ever raised as an
17 issue. The only issue that was identified was the
18 pricing for CNAM. And Qwest went forward into this
19 docket fully understanding that that would be pricing
20 under the terms and conditions that had been ordered
21 in the SGAT proceeding, which is on a per-query
22 basis. So we did not understand from WorldCom's
23 identification on the issues list of CNAM as an issue
24 that there was any dispute with the per-query versus
25 bulk download. In fact, the issue was still being

4448

1 addressed by the Commission at the time that WorldCom
2 teed the issue up. And if the Commission had decided
3 the other way, we likely would have done our cost
4 studies a different way, but it didn't.

5 JUDGE BERG: And is there a WorldCom
6 witness that addresses the bulk versus the --

7 MS. SINGER-NELSON: Yes, Mr. Lehmkuhl.
8 That was one of the things I wanted to say, is Mr.
9 Lehmkuhl addressed that in his testimony in December.
10 If Qwest had a concern with this issue before Mr.
11 Lehmkuhl -- he was supposed to arrive today. I don't
12 know if he's here or not, but I would have liked
13 notice that Qwest was going to move to strike that
14 testimony before Mr. Lehmkuhl traveled here.

15 JUDGE BERG: Let me just say that there are
16 questions in my mind not just from -- on this issue,
17 but in a broader sense as to what weight will be
18 given to decisions in the 271 SGAT decision case, in
19 other cases, particularly in a generic pricing case.
20 To the extent that this issue's been brought up in
21 testimony filed by Mr. Lehmke --

22 MS. SINGER-NELSON: Lehmkuhl.

23 JUDGE BERG: Lehmkuhl, all right. I'll try
24 not to butcher his name too bad in the proceeding.
25 I'm at least going to let the record be developed on

4449

1 this issue, and then we'll let counsel argue as to
2 whether or not there is a basis for deferring to
3 decisions in the 271 SGAT.

4 MS. SINGER-NELSON: Thank you, Judge. I do
5 appreciate that.

6 JUDGE BERG: All right.

7 Q. Okay. Where was I? Ms. Malone, I think my
8 last question was if WorldCom wanted to make the CNAM
9 database available over AIN or another signaling
10 network, can it do so if it only receives the data
11 from Qwest on a per-query basis?

12 A. No, I don't believe it could.

13 Q. If WorldCom wanted to sell access to
14 Qwest's CNAM to other carriers, could it do so on a
15 per-query basis?

16 A. Well, it probably could. I don't -- I
17 don't think that's the way they desire to. I mean,
18 you know, if a customer requested information, they
19 could come in and get it on a per-query and then
20 provide it to that customer, but --

21 Q. Is WorldCom currently prevented from making
22 a copy of the CNAM database?

23 A. Yes, currently Qwest only provides it on a
24 per-query basis.

25 Q. Is Qwest prevented from making copies of

4450

1 its CNAM database?

2 A. It's our database, so we're not prevented,
3 no.

4 MS. SINGER-NELSON: I think I'm almost
5 done. Let me just look at my notes, and I think I'm
6 almost done, Judge. Thank you. I have nothing
7 further for this witness.

8 JUDGE BERG: All right. Ms. Doberneck.

9 MS. DOBERNECK: Thank you, Your Honor.

10

11 C R O S S - E X A M I N A T I O N

12 BY MS. DOBERNECK:

13 Q. Good afternoon, Ms. Malone.

14 A. Good afternoon.

15 Q. And I'd like to talk to you about the
16 testimony you've provided on unbundled packet
17 switching. And in connection with my questions for
18 you today, if you could have Exhibits 2050 and 2087
19 available, that would be great.

20 A. I have them.

21 Q. Great, thank you. Now, if Covad wanted to
22 provide a line-shared ADSL service to one of its end
23 user customers via Qwest's unbundled packet switching
24 product, I'm trying to determine, if that's what we
25 would like to do, what rates will apply, and so I'd

4451

1 like your help in doing that.

2 Now, when I look at Exhibit 2050, and this
3 is with the idea it's an end user receiving
4 line-shared ADSL, on a nonrecurring basis, the
5 charges Covad would incur would be -- let's see,
6 taking, for example, the DS1 port. I'm sorry -- I'm
7 sorry, I'm looking at the wrong thing. The customer
8 channel, that was the first one, and that's \$53.06
9 for the installation?

10 A. That's correct.

11 Q. And then we would also have to purchase a
12 port from Qwest, and if we wanted a DS1, we would pay
13 a nonrecurring installation charge of \$169.97; is
14 that right?

15 A. That's correct.

16 Q. And according to my math, that's about \$223
17 in nonrecurring charges for that one customer; right?

18 A. Subject to check, yes.

19 Q. Okay. Now, in addition to those two
20 charges, am I correct in assuming that there would
21 also be LSR charges that would apply when we place
22 that order for unbundled packet switching?

23 A. Yes, I would say there's LSR charges.

24 Q. Okay. And if you look at Exhibit 2087,
25 Sections 12.1 and 12.2, the LSR, the nonrecurring LSR

4452

1 charges that would apply would be the \$3.27 charge
2 and the \$3.76 charge; is that right?

