

1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION
3 In the Matter of the Continued)
4 Costing and Pricing of) Docket No. UT-003013
5 Unbundled Network Elements and) Volume XL
6 Transport and Termination.) Pages 4664 to 4875
7 _____)

8 A hearing in the above matter was held on May
9 9, 2002, at 9:00 a.m., at 1300 South Evergreen Park
10 Drive Southwest, Room 206, Olympia, Washington, before
11 Administrative Law Judge LAWRENCE BERG and DR. DAVID
12 GABEL.

13 The parties were present as follows:

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1 PROCEEDINGS

2 JUDGE BERG: This is a continued hearing in
3 Docket Number UT-003013, Part D. Today's date is May 9,
4 2002. I'm Lawrence Berg, the presiding officer. Before
5 we resume cross-examination of Qwest witness Mr. Joseph
6 Craig, there is one evidentiary issue that's carried
7 over from yesterday's proceeding, and that regards
8 Qwest's objections to questions from WorldCom to this
9 witness regarding WorldCom's customized routing product
10 and negotiations between Qwest and WorldCom for the
11 provisioning of customized routing.

12 First of all, let me just ask the parties
13 whether I have correctly stated the nature of the issue,
14 and I will just check with you first, Ms. Anderl.

15 MS. ANDERL: Yes.

16 JUDGE BERG: And from WorldCom?

17 MS. NELSON: Judge, just to make clear that
18 it is WorldCom's customized routing request and not a
19 customized routing product of WorldCom in any way.

20 JUDGE BERG: All right, yes, you're right, it
21 is the request, and I presume that if there's a request
22 for customized routing, there may be a WorldCom product
23 on the other end, or it may be provided. If customized
24 routing is being ordered, it's being contemplated that
25 there would be provisioning of OS/DA by some entity

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1 other than Qwest; is that correct?

2 MS. NELSON: That's correct, Judge.

3 JUDGE BERG: All right. And I was thinking
4 of the issue as to whether or not the Qwest product
5 description could be provisioned over certain trunks as
6 an aspect of a product description from WorldCom's
7 perspective. Is that not correct, or it's just a
8 request that the customized routing be provided over
9 certain trunks different than the trunks that are
10 specified in the Qwest product description?

11 MS. NELSON: WorldCom's request for
12 customized routing and WorldCom's designation of the
13 trunks over which it wants its OS and DA traffic to be
14 routed.

15 JUDGE BERG: All right. And the trunks that
16 WorldCom is designating are different from the trunks
17 that Qwest would be providing customized routing over
18 under Qwest's product description; is that correct?

19 MS. NELSON: There hasn't been any evidence
20 in the record relating to that at this point, but as --
21 and we would have to ask the witness what Qwest's
22 position is, but as --

23 JUDGE BERG: And that's part of the
24 cross-examination that you were --

25 MS. NELSON: That's part of -- exactly.

4674

1 JUDGE BERG: All right. I wasn't sure
2 whether the provisioning of customized -- if the trunks
3 to be used were part of Qwest's product description, and
4 that's why I was couching it that way, but I think I
5 understand.

6 Ms. Anderl, is there anything further that
7 you want to add?

8 MS. ANDERL: Well, I guess, you know, in
9 Qwest's product description for customized routing, the
10 only piece parts of that are the development and
11 installation of a custom line class code. However, the
12 product contemplates the purchase of DS1 trunks and DS1
13 trunk ports to accomplish the routing that is
14 implemented by or directed by the custom line class
15 code. So they go together, but we have not integrated
16 the DS1 trunk ports and DS1 trunks or the pricing for
17 those into the customized routing product.

18 JUDGE BERG: All right.

19 Do you have any other questions, Dr. Gabel?

20 DR. GABEL: No.

21 JUDGE BERG: All right. There are two
22 aspects, I think, to the issue to be resolved. First is
23 whether this is the proper proceeding to take evidence
24 that may be characterized as terms and conditions. The
25 second aspect is whether or not the evidence in the

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1 cross-examination that WorldCom seeks to introduce and
2 conduct is relevant to the proceeding.

3 To the extent that Qwest is looking for an
4 order of the Commission that its customized routing
5 product description meets its requirement under the
6 FCC's UNE Remand Order in order to provide OS/DA at
7 market based rates, then it is also necessary that in
8 this proceeding the Commission hear the evidence that
9 WorldCom proposes to develop, that it would both -- it
10 would be that one is relevant to the other and that if
11 Qwest is going to be seeking an order regarding what
12 might be perceived as a term and condition in this
13 proceeding, then it's necessary for WorldCom to present
14 other terms and conditions like evidence. And on that
15 basis, the objections would be overruled.

16 And I would also find that this is a proper
17 proceeding in which to make that determination. It
18 appears that we have a good amount of evidence and
19 testimony in this proceeding, and it would not benefit
20 any party not to continue to allow the issue to be
21 developed. That does not mean that at the end of the
22 day the commissioners will agree that this is a proper
23 issue for this proceeding. But certainly from my
24 perspective, I believe that I can go forward and make a
25 decision if I have the relevant information, and that

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1 would include the cross-examination and the testimony
2 proposed by WorldCom.

3 MS. ANDERL: Thank you, Your Honor. I would
4 like to note we respectfully disagree that there can be
5 a record developed appropriate for a decision on these
6 issues. There is no direct testimony from WorldCom
7 subsequent to the time that they filed their formal
8 request with Qwest for customized routing, and I believe
9 that while the parties are still in implementation
10 negotiations, it is inappropriate to essentially develop
11 a record here on a matter that has not been yet resolved
12 on a business-to-business basis between the parties.
13 However, we will obviously conduct ourselves for the
14 balance of the proceeding in accordance with your
15 ruling.

16 JUDGE BERG: I think that -- and let me speak
17 to the negotiations part, we don't want to turn this
18 into an arbitration here. I think that the Commission
19 is not going to look to determine whether or not it
20 should or shouldn't. The Commission isn't going to
21 determine how -- what the outcome of those negotiations
22 should be, and the Commission does not want this
23 proceeding to become some sort of a part of the
24 negotiating strategy. But the fact that a request has
25 been made and that there is on file a determination

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1 seems to speak for itself that it -- there's neither
2 been acceptance nor rejection of the proposals from
3 either party in the context of that negotiation.

4 And with regards to Qwest's reservation that
5 there will not be an adequate record in this case to
6 make that kind of determination, please understand that
7 this decision is being, you know, made sort of on the
8 spot, and I may not have a good grasp of the complete
9 picture, and I would hope that parties would continue to
10 brief that argument at the conclusion of the hearing and
11 to point out the extent to which there's an insufficient
12 record to make certain findings and a sufficient record
13 to make others, particularly as far as this point goes.

14 MS. ANDERL: Yes, Your Honor, thank you, we
15 understand that your ruling to allow the matter to go
16 forward today is not a ruling on the ultimate issues.

17 JUDGE BERG: Thank you, that is correct.

18 All right, Ms. Singer-Nelson, if you would
19 like to proceed.

20 MS. NELSON: Thank you, Judge.

21

22 Whereupon,

23

 JOSEPH P. CRAIG,

24 having been previously duly sworn, was called as a

25 witness herein and was examined and testified as

4678

1 follows:

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

3 BY MS. NELSON:

4 Q. Good morning, Mr. Craig.

5 A. Good morning.

6 Q. I think where we left off was at the point
7 where I asked you whether you were aware that MCI
8 WorldCom had submitted a customized routing request to
9 Qwest, and we had gone to the exhibit itself, the
10 request itself, which is Exhibit 2187 and C-2187. Could
11 you please get to that document.

12 A. Yes, I'm there.

13 Q. And pages 1 through 3 are E-mails exchanged
14 between WorldCom representatives and Qwest
15 representatives; isn't that right?

16 A. Page 1 and 2 are E-mails. Page 3 is a blank
17 page.

18 Q. There's just a name at the top of the page
19 finishing off --

20 A. We're in the right place, okay.

21 Q. Do you know Lillian Robertson?

22 A. I have spoken with her; I know of her.

23 Q. Do you know Sue Brown?

24 A. No, ma'am.

25 Q. Sue Gwyn?

4679

1 A. I have spoken with Sue; I have not ever met
2 her.

3 Q. Is Lillian Robertson a Qwest employee?

4 A. Yes, ma'am.

5 Q. Is Sue Brown a Qwest employee?

6 A. I don't know. I would guess. That would be
7 my guess.

8 Q. Is Sue Gwyn a Qwest employee?

9 A. Yes, she is.

10 Q. Edward Caputo is the other name on the cc
11 list; do you know Edward Caputo?

12 A. Yes, I do, he's a WorldCom employee.

13 Q. Thank you. So pages 4 through 7 of this
14 document are, in fact, Qwest's form for a CLEC
15 requesting customized routing; isn't that right?

16 A. Form with instructions, yes.

17 Q. And that form has been completed by MCI
18 WorldCom?

19 A. Yes, ma'am.

20 Q. And the documents that were attached to that
21 form, one is the directory assistance and operator
22 services unbundling, and you see the WorldCom insignia;
23 is that right?

24 A. The page that says local directory
25 assistance?

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1 Q. I'm looking at page -- oh, okay, that's
2 right, mine were just in the opposite order. So the
3 first one, starting at page 8.

4 A. Okay.

5 Q. Is WorldCom DMS 500 local directory
6 assistance test results report; is that right?

7 A. Yeah, that's what it says, yes.

8 Q. And then the second document is directory
9 assistance and operator services unbundling, and there's
10 the WorldCom insignia?

11 A. On page 24?

12 Q. On page 24.

13 A. Yes.

14 Q. And you testified yesterday that you have
15 seen these documents?

16 A. Yes, I have.

17 Q. Are you familiar with the documents?

18 A. I have read through them. I have seen them
19 before. That's my familiarity with them.

20 Q. And did you review them in the context of
21 your position at Qwest?

22 A. We reviewed them as a part of is this
23 something that this -- that the custom routing product
24 that Qwest offers, if it was a part of that product or
25 if this was something in addition to that product.

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1 Q. Did you review these documents in the context
2 of your job at Qwest?

3 A. Part of my job is to work through technical
4 issues with the local network organization as far as the
5 -- how it -- how a product works, the network elements
6 that go into different products, and if these -- if
7 requests such as these fit into that product.

8 Q. Mr. Craig, could you please, I know you've
9 got explanations for your answers and that's fine, but
10 if it's a question where I'm asking for a yes or no,
11 could you please say yes or no and then continue on with
12 your explanation. I would appreciate that.

13 A. Sure.

14 Q. Because otherwise it's unclear to me whether
15 or not the answer is yes or no.

16 A. Okay.

17 Q. So did you review these documents in the
18 context of your position at Qwest?

19 A. Yes, I did.

20 Q. Thank you.

21 And in those documents, MCI WorldCom has
22 designated the trunks that it wants Qwest to route its
23 OS and DA calls to for its UNE-P customers; isn't that
24 right?

25 A. Yes, they have.

4682

1 Q. Are you aware that Qwest and MCI WorldCom
2 representatives have met to discuss WorldCom's request?

3 A. Yes.

4 Q. And are you aware that Qwest initially told
5 WorldCom that it was not denying the request for
6 technical reasons but for regulatory reasons?

7 MS. ANDERL: Objection, Your Honor, I believe
8 that that mischaracterizes the conversations that the
9 representatives had.

10 JUDGE BERG: I'm going to, because of the
11 compounding of the question, I am going to sustain the
12 objection.

13 MS. NELSON: As a compound question?

14 JUDGE BERG: Well, as a compound question and
15 because there's -- as I indicated in my prior ruling,
16 the fact that -- well, let me reconsider that. Yes, as
17 a compound question. I want to break it up and take
18 objections to each part separately.

19 MS. NELSON: Because there's no -- okay.

20 BY MS. NELSON:

21 Q. Mr. Craig, are you aware that Qwest initially
22 told WorldCom that it was not denying the request for
23 technical reasons?

24 A. Yes, I am aware of that.

25 Q. Are you aware that Qwest, in fact, told

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1 WorldCom that it was denying the request because there
2 was an -- it believed there was an order that existed
3 that prohibited Qwest from regenerating calls?

4 A. I don't think that -- no, I'm not aware of
5 that. The conversation or the caution that we were
6 proceeding with as far as the request I don't believe
7 was a denial of the request. I think that
8 mischaracterizes the conversation that took place.

9 Q. Would you agree with me that at the initial
10 conversation between MCI WorldCom and Qwest, Qwest
11 expressed its concern that MCI WorldCom's request would
12 not be granted by Qwest because there was an order that
13 existed that prohibited Qwest from regenerating calls?

14 A. That has a yes and a no. The yes part is
15 yes, we were concerned about WorldCom's specific
16 implementation instructions. The no part is there was
17 -- while there was some concern, the concern was not
18 whether we could provision the product as the product is
19 defined by Qwest.

20 Q. Are you aware of any expressed concern by
21 Qwest that an order existed, a regulatory order existed,
22 that prohibited Qwest from regenerating calls?

23 A. As I just said, yes, I'm aware of the
24 concern.

25 Q. Thank you.

4684

1 A. That was voiced, yes.

2 Q. Thank you, that was unclear to me.

3 And since that initial conversation, Qwest
4 has now stated that it is not aware of any regulatory
5 order that prohibits the regeneration?

6 A. Yes, we have.

7 Q. Are you aware of Qwest informing WorldCom
8 that it could not designate feature group D trunks as
9 the trunks over which the OS and DA calls could travel
10 because Qwest believes that WorldCom must instead
11 purchase dedicated trunks to each switch in the state of
12 Washington and other states?

13 A. I'm not sure I can answer yes or no, so I
14 will answer once again yes and no. There is some
15 concern about the dedicated trunk issue. The no part of
16 the answer is feature group D. If they want to use
17 feature group D trunks, we're ready, willing, and able
18 to do that, and we have responded to WorldCom as such.
19 There's still the issue of dedicated trunks as far as
20 alternate routing of a trunk group or trunk group
21 traffic.

22 Q. So it is not Qwest's position that WorldCom
23 must purchase dedicated trunks for the purpose of
24 customized routing?

25 A. Maybe my previous answer was not clear.

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1 Dedicated trunks is still the issue. The signaling
2 nature of the trunk group is not what is our concern.
3 As long as a feature group D trunk group is not a
4 dedicated path from the originating end office to the
5 operator services platform, that's our concern, not
6 whether the signaling on the trunk group is feature
7 group D.

8 MS. NELSON: Excuse me, Judge, I just didn't
9 expect him to answer me in that way, so I'm looking for
10 the document that relates to that issue. It will just
11 take a second, I will find it.

12 JUDGE BERG: All right, thank you.

13 MS. NELSON: May I approach the witness?

14 JUDGE BERG: Yes, would you please show the
15 document to Ms. Anderl first.

16 MS. NELSON: Yes.

17 BY MS. NELSON:

18 Q. Mr. Craig, will you please identify that
19 document for the record.

20 A. This is a letter that was dated April 30th,
21 2002, addressed to Mr. Edward Caputo at MCI Metro,
22 actually WorldCom, in Arlington, Virginia, regarding or
23 as a response to a letter that Mr. Caputo sent to Qwest.