3 A. That's correct.

4 Q. And that comes out to -- I'll just do a
5 nice round seven dollars?

6 A. Seven dollars.

7 Q. Okay. So the total nonrecurring charge
8 Covad would have to pay to provide service to one
9 user, using Qwest's unbundled packet switching
10 offering, would be \$230?

11 A. Roughly, yes.

12 Q. Okay. Then, on the recurring side, again,
13 we would have to purchase the unbundled packet
14 switched customer channel; is that right?

15 A. That's correct.

16 Q. And that's \$21.38?

17 A. Yes.

18 Q. And then to sort of complete the leg to get
19 us back to the central office, we would also have to
20 pay the recurring charge for, sticking with the DS1,
21 that \$109.89 charge; is that right?

22 A. That's correct.

23 Q. So on a monthly recurring basis to provide
24 service to that one end user, we'd have to pay \$131?

25 A. Yes, that's correct.

4453

1 Q. And am I correct in assuming that we would
2 also have to pay a recurring rate for that shared
3 distribution subloop?

4 A. Yes.

5 Q. Now, Qwest currently does not have a rate
6 for the shared distribution subloop, does it?

7 A. No, they do not.

8 Q. For purposes of trying to figure out an
9 approximate amount we'd have to pay, do you think we
10 could agree upon using the \$4 rate that the
11 Commission ordered for a shared loop?

12 A. That would probably be appropriate.

13 Q. Okay. So that puts us up to \$135 on a
14 monthly recurring basis to provide service to one end
15 user; right?

16 A. That's correct.

17 Q. Okay. And am I correct that there would
18 also be interconnection tie pair, or ITP charges,
19 that we would also have to pay?

20 A. Yes.

21 Q. Okay. And if I look at 2087, Section 9.1,
22 that ITP charge per connection is, for a DS1, is
23 \$1.29? And it's page five of 19, it's that Section
24 9.1.

25 A. And that's 2087. I don't find 9.1 on page

4454

1 five.

2 Q. Exhibit 2087, Attachment B.

3 A. Oh, sorry. I'm in Attachment A.

4 Q. My apologies. I should have specified.

5 A. Okay.

6 Q. Now, I do have one question. How can I
7 determine which ITP charge applies? I assumed a DS1
8 because in the unbundled packet switching sections,
9 Qwest identifies, when we're talking about the
10 interface port, a DS1. Is that correct or am I
11 paying an interconnection tie pair charge for some --
12 for a DSO, for example?

13 A. No, I would -- it would be in association
14 with the DS1 interface. It would be the DS1.

15 Q. Okay. And would I only have to order one
16 ITP or would I have to actually order two? And I'm
17 just asking -- I'm trying to figure out, because, for
18 example, when we order an unbundled loop, we pay two
19 ITPs, so I'm just trying to figure out if that would
20 be the same when we order unbundled packet switching?

21 A. I really don't know. I think network could
22 help us with this a little bit more. It's a little
23 bit technical for me, the ITP, the tie pairs. One of
24 our network witnesses could specify for you, and that
25 would be Mr. Craig.

4455

1 Q. Okay, thank you. Well, at the end of the
2 day, if we assume we only have to order one, Covad
3 would then have to pay on a non -- I'm sorry, on a
4 monthly recurring basis \$136 and some change to
5 provide an ADSL line-shared service to one end user
6 customer; right?

7 A. That's correct.

8 Q. So just to recover our costs, just for the
9 recurring rates we pay to Qwest, and totally ignoring
10 any nonrecurring rates, we would have to charge our
11 end user customer an approximate \$137 just to recover
12 the monthly recurring cost; right?

13 A. That's correct.

14 Q. Would you agree that unbundled packet
15 switching is one method by which Covad can offer DSL
16 service from a remote terminal?

17 A. That's correct. That's the offering with
18 unbundled packet switching.

19 Q. Okay. And were you in the room this
20 morning during Ms. Million's cross-examination by
21 Staff?

22 A. For the most part, I was, yes.

23 Q. Okay. Were you in the room this morning
24 when Ms. Million testified that the \$29.95 rate
25 contained in Qwest's tariff filing was the rate Qwest

4456

1 would charge its end user regardless of whether its
2 DSL was provided from a central office or a remote
3 terminal?

4 A. For the retail customer?

5 Q. Yes.

6 A. Yes.

7 Q. Okay. Turning to your direct testimony,
8 which is Exhibit T-2130.

9 A. I have that.

10 Q. Okay. And I'm looking first at page 17.

11 A. Okay.

12 Q. Oh, I'm sorry, page 18, and it's that first
13 full Q and A starting at line six.

14 A. Okay.

15 Q. And there you state that unbundled packet
16 switching only covers the feeder portion of the loop.
17 Do you see that?

18 A. Yes, I do.

19 Q. Can you tell me the basis for Qwest
20 limiting packet switching just to that feeder portion
21 of the loop?

22 A. Because that's where the remote terminal is
23 placed, is at the feeder area of the cabling.

24 Q. Well, and perhaps this may get somewhat
25 beyond your expertise, because it may be technical,

1 but Mr. Craig states, at page four of his testimony,
2 that unbundled packet switching is just a technology
3 that sends data packets through the network, and so I
4 understood it to be the ability to send data through
5 a network which goes from an end user to wherever the
6 destination point is. So can you reconcile your
7 testimony with what Mr. Craig had to say about what
8 the technology provides?

9 A. What I would say, that Mr. Craig is giving
10 you maybe a broad definition of what unbundled packet
11 switching is, and what I've done here is tried to
12 narrow it as to what the product offering is with
13 unbundled packet switching from Qwest's perspective.

14 Q. Okay. Well -- I'm sorry.

15 A. And -- I'm sorry, I believe there are some
16 technical limitations that Mr. Craig has discussed in
17 his testimony, as well.

18 Q. Okay. Well, can you tell me, is there any
19 legal or other sort of authoritative source that
20 Qwest is looking to support its position that its
21 unbundled packet switching product only applies to
22 that feeder portion, the portion between the remote
23 terminal and the central office?

24 A. No, I would say the reason that we're
25 making that offering at this time is because that's

4458

1 the technical feasibility we have for the placement
2 of the remote terminal.

3 Q. Okay. So the limitation is due to some
4 sort of technical feasibility issue?

5 A. That's my understanding, yes.

6 Q. And Mr. Craig would probably be able to
7 explain that?

8 A. Yes, he could.

9 Q. Okay. Thank you. Now, you also -- I'm
10 sorry, going back to page 17, you talk about the
11 virtual channel that is established, and you describe
12 it as nonpermanent channel. Am I correct in
13 understanding that, because it's a nonpermanent
14 channel, that multiple -- data from multiple end
15 users can be sent over that particular channel
16 because it's not dedicated to just one end user?

17 A. That's true.

18 Q. Okay. And that channel could be used by
19 many CLECs to transport data from their individual
20 end user customers to wherever that data is going to?

21 A. Yes, numerous packets could go over that
22 virtual channel.

23 Q. Is Qwest also able to utilize that same
24 channel to send packets of data for its end user
25 customers?

4459

1 A. Now, that, again would be a little
2 technical. Mr. Craig would be better to answer that
3 question.

4 Q. I suppose I'm not asking from a technical
5 perspective, and so I'm trying to stay away from
6 that, but I'm just trying to determine, to the best
7 of your knowledge, if you know if, if many CLECs can
8 use the same channel, can Qwest also use that same
9 channel?

10 A. Yes.

11 Q. Okay. Thank you. To clarify, though, even
12 though multiple CLECs, as well as Qwest, could use
13 the same channel, each CLEC pays the entirely
14 separate recurring monthly rate for use of that
15 channel; right?

16 A. That's correct.

17 Q. Okay. At page 18, and rolling over to page
18 19, you describe the various options a CLEC has for
19 gaining access to the distribution portion of the
20 loop, and when we're talking distribution, are we in
21 agreement that what we're talking about is then the
22 stretch of the loop from the remote terminal to the
23 end user?

24 A. Yes.

25 Q. As distinct from the feeder, which is the

4460

1 remote terminal to the central office?

2 A. Right.

3 Q. Okay. Now, in that first bullet point at
4 line 15, you discuss how a CLEC can purchase the
5 distribution subloop and is able to provide both
6 voice and data services to the end user customer. Do
7 you see that?

8 A. Yes, I do.

9 Q. And my first question for you is why did
10 Qwest make the assumption that both voice and data
11 would be provided over that subloop?

12 A. I don't know. That's just the offering
13 it's capable of providing. I don't know if a
14 specific assumption was made that it would always be
15 provided that way. Do you mean the assumption for
16 the pricing of it or just for the offering? It's
17 just available for both voice and data.

18 Q. Okay. So Qwest would not, then, preclude a
19 CLEC who orders the distribution subloop from
20 providing just a specific type of data service over
21 that subloop?

22 A. No, they would not be precluded.

23 Q. At the second bullet point, you discuss how
24 CLEC Two can purchase the entire UNE loop via UNE-P
25 and through the end of that particular bullet point.

4461

1 Can you tell me first, again, why the product assumes
2 purchase of a UNE-P, as opposed to, for example, just
3 an unbundled loop?

4 A. No, I can't. I mean, it's just available
5 through the UNE loop via -- I mean, to me, a UNE
6 loop, if you just want the UNE loop, you could have
7 it as a UNE loop or you can have it as a UNE-P. It's
8 just more viable, I think, to be offered as a UNE-P,
9 as to why they're recommending it done that way.

10 Q. Would Qwest preclude in your nomenclature
11 CLEC One, presumably the data CLEC, from purchasing
12 distribution from CLEC Two if that CLEC Two purchased
13 an unbundled loop, rather than UNE-P?

14 A. I don't believe they would, no. They would
15 still be entitled to provide data services.

16 Q. Well, I'm actually looking at, and I have
17 some concern, because there's a difference between a
18 UNE-P and an unbundled loop, and so my concern is
19 that somehow if Covad, for example, chose to partner
20 with a voice provider who purchased the entirety of
21 the unbundled loop, that we could not then provide
22 our data service because the loop that was leased was
23 an unbundled loop and not a UNE-P. So I'm trying to
24 get to whether really Qwest will put that kind of
25 technical limitation on Covad if it should seek to do

4462

1 so?