24 Q. And who from Qwest sent that letter to
25 Mr. Caputo?

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1 A. This was co-authored or co-signatured, if you
2 will, by Lillian Robertson at Qwest and myself.

3 Q. I direct your attention --

4 MS. NELSON: Ms. Anderl, you said that you
5 have copies.

6 JUDGE BERG: We'll be off the record just for
7 a moment while we make that distribution.

8 (Discussion off the record.)

9 JUDGE BERG: I'm going to mark the document
10 that's been distributed as Exhibit 2192. That is the
11 letter dated April 30, 2002, from Lillian Robertson,
12 Qwest wholesale customer service operations, and Joseph
13 Craig, director technical regulatory Qwest local
14 networks organization, to Mr. Edward Caputo, director
15 WorldCom operator and directory services.

16 And off the record I was informed there was
17 no objection to the admission of Exhibit 2192, and it
18 will be admitted.

19 Does that assume it was to be offered?

20 MS. NELSON: Yes, Judge, thank you.

21 JUDGE BERG: All right.

22 BY MS. NELSON:

23 Q. Mr. Craig, direct your attention to paragraph
24 2 of the letter.

25 A. I'm there.

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1 Q. Qwest states in this letter that in order to
2 provide the service, WorldCom will need to have unique
3 feature group D; is that what GD stands for?

4 A. Yes, ma'am.

5 Q. Direct final or DF trunks between the
6 requested Qwest serving wire centers and the WorldCom
7 switch.

8 A. Yes, and I believe that's what I attempted to
9 just describe in a previous answer.

10 Q. So it is Qwest's position that WorldCom needs
11 to have dedicated trunks?

12 A. As stated here, they need to have unique
13 feature group D direct final trunks from the Qwest
14 originating wire center or centers to the WorldCom
15 operator services plat.

16 Q. And isn't it true that what WorldCom is
17 requesting is customized routing of MCIm UNE-P
18 customers' operator services and directory assistance
19 traffic over WorldCom's shared access feature group D
20 trunks?

21 A. That is what they're requesting, yes.

22 Q. And that would be the existing feature group
23 D trunks that WorldCom has today at Qwest switches?

24 A. Once again, yes and no. Yes, WorldCom has
25 trunks at the Qwest end office switches, both on a

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1 shared basis and both on a direct basis. The trunks
2 that go direct today are what's known as primary high
3 trunk groups, so that the traffic will overflow to
4 another trunk route called the shared route.

5 Q. Now isn't it true that feature -- that MCI
6 WorldCom's feature group D trunks are limited to traffic
7 for MCI WorldCom?

8 A. Yes, they are, they're limited to equal
9 access dialed long distance traffic for MCI WorldCom
10 customers as their IXC.

11 Q. So just so that it's clear, no other
12 carrier's traffic is routed over those trunks?

13 A. That's correct.

14 MS. NELSON: I have a demonstrative exhibit I
15 would like to pass out at this time.

16 BY MS. NELSON:

17 Q. Mr. Craig, I have handed you a document that
18 has -- that's entitled Washington state cost case,
19 customized routing of MCI WorldCom UNE-P operator
20 services and directory assistance calls; is that right?

21 A. Yes, ma'am.

22 Q. Now this document is -- it is a question I
23 wanted to ask you that I thought would be too lengthy
24 for you to follow just by listening to it, so I thought
25 I would put it down on paper so it would be easier to

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1 follow. Now would you agree subject to check under the
2 assumptions, number one, according to Qwest's response
3 to discovery here, there are a total of 132 Qwest
4 switches in Washington state?

5 A. That appears to be correct subject to check.
6 That's roughly correct, yeah.

7 Q. And that the data request that contains that
8 information and the response were identified as
9 cross-examination exhibits to your testimony?

10 A. Thank you, yes, they were.

11 MS. NELSON: And I will move for the
12 admission of those documents.

13 BY MS. NELSON:

14 Q. And then the second assumption is that --

15 JUDGE BERG: Wait, I'm sorry, if you're
16 moving for the admission of documents, is that -- are
17 those documents that have not yet been admitted; is that
18 my understanding?

19 MS. NELSON: Yes, I will move for the
20 admission of that document at this time. I was going to
21 do everything at the end, but if the Judge would like me
22 to do that now, I'll do it now.

23 JUDGE BERG: No, it's just when you say those
24 magic words, I move for the admission, then I stop and
25 go to my exhibit list and look up for objections.

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1 MS. NELSON: Oh, okay.

2 JUDGE BERG: I didn't understand that you
3 were going to identify a series of exhibits and then do
4 it all at one time. Is that your preference?

5 MS. NELSON: That's what I was going to do,
6 Judge, at the end.

7 JUDGE BERG: All right.

8 MS. ANDERL: And I, you know, Your Honor, I
9 understand that at least for this first assumption
10 Ms. Nelson is referring to a document that's already
11 been identified as Cross-Exhibit 2191 and that she's
12 going to kind of get to it at the end, and that's so far
13 we're fine.

14 JUDGE BERG: Okay.

15 MS. NELSON: All right.

16 BY MS. NELSON:

17 Q. So then assumption number two, I would like
18 you to assume for purposes of this question that each
19 switch can support 10,000 total customers. Is that a
20 reasonable assumption?

21 A. I would say no, it's not. Of the 132 Qwest
22 switches in the state of Washington, some of those
23 switches are known as what Nortel refers to as a DMS-10
24 switch. It's not -- the capacity of that switch would
25 never reach 10,000 lines. It's not -- it's a small

4691

1 enough switch from the switch vendor that we would never
2 achieve 10,000 lines at the DMS-10.

3 JUDGE BERG: And, Mr. Craig, once more,
4 what's that count?

5 THE WITNESS: I believe it's somewhere right
6 around 9,600, 9,000, something like that.

7 BY MS. NELSON:

8 Q. 9,000 lines?

9 A. Yes, ma'am.

10 JUDGE BERG: And did you testify as to how
11 many of those switches there were?

12 THE WITNESS: I have not. That was included
13 in the data request.

14 JUDGE BERG: Thank you.

15 MS. NELSON: It is contained in the record,
16 Judge.

17 JUDGE BERG: Okay, thank you.

18 MS. NELSON: Or it will be once that is
19 admitted.

20 BY MS. NELSON:

21 Q. Okay, so there are perhaps less than 10,000
22 lines that are served by some of the switches here in
23 Washington?

24 A. Definitely.

25 Q. Okay. And then my third assumption is assume

4692

1 that each switch is 80% residential and 20% business, so
2 that it would serve 80% residential customers and 20%
3 business customers. Is that a reasonable assumption on
4 average?

5 A. I would say no on a per switch basis. Some
6 of our switches serve residential communities and have
7 no business customers on them at all, or if they do,
8 they're very few.

9 Q. And then others would be serving mostly
10 business customers and few residential customers?

11 A. That's usually what the network kind of looks
12 like. I have not gone to each specific switch and done
13 a line count of residential and business customers.
14 Usually that is -- well, generally that's what the
15 network looks like, yeah.

16 Q. So sometimes 50% or more of the customers are
17 residential served by a switch, and sometimes 50% or
18 more are business customers served by a switch?

19 A. As well -- well, yes and no again. As well
20 sometimes there's zero business and 100% residential.
21 Sometimes there's 100% business, zero residential. So
22 to say that each switch is this or that, I believe
23 that's an improper assumption.

24 Q. Well, assume for purposes of this question
25 that on average 80% of Qwest switches in Washington

4693

1 serve residential customers, and 20% of the Qwest
2 switches in Washington serve business.

3 A. For the limited purpose of this document or
4 discussion, okay, I will do that.

5 Q. Do you have --

6 MS. ANDERL: Your Honor.

7 JUDGE BERG: I understand that that becomes a
8 hypothetical proposition.

9 MS. NELSON: Right.

10 MS. ANDERL: Well, and I need to ask for
11 clarification, Your Honor, at this point. This seems to
12 substantially change the assumptions that are on this
13 document that Ms. Singer-Nelson is now wanting the
14 witness to assume that 80% of the switches serve
15 residential customers and 20% of the switches serve
16 business customers. That's very different from the
17 assumption number 3.

18 MS. NELSON: The hypothetical isn't meant to
19 change. The assumption is that each switch is 80%
20 residential and 20% business.

21 MS. ANDERL: Thank you for that
22 clarification.

23 BY MS. NELSON:

24 Q. Are you aware of the actual numbers for the
25 switches in Washington? Are you aware of the percentage

4694

1 of the type of customers served by the switches in
2 Washington versus the percentage business versus
3 residential?

4 A. No, ma'am, I'm not. I think I just said a
5 little bit ago that I haven't looked at the line counts
6 on a per switch basis.

7 Q. Going on to assumption number 4, MCI WorldCom
8 offers UNE-P only to residential and small business
9 customers.

10 A. Okay.

11 Q. The fifth assumption I would like you to make
12 is that MCI WorldCom captures a maximum of 5% market
13 share from each switch. That would be a significant
14 amount of market share from each switch, wouldn't it be?

15 A. I can agree with the assumption maximum 5%.
16 Whether that's significant or not, I don't know.

17 Q. Okay. And then there are alternatives
18 expressed for 4%, 3%, 2%, and 1%; do you see that?

19 A. Yes, I do, capital letters A, B, C, D, and E.

20 Q. Going back to assumption number 3, assuming
21 each switch is 80% residential and 20% business, in the
22 aggregate, would you agree that each switch would be 80%
23 residential and 20% business?

24 A. I'm sorry, I didn't understand your question.

25 Q. Rather than thinking in terms of on average,

4695

1 would you agree that thinking in terms of in the
2 aggregate 80% of the customers at each switch would be
3 residential versus 20% of the customers being business?

4 A. For the purposes of doing the math, I can
5 think that way, yeah.

6 JUDGE BERG: And just for my benefit, is that
7 consistent with number 3, or is that different from
8 number 3?

9 MS. NELSON: It's consistent with number 3.

10 BY MS. NELSON:

11 Q. I'm just asking about in the aggregate, when
12 you're looking at all the switches in Washington in the
13 aggregate, is it reasonable to presume that 80% are
14 residential and 20% are business?

15 A. Maybe I'm not understanding then what you're
16 defining as aggregate. If you want me to think for the
17 purposes of doing the math that at each switch 80% of
18 the customers are residential and 20% are business, I
19 can do that for that purpose.

20 Q. Okay. Assumption number 6, let's presume
21 that each T1 trunk that Qwest indicates MCI WorldCom
22 must provision and be dedicated for operational services
23 and -- operator services and directory assistance from
24 UNE-P costs \$500 a month; can you make that presumption?

25 MS. ANDERL: Your Honor, I guess I will

4696

1 object at this point to asking the witness to make an
2 assumption with regard to that. It does I think at this
3 point assume facts not in evidence, and I am not sure
4 that it is consistent with the facts that could or would
5 be put into evidence. I think that WorldCom is
6 perfectly capable of determining what the actual price
7 or cost for that T1 trunk would be and ought to in
8 constructing the hypothetical perform it in that way.

9 JUDGE BERG: But it's her hypothetical, and I
10 understand the objection, and with each instance it may
11 be that, you know, the hypothetical becomes less
12 reliable. That's a call that I think WorldCom has -- a
13 decision that WorldCom has thought about, and they're
14 willing to make -- to the same extent that the
15 assumption that each switch can support 10,000 total
16 customers is not consistent with, for example, the
17 actual deployment of DS-10 switches in the system, and
18 that this witness can not affirm the actual division of
19 line counts between residential and business. This is
20 just another step that's similar to those, and so we
21 will just have to take it as a hypothetical for whatever
22 it's worth.

23 But I do understand your point, Ms. Anderl,
24 that the more of those steps that are taken, then the
25 less reliable any conclusions made may be, and that's

4697

1 something that I would expect we're not to the end of
2 that yet.

3 MS. NELSON: Right.

4 JUDGE BERG: Okay.

5 BY MS. NELSON:

6 Q. And I'm asking a hypothetical, and I would
7 ask you to presume that each T1 trunk that Qwest
8 indicates MCI WorldCom must provision for customized
9 routing costs \$500 a month.

10 A. Okay.

11 MS. NELSON: And I would ask the Judge to
12 take administrative notice of Qwest's access tariffs
13 here in Washington for the actual rates that would be
14 charged.

15 MS. ANDERL: Your Honor, I believe that if
16 WorldCom wants administrative notice taken of a document
17 that WorldCom ought to provide that document.

18 JUDGE BERG: In keeping with some of the
19 testimony, the answer is yes and no, and rightfully so.
20 In this instance, I think what needs to be done is the
21 hypothetical needs to be taken to its logical
22 conclusion, and then parties can argue what that may
23 mean in the context of established tariffs and rates in
24 the state of Washington.

25 The request that I take administrative notice

4698

1 I think is complicating the process. The Commission
2 always has its tariffs to consider, and I think at that
3 point WorldCom can argue that its conclusion in light of
4 other established rates in the -- it can seek to extend
5 its conclusion to other established rates in the state
6 of Washington in arguments, and parties will have
7 opportunities to respond.

8 BY MS. NELSON:

9 Q. And then assumption number 7, Mr. Craig, is
10 that each T1 trunk can handle 24 simultaneous calls. Is
11 that a reasonable assumption?

12 A. If you're referring to DSOs, yes.

13 Q. Yes.

14 A. Referred to as message trunks.

15 Q. And assumption number 8 is that MCI WorldCom
16 would need at least one T1 trunk per switch to handle
17 500 customers.

18 A. Just so that I'm clear, one T1 or one trunk,
19 we're talking separate different network elements there,
20 one T1 24 trunks or one trunk?

21 Q. One T1 24 trunks.

22 A. Okay. Per switch?

23 Q. Per switch.

24 A. And whether or not that would be enough to
25 handle 500 customers, it depends on the usage of the

4699

1 trunks, so the number of 500 is subject to however those
2 trunks are used.

3 Q. Sure, and I understand that.

4 And going back to assumption number 5, if
5 we're presuming that MCI would be able to capture 5%
6 market share per switch, and we're assuming that there
7 are 10,000 lines, then at an 80% residential assumption,
8 that would be 400 customers per switch; do you follow
9 that?

10 A. That's how the math works, yes.

11 Q. Thank you.

12 Presumption or assumption number 9 is that
13 each residential customer makes an average of two
14 directory assistance calls a month.

15 A. Okay.

16 Q. And that would be high, wouldn't it?

17 A. Don't know.

18 Q. Do you make two residential or DA calls a
19 month?

20 A. Me personally?

21 Q. Mm-hm.

22 A. No.

23 Q. Less than that?

24 A. Zero.

25 Q. And then for assumption number 10, each

4700

1 residential customer is given one directory assistance
2 call a month free and pays \$1.25 for each subsequent
3 directory assistance call.