2 A. Again, I think maybe that's something more
3 technical that the network witness could respond to
4 for you.

5 Q. And again, when you say network witness,
6 you're referring to Mr. Craig?

7 A. Yes.

8 Q. Okay. Now, looking at -- again, looking
9 back to lines eight through ten at page 18 of your
10 direct testimony, you state that unbundled packet
11 switching goes from the remote terminal -- or I'm
12 sorry, the FDI to the CLEC demarcation point in the
13 central office. Do you see that?

14 A. Yes, I do.

15 Q. Now, in developing its unbundled packet
16 switching product, did Qwest assume a CLEC would be
17 collocated in the central office? And let me strike
18 that. Let me put it this way.

19 As a precondition to ordering unbundled
20 packet switching from Qwest, would a CLEC have to be
21 collocated in the central office?

22 A. No.

23 Q. Okay. Can you explain to me, then, how
24 Qwest's packet switching product or packet switching
25 offering would be provided if Covad were not

4463

1 collocated in the central office where that loop
2 terminated but some, say, for example, hub?

3 A. The unbundled packet switching is offered
4 in association with our remote terminal, so that they
5 don't have to be at the CO. They can do it from a
6 remote terminal location.

7 Q. Well, let me go back.

8 A. They could do remote collo.

9 Q. Well, if we remotely collocated, we
10 wouldn't be offering -- or we wouldn't be ordering
11 unbundled packet switching, would we?

12 A. Well, you still have to have the collo
13 option to provide the unbundled packet switching. I
14 mean, you have the re -- you have to have the
15 terminal where the DSLAM is.

16 Q. And in unbundled packet switching, isn't
17 that the Qwest DSLAM that we're utilizing? It's not
18 the CLEC DSLAM, is it?

19 A. No, it's the Qwest one.

20 Q. Okay.

21 A. So you have to have access to that through
22 remote collo.

23 Q. When you say you have to have access to
24 that through remote collo, are you saying the CLEC
25 has to have access to the Qwest DSLAM through

4464

1 remotely collocating?

2 A. Yes, that's what I -- that was my
3 understanding. Maybe I'm just getting confused here.

4 Q. Okay. Let me explain to you my
5 understanding of --

6 A. Okay.

7 Q. -- how these offerings go together, and
8 maybe that will assist you, but, you know, you're the
9 witness; I'm just a lawyer. The issue arises when
10 there's fiber in a loop or in a portion of a loop
11 where there's a digital loop carrier. In those
12 circumstances, DSL can't be provided?

13 A. Right.

14 Q. Now, my understanding is the way Qwest
15 currently proposes for CLECs to work around the
16 existence of fiber in a loop is by two methods.
17 First, the CLEC can collocate its DSLAM at the remote
18 terminal. So in that event, we would be able to deal
19 with the fact that there's fiber in the loop and
20 continue to provide DSL service over the stretch of
21 copper from the end user to the remote terminal.

22 Alternatively, if the CLEC decides not to
23 collocate at remote -- the remote terminal, the way
24 to get around the existence of fiber in that feeder
25 portion of the loop is to order unbundled packet

4465

1 switching from Qwest.

2 A. That's correct.

3 Q. And with the unbundled packet switching,
4 rather than utilizing our own DSLAM at the remote
5 terminal, we utilize the DSLAM functionality of the
6 Qwest DSLAM at the remote terminal?

7 A. That's correct.

8 Q. Okay. So that's the way we work around it,
9 and you're on the same page as I am?

10 A. Yes, I am. Sorry if I confused you before.

11 Q. Okay. Well, this is what I'm getting to,
12 again, because with unbundled packet switching,
13 remote collocation just doesn't even factor into it,
14 because the CLEC has not remotely collocated; right?

15 A. That's correct.

16 Q. So we order because we want to access the
17 Qwest remote DSLAM. And what I'm looking at in your
18 testimony is where you talk about how this product
19 offering applies to the CLEC demarcation point in the
20 central office out through and including the FDI, the
21 FDI being presumably where the Qwest remote DSLAM is;
22 right?

23 A. Right.

24 Q. And so what I want to be clear is that, in
25 its unbundled packet switching offering, Qwest

4466

1 assumed that the CLEC would be collocated in the
2 central office in order, basically, to pick up that
3 data traffic when it comes from the Qwest DSLAM at
4 the remote terminal and into the ATM port within the
5 central office. Am I right in that?

6 A. Yes, you're right in that. That's how the
7 offering is made.

8 Q. Okay, okay. Now, if the CLEC is not
9 collocated in the central office, is unbundled packet
10 switching available?

11 A. I don't believe it is.

12 JUDGE BERG: Ms. Doberneck, we'll need to
13 take just about a five-minute break here momentarily.

14 (Recess taken.)

15 JUDGE BERG: All right. We'll be back on
16 the record.

17 MS. DOBERNECK: Thank you, Your Honor.

18 Q. Ms. Malone, can you tell me or point me to
19 the source or authority Qwest is relying on to
20 require CLECs to collocate in a central office in
21 order to order unbundled packet switching from Qwest?

22 A. I would have to clarify what I said
23 earlier, Ms. Doberneck. They're only required in one
24 CO. It doesn't have to be in every single central
25 office. If you want to provide unbundled packet

4467

1 switching, you just have to be collocated in a
2 central office and then, through transport
3 facilities, you can get to another CO to provide
4 unbundled packet switching out of that CO. You do
5 not have to be collocated in each and every CO that
6 you choose to provide unbundled packet switching.