4 A. Okay.

5 Q. Well, let's assume that for purposes of this
6 hypothetical. So then getting down to the bottom half
7 of this page, the cost factors and the revenue factors,
8 that would mean at 132 trunks or 132 switches in the
9 state of Washington at a cost of \$500 per trunk per
10 month, the total cost for those dedicated trunks would
11 be \$66,000, do you see that, per month?

12 A. I think what was referred to in assumption
13 number 6 was the T1, and the math we just went through
14 or the description you just described was trunks. So
15 once again, we're down to are we talking the T1, or are
16 we talking the trunk on the T1?

17 Q. I'm talking the T1.

18 A. Okay, so 132 switches and one T1 per switch?

19 Q. Yes.

20 A. Okay.

21 JUDGE BERG: And just to be clear, that first
22 example you gave, the number one, does that refer to
23 5-E, assumption 5-E?

24 MS. NELSON: No, it would be assumption 5-A.

25 JUDGE BERG: Wouldn't assumption 5-A be

4701

1 number 5, the 5 meaning 5% --

2 MS. NELSON: Yes.

3 JUDGE BERG: -- the 1 meaning 1%?

4 MS. NELSON: Yes.

5 JUDGE BERG: Okay.

6 MS. TENNYSON: Your Honor, it looks to me
7 like the columns don't quite match up under what has
8 been defined as the T1s per switch would be the 1, 2, 3,
9 4, 5, and then the second column at the bottom.

10 JUDGE BERG: Okay, so those are numbers of T1
11 trunks per switch; is that right, they don't relate to
12 percentage?

13 MS. NELSON: That's right.

14 JUDGE BERG: Okay, thank you.

15 BY MS. NELSON:

16 Q. Are you following that that is the number of
17 trunks? So if there's one T1 trunk and it costs \$500 a
18 month, the total cost would be \$66,000 a month. And
19 then on the other side, do you see that for revenue, on
20 a revenue basis, looking at the first line for 132
21 switches, if WorldCom only captured 1% of the customer
22 base per switch and it was assuming two calls per month,
23 so that revenue would be \$1.25 a month, WorldCom would
24 only receive \$13,200 in revenue per month.

25 A. That's what the math says, yeah.

4702

1 Q. And this only represents dedicated trunk
2 costs; isn't that right? It doesn't include any other
3 MCI WorldCom costs such as labor, equipment, MCI
4 network, and directory assistance data?

5 A. As it's presented, it doesn't have any labor
6 or expense costs in it.

7 Q. And even if WorldCom were to capture 5% of
8 the market, so you're looking at the revenue factors for
9 400 customers per switch, the math would work out that
10 WorldCom would only be able to receive \$66,000 in
11 revenue?

12 A. I'm quickly doing the calculations, that's
13 what, again, how the math works out.

14 Q. Thank you.

15 Mr. Craig, are you familiar with Qwest's
16 position that its customized routing does not include
17 number reorganization or dialed digit manipulation?

18 A. Number reorigination.

19 Q. Reorigination.

20 A. Yes, I am.

21 Q. And is that expressed in the April 30th,
22 2002, letter?

23 A. Absolutely.

24 Q. Are you aware that in the BellSouth Louisiana
25 II FCC order, it was a 271 order, in its discussion of

4703

1 customized routing, the FCC stated that its rules
2 require incumbent LECs, including BOCs, to make network
3 modification to the extent necessary to accommodate
4 interconnection or access to network elements?

5 MS. ANDERL: Objection, Your Honor, again, I
6 believe the witness ought to be presented with the
7 document from which he's being cross-examined before
8 he's asked to agree with language purportedly read from
9 an FCC order.

10 JUDGE BERG: I agree as Ms. Singer-Nelson is
11 already moving towards the witness stand.

12 Thank you, Ms. Singer-Nelson.

13 BY MS. NELSON:

14 Q. Mr. Craig, would you look at Paragraph 226 in
15 the document that I handed you.

16 A. Okay.

17 Q. And could you just -- is that FCC 98-271?

18 A. Page 132, yes, Paragraph 226.

19 Q. Could you please read for me paragraph 226
20 into the record.

21 A. The entire paragraph?

22 Q. Yes.

23 JUDGE BERG: And excuse me, Mr. Craig, as you
24 may have noticed in other instances, people tend to
25 speed up when they read documents. If you could just

4704

1 use a normal speaking voice, it will help the court
2 reporter.

3 THE WITNESS: Thank you for that assistance.

4 JUDGE BERG: All right.

5 A. (Reading.)

6 MCI raises a separate challenge to
7 BellSouth's customized routing offering.
8 MCI claims that BellSouth will not
9 "translate" its customers' local
10 operator services and directory
11 assistance calls to feature group D
12 signaling. As a result, MCI can not
13 offer its own operator services and
14 directory assistance services to
15 customers it serves using unbundled
16 local switching. (Footnote 723.) MCI,
17 however, fails to demonstrate that it
18 has requested feature group D signaling,
19 and BellSouth claims that it has never
20 received such a request. (Footnote
21 724.) Thus the record is inconclusive
22 as to this objection. We believe,
23 however, that MCI may have otherwise
24 raised a legitimate concern. If a
25 competing carrier requests feature group

4705

1 D signaling and it is technically
2 feasible for the incumbent LEC to offer
3 it, (footnote 725), the incumbent LEC's
4 failure to provide it would constitute a
5 violation --
6 And we're going to get to legalese here --
7 -- of Section 251 (c)(3) of the Act.
8 (Footnote 726.) Our rules require
9 incumbent LECs, including BOCs, to make
10 network modifications to the extent
11 necessary to accommodate interconnection
12 or access to network elements.
13 (Footnote 727.)

14 BY MS. NELSON:

15 Q. Thank you. And WorldCom has requested that
16 Qwest provide feature group D signaling; isn't that
17 right?

18 A. I am not clear with that. What WorldCom's
19 request says is feature group D trunks.

20 Q. Are you also aware, and I will get the rule,
21 of FCC rules relating to switching, specifically Section
22 51.319, are you familiar with those?

23 A. No, I'm not.

24 Q. Are you aware that the FCC has found that:
25 All features that the switch is capable

4706

1 of providing, including but not limited
2 to customer calling, customer local area
3 signaling service features in Centrex,
4 as well as any technically feasible
5 customized routing functions provided by
6 the switch are included in the local
7 circuit switching network element.

8 A. I have not read or heard that.

9 JUDGE BERG: Ms. Singer-Nelson, let me just
10 check with you at this point. Is it necessary for this
11 to get this information into the record at this point
12 through this witness's testimony, or is this something
13 that could come up on legal arguments and briefs?

14 MS. NELSON: It can come up in legal
15 argument. I was just wondering whether the witness was
16 aware of that rule and that requirement.

17 JUDGE BERG: Sure. I think, you know, if
18 that's important as a foundation to ask other questions,
19 it's all right to do that. But I would prefer not to
20 simply introduce the legal principles through reading of
21 sections into the record at this point, if we can avoid
22 it.

23 MS. NELSON: Sure, I understand.

24 JUDGE BERG: Thank you.

25 BY MS. NELSON:

4707

1 Q. Mr. Craig, would you agree with me that
2 requiring dedicated trunks to every switch in the state
3 of Washington for purposes solely of carrying local
4 operator services and directory assistance would not be
5 an efficient use of the network?

6 A. No, I would not. I also would like to
7 explain that --

8 Q. There's no --

9 A. -- those trunks are already in place, so
10 there's -- we can use trunks that are already there if
11 the trunks are designated as direct final as opposed to
12 primary high. If something already exists, then to use
13 them for multiple purposes would be very efficient.

14 MS. NELSON: Judge, I move to strike that
15 second part of the response as it wasn't responsive to
16 my question.

17 JUDGE BERG: I'm going to overrule the
18 request.

19 BY MS. NELSON:

20 Q. Mr. Craig, isn't it true that Qwest provides
21 800 or toll free service to customers?

22 A. I believe we do, yes.

23 Q. Isn't it true that toll free service is
24 carried out through special area codes like 800 and 888?

25 A. It's a dialing pattern. I don't know that

4708

1 800, 866, 877 would be considered an area code like an
2 NPI.

3 Q. But it would be a dialing pattern?

4 A. That's correct.

5 Q. And these numbers aren't true phone numbers,
6 that means in my use of true, it's just that there's no
7 phone associated with that 800 number?

8 A. That is not the real terminating number, that
9 is correct.

10 Q. For Qwest to deliver a toll free call to a
11 destination, Qwest has to establish switch table
12 translations to convert the toll free call to a dialable
13 number; isn't that right?

14 A. No, that's not correct. The number is
15 received out of a data base using what's known as a TCAP
16 query, transaction capability access something, we'll
17 get the acronym definition, and we look into an 800 data
18 base to say with this dial out number, how do we route
19 the call. And the routing number is delivered back in
20 the response to the originating switch, and we route
21 based on the information in that response.

22 Q. And in any event, there's a process to modify
23 the dialed number to the destination in the switch?

24 A. It's a data base that is controlled by the
25 owner of the 800 terminating number, so there's a

4709

1 definite correlation between the 800 number and the
2 routing number that someone else identifies for us, and
3 we put the appropriate information in the data base.

4 Q. And if Qwest were the owner of the 800
5 number, they would perform the steps that you just
6 described?

7 A. If Qwest -- yes and no. If Qwest were the
8 owner of the 800 number, we would have the routing
9 number or the routing information associated with that
10 800 number. If Qwest is not the owner of the 800
11 number, we would still be able to retrieve the
12 information using an SS7 DIP of a data base.

13 Q. Isn't it true that Qwest has a network
14 regional operations center?

15 A. I recognize the acronym, it's referred to as
16 a network reliability operations center.

17 Q. Oh, does NROC stands for network reliability
18 operations center?

19 A. Yes, ma'am.

20 Q. This organization is responsible to monitor
21 the switched network; isn't that right?

22 A. That's one of the functions of the NROC.

23 Q. And to provision changes to switched
24 software?

25 A. No, that's not the function of the NROC.

4710

1 Q. Who is that the function of?

2 A. Local network planning.

3 Q. Okay. So local network planning has
4 responsibility to provision changes to switch software.
5 And then whose responsibility is it to perform switch
6 routing translations?

7 A. In local network it would be referred to as
8 actually divided into two depending on the work that
9 needed to be done, complex translations or the trunk
10 routing and provisioning group.

11 Q. Isn't it true that changes to routing tables
12 are done in a mechanized fashion?

13 A. No, ma'am.

14 Q. If Qwest were to prepare line class codes for
15 one switch or a type of switch, wouldn't that
16 preparation enable Qwest to easily make that line class
17 code work for every switch of that type in the network?

18 A. Well, I think that's the object of line class
19 code development. It uses standard available
20 information to go into development of line class code,
21 and I think that once the development is done, it would
22 work at any switch. I mean we're not going to develop
23 something that's not going to work.

24 Q. Right. And once you -- if you do it once for
25 a type of switch, then it's going to be transferable to

4711

1 that type of switch throughout the network?

2 A. Maybe we're talking past each other, so
3 before I answer yes or no, if you're referring to a line
4 class code, let's for example say 1FR, that 1FR line
5 class code can be implemented in each and every switch
6 in our network for -- and it doesn't matter what switch
7 type -- for any customer that's requesting that kind of
8 service that the line class code would identify. So the
9 development of a line class code with the Qwest custom
10 routing process would be on a per request basis, in this
11 case WorldCom. And once the line class code is
12 developed, then that line class code could be
13 implemented or put into each and every switch in our
14 network.

15 Q. And that was my point, thank you, we are
16 talking about the same thing.

17 A. Okay.

18 MS. NELSON: All right, Judge, I have nothing
19 further for this witness.

20 JUDGE BERG: All right.

21 MS. NELSON: Except to move admission of
22 several exhibits. All right, where is my cross list. I
23 would like to move for admission of Exhibit 2187 and
24 C-2187, which are the E-mails and the documents attached
25 to the E-mails, including the custom lines routing

4712

1 request and attachments.

2 MS. ANDERL: We object to that.

3 JUDGE BERG: I think it would be good to take
4 these one at a time.

5 MS. ANDERL: We object to anything past page
6 8 of that exhibit. I'm sorry, Your Honor, I'm just
7 getting to it now.

8 JUDGE BERG: And by that, you mean actually
9 past page 7; is that correct?

10 MS. ANDERL: Actually, yes, anything past
11 page 7, so we object at page 8 to the end.

12 JUDGE BERG: All right.

13 MS. ANDERL: And the basis for that objection
14 is that these documents are not appropriately admitted
15 through a Qwest witness. They're WorldCom documents.
16 They were provided to Qwest by WorldCom in a, I believe,
17 fairly self serving E-mail designed for purposes of the
18 dispute or implementation negotiations between the
19 parties. The documents are very old, could easily have
20 been attached to any one of the rounds of testimony that
21 WorldCom witnesses filed in this docket. To the extent
22 that they're offered for the truth of the matters
23 asserted therein, we have not had an opportunity to
24 address or respond to those documents. Doing so at the
25 redirect of my witnesses or cross-examination of

4713

1 WorldCom's witnesses will not be adequate, and we
2 therefore believe the documents are completely
3 objectionable.

4 JUDGE BERG: What are these documents,
5 Ms. Singer-Nelson?

6 MS. NELSON: Judge, they are the documents
7 that were attached to WorldCom's customized routing
8 service request for line class code form that Qwest
9 requires that WorldCom put together and submit in order
10 to request customized routing from Qwest, and they
11 further explain WorldCom's designation of trunks and all
12 the information that WorldCom was required to provide
13 Qwest in order to allow Qwest to process the request.
14 And they were submitted to Qwest in response to Qwest's
15 requirement that WorldCom submit these, this type of
16 information in support of its request.

17 JUDGE BERG: All right. And how will these
18 documents help the Commission to make a better decision
19 on this issue?

20 MS. NELSON: The documents provide the full
21 set of information that WorldCom provided to Qwest to
22 comply with Qwest's requirements for submitting forms
23 for customized routing. They constitute the entire
24 request from WorldCom for customized routing.

25 And, Judge, if I just might add, going to

4714

1 page 5 of the exhibit, you can see that those two
2 documents are referred to in the specifications that
3 WorldCom provided.

4 JUDGE BERG: All right, the way that this
5 document is regarded is no different than where a party
6 would -- might seek to do an excerpt and the Commission
7 would look for the entire document just for complete
8 context. This witness has seen these documents before,
9 there are references, we will admit them, but only for
10 the purposes of showing that this constitutes the entire
11 document that was submitted to Qwest by WorldCom and not
12 for any -- not for the truth of any matters asserted in
13 pages 8 through 37.

14 MS. ANDERL: Very well, Your Honor.

15 JUDGE BERG: On that basis, they are
16 admitted.

17 MS. NELSON: Thank you, Judge.

18 Then I would also like to move for the
19 admission of Qwest's response Exhibit 2191, Qwest's
20 response to WorldCom Data Request Number 05-452 and
21 Attachment A. That document is the exhibit that shows
22 the switches that Qwest has in Washington, the number of
23 switches and the types of switches.

24 MS. ANDERL: No objection.

25 JUDGE BERG: Exhibit 2191 is admitted.

4715

1 MS. NELSON: There is one other exhibit,
2 Number 2188.

3 BY MS. NELSON:

4 Q. Mr. Craig, have you -- could you go to
5 Exhibit 2188, which is an April 19th, 2002, letter from
6 Ed Caputo of WorldCom to Joseph Craig and Lillian
7 Robertson of Qwest.

8 A. I'm there.

9 Q. Have you seen this document before?

10 A. Yes, I have.

11 Q. And what is it?

12 A. It's a letter that is dated April 19th, 2002,
13 to myself and Lillian Robertson.

14 Q. And relating to MCI WorldCom's request for
15 customized routing?

16 A. Yes, it is.

17 MS. NELSON: Judge, I would like to move for
18 admission of Exhibit 2188.

19 MS. ANDERL: No objection.

20 JUDGE BERG: Exhibit 2188 is admitted.

21 MS. NELSON: And the other thing on this list
22 that I wanted to make sure was admitted was 2190, and it
23 was the Oki Network Technology description of Smart MDF
24 that we discussed yesterday. I just can't recall at
25 this moment whether I had already moved for its

4716

1 admission.

2 JUDGE BERG: Exhibit 2190 was admitted
3 yesterday.

4 MS. NELSON: Thank you, Judge.

5 MS. NELSON: And just for clarification, the
6 April 30th, 2002, letter from Mr. Craig and
7 Ms. Robertson to Mr. Caputo has already been admitted
8 into the record?

9 JUDGE BERG: Yes, 2192 has been admitted.

10 MS. NELSON: Thank you, Judge.

11 JUDGE BERG: You're welcome.

12 MS. NELSON: I have nothing further at this
13 time.

14 JUDGE BERG: Ms. Tennyson, I wanted to check
15 with you again and see if you had any cross-examination
16 for this witness.

17 MS. TENNYSON: I do, very brief hopefully.

18 JUDGE BERG: All right, thank you.

19 MS. TENNYSON: Thank you.

20

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

22 BY MS. TENNYSON:

23 Q. Mr. Craig, in questions that Ms. Doberneck
24 asked you about your Exhibit 2181, that's a diagram if
25 you could refer to that. In your testimony, the last

4717

1 page of your testimony, you identify some elements that
2 you say are shown on that exhibit, and two of them that
3 I just wanted to clarify where they are are the DSLAM
4 trunk port and the ATM trunk port. Can you show us on
5 Exhibit 2181 where those are, or tell us where they are?

6 A. Be happy to. The line that comes out of the
7 DSLAM in the Qwest remote terminal and moves to the blue
8 box, the DSX-1.

9 Q. Yes.

10 A. That would be the DSLAM trunk port.

11 Q. And likewise then, the line coming from the
12 Qwest packet switch towards the DSX-1 on the other side,
13 the other side of the diagram.

14 A. That's correct.

15 Q. Would that be the ATM trunk port?

16 A. Yes, ma'am.

17 Q. Okay, thank you.

18 If you could turn now to Exhibit T-2182.

19 A. That's my rebuttal testimony?

20 Q. Your rebuttal testimony, yes.

21 A. Yes, ma'am.

22 Q. At page 12.

23 A. Okay, I'm there.

24 Q. And I'm referring specifically here to lines
25 13 to 14, and there you state that FGD or feature group

4718

1 D is a tariff offering, the current tariffs do not
2 support a customized routing option. Can you identify
3 which tariffs you are referring to in that testimony?

4 A. Okay, this is going to test me a little bit.
5 It used to be called I believe the FCC tariff.

6 Q. Okay.

7 A. And we used to refer to it as FCC number 5,
8 that's the switched access tariff that interexchange
9 carriers order their products and services from, from
10 Qwest from.

11 Q. Okay. Would this also include the way that I
12 might define it would be Qwest interstate and intrastate
13 switched access tariffs that offer feature group D
14 switched access services?

15 A. Yes.

16 Q. Would that be a proper description?

17 A. Yes, ma'am.

18 Q. Thank you.

19 Does a UNE-P CLEC or one that's purchasing
20 UNE-P from Qwest need customized routing for directory
21 assistance in order to provide directory assistance or
22 operator services themselves or through a third party
23 provider?

24 A. Yes, they do, and I'm going to say that they
25 need some sort of different routing. As I explained in

4719

1 my testimony, when you've got two customers served on
2 the same switch, the software matrix of the switch
3 recognizes what you and I refer to maybe as dial digits,
4 when you pick up the phone and dial a number. When as a
5 UNE-P CLEC requests that those same exact digits are
6 routed in a different fashion than the Qwest switch
7 currently routes those digits, that's what we refer to
8 as custom routing. For OS and DA, the customer would go
9 off hook and dial 411. And if it were a Qwest customer,
10 we would route them one way. If it's a UNE-P CLEC, we
11 would route those digits 411 in a different way. And
12 that's what custom routing essentially is.

13 Q. Okay, that makes sense.

14 A. The caveat here and maybe a clarification is
15 that the CLEC or a UNE-P CLEC would not necessarily need
16 to order that service out of the tariff that we just
17 talked about in my testimony.

18 Q. Okay. From the description of your work
19 experience in your direct testimony, it's apparent
20 you're very familiar with SS7.

21 A. Yes, ma'am.

22 Q. Now Ms. Malone testified in response to my
23 questions that the functionality of SS7 is exactly the
24 same for feature group D switched access service as it
25 is for local interconnection service; do you agree?

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1 A. The functionality is the same. What is
2 different is the signaling parameters that are included
3 with the signaling message. So we would still have to
4 do what's known as ISUP, and I think -- I hope she gave
5 us the definition for that -- trunk set up. Prior to
6 SS7, it was done with a signaling code called
7 multifrequency. So now that the signaling for that
8 trunk voice path setup happens over a different network
9 called SS7, packets are exchanged between end offices
10 over the network, and the information in those packets
11 are referred to as parameters. There's different
12 information depending on the jurisdiction of the call,
13 toll and local, for instance.

14 MS. TENNYSON: Okay, thank you. I have
15 nothing further for this witness.

16

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

18 BY JUDGE BERG:

19 Q. Mr. Craig, a rare question from me, and I'm
20 not sure whether this is related to the answer you just
21 provided, but that is how is a request for feature D
22 trunks different from a request for feature D signaling?
23 Is one contained within the other, or is it necessarily
24 implicit in the other, or is it possible to order
25 feature D trunks without receiving feature D signaling?

4721

1 A. It is possible to order the trunks separately
2 from what we refer to as equal access switched
3 signaling. So you could have feature group D trunks and
4 have traffic on those trunks that is not feature group D
5 equal access signaled based on the originating dialing
6 instructions of an end user.

7 Q. In terms of standard practices, is a request
8 for feature D trunks assumed to include a request for
9 feature D signaling? Does it require a special request
10 to, for example, not receive feature D signaling?

11 A. I don't know that it requires any different
12 request. I think what it requires is some conversation
13 about the traffic that's going to be exchanged over
14 those trunks.

15 Q. And that conversation or discussion would
16 normally be part of a routine part of order
17 provisioning?

18 A. I believe so.

19 JUDGE BERG: All right.

20 Let's go ahead and take a break, and then
21 Dr. Gabel will ask a few questions. We'll take a 15
22 minute break, and I would like to resume at about 5
23 minutes to 11:00.

24 (Recess taken.)

25 JUDGE BERG: While we were off the record,

4722

1 there was a discussion regarding the one page
2 demonstrative exhibit that WorldCom had developed for
3 cross-examination of Mr. Craig. Parties agree that this
4 document should be marked as an exhibit and admitted to
5 the record. The one page document entitled Washington
6 state cost case and then we'll refer to it as the Craig
7 demonstrative exhibit, thus memorializing Mr. Craig for
8 all time, will be marked as Exhibit 2193, and Exhibit
9 2193 is admitted.

10 Dr. Gabel has a few questions for you,
11 Mr. Craig.

12 THE WITNESS: Very good.

13

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

15 BY DR. GABEL:

16 Q. Mr. Craig, I would like to ask you to turn to
17 Exhibit 2182, your rebuttal testimony, page 12.

18 A. I'm there.

19 Q. Lines 16 through 23.

20 A. Yes, sir.

21 Q. I'm just not sure that I understand what's
22 the technical concern about associated with a request or
23 the issue that WorldCom has raised, and I just wonder if
24 you could elaborate on this portion of your testimony,
25 explaining to me what is the technical problem

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1 associated with the issue raised by WorldCom?

2 A. This was actually an issue that Qwest had
3 with WorldCom's specific request. When feature group D
4 equal access signal calls are routed to an interexchange
5 carrier, they're routed on what's known as a PIC code.
6 With a 411 directory assistance call, the call is routed
7 based on dialed digits, 411. Her concern is being able
8 to teach the access tandem to route originated calls on
9 a feature group D trunk group based on dial digits as
10 opposed to an interexchange carrier's PIC code. So that
11 was a concern that we had at the access tandem. Other
12 concerns are --

13 Q. So let me just see if I understand what the
14 concern is is that if I'm dialing, I'm here in Olympia
15 and I dial area code 212, the machine, the switching
16 machine currently does the translation and says, well,
17 David Gabel has picked as his primary interexchange
18 carrier WorldCom, and so you put my originating traffic
19 on a trunk that's going to go to the access tandem, but
20 it's going to be directed to WorldCom.

21 A. To be real clear, okay, I just need to add
22 something to your explanation there. The traffic goes
23 on a shared trunk group, so if you're a PIC to WorldCom
24 and I live maybe in an apartment or in a room in the
25 same house, even a neighbor of yours, and I'm PIC'd to a

4724

1 different exchange carrier, that commingling of traffic
2 from the same end office switch to the access tandem is
3 a shared feature group D trunk group for all
4 interexchange carriers.

5 So when the calls get to the access tandem
6 off of that single commingled trunk group, that shared
7 trunk group, the access tandem looks at each call on an
8 individual basis and says, this one goes to MCI, this
9 one goes to some other interexchange carrier. So the
10 access tandem looks at the interexchange carrier, what
11 we call the preselected interexchange carrier, by the
12 end user to know how -- know which interexchange carrier
13 to route the call to.

14 411 calls use a -- all calls use some sort of
15 call processing program in the operating software of the
16 switch to decide early in call dialing sequences whether
17 I'm using equal access signal or traditional signaling.
18 Equal access signaling would be your presubscribed toll
19 calls, route to an interexchange carrier. Traditional
20 signaling would be route by dialed digits.

21 Q. All right. And in a case where I'm not
22 dialing a long distance call, but I have only dialed
23 411, your Exhibit 2192, you express a concern, this is
24 the letter which was discussed earlier this morning
25 dated April 30th, 2002.

4725

1 A. Yes.

2 Q. Okay. You state that it's not technically
3 feasible to custom route the DA/OS calls to a Qwest
4 tandem switch because the call will automatically be
5 routed back to Qwest. When a Qwest customer who is
6 using Qwest to provide local service dials 411, does
7 that call go through the same access tandem that a call
8 goes through when it is a long distance call?

9 A. No, because the call that goes from the end
10 office to the access tandem and it is a 411 dialed call
11 is not a feature group D equal access call, so it's
12 routed to the access tandem on a separate trunk group
13 away from feature group D. The access tandem then
14 assumes that that is a terminating call and routes on
15 dialed digits.

16 And to make that clear, once you have dialed
17 your one plus ten digit call that we talked about just a
18 minute ago, on the originating side of the call from the
19 originating end office, it goes in the access -- to the
20 access tandem. The access tandem routes on
21 interexchange carrier primary PIC code. Once the
22 interexchange carrier has routed the call to wherever
23 it's going to go, it hands it back to the local network,
24 and the local network sees that call on the exchange
25 side of that call as a terminating call, and it routes

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1 on dialed digits to know how to terminate the call or
2 where to route the call out of that tandem switch for
3 termination purposes. So the access tandem on the
4 originating side routes on PIC code. On the terminating
5 side, it routes on dialed digits.

6 Q. For my originating 411 call, will it be sent
7 from my end office up to the same access tandem that is
8 used for long distance calls?

9 A. Yes, it will.

10 Q. And then just also so I understand this
11 issue, what's the problem with adding the equivalent of
12 a PIC code to 411 that would be equivalent to the PIC
13 information that must be conveyed when you're doing the
14 one plus ten dial call? You know, maybe I'm wrong to
15 imagine this, maybe let me restate, let me step back for
16 a second.

17 Let's say I'm making a one plus ten call, is
18 there something equivalent to the information that's on
19 a packet of information that's sent over the Internet
20 that there's this header that identifies the routing,
21 the way in Internet traffic there's some routing
22 information that goes in front of the packet? If I
23 place a one plus ten call, when the call goes from my
24 end office up to the access tandem, is there some
25 information at the front that says, okay, this person's

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1 PIC is WorldCom?

2 A. It's not at the front of the message, it's
3 one of the parameters that's embedded down into the
4 message, and it's referred to in the SS7 parameter as a
5 CIC, a carrier identification code I believe is how the
6 parameter is labeled. And it's one of the parameters in
7 the packet. It's not one of the first.

8 The difference between data and circuit
9 switch feature group D, data is sent to a node and that
10 node has an address. The proper equivalent in an SS7
11 message would be an originating point code or a
12 destination point code, which would essentially be the
13 signaling address of where the call is supposed to
14 terminate, as well as down in the, if it's a feature
15 group D equal access call, down in the parameters it
16 would say which feature group D provider.

17 Q. I guess just my last question then is, in the
18 case of the 411 call, why wouldn't the access or why
19 couldn't the access tandem look at this I believe you
20 used the acronym CIC code?

21 A. Correct.

22 Q. Why couldn't access tandem look at the CIC
23 code and say, all right, this 411 is associated with
24 somebody who has the UNE platform, we're going to just
25 send this message on to WorldCom rather than route it

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1 back to Qwest?

2 A. At the originating switch when you dial 411,
3 we don't use equal access signaling, so the kick is not
4 even labeled in the message. It's like any other local
5 call. And if you're calling your neighbor next door and
6 you dial 7 digits, traditional signaling doesn't require
7 any presubscription. There's no labeling of a carrier
8 number, if you will, anywhere in the message. So there
9 -- with 411, using traditional signaling, there is no
10 carrier number in a message, so there's nothing there
11 for the access tandem to note or route to.

12 DR. GABEL: Thank you.

13 JUDGE BERG: That's all the questions from
14 the Bench.

15 A few questions for redirect, Ms. Anderl?

16 MS. ANDERL: A few, thanks, Your Honor.

17 I wonder if I could get a longer reach.

18 JUDGE BERG: Let's remember to work on that
19 over lunch, and we'll make sure if we can't get you a
20 little more room. I think it's just the way the skirt
21 is attached to the table.