7 Q. Okay. So to make sure I'm clear, for
8 example, if the loop terminates in CO A, or I'm
9 sorry, goes into the ATM port in CO A, then Covad
10 could order transport between Central Office A and
11 Central Office B and pick up that data that's been
12 transported by a Qwest unbundled packet switched
13 network in CO B?

14 A. That's correct.

15 Q. And would we be purchasing, then, just
16 Qwest's unbundled dedicated interoffice transport to
17 cover that segment?

18 A. Yes.

19 Q. Okay. And would it have to be DS1
20 transport if that's the port we used, or could we do
21 it on whatever --

22 A. I would assume it would have to be on the
23 DS1 transport.

24 Q. Okay. Now, at page 20 of your direct
25 testimony, which is T-2130, and I'm looking at the

4468

1 three subparagraphs that begin respectively at lines
2 eight, line 13, and line 16. Are you there?

3 A. I am.

4 Q. Okay. First, it is unclear to me what
5 Qwest is calling the CLEC demarcation point in the
6 central office. For example, in subparagraph one,
7 it's some point between the ICDF and digital
8 cross-connects, whereas in subparagraph three it
9 suggests to me that maybe that demarc point is at the
10 port, the DS1 port in the central office. Can you
11 clarify that for me?

12 A. Yes, the clarification of it is it is at
13 the DS1 interface port.

14 Q. Okay. Looking still at subparagraph one,
15 lines eight to nine, you state the rate element --
16 and you're speaking about the customer channel --
17 provides the costs of the remotely deployed DSLAM.
18 Do you see that?

19 A. I'm sorry, which --

20 Q. It's line eight, lines eight and nine.

21 A. Oh, okay, sorry.

22 Q. Not a problem.

23 A. Yes, I see that.

24 Q. To be clear, are you talking about the
25 DSLAM functionality or some component of that Qwest

4469

1 remotely deployed DSLAM?

2 A. It's actually the DSLAM functionality
3 that's being charged for.

4 Q. All right, thank you. And can you tell me,
5 looking at lines 10 to 11, where you discuss that the
6 data is transported at an uncommitted bit rate, do
7 you see that?

8 A. Yes, I do.

9 Q. Can you tell me why Qwest selected an
10 uncommitted bit rate, or what we could also call a
11 UBR?

12 A. I'm sorry, I can't.

13 Q. Do you think Mr. Craig would be able to
14 provide the answer to that question?

15 A. Yes, I think Mr. Craig could respond to
16 that.

17 Q. Thank you. Do you know if -- has Qwest
18 provisioned any orders for unbundled packet
19 switching?

20 A. No, they have not. There hasn't been any
21 requests for unbundled packet switching.

22 Q. Okay. Now, you also discuss in your
23 testimony the circumstances under which Qwest is
24 actually obligated to provide unbundled packet
25 switching, and as I read your testimony, you cite

4470

1 exclusively to the UNE Remand Order; is that correct?

2 A. That's correct.

3 Q. Now, would you agree that the UNE Remand
4 Order was released in November of 1999?

5 A. That's correct.

6 Q. Okay. And would you agree that, between
7 the release of that order, November of 1999, and
8 where we sit here today in 2002, the industry has
9 changed quite significantly in that time period,
10 including, for example, the departure of a number of
11 competitors from the market?

12 A. I would agree, yes.

13 Q. Okay. Would you agree that in that same
14 time period, that technology, the telecommunications
15 services that are provided, has also changed rather
16 significantly?

17 A. Yes, there's definitely been changes in
18 technology.

19 Q. Okay. In 1999, had Qwest deployed any
20 remote DSLAMS?

21 A. I don't believe so.

22 Q. Do you know whether, in 1999, Qwest had
23 deployed any packet switches?

24 A. I don't know.

25 Q. Okay. One more question, Ms. Malone. Page

4471

1 20, subparagraph two, Qwest only offers, for the
2 feeder plant, DS1 or DS3s; right?

3 A. That's correct.

4 Q. It does not offer any OCns?

5 A. No, it does not.

6 Q. Okay. And for the record, OCn is capital
7 O, capital C, little n. Thank you, Ms. Malone. I
8 have no further questions.

9 A. Thank you.

10 JUDGE BERG: Ms. Tennyson.

11 QP4475 MS. TENNYSON: Thank you.

12

13 C R O S S - E X A M I N A T I O N

14 BY MS. TENNYSON:

15 Q. Ms. Malone, can you refer to your direct
16 testimony, T-2130?

17 A. Yes, I have that.

18 Q. And page 11.

19 A. Yes, I have that.

20 Q. Now, you're describing here the SS7
21 functionality; is that correct?

22 A. Yes.

23 Q. Is the SS7 functionality the same for
24 feature group D and/or LIS trunks that you reference
25 at line six and seven of that page?

4472

1 A. Yes, it is.

2 Q. Okay. And in your rebuttal testimony, you
3 discuss the unbundled access to the ICNAM. And
4 specifically, I'm looking at page 11, going on to
5 page 12. and I believe that you state there that
6 Qwest is only obligated to provide unbundled access
7 to the ICNAM for switch query and database responses
8 through the SS7 network; is that correct?

9 A. Yes.

10 Q. What other uses are there for the ICNAM,
11 aside from those two, switch query and database
12 responses? Would caller ID be one?

13 A. Oh, yes, caller ID. Sorry.

14 Q. Thank you. And on page 11 of your rebuttal
15 testimony, you discussed -- you discuss Qwest's
16 proposal for provision of customer listings. Do you
17 see that?

18 A. Yes.

19 Q. Okay. Is this price proposal for directory
20 assistance service or for white pages?

21 A. That's for directory assistance listings.

22 Q. Okay. And we've talked several times, or
23 there's been discussion about the UNE Remand Order,
24 and I just want to clarify, we're talking there about
25 FCC order number -- it's FCC 99-238?

4473

1 A. Yes, that's correct.

2 Q. And you reference that in a footnote in
3 your testimony, the paragraph numbers, but not the --

4 A. The actual UNE remand.

5 Q. Okay. In response to a question that Ms.
6 Singer-Nelson asked you about customized routing, you
7 said that Qwest provides or offers the service.
8 Well, I guess my question is does Qwest offer the
9 service, does it currently provide it to any carrier?

10 A. Not currently, they don't, no.

11 Q. And in your rebuttal testimony, you
12 describe or you refer to the bona fide request
13 process. Can you tell us what the bona fide request
14 process is?

15 A. The bona fide request process is something
16 that's for a unique type offering that isn't a
17 standard offering. It would be something different
18 than our standard offering. And let's use customized
19 routing for an example. The standard offering is to
20 route DA and operator services to a CLEC's trunks or
21 a use of that sort. If, in the example of WorldCom,
22 they're saying they want to route them to feature
23 group D, I suggested that they use the BFR process to
24 request their unique situation for the use of
25 customized routing.

4474

1 Q. Would using that process and then obtaining
2 customized routing be the only way to -- that the
3 CLEC could prevent its customers from accessing the
4 Qwest operator service or directory assistance?

5 A. Yes.

6 MS. TENNYSON: Okay. Thank you. I would
7 -- I have not discussed this with Ms. Anderl. I
8 would like to have Exhibit 2142, Qwest response to
9 Staff Data Request Number 43, admitted.

10 MS. ANDERL: And I do have a question about
11 that. I guess my question is simply, again, we don't
12 object as to its authenticity. It is a data request
13 response that Qwest prepared, but Ms. Tennyson, do
14 you have questions for the witness about it?

15 MS. TENNYSON: I do not.

16 MS. ANDERL: Then I guess my question would
17 be for what purpose is it being admitted, because we
18 do have questions about its relevance.

19 MS. TENNYSON: I would have to at this
20 point consult with the staff member who proposed it
21 be admitted.

22 MS. ANDERL: Could we hold that until
23 tomorrow, Your Honor, then?

24 MS. TENNYSON: We could do that, yes.

25 MS. ANDERL: Certainly we won't object

4475

1 foundationally or to authenticity, so --

2 MS. TENNYSON: Certainly, we can address
3 that tomorrow.

4 JUDGE BERG: That staff member is not
5 present?

6 MS. TENNYSON: I don't want to take the
7 time. I know we have a deadline for getting out of
8 here today, don't we?

9 JUDGE BERG: We do, but if -- would that
10 conclude your business here?

11 MS. TENNYSON: Yes.

12 JUDGE BERG: All right. Well, then, let's
13 go ahead and -- all right. No questions from the
14 bench. Ms. Anderl, would you like to conduct some
15 redirect of this witness?

16 MS. ANDERL: Briefly, yes. Thank you.

17

18 R E D I R E C T E X A M I N A T I O N

19 BY MS. ANDERL:

20 Q. Good afternoon, Ms. Malone.

21 A. Good afternoon.

22 Q. Would it be safe to say that you've been up
23 there longer than you thought you would be?

24 A. Yes, definitely.

25 Q. Early on this afternoon, Ms. Singer-Nelson

4476

1 asked you some questions about tandem switching. Do
2 you recall that?

3 A. Yes, I do.

4 Q. Could you please turn to the SGAT Exhibit
5 2059, and within that document turn to Section
6 9.10.3?

7 JUDGE BERG: Ms. Anderl, would you repeat
8 those coordinates?

9 MS. ANDERL: Yeah, 9.10.3.

10 THE WITNESS: Yes, it's titled Rate
11 Elements.

12 Q. Yes, and look at 9.10.3.1.

13 A. Yes.

14 Q. The first sentence of that section, does
15 that identify a trunk port nonrecurring charge?

16 A. Yes, it does. It says a DS1 tandem trunk
17 port is a four-wired DS1 trunk side switch port
18 terminating at the DS1 demarcation point and incurs a
19 nonrecurring charge.

20 Q. Is that the same nonrecurring charge for a
21 DS1 tandem trunk port that you proposed that -- or
22 that you've described from a product standpoint in
23 your testimony?

24 A. Yes, it is.

25 Q. And with regard to the trunk -- the next

4477

1 sentence, does that describe a nonrecurring charge to
2 establish trunk groups?