22 MS. ANDERL: Thanks, I will look at that on
23 the break.

24

25

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

2 BY MS. ANDERL:

3 Q. Good morning again, Mr. Craig.

4 A. Good morning.

5 Q. Let me follow up on some questions on the
6 topic that Dr. Gabel just covered with you. To the
7 extent that what he suggested was linking the carrier
8 identification code with 411, would that -- would one
9 way to describe that be "411 presubscription"?

10 A. Yes, it would be.

11 Q. Okay. And to your knowledge, is 411
12 presubscription an issue that is currently under
13 consideration by the FCC in an open docket?

14 A. Yes, it is.

15 Q. And, in fact, has WorldCom to your knowledge
16 filed comments and affidavits in that docket?

17 A. Oh, yes.

18 Q. Would it be fair to say that they vigorously
19 support that idea?

20 A. Yes, ma'am.

21 Q. Would it also be fair to say that other
22 carriers such as AT&T are vigorously opposed to that
23 idea?

24 A. That would be true.

25 Q. Is Qwest also participating in that docket?

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1 A. Yes, we are.

2 Q. And has Qwest filed comments recently
3 expressing its concerns and position on that issue?

4 A. Yes, ma'am.

5 Q. Let me ask you a couple of questions about
6 something that Ms. Singer-Nelson touched on with you
7 early on, and this has to do with the amendment that the
8 parties signed to the interconnection agreement between
9 them which enables the feature group D customized
10 routing.

11 A. Yes, ma'am.

12 Q. Can you please turn to the Exhibit 2057, and
13 I apologize, I don't know if you have that one up there.
14 You probably do. Ms. Singer-Nelson directed you to
15 pages 16 and 17 or the pages that are hand numbered 19
16 and 20 in that document; do you see those?

17 A. Yes, I do.

18 Q. At the top of page hand numbered 20, option
19 C, is that the feature group D option?

20 A. Yes, ma'am.

21 Q. And what type of operator services, directory
22 services trunks is MCI permitted to use for custom
23 routing under that option?

24 A. Existing feature group D trunks.

25 Q. Okay. And are they required to be unique

4731

1 operator services or directory services trunks?

2 A. Unique operator services, directory services
3 trunks, for example, existing feature group D trunks.

4 Q. In the letter that you and Ms. Robertson sent
5 to WorldCom last week, Exhibit 2192, did you identify in
6 that letter that WorldCom would need to have unique
7 feature group D direct final trunks in order to
8 accomplish the customized routing that they wanted to
9 accomplish?

10 A. Yes, ma'am, we did.

11 Q. Can you describe the difference between your
12 use of the word unique in this context and the word
13 that you used in response to a question from
14 Ms. Singer-Nelson, which is shared trunks?

15 A. Unique would indicate that they're used by an
16 individual terminating end user, that they're not
17 commingled with other users' traffic. Unique would be
18 that they're unique to WorldCom and not shared with any
19 other carrier.

20 Q. Okay. And so when you say end user, you
21 don't mean individual subscriber, do you?

22 A. I'm sorry, the end office switch, right.

23 Q. Mr. Craig, can you take a look, please, at
24 the exhibit that we just marked as Exhibit 2193, the
25 hypothetical that Ms. Singer-Nelson walked you through.

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1 A. I've got it.

2 Q. I would like to ask you some questions about
3 that. Looking at assumption number 1, which is that
4 there are a total of 132 switches in Washington state,
5 do you see that?

6 A. Yes, ma'am.

7 Q. Does that number include posts as well as
8 remotes?

9 A. Yes, it does.

10 Q. And to the extent that it includes remotes,
11 would separate trunks be required for customized routing
12 to the remotes?

13 A. No, they would not.

14 Q. And why is that?

15 A. Trunking for a remote switch is provided out
16 of the host switch, so there is no direct trunking to a
17 remote switch. Essentially that function is provided by
18 the host.

19 Q. And the document that was admitted as Exhibit
20 2191, a Qwest data request response, that shows, subject
21 to your being able to look at that, 21 remotes, doesn't
22 it?

23 A. I believe it does, yes.

24 Q. So that would leave 111 host switches?

25 A. Correct.

4733

1 Q. Okay. Now under assumption number 2, that a
2 switch can support 10,000 total customers, you indicated
3 that there were some switches that had a smaller
4 capacity than that; is that right?

5 A. That's correct.

6 Q. Are there also switches that have a larger
7 capacity than that?

8 A. Oh, yes.

9 Q. How much larger?

10 A. We have switches that accommodate up to
11 50,000.

12 Q. And under assumptions number 4 and 5, in
13 order for you to be able to tell whether those
14 assumptions are reasonable, you would need to be privy
15 to WorldCom's market plans and strategy; is that right?

16 A. Yes, I would.

17 Q. And are you?

18 A. No, ma'am.

19 Q. With regard to assumption number 6, is it
20 reasonable to assume that the T1 trunk would have to be
21 dedicated in the sense that it could only be used for OS
22 and DA, or could WorldCom use that for other switched
23 access traffic?

24 A. WorldCom would be able to use it for other
25 switched access traffic.

4734

1 Q. Is it reasonable to assume that it costs \$500
2 a month based on your knowledge of the costs and prices
3 that are associated with those types of facilities?

4 A. Yes.

5 Q. Is it possible that WorldCom could obtain a
6 two end trunk for less than that?

7 A. Absolutely.

8 Q. So for those facilities, depending on how
9 they're purchased, there's a range of prices available?

10 A. Correct.

11 Q. Now for assumption number 10, that a
12 residential customer is given one free directory
13 assistance call per month, in order for you to know
14 whether that is a reasonable assumption, you would have
15 to know WorldCom's business plans in that regard,
16 wouldn't you?

17 A. Yes, I would.

18 Q. And do you know those?

19 A. No, ma'am.

20 Q. Do you know of any requirement on WorldCom
21 that it provide one free directory assistance call per
22 month to residential customers?

23 A. No, I don't.

24 Q. Looking down at the columns of figures
25 entitled cost factors and revenue factors.

4735

1 A. Okay.

2 Q. Under the assumptions that WorldCom has set
3 forth, there would need to be at least one T1 trunk to
4 handle 500 customers; is that right?

5 A. That's what they laid out, yes.

6 Q. In the last line of those figures on the
7 right-hand column, WorldCom is assuming that there are
8 400 customers that it's serving; is that right?

9 A. Yes.

10 Q. Okay. And WorldCom is also assuming five
11 trunks; is that also right?

12 A. That's correct.

13 Q. Under WorldCom's assumptions set forth above,
14 would WorldCom need to assume 5 trunks to serve 400
15 customers, or could they assume a lesser number?

16 MS. NELSON: Judge, I would like to object at
17 this point. That's mischaracterizing what the document
18 shows.

19 JUDGE BERG: I think that was, just to be
20 fair, that wasn't the way I read it, but I think it's
21 something you will just have to clear up on recross,
22 establish on recross, but it's, you know, it's just
23 noted that if Ms. Anderl, you know, wants to seek
24 clarification, certainly open it up for a discussion
25 between counsel at this point.

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1 MS. ANDERL: I believe that Mr. Craig's
2 responses indicated that that's how he understood the
3 document.

4 JUDGE BERG: All right, that's important to
5 clear up. But maybe we could make that clearer. I
6 think that's something you may know, but we don't
7 actually know that to be the case, that the -- that it's
8 one consolidated table rather than two tables side by
9 side.

10 MS. ANDERL: It's certainly not clear from
11 the document, I agree.

12 JUDGE BERG: All right.

13 BY MS. ANDERL:

14 Q. Mr. Craig, under WorldCom's -- let's look at
15 the right-hand columns, okay, under revenue factors.

16 A. Left-hand column under revenue, I'm there.

17 Q. Yeah, right-hand set of columns.

18 A. Right.

19 Q. And under the customers per switch, the last
20 line says 400; is that right?

21 A. That's correct.

22 Q. And under WorldCom's assumptions set forth in
23 the document above, how many trunks would be required
24 even under WorldCom's assumptions to serve those 400
25 customers on a switch?

4737

1 A. Would need at least one T1's worth of trunks
2 to switch per switch to handle all 500 customers.

3 Q. And so it would be at least one and
4 potentially more, but we don't know whether it would be
5 more than one to serve those 400 customers?

6 A. We don't know, and we wouldn't know until we
7 had usage. It could be that all 500 customers could be
8 received with -- on a single T1.

9 Q. Are directory assistance calls generally
10 fairly of short -- of fairly short duration?

11 A. Yes, they are.

12 Q. And would that be a factor in determining how
13 many customers you could serve on a particular trunk or
14 trunk group?

15 A. Absolutely.

16 Q. And then would call volume be the other
17 factor?

18 A. Yes, it would.

19 Q. Under the DA revenue per customer per month,
20 do you see that, the \$1.25?

21 A. Yes, ma'am.

22 Q. And is it your understanding that that \$1.25
23 represents an assumption that there are two calls, but
24 the first one is free every month?

25 A. Yes, that was assumption number 10, I

4738

1 believe.

2 Q. Okay. And if, in fact, there were two calls
3 every month but WorldCom charged for both of those
4 calls, that column would reflect \$2.50; is that right?

5 A. Certainly.

6 Q. And in the total revenue per month column,
7 the figures would be double what they show?

8 A. Yes, ma'am.

9 Q. Mr. Craig, couple of other questions for you
10 on some other exhibits. Ms. Singer-Nelson admitted
11 through you Exhibit 2187, which is the E-mails from
12 WorldCom and the customized routing service request for
13 line class code document.

14 A. Yes.

15 Q. Could you turn to that, please.

16 A. Okay, I'm there.

17 Q. And WorldCom also submitted two confidential
18 documents starting at page 8, could you please turn to
19 the document that starts at page hand numbered 24, and
20 turn to that document.

21 A. I'm there.

22 Q. You indicated that you had previously
23 reviewed that document; is that correct?

24 A. That's correct.

25 Q. And do you understand that to be a document

4739

1 that WorldCom represents is a part of its request for
2 customized routing?

3 A. That's how it was presented, yes.

4 Q. The table of contents in that document on
5 page 26 shows a proposed solution; do you see that?

6 A. Yes, I do.

7 Q. And in Section 2.2.1 shown on page 11, does
8 that purport to be the Lucent vendor approach for the
9 proposed solution?

10 A. Yes, it is.

11 Q. Could you turn to that section, please, and
12 look at page which is hand numbered page 34.

13 A. Yes, I'm there.

14 Q. The introduction to that paragraph indicates
15 that it is an extract from a Lucent vendor document; do
16 you see that?

17 A. Yes, I do.

18 JUDGE BERG: Ms. Anderl, sorry to interrupt
19 you, but I'm not finding where you're at.

20 MS. ANDERL: I'm sorry, Your Honor.

21 JUDGE BERG: I might have the wrong exhibit
22 number.

23 MS. ANDERL: Go to Exhibit 2187, the hand
24 numbered page 34, which is the part of the last
25 confidential attachment.

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1 JUDGE BERG: All right, this is the part of
2 the exhibit that we're -- that's not admitted for the
3 purposes of the truth of the matter asserted; is that
4 right?

5 MS. ANDERL: That's correct.

6 JUDGE BERG: But -- okay.

7 BY MS. ANDERL:

8 Q. Mr. Craig, after you reviewed this document,
9 did you subsequently obtain a copy of the document, of
10 the Lucent document referenced therein, 235-190-115?

11 A. Yes, I did.

12 Q. And did you review that document?

13 A. Yes, I did.

14 MS. ANDERL: Your Honor, I would like to
15 distribute a document for redirect and have it marked as
16 the next exhibit in line, please.

17 JUDGE BERG: Okay, if I could have six
18 copies.

19 MS. ANDERL: You bet.

20 MS. NELSON: And could you please explain to
21 me since this is the first time I have tried a case in
22 Washington in front of you, Judge, could you tell me the
23 rules as to when you can admit records on redirect that
24 were not previously identified just so I understand the
25 way the rules work here in Washington.

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1 JUDGE BERG: You know, I have never dealt
2 with this situation myself, so if it's necessary to take
3 a recess, I will do so. My general approach is any
4 piece of evidence that is necessary to make sense of the
5 remainder of the docket and is helpful for making a
6 decision is admissible, but I understand that, you know,
7 you may have some concerns about fair play and all.

8 MS. NELSON: And frankly, it's -- I don't
9 even know what the document says or how it affects these
10 issues.

11 JUDGE BERG: Well, let's just stop right
12 there, and let's just take a look at it and see, and
13 maybe it's something that helps you rather than
14 something that hinders you, but we'll take the time to
15 deal with this before we do get into it.

16 MS. NELSON: Okay. Judge, if we could go off
17 the record.

18 JUDGE BERG: All right, let's be off the
19 record.

20 (Discussion off the record.)

21 JUDGE BERG: The exhibit that's been
22 distributed that's entitled Lucent Technologies 5 ESS
23 switch features will be marked as Exhibit 2194.

24 MS. ANDERL: Thank you, Your Honor, may I
25 proceed?

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1 JUDGE BERG: You may.

2 BY MS. ANDERL:

3 Q. Mr. Craig, do you have before you the
4 document that's been marked as Exhibit 2194?

5 A. Yes, I do.

6 Q. Do you recognize that document?

7 A. Yes, I do, it's the Lucent Technologies
8 feature document for local and toll system features.

9 Q. Is that the document 235-190-115 that is
10 identified in Section 2.2.1 of the WorldCom exhibit?

11 A. Yes, it is.

12 Q. Did you compare these two documents?

13 A. Yes, I did.

14 Q. And do you recognize that there are a number
15 of excerpts from the Lucent Technologies document
16 included verbatim in the WorldCom document?

17 A. Yes, I do.

18 Q. On the vendor approach that WorldCom has set
19 forth, there are three paragraphs there all in quote
20 marks; do you see that?

21 A. Yes, I do.

22 Q. And it starts, the alternate local service
23 provider routing feature.

24 A. That's correct.

25 Q. Okay. And it ends with a sentence that says,

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1 it also has the flexibility to allow the alt LSP or
2 alternative local service provider to select the types
3 of calls that will be handled by the LEC and those that
4 will be handled by the alt LSP?

5 A. Yes, I see that.

6 Q. Do you recognize that as a direct quote from
7 the first three paragraphs of Section 3.11.1 of what you
8 have before you as Exhibit 2194?

9 A. Yes, it is the first three paragraphs of the
10 description of this feature.

11 Q. And does the description of the feature on
12 the vendor document have a fourth paragraph?

13 A. Yes, it does.

14 Q. Can you read that into the record, please.

15 A. (Reading.)

16 This is a secured feature (SFID 269) and
17 a right to use fee (RTU) must be paid to
18 Lucent Technologies before enabling
19 information is provided.

20 Q. Does Qwest currently have this secured
21 feature in its network, in its 5 ESS switches in
22 Washington?

23 A. No, ma'am, we don't.

24 Q. Did you do any research on the amount of the
25 right to use fee that would be required to be paid to

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1 Lucent Technologies before enabling information is
2 provided?

3 A. Yes, I did, and maybe I need to clarify my
4 previous answer. The secured software features from
5 Lucent are resident in the switch. They're not
6 activated until the right to use fee is paid to Lucent.

7 Q. Thank you for that clarification.

8 What did you learn when you researched the
9 right to use fee?

10 A. If Qwest were to buy the corporate license,
11 which is the cheapest route available, we could activate
12 this feature for \$30,000 per 5 E switch.

13 Q. And the document that Qwest provided as a
14 data request response and that's been marked as Exhibit
15 2191, subject to your review on that, does that show
16 that there are 43 5 ESS switches on end office spaces in
17 the state of Washington?

18 A. Yes, ma'am.

19 Q. And if WorldCom were willing to pay that
20 right to use fee in order to enable that secured
21 feature, would Qwest be willing to implement that for
22 WorldCom?

23 A. Absolutely.

24 Q. To the extent that this description in this
25 document is a description of WorldCom's desire for how

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1 it wants custom routing provisioned, is that the way
2 Qwest currently provides or offers customized routing?

3 A. No, ma'am.

4 Q. Is it fair to call this a customized
5 customized routing request?

6 A. It appears to be the case, yes.

7 Q. And is WorldCom -- is Qwest willing to
8 continue to work with WorldCom to find solutions for
9 implementation?

10 A. Absolutely.

11 MS. ANDERL: Your Honor, I have no further
12 redirect other than that I would move the admission of
13 Exhibit 2194.

14 MS. NELSON: I have no objection.

15 JUDGE BERG: Exhibit 2194 is admitted to the
16 record.

17 Thank you, Ms. Anderl.

18 Ms. Doberneck, any questions for this
19 witness?

20 MS. DOBERNECK: No, Your Honor.

21 MS. NELSON: I guess if it's my turn, I will
22 go.

23 JUDGE BERG: It is, thank you.

24

25

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

2 BY MS. NELSON:

3 Q. I only have a few, just a few things,
4 Mr. Craig. Let's go to the exhibit that is your letter
5 to Mr. Caputo. It's Exhibit 2192. Do you have that?

6 A. Yes, I do.

7 Q. You talked to Dr. Gabel and a little bit with
8 Ms. Anderl about your statement in the letter that it's
9 not technically feasible to custom route DA/OS calls to
10 a Qwest tandem because the call will automatically be
11 routed back to Qwest; do you see that?

12 A. Yes, I do.

13 Q. If Qwest were to do the switch translations
14 that MCI WorldCom has requested, would then the call be
15 routed to Qwest -- to MCI WorldCom's feature group D
16 trunks?

17 A. If the call were routed on a presubscribed
18 basis, the answer would be yes.

19 Q. And MCI WorldCom has requested that the
20 translations be performed in order to enable the traffic
21 to be routed to the feature group D trunks; isn't that
22 right?

23 A. Yes and no. Yes, they have requested it in
24 the 5 E switch. No, they haven't requested it in any
25 other vendor switch.

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1 Q. And the documents that MCI WorldCom submitted
2 to Qwest include requests to perform those translations
3 not only in the Lucent switches but also in the other
4 switches, the other types of switches in Qwest's
5 network; isn't that right?

6 A. Of the documents that I saw from WorldCom,
7 they include switch types that Qwest does not have
8 deployed in their network.

9 Q. You have Nortel switches deployed in your
10 network; isn't that right?

11 A. We have some vintage of Nortel switches, yes.

12 Q. Now in the discussion that you had with
13 Dr. Gabel relating to comparing the situation for
14 customized routing for local OS and DA calls to the
15 current system where Qwest routes long distance OS and
16 DA calls to WorldCom's feature group D trunks, do you
17 recall that conversation, the comparison of those two
18 types of calls?

19 A. I recall the conversation. I don't recall
20 the characterization of the difference local operator
21 services and toll operator services.

22 Q. Do you understand that we're talking about
23 customized routing here because MCI WorldCom wants to
24 provide its own operator services and directory
25 assistance to its UNE-P customers which are local

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1 customers; do you understand that?

2 A. I understand that be to the request, and I
3 understand that customized routing is, as we offer it,
4 would solve that, would fulfill that request.

5 Q. Okay. So when we're talking about customized
6 routing here, we're talking about its use for local
7 customers, for MCI WorldCom local customers; do you
8 understand that?

9 A. It would be for locally dialed 411 and local
10 what's termed as local operator services.

11 Q. Okay. When we were -- when you were
12 discussing with Dr. Gabel the way that Qwest currently
13 routes long distance operator services and directory
14 assistance calls to MCI WorldCom's feature group D
15 trunks, do you recall that discussion?

16 A. I recall a discussion about how operator
17 services and directory assistance calls are routed at
18 the access tandem. I don't know that there was ever a
19 distinction that I'm recalling as whether it was local
20 DA or local operator services or toll operator services.

21 Q. When you route the traffic to MCI WorldCom's
22 feature group D trunks today, do you translate the 411
23 or the digits that are dialed by the caller to a PIC
24 code at the central office to make it go to MCI
25 WorldCom's feature group D trunks?

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1 A. We don't custom route for WorldCom currently
2 today.

3 Q. In the long distance?

4 A. For operator services. For long distance
5 operator services, yes, we do.

6 Q. Thank you, and that's what my question was in
7 the context of. So it sounds like we agree with each
8 other that today for long distance operator services and
9 directory assistance calls, I just want to make the
10 record clear, that Qwest translates the call to a PIC
11 code at the central office to make it go to MCI
12 WorldCom, unique MCI WorldCom feature group D trunks?

13 A. No, I -- no, I didn't understand the
14 conversation we just had that way, no. What we do today
15 is we route MCI equal access interLATA operator services
16 to either the MCI's direct final, I'm sorry, either to
17 their primary high direct trunk groups or to the access
18 tandem on a shared basis using equal access call
19 processing that we would route the call the same as if
20 it were a one plus ten digit interLATA call.

21 Q. Sure, and regardless of whether it goes
22 directly over the MCI WorldCom trunks initially or
23 shared access trunks, when it gets to the tandem, it
24 eventually gets to MCI feature group D trunks; isn't
25 that right?

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1 A. It is routed to the tandem on a commingled
2 shared basis. It is eventually routed to MCI's trunks
3 out of the tandem, yes.

4 Q. Thank you. For line class codes, when you're
5 creating a line class code, you can do anything you want
6 to change the nature of the call, can't you?

7 A. It's possible to do anything we want, if
8 that's the question, yes. Are there some industry
9 guidelines or are there some other standards that we use
10 on how we do that? I think those come into play as
11 well.

12 Q. When you were talking with Ms. Anderl about
13 the FCC's 411 presubscription docket and Ms. Anderl
14 referred to an AT&T position; do you recall that?

15 A. Yes, I do.

16 Q. Isn't it true that AT&T utilizes traditional
17 feature group C signaling to route operator services and
18 directory assistance calls?

19 A. Not in all instances, no.

20 Q. Is traditional feature group C signaling the
21 same signaling that Qwest uses in its network?

22 A. That's what we use for intraLATA toll, yes,
23 it is. Feature group C does not have a PIC code on it,
24 and it's routed through the access tandem based on
25 dialed digits on a terminating basis.

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1 Q. And MCI WorldCom is not able to use feature
2 group C trunks; isn't that right?

3 A. I think it's technically possible they could.
4 Whether they're choosing not to, I think that's up to
5 them.

6 Q. MCI WorldCom does not use feature group C
7 trunks in any of its trunk arrangements; isn't that
8 right?

9 A. For one plus ten digit interLATA, that would
10 be a true statement.

11 Q. Could you find --

12 MS. NELSON: Just a minute, let me see if I
13 have any more questions.

14 BY MS. NELSON:

15 Q. Mr. Craig, I do have another question, with
16 regard to Ms. Anderl's exchange with you relating to the
17 right to use fees; do you recall that?

18 A. Yes, I do.

19 Q. Is that an offer that Qwest has made previous
20 to today to MCI WorldCom?

21 A. No, we haven't. And as I discussed earlier,
22 one of the -- one of the reasons possibly would be it
23 only solves a third of the problem. The software that
24 we purchased for a 5 E switch doesn't give us the same
25 capability on any other switch, feature switch. So, for

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1 instance, our Nortel switches we would not be able to
2 offer presubscription, because Nortel hasn't developed
3 the software yet. So we have the problem that we have
4 only solved a third of the problem in a third of the
5 network.

6 Q. Isn't it true that Qwest could use standard
7 table translations to do the translations that WorldCom
8 requests, that you wouldn't be required to use
9 presubscription?

10 A. We can custom route without buying any
11 software today. What WorldCom has requested is
12 presubscription. That's not a part of our product
13 offering, and if that's what they want, we need to do a
14 network solution for WorldCom.

15 Q. So are you saying that today that there's no
16 technical feasibility issues with regard to WorldCom's
17 request, but instead it's Qwest's position that it will
18 not permit any presubscription?

19 A. I don't know what you mean by technically
20 feasible. It's -- anything in the network is possible.
21 How it applies to custom routing I think is where we
22 need to come to some decision, and that's the intent of
23 the implementation meetings that we're having with
24 WorldCom. Qwest would like to have a uniform product
25 that we can deploy in any of our switches at any switch

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1 type. It's possible to put a customer out at DA and OS
2 traffic on a traditionally signaled basis on a feature
3 group D trunk group traditionally. We can put it on the
4 trunk group with operator services signaling, we can do
5 a lot of different things, so a lot of different things
6 are possible.

7 MS. NELSON: I have nothing further.

8 MS. TENNYSON: Your Honor, I do have a couple
9 of follow-up questions.

10 JUDGE BERG: All right, Ms. Tennyson.

11

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

13 BY MS. TENNYSON:

14 Q. Mr. Craig, you have just been discussing, you
15 said I think that anything is possible in the network,
16 and I know that's not a totally true statement, but
17 isn't it possible to build a line class code for
18 WorldCom such that when a WorldCom customer dials the
19 digits 411, the originating switch uses a specialized
20 routing that deletes those dialed digits 411 and
21 replaces them with some other number string such as
22 360-555-1212 and the PIC code for WorldCom?

23 A. Part of that is true. We can delete the
24 digits 411. We can outpulse any ten digits that they
25 would like us to outpulse. We can not attach the PIC

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1 code into the message at that point in time, because
2 it's past the call processing of the switch, where the
3 switch has made a determination, am I using traditional
4 signaling software or am I using equal accessing
5 signaling software, and it would not go back and
6 retrieve the PIC code.

7 Q. Okay. So if we then had the 360-555-1212 but
8 not the WorldCom PIC code, where would that call go?

9 A. We could put it on WorldCom's direct primary
10 high group. That would look like a terminating call off
11 of that trunk group. If that trunk group is alternate
12 routed to the access tandem, the access tandem would
13 look at its routing tables, and it would say, do I have
14 NPI NXX 360-555-1212 translated in my switch for a
15 terminating basis, and it would route the call
16 accordingly.

17 Q. So as long as WorldCom recognized those ten
18 digits as a directory assistance call, the call would be
19 completed correctly across a Qwest tandem feature group
20 D trunk using SS7 signaling?

21 A. The call would be transmitted to the tandem
22 and ultimately to WorldCom on a feature group C basis
23 that would be feature group D like, and the D like is
24 that it looks like a terminating call. The feature C
25 part is it's lacking a PIC. And WorldCom could also do

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1 that with the three digits 411.

2 Q. Okay. You had also testified that Qwest
3 doesn't use feature group D for its intraLATA toll
4 traffic; why doesn't Qwest use feature group D?

5 A. Feature group D is an equal access signaling
6 protocol that came about as -- with divestiture. And as
7 a 251 company, we were -- we are prohibited from having
8 a PIC code like an interexchange carrier.

9 Q. Okay.

10 A. So feature group C was in place or the toll
11 signaling, that's why its referred to as traditional
12 signaling, because traditionally that's what it was when
13 AT&T was the big giant network across the nation. With
14 divestiture, the RBOCs were prohibited from having a PIC
15 since they are not interexchange carriers, so we still
16 utilize feature group C intraLATA signaling for
17 intraLATA toll calls.

18 MS. TENNYSON: Thank you, I have nothing
19 further.

20 JUDGE BERG: Anything else,
21 Ms. Singer-Nelson?

22

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

24 BY MS. NELSON:

25 Q. When you were speaking with Ms. Tennyson, you

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1 just in the last exchange talked about -- hm, I'm losing
2 my train of thought, but my point is that Qwest is not
3 prohibited from having a CIC code; isn't that right?

4 A. I think Qwest Corporation as an in-region
5 local -- incumbent local exchange carrier, yes, I
6 believe we are.

7 Q. Prohibited from having a CIC code, C-I-C?

8 A. A carrier identification code. In the term
9 of equal access, carrier identification code would be
10 the same as a presubscribed interexchange carrier PIC
11 code. The terms and equal access are synonymous. If we
12 talk about some other signaling protocol, the term the
13 acronym CIC, C-I-C, may have a different function or a
14 different meaning.

15 Q. Isn't it true that every carrier has a CIC in
16 the LERG?

17 A. I think every carrier has what's called a
18 carrier number. We refer to it as an OCN or originating
19 carrier number, and it has a totally different meaning
20 and context, and it's used differently than a routing
21 instruction for a presubscribed interexchange carrier.

22 Q. MCI WorldCom did not ask for customized
23 routing requiring presubscription; isn't that right?

24 A. No, that's not -- that's not my understanding
25 of their request.

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1 Q. The request did not require -- did not
2 request presubscription?

3 A. It was culled out in the documentation that
4 they sent to us, so it's never been made clear to us
5 that that isn't part of the request. The request that
6 they sent to us included presubscription.

7 Q. Qwest is choosing not to provide what it has
8 termed as presubscription; isn't that right?

9 A. That's true.

10 Q. It's not a technical issue, is it?

11 A. I think it's a business decision, and it's
12 also an industry decision. That's why it's in front of
13 the FCC.

14 MS. NELSON: Judge, I have nothing further,
15 thank you.

16 MS. ANDERL: Nothing, Your Honor.

17 JUDGE BERG: All right, Mr. Craig, the
18 Commission both thanks and does not not thank you for
19 being here and helping us, and you certainly are an
20 expert, and we appreciate your assistance. At this
21 time, you are excused from the witness stand.

22 THE WITNESS: Thank you, it was my pleasure.

23 JUDGE BERG: Let's be off the record.

24 (Luncheon recess taken at 12:10 p.m.)

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1 A F T E R N O O N S E S S I O N

2 (1:40 p.m.)

3 JUDGE BERG: As a matter of case management,
4 at this time we are going to admit certain exhibits into
5 the record by stipulation between the parties. First
6 are the exhibits that have been designated for Ms. D.
7 Marti Gude, Qwest witness, Exhibits T-2210 through 2214.
8 Those exhibits are admitted to the record.

9

10 (The following exhibits were identified in
11 conjunction with the testimony of D. MARTI GUDE.)