3 A. Yes, it does.

4 Q. And is that the same trunk group
5 nonrecurring charge that you've described from a
6 product standpoint in your testimony?

7 A. Yes, it is.

8 Q. Thank you. You answered some questions
9 about the discount that a resale customer would get
10 off of Qwest's operator services and directory
11 assistance, and I don't know if I heard you
12 correctly. I thought that I might have heard you
13 agree that the wholesale discount would apply to the
14 tariff rate that is contained in the interconnection
15 tariff. Is -- do you recall that?

16 A. Vaguely.

17 Q. Is it your understanding that the wholesale
18 discount off of operator services and directory
19 assistance for a reseller would apply to Qwest's
20 retail rates only?

21 A. Yes, it would be off the retail rate.

22 Q. So for example, if Qwest charges its end
23 user customers 99 cents to access directory
24 assistance, then is it your understanding that the
25 approximately eight percent discount on operator

4478

1 services and directory assistance for resellers would
2 apply to that 99 cents?

3 A. That's correct.

4 Q. Okay. And not to any rates for
5 facilities-based providers for operator services or
6 directory assistance that are contained in Qwest's
7 wholesale interconnection tariff?

8 A. That's correct. It's only for resellers
9 off the retail rate.

10 Q. You were asked some questions by Ms.
11 Doberneck about the costs that a CLEC might incur to
12 serve a single customer. Do you remember those?

13 A. Yes.

14 Q. Can you please turn to Exhibit 2050, and go
15 to the last page of that document, where Section 9.24
16 contains rates for unbundled packet switching. Just
17 let me know when you're there.

18 A. Okay. Okay, I have it.

19 Q. Okay. Now, in answering questions from Ms.
20 Doberneck, you agreed that the nonrecurring charge
21 for a customer could appropriately be estimated by
22 adding the \$53.06 and the \$169.97 that are contained
23 on the two lines for customer channel and shared
24 distribution loop and the DS1 installation for the
25 packet switched interface port, do you recall that?

4479

1 A. Yes, I do.

2 Q. And that came to about \$223 per customer?

3 A. That's correct.

4 Q. And would that be the case if, in fact, the
5 CLEC chose only to serve one customer by obtaining
6 those two rate elements?

7 A. No, because that's at the DS1 level.

8 Q. Okay. Now, why don't you explain to me how
9 many customers a CLEC could serve by purchasing a DS1
10 packet switch interface port?

11 A. I want to say a DS1 is 24.

12 Q. Twenty-four voice grade channels?

13 A. Yes.

14 Q. Okay. So for any rate element that's
15 identified there as applying to a DS1, in order to
16 calculate a per-customer cost, would it be
17 appropriate to divide that rate by 24?

18 A. Yes, it would be.

19 Q. And would that be the same for the
20 recurring rate elements that are identified there in
21 the recurring column for a DS1 unbundled packet
22 switch interface port of \$109.89?

23 A. Yes, it would be.

24 Q. So would the per customer charge for that
25 particular rate element come up to something under

4480

1 \$5?

2 A. Subject to check with the math, yes.

3 MS. ANDERL: That's all I have on redirect,
4 Your Honor.

5 JUDGE BERG: All right. Ms. Singer-Nelson.

6 MS. SINGER-NELSON: Just one question,
7 Judge.

8

9 R E C R O S S - E X A M I N A T I O N

10 BY MS. SINGER-NELSON:

11 Q. Ms. Malone, if you would just go back to
12 Section 9.10.3 in the SGAT, would you agree -- I'll
13 let you get there.

14 A. Okay. All right. I have it.

15 Q. Thank you. Would you agree that the rates
16 that you discussed with Ms. Anderl have no
17 relationship to Qwest's interconnection services?

18 A. The rates that I discussed with Ms. Anderl
19 apply to local tandem switching.

20 Q. And not to interconnection services?

21 A. That's correct.

22 Q. Thank you.

23 JUDGE BERG: All right. Ms. Doberneck.

24

25 R E C R O S S - E X A M I N A T I O N

4481

1 BY MS. DOBERNECK:

2 Q. Ms. Malone, can you tell me anywhere in
3 your testimony or in Exhibit 2050 where it suggests
4 that the costs that are -- or the rates that are laid
5 out are distributed amongst 24 end users?

6 A. No, I don't believe it's specified that way
7 in the testimony. It's just realizing that it's a
8 DS1 that we're talking about and it does serve 24
9 trunks, that that's why you would divide it by 24.

10 Q. But based on what we have in the record
11 today, we just -- we have -- we could use -- we could
12 do it for just 24 end user customers, and we'll
13 assume a year from now, if Covad were to order that,
14 Qwest would agree?

15 MS. ANDERL: Excuse me. I'm sorry, could
16 you repeat the question, Counsel? I was reading
17 something else.

18 Q. Let me explain my concern. There's
19 absolutely no indication, at least that I could tell
20 in the testimony or the rate sheet or things I have
21 seen thus far that suggest Covad does not incur that
22 cost every time we want to provision service to an
23 individual end user. So my concern is how can we
24 ensure or confirm that Qwest will continue to -- that
25 Qwest will adhere to what you're representing today,

4482

1 which is that we can do, for example, the recurring
2 DS1 port. We can provision with just that single
3 \$109 recurring rate. We can use that to serve 24 end
4 user customers?