12 Exhibit T-2210 is Rebuttal Testimony of D.
13 Marti Gude (DMG-T1). Exhibit 2211 is Chronology of
14 Testimony Provided by Gude (DMG-2). Exhibit T-2212 is
15 Supplemental Rebuttal Testimony of Gude (DMG-T3).
16 Exhibit 2213 is WUTC 17th Supplemental Order in
17 UT-960369. Exhibit 2214 is WUTC 9th Supplemental Order
18 in UT-991358.

19

20 JUDGE BERG: Next we have the exhibits that
21 are associated with WorldCom's witness Peter Gose, and
22 those exhibits begin with T-2310, CT-2310 through
23 Exhibit 2334. Those exhibits are admitted.

24 MR. SHERR: Your Honor.

25 JUDGE BERG: Yes.

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1 MR. SHERR: I think do you mean 2314?

2 JUDGE BERG: Yes, I'm sorry, I skipped over
3 Mr. Caputo. That would actually be 2322, so let me
4 state it again to be clear. We do have a staff
5 cross-exhibit at 2322.

6 MR. SHERR: Your Honor, that's Mr. Lehmkuhl.

7 JUDGE BERG: Boy, I am really trying to
8 streamline this process. All right then, let's try this
9 from the top.

10 Exhibits associated with Mr. Gose, Exhibits
11 T-2310, CT-2310 through 2317 are admitted. Thank you,
12 counsels.

13

14 (The following exhibits were identified in
15 conjunction with the testimony of PETER GOSE.)

16 Exhibit T-2310, CT-2310 is Confidential
17 Direct Testimony of Peter Gose. Exhibit 2311 is Resume
18 of Peter Gose. Exhibit 2312 is Denver Post Article,
19 "Sagging Qwest Gets Out the Ax". Exhibit 2313 is Qwest
20 Form 10Q for Quarter ended 9/30/01. Exhibit T-2314,
21 CT-2314 is Confidential Supplemental Testimony of Peter
22 Gose. Exhibit 2315 is Qwest Response to WorldCom Data
23 Request No. 04-421. Exhibit 2316 is WorldCom Response
24 to Staff Data Request No. 12. Exhibit 2317 is WorldCom
25 Response to Staff Data Request No. 14.

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JUDGE BERG: And for Mr. Timothy Gates, WorldCom's witness, Exhibits T-2340 through 2343 are admitted with exception to several lines of testimony which I understand are to be stricken.

Is that correct, Ms. Singer-Nelson?

MS. NELSON: That's correct, sir, and the specific lines that are to be stricken are at page 9 of Mr. Gates' testimony. It's the first bullet point, so it's lines 1, 2, and 3 from that testimony. And the reason they're being stricken is because there was no other mention of the matter addressed in that bullet point in Mr. Gates's testimony. It's addressed fully in Mr. Caputo's testimony instead.

JUDGE BERG: All right. Exhibits 2341 through 2343 are admitted in their entirety, and Exhibit T-2340, page 9, lines 1 through 3 are stricken, and the remainder of the Exhibit T-2340 is admitted.

(The following exhibits were identified in conjunction with the testimony of TIMOTHY GATES.)

Exhibit T-2340 is Direct Testimony of Timothy Gates. Exhibit 2341 is Summary of Timothy Gates' work experience and education. Exhibit 2342 is WorldCom Response to Staff's Data Request No. 19. Exhibit 2343

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1 is WorldCom Response to Staff's Data Request No. 21.

2

3 JUDGE BERG: And then finally, we have the
4 testimony, I should say the exhibits that are designated
5 for staff witness David Griffith, there's one exhibit,
6 his supplemental response testimony, that has been
7 marked as Exhibit T-2380. That exhibit is admitted to
8 the record, and I will also note that I am informed by
9 all parties that there is no cross-examination for
10 Mr. Griffith.

11

12 (The following exhibits were identified in
13 conjunction with the testimony of DAVID GRIFFITH.)

14 Exhibit T-2380 is Supplemental Response
15 Testimony, 12/21/01 (DEG-1T).

16

17 JUDGE BERG: The admission of the exhibits
18 for Mr. Gates, Mr. Gose, and Ms. Gude as well releases
19 them from appearing for cross-examination at the
20 hearing.

21 Anything else counsel wants to address on the
22 record before we resume with this witness or until we
23 begin with this witness?

24 All right then, Mr. Caputo, if you would
25 please stand and raise your right hand.

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(The following exhibits were identified in
conjunction with the testimony of EDWARD CAPUTO.)

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Exhibit T-2330 is Direct Testimony of Edward
Caputo. Exhibit 2331 is WorldCom's Response to Qwest
Data Request No. 36. Exhibit 2332 is WorldCom's
Response to Qwest Data Request No. 38. Exhibit 2333 is
WorldCom's Response to Qwest Data Request No. 39.
Exhibit 2334 is WorldCom Response to Staff Data Request
No. 27.

Whereupon,

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EDWARD CAPUTO,

having been first duly sworn, was called as a witness
herein and was examined and testified as follows:

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

BY MS. NELSON:

Q. Mr. Caputo, could you please state your name
and spell your last name for the record.

A. Yes, my name is Edward Caputo, that's
C-A-P-U-T-O.

Q. And your address?

A. 601 South 12th Street, Arlington, Virginia.

Q. Are you an employee of WorldCom?

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1 A. Yes, I am.

2 Q. What is your position with WorldCom?

3 A. I'm the director of operator and directory
4 services for the company.

5 Q. Have you appeared as a witness before in
6 Washington?

7 A. No, not in Washington.

8 Q. Why don't you then just briefly describe your
9 job responsibilities at WorldCom.

10 A. Sure. I have a number of different
11 responsibilities in my job. First and foremost is to
12 run our operator services operations. That includes
13 over 9 call centers, about 4,000 operator seats, about
14 6,000 operators. We handle more than 300 million
15 operator and directory assistance calls a year through
16 those call centers. I'm also responsible for helping to
17 develop and deliver and implement operator and directory
18 assistance products and services to our long distance
19 customers and also to our local customers on both our
20 facilities based local platform and our UNE-P local
21 platform. I also am responsible for technical support
22 for our operator platform. And I also as a fourth
23 full-time job testify at public utility commissions to
24 make sure that the business requirements that MCI
25 WorldCom has with respect to our operator and directory

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1 services products and services are supported in the
2 public utility commission decisions and hearings.

3 Q. Mr. Caputo, did you prepare what's been
4 marked as T-2330, which is your direct testimony?

5 A. Yes, I did.

6 Q. Is it true and correct to the best of your
7 knowledge?

8 A. Yes, it is.

9 MS. NELSON: I move for the admission of
10 Mr. Caputo's direct testimony marked T-2330.

11 JUDGE BERG: Hearing no objection, Exhibit
12 T-2330 is admitted.

13 MS. NELSON: Mr. Caputo is available for
14 cross-examination.

15 MS. ANDERL: Thank you, Your Honor.

16

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

18 BY MS. ANDERL:

19 Q. Good afternoon, Mr. Caputo.

20 A. Good afternoon.

21 Q. You just filed the one piece of testimony; is
22 that right?

23 A. That's correct.

24 Q. And referring to that document, on page 1 of
25 16 you describe your professional experience; do you see

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1 that at lines 11 through 15?

2 A. Yes.

3 Q. You describe that you essentially held
4 management positions for all of your professional
5 career; is that right?

6 A. That's correct.

7 Q. So does that mean that you have never been a
8 telecommunications engineer?

9 A. That's correct.

10 Q. Or a technician?

11 A. That's correct.

12 Q. Either for switch work or outside plant?

13 A. That's correct.

14 Q. Take a look, please, at the executive summary
15 portion of your testimony. On line 5 where you say
16 TELRIC or cost based, are you there meaning to use those
17 terms synonymously or to draw a distinction between the
18 two when you use the term --

19 A. Synonymously.

20 Q. On line 9 you use the term market based
21 pricing methodology, what is that as you use that in
22 your testimony?

23 A. Well, I guess in my understanding of what a
24 market based pricing methodology would be, it would be
25 that there would be a number of different suppliers of a

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1 particular good or service and a number of different
2 customers interested in buying that good or service, and
3 that the supply of that service and the demand of the
4 service would determine at what price customers would be
5 willing to pay for something and at what price sellers
6 would be willing to sell something.

7 Q. And, Mr. Caputo, are you an economist?

8 A. No, I am not.

9 Q. You identified in your testimony market based
10 pricing and cost based pricing here in the executive
11 summary. Are there other types of pricing methodologies
12 of which you're aware?

13 A. No.

14 Q. On line 9 of that executive summary still,
15 you state that market based pricing methodology is
16 inherently discriminatory; what do you mean by
17 inherently?

18 A. Well, I think that line is in context with
19 the previous line where I say that nondiscriminatory
20 access means that it, that it meaning a LEC or in this
21 case Qwest, must offer operator and directory services
22 at the same price that it offers those services to
23 others including itself. And to the extent that a LEC
24 provides services to itself at its cost of providing
25 that service, a price that's charged that would be over

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1 the cost would be discriminatory as to other carriers.

2 Q. And when you say cost there, do you mean
3 TELRIC cost?

4 A. I mean the costs associated with actually
5 providing the service, so if that means TELRIC, I guess
6 that's what it means.

7 Q. Well, does it mean TELRIC, or does it mean
8 embedded?

9 A. You mean imputed?

10 Q. Do you have an understanding of what the term
11 embedded costs means?

12 A. No, I don't.

13 Q. So your discussion there on lines 9 and 10 of
14 your executive summary, is it correct after your
15 explanation today to understand from that that you don't
16 mean that all market based pricing is discriminatory, do
17 you?

18 A. I mean in the context of providing operator
19 and directory assistance services to a carrier where the
20 carrier has requested customized routing and has not
21 received customized routing. If there -- if then the
22 provider or the LEC does not offer the service at a cost
23 based rate, it would be discriminating against the
24 carrier that's requested customized routing.

25 Q. And then the obverse of that would be also

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1 true, and by that I mean if the LEC offers operator
2 services and directory assistance at a cost based rate,
3 there would not be any discrimination?

4 A. If it provides those services on a cost based
5 rate basis, yes.

6 Q. Offers and provides?

7 A. Provides, right.

8 Q. Now in the main portion of your testimony and
9 in your oral summary, you indicated that you had over
10 the past year significant responsibilities in the area
11 of the provisioning of operator services and directory
12 assistance; is that correct?

13 A. Yes.

14 Q. Does WorldCom, well, confirm for me, please,
15 that WorldCom currently provides operator services and
16 directory assistance services.

17 A. We provide both of those services on both a
18 long distance basis, and that would be for customers
19 that sign up for MCI WorldCom as their long distance
20 carrier. So if a customer needs a operator assisted
21 long distance service, they would, being PIC'd to our
22 company, they would go to our operators to obtain that
23 type of service. And also if a PIC'd MCI customer dials
24 an area code 555-1212 that's outside of their local
25 calling area, that traffic would be handled by MCI

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1 operators, MCI directory assistance operators.

2 And in addition to that, for our facilities
3 based local customers, when our facilities based local
4 customers require local operator services, they are
5 handled by MCI WorldCom local operator services
6 employees. And when they request directory assistance,
7 local directory assistance, they also obtain that
8 service directly from MCI WorldCom directory assistance
9 operators.

10 Q. Do you currently have responsibilities for
11 the pricing of WorldCom's operator services and
12 directory assistance services?

13 A. No, I do not.

14 Q. Have you ever?

15 A. No, I have not.

16 Q. Turn to page 6 of your testimony, if you
17 would, on line 17 and also on line 10, you cite the
18 Telecommunications Act, Section 251(b)(3); is that
19 correct?

20 A. Yes, that's correct.

21 Q. And I guess to be clear, on line 17 you're
22 quoting from the FCC's UNE Remand Order?

23 A. Yes.

24 Q. Is it fair to say that at page 6, lines 9 and
25 10, you are citing to Section 251(b)(3) of the

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1 Telecommunications Act as support for the proposition
2 that all local service providers must make operator
3 services and directory assistance available under the
4 principles of dialing parity?

5 A. Well, I believe the Telecommunications Act
6 requires that incumbent local exchange carriers make
7 directory assistance and operator services available on
8 a nondiscriminatory basis to requesting competitive
9 local exchange carriers on a non-discriminatory basis
10 under the principles of dialing parity.

11 Q. I hate this question, but of course I have to
12 ask it, are you an attorney?

13 A. No.

14 Q. All right, got that out of the way.

15 Could you please turn to the section of the
16 Telecommunications Act that we have just been talking
17 about that your counsel has kindly handed to you.

18 A. Sure.

19 Q. Do you have that Section 251(b)?

20 A. Trying to find it here, 251. I'm not seeing
21 it, sorry.

22 MS. ANDERL: May I approach?

23 JUDGE BERG: Let's be off the record for a
24 moment.

25 (Discussion off the record.)

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1 BY MS. ANDERL:

2 Q. And, Mr. Caputo, clearly the law says what it
3 says, and so I'm, you know, not really asking you
4 questions about this for purposes of establishing what
5 the law says, but only to clarify what your
6 understanding of those provisions are. Do you recognize
7 in subsections (b) and subsection (c) that both of those
8 subsections place obligations on local exchange carriers
9 based on the titles of those sections, subsections?

10 A. Yes, well, (c) says additional obligations of
11 incumbent local exchange carriers.

12 Q. Correct, and section (d) says obligations of
13 all local exchange carriers?

14 A. Yes.

15 Q. And (b)(3) then is the dialing parity
16 provision; is that right?

17 A. Yes.

18 Q. So do you recognize then at least by the
19 words on that page that the dialing parity requirements
20 that you have cited in your testimony apply to all local
21 exchange carriers, not just incumbents?

22 A. Sure, I will agree that's what it says.

23 Q. On page 7 of your testimony, lines 15 through
24 17, you state that the only way to ensure that Qwest
25 complies with Section 251(b)(3) is for Qwest to file a

4772

1 cost study; is that your testimony?

2 A. Yes.

3 Q. Is there any other way that you can think of
4 that Qwest could show that it was operating in a
5 nondiscriminatory manner?

6 A. With respect to cost based rate, I don't
7 believe so.

8 Q. Well, let me ask the question again. With
9 regard to compliance with Section 251(b)(3), for Qwest
10 to show that it is operating in a nondiscriminatory
11 manner, is there any way in your mind that Qwest could
12 show that other than by filing a cost study?

13 MS. NELSON: I think it was asked and
14 answered.

15 JUDGE BERG: Just highlight the distinction.

16 MS. ANDERL: Mr. Caputo --

17 JUDGE BERG: Without necessarily disclosing
18 your strategy.

19 MS. ANDERL: There was nothing really to give
20 away. Mr. Caputo's answer was with regard to cost based
21 rate, and I guess all I want to explore with him is, is
22 a cost based rate basically synonymous in his mind with
23 nondiscriminatory pricing, and what I'm really looking
24 for is a way through these questions to sync up and
25 explore whether those are 100% overlapping or if there's

4773

1 some way that something could be cost based but
2 discriminatory or not necessarily cost based but also
3 nondiscriminatory.