5 A. The only way I could assure you is once you
6 buy the DS1 port, you have control of that port to
7 serve those 24 customers.

8 Q. Okay. Well, let me just -- I'd like to do
9 quick math, then, based -- just looking at the
10 recurring charges, and we'll ignore the nonrecurring
11 for the moment. Then what we're looking at is the
12 \$21.38 charge; right?

13 A. That's correct.

14 Q. And then I believe you said, in response to
15 a question from Ms. Anderl, that the recurring rate,
16 if you break it out among the number of end users, is
17 about \$5?

18 A. That's what we agreed to, subject to check
19 with the math.

20 Q. Okay. And then you also agree with me that
21 we could probably use \$4 as a proxy for the cost of
22 that shared distribution subloop?

23 A. That's correct.

24 Q. And we also throw on the at least \$1.29
25 charge for the interconnection tie pairs; right?

4483

1 A. Right.

2 Q. So for Covad to provide line-shared DSL
3 service using Qwest's unbundled packet switching
4 product offering, that comes out to, on a monthly
5 recurring basis, approximately \$32?

6 A. Subject to check, yes.

7 Q. That's still two to three dollars more just
8 to recover our costs than what Qwest's retail rate is
9 when it provides DSL service from a remote terminal;
10 right?

11 A. That's correct.

12 MS. DOBERNECK: Thank you.

13 JUDGE BERG: Ms. Tennyson.

14 MS. TENNYSON: Nothing further. Thank you.

15 JUDGE BERG: All right. And Ms. Tennyson,
16 are we still awaiting clarification with regards to
17 Exhibit 2142?

18 MS. TENNYSON: Yes, the staff member who
19 asked me to include that is not present in the room
20 at this point.

21 JUDGE BERG: All right. We'll take that up
22 at the start of tomorrow's proceeding. Any other
23 questions, Dr. Gabel? All right.

24

25 E X A M I N A T I O N

4484

1 BY DR. GABEL:

2 Q. Just, Ms. Malone, I just have one or two
3 follow-up questions. In response to a question from
4 Ms. Singer-Nelson, you said that you drew a
5 distinction between local tandem and interconnection.
6 Could you elaborate on that, because why wouldn't the
7 local tandem rate also apply for interconnection?

8 A. The only distinction I made with Ms.
9 Singer was the fact that Section 7.0, that she's
10 referring to, strictly describes interconnection
11 services, where the one, the 9.10.3, whichever one it
12 was we were talking about, that's specifically
13 entitled local tandem switching. So there is the
14 only that distinction in the two.

15 Q. Okay.

16 A. There's still tandem switching associated
17 with interconnection.

18 Q. Okay. And lastly, in this discussion about
19 -- with Covad's lawyer about how much Covad would
20 have to pay for unbundled packet switching versus
21 your retail price, do you know what the speed of
22 service is that's associated with the \$29.95 rate?

23 A. No, I don't.

24 DR. GABEL: Thank you.

25 JUDGE BERG: Further redirect, Ms. Anderl?

4485

1 MS. ANDERL: Just a couple of things, Your
2 Honor.

3 JUDGE BERG: Don't worry about the clock.
4 We'll take care of business. We're close enough that
5 I'm not concerned.

6

7 R E D I R E C T E X A M I N A T I O N

8 BY MS. ANDERL:

9 Q. If only I'd had a little more coffee. Ms.
10 Malone, isn't it correct that unbundled packet
11 switching is but one way in which a CLEC can provide
12 DSL service to their end user customers?

13 A. Yes, that's correct.

14 Q. And that that option is only available to
15 the CLEC when a certain set of circumstances, as
16 prescribed by the FCC, has been met?

17 A. That's correct. Qwest actually provides it
18 only in very limited circumstances.

19 Q. And the costs associated with the CLECs'
20 provisioning of DSL services to its end user
21 customers under other scenarios have not been
22 discussed here today, have they?

23 A. That's correct.

24 MS. ANDERL: That's all I have.

25 JUDGE BERG: All right. Anything further

4486

1 from other counsel? Anything else, Dr. Gabel? All
2 right. Ms. Malone, thank you very much for being
3 here and working with us today.

4 THE WITNESS: Thank you.

5 JUDGE BERG: At this point, you are excused
6 from the hearing. Let's be off the record.

7 (Discussion off the record.)

8 JUDGE BERG: Back on the record just
9 momentarily. There are no other -- no other business
10 to address at today's hearing. We will adjourn until
11 1:30 tomorrow. We'll be back in the hearing room --
12 I would appreciate counsel arriving sometime between,
13 you know, 1:00 and 1:15 to get your papers set back
14 up and to deal with whatever other issues we may have
15 to address.

16 MS. SINGER-NELSON: Judge, do you want to
17 start at 1:00? Can we start at 1:00 to at least get
18 a little more time in?

19 JUDGE BERG: I'll be here and ready to go
20 at 1:00, but Counsel should then plan to be here by
21 12:45 to get their papers out and to get set back up.
22 And let's be off the record and adjourn and we'll
23 finish this discussion off the record.

24 (Proceedings adjourned at 4:54 p.m.)

25