4 JUDGE BERG: All right.

5 MS. ANDERL: So that's kind of where I'm
6 going, and so I agree that I had asked that question,
7 but I hadn't gotten the clarity in the answer that I had
8 been seeking.

9 JUDGE BERG: All right, go ahead and continue
10 on that line of questions.

11 BY MS. ANDERL:

12 Q. There, now you know everything that I want to
13 know, Mr. Caputo.

14 A. I don't think that's true.

15 Q. Do you have any comments?

16 MS. NELSON: Well, Ms. Anderl, I would
17 suggest maybe that you reword the question then, because
18 Mr. Caputo has already answered the one question that
19 you have asked.

20 JUDGE BERG: Well, I'm not going to be hyper
21 technical about this, particularly at this juncture.
22 This is a sort of a foundation question, and if this
23 question gets asked and answered a second time for the
24 sake of continuity, I'm going to allow that.

25 BY MS. ANDERL:

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1 Q. Mr. Caputo, could something be cost based and
2 still discriminatory?

3 A. Well, I think this particular section
4 discusses dialing parity and the duty to provide dialing
5 parity to competing carriers with respect to telephone
6 numbers, operator services, directory assistance, and
7 directory listings on a nondiscriminatory basis. So in
8 my view, what that means is that if the LEC does not
9 provide customized routing as it's required to do under
10 the FCC's UNE Remand Order in order to be relieved of
11 its obligation of providing OS and DA services as a UNE,
12 then if it doesn't -- if it charges anything other than
13 a cost based rate for those services where it is not
14 providing customized routing, then that is a
15 discriminatory rate. So I don't know if I answered your
16 question. I think I did, but.

17 Q. I think the answer is in there somewhere, but
18 let me ask again. So is it your testimony then that in
19 the context of 251(b)(3) nondiscriminatory is exactly
20 equal to cost based?

21 A. Yes.

22 Q. Has WorldCom ever filed a cost study for its
23 operator services and directory assistance rates with
24 this Commission, to your knowledge?

25 MS. NELSON: Objection, relevance.

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1 MS. ANDERL: Your Honor --

2 JUDGE BERG: Well, this does go to a duty of
3 all LECs under Section 251(b), so I will allow the
4 question to be asked.

5 MS. ANDERL: Thank you, Your Honor.

6 A. I don't know if we have or not. I'm not
7 aware that there's an obligation on CLECs to provide
8 cost studies for those things.

9 BY MS. ANDERL:

10 Q. And the same question then with regard to
11 whether WorldCom has filed such a cost study with the
12 FCC?

13 A. Again, I'm not aware of any.

14 Q. Are WorldCom's operator services and
15 directory assistance rates cost based?

16 A. I'm not sure I understand your question.

17 Q. Perhaps you could tell me what part of it you
18 don't understand.

19 A. When you say are rates cost based, which
20 rates are you talking about?

21 Q. Your operator services and directory
22 assistance rates.

23 A. To what party?

24 Q. To your end users.

25 A. Well, I would believe that they were or I

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1 would certainly hope that they were based on at least
2 some understanding of the cost of providing service so
3 that we could determine, you know, what we should
4 charge.

5 Q. Are you aware of whether a cost study for
6 those rates has ever been prepared by WorldCom?

7 A. I am not aware of a cost study being
8 prepared, no.

9 Q. Are you aware that Qwest's operator services
10 and directory assistance rates have been considered by
11 this Commission in previous cost dockets?

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

13 Q. You have not testified before in this docket;
14 is that right?

15 A. That's correct.

16 Q. And you have not testified before in
17 Washington; is that right?

18 A. That's correct.

19 Q. Did you review any prior Commission orders in
20 Washington in preparation for giving your testimony here
21 today?

22 A. No.

23 Q. Did you investigate either through your
24 counsel or other sources that you might have at WorldCom
25 as to whether or not Qwest's operator services and

4777

1 directory assistance rates had ever been considered by
2 the Washington Commission?

3 A. No, I did not.

4 Q. Would you accept subject to your check that
5 Qwest's operator services and directory assistance rates
6 were considered by the Commission in Docket UT-960369?

7 A. Yes, I would agree subject to check.

8 Q. Would you also accept subject to your check
9 that in that docket the Commission ordered a resale
10 discount, not UNE pricing, but a resale discount of
11 7.97% off the retail price for resalers who resell
12 Qwest's operator services and directory assistance?

13 A. Sure, subject to check I would say that I
14 would agree with that. I think that's consistent with
15 the tariff, with the reference to the tariff from
16 earlier from Ms. Malone's testimony.

17 Q. Have you, actually only two questions away,
18 have you reviewed Qwest's wholesale tariff in
19 Washington, WNU 42?

20 A. Yes.

21 Q. In your review of that wholesale tariff, did
22 you see there operator services and directory assistance
23 rates?

24 A. I did see rates. Are you talking about
25 Section 3.3?

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1 Q. Yes, I am.

2 A. Yes, I saw Section 3.3.

3 Q. And are you aware or would you accept subject
4 to your check that those rates were established by the
5 Commission at a time prior to the UNE Remand Order?

6 A. Sure, I would agree with that.

7 Q. And is it correct that at that -- during the
8 time prior to the issuance of the UNE Remand Order,
9 operator services and directory assistance were
10 considered unbundled network elements?

11 A. I don't know.

12 Q. Do you have any reason to believe,
13 Mr. Caputo, that the rates in Qwest's wholesale tariff
14 for operator services and directory assistance are not
15 TELRIC or cost based rates?

16 A. I don't know for sure. I haven't seen any
17 cost study to indicate that they are, so I don't know
18 one way or the other.

19 Q. Okay. Do you know if you asked Qwest in this
20 docket or any other proceeding whether those rates were
21 cost based?

22 A. I personally did not, and I don't know if
23 anyone else did either.

24 Q. Okay. Did WorldCom file a cost study in this
25 proceeding proposing rates for Qwest's operator services

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1 and directory assistance?

2 A. I'm sorry, can you ask that question again?

3 I wasn't sure what you were --

4 Q. Did WorldCom file a cost study in this
5 proceeding proposing or supporting rates for Qwest's
6 operator services and directory assistance?

7 A. Did we file a cost study for you?

8 Q. Yes.

9 A. I don't believe we filed a cost study for
10 you. I don't -- I'm not -- I don't think we're
11 obligated to do that. But no, I don't believe that we
12 have.

13 Q. Now does WorldCom -- WorldCom offers its own
14 directory assistance, you said that; is that right?

15 A. Yes, that's correct.

16 Q. And is that through a nationwide 800 number?

17 A. No, it is not.

18 Q. How is that, how do WorldCom customers or
19 those people who wish to obtain directory assistance
20 from WorldCom access that directory assistance service?

21 A. Well, actually, let me --

22 Q. And let's --

23 A. Let me clarify. Yes, we do have a national
24 800 service. I believe I misspoke about that, and I
25 will include that as part of my answer to your next

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1 question. There are -- we offer three methods of
2 providing directory assistance service.

3 The first is to our long distance customers,
4 and as part of the services that a interexchange carrier
5 offers or provides is directory assistance for customers
6 that want a number outside of their local calling area
7 or intraLATA or interstate directory assistance
8 information. And the typical method of obtaining that
9 is for the subscriber to dial the area code of the
10 geographic region that they're looking for in terms of
11 the number as well as the dialing pattern 555-1212.

12 What happens in that case is that that call
13 is sent to MCI WorldCom's operator service platform over
14 our feature group D trunks, from the LEC actually to our
15 feature group D trunks, and our operators will get that
16 call delivered to their work station. They will access
17 a data base of directory numbers that we provision from
18 the local exchange carriers. Our operators will provide
19 that information to the caller, and the caller can
20 either hang up and dial the number themselves, or in
21 some instances we're able to connect that caller
22 directly to the number that we have provided to them.

23 Q. I just want to get some clarification. So
24 these are for customers who are presubscribed or PIC'd
25 to WorldCom as their long distance carrier?

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1 A. Long distance customers, correct, yeah.

2 Q. And those are even customers who are, for
3 example, Qwest local exchange customers?

4 A. Yes.

5 Q. Okay.

6 A. It is any customer that has chosen MCI
7 WorldCom as its long distance provider.

8 Q. Okay.

9 A. The second area where we provide directory
10 assistance is to our facilities based local customers.
11 We have established our own switches in a number of
12 markets across the country. And in the case of those
13 customers, where they have both loop and switch services
14 from us and they dial directory assistance, they dial
15 411 for directory assistance, we take that dialing
16 pattern and we translate it to NPI 555-4334, send it
17 across our shared access feature group D trunks to our
18 long distance network, which delivers it to our operator
19 platform, and the same scenario that I already explained
20 to you before with respect to the operator's ability to
21 look up the number and provide information is delivered
22 to those customers.

23 And then the final service that we provide is
24 on an 800 basis, a national directory assistance
25 service. A customer would dial 800, and that 800 number

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1 would be delivered to the LEC switch. The LEC would
2 look that 800 number up in the SMS data base, determine
3 that MCI WorldCom was the service, responsible
4 organization for that 800 number, send that call to MCI
5 WorldCom over its shared access feature group D trunks
6 to MCI WorldCom's long distance operator network and to
7 our operator platform, and the same scenario would play
8 out, we would look up the number and provide it to the
9 caller.

10 Q. Okay. Now that 800 service, is that just for
11 the obtaining of directory assistance for toll free
12 numbers or can --

13 A. No, it's a national directory assistance
14 service so you can get a number anywhere in the country.

15 Q. And because it's an 800 number call, is that
16 then a free call for the calling party?

17 A. It is not a free call for the calling party.

18 Q. Do you know what it costs?

19 A. I believe it's 95 cents.

20 You know what, I'm going to retract
21 everything I just said about the 800 service, I'm sorry.

22 Q. From when on?

23 A. Well, actually from the very beginning. We
24 actually used to provide an 800 based service, but we no
25 longer do provide that service. We removed that service

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1 from the market a number of years ago. I'm very sorry,
2 but I confused that in my mind with our 10-10-9000
3 service. 10-10-9000 is very similar in nature, but it
4 doesn't use an 800 number dialing pattern. 10-10-9000
5 is a CIC routed call, a CIC based routed call, so the
6 subscriber would dial 10-10-9000. 9000 or 900 is a CIC
7 that MCI WorldCom owns, and so local exchange carrier
8 switches know to route anything that's dialed in that
9 nature to us as the carrier. And that call would be
10 delivered to our operator platform and serviced the same
11 way that I mentioned.

12 Q. So that --

13 A. And I apologize for my mistake in terms of
14 the 800 service. We did at one time provide a service
15 under 800, but we no longer do.

16 Q. And so that 10-10-9000 is recognized by the
17 switches as just any other interexchange call?

18 A. It's a CIC routed call.

19 Q. Were we just saying the same thing?

20 A. Yeah, sorry.

21 Q. Getting back to a question that I asked you,
22 Mr. Caputo, and you indicated to me that you did not
23 think that WorldCom was obligated to file a cost study
24 for Qwest's operator services and directory assistance
25 rates, and it may have been -- it was a precursor

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1 question to I guess my real question, which is, is
2 WorldCom proposing operator services and directory
3 assistance rates to the Commission in this proceeding
4 that it is asking the Commission to order Qwest to use?

5 A. I don't believe that we have proposed a rate.
6 I haven't proposed a rate. I don't know if any of the
7 other parties on my -- in my company have a proposed
8 rate. I would doubt it since I'm the person that's
9 testifying, so.

10 Q. That was my other question, if there was
11 anyone else who would address this subject?

12 A. I don't believe so.

13 Q. Okay. Do you have any experience,
14 Mr. Caputo, in analyzing ILEC sponsored cost studies?

15 A. I am not an economist. I have under
16 circumstances in other proceedings in other states been
17 part of a review process for a cost study. But it's not
18 what I normally do. It's not my -- not my normal role.

19 Q. Are you aware that in this proceeding Qwest
20 filed a cost study through Ms. Million for customized
21 routing?

22 A. I believe I am aware of that, yes.

23 Q. Have you spent any time reviewing that
24 document?

25 A. No, I have not.

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1 Q. And so let's then talk from here on out about
2 customized routing. Are you familiar with the FCC rules
3 that resulted from the UNE Remand Order?

4 A. Which ones?

5 Q. Sorry, there weren't that many, but the rules
6 regarding unbundled network elements.

7 A. Generally yes, and specifically for operator
8 services and directory assistance, yes.

9 Q. Okay. Are you aware of -- well, let me see.
10 You cite the UNE Remand Order in your testimony in
11 several places; is that right?

12 A. Yes.

13 Q. And in the body of the UNE Remand Order, the
14 FCC does discuss customized routing; is that right?

15 A. They make a number of different references to
16 customized routing. They talk about it in the unbundled
17 local switching requirements. They also talk about it
18 in the discussion of unbundling of operator services and
19 directory assistance services with respect to the
20 obligation to provide customized routing in order to
21 relieve the ILEC of their requirement to provide those
22 services on a non-discriminatory basis, i.e., cost based
23 rates.

24 Q. Now I did not see though that you cited
25 anywhere in your testimony to an FCC rule or other

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1 specific definition of customized routing other than
2 perhaps on page 12 of your testimony. Could you turn
3 there, please.

4 A. Sure.

5 Q. And let's look at that together.

6 A. Yes, footnote 867?

7 Q. That quote on page 12 does have a reference
8 to the UNE Remand Order at footnote 867, yes.

9 A. Mm-hm.

10 Q. Are you aware of any other definition that
11 the FCC has provided for us with regard to what the FCC
12 considers to be customized routing?

13 A. With respect to UNE Remand Order?

14 Q. Or anywhere else aside from the --

15 A. Well, the --

16 Q. Yeah, or anywhere else.

17 A. The definition of customized routing that I'm
18 familiar with in the UNE Remand Order is the one that I
19 have included in my testimony.

20 JUDGE BERG: Ms. Anderl, would you give me
21 that footnote number once again.

22 MS. ANDERL: Sure, and the cite is actually
23 carries over on Mr. Caputo's testimony on page 13, so
24 what he's referencing is the UNE Remand Order, Paragraph
25 441, and then footnote 867.

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1 JUDGE BERG: All right, I saw footnote 10 on
2 page 12, and I thought maybe that was just a typo, thank
3 you.

4 BY MS. ANDERL:

5 Q. Turning to page 16 of your testimony,
6 Mr. Caputo, in your conclusion you complain that Qwest's
7 proposed pricing regarding customized routing is too
8 vague; do you see that?

9 A. Yes.

10 Q. Is that a reference to Qwest's pricing
11 proposal to price certain types of customized routing on
12 an individual case basis?

13 A. Yes, it is.

14 Q. Are you aware that Qwest has also proposed in
15 this proceeding two specific rate elements that are
16 nonrecurring charges associated with certain types of
17 customized routing?

18 A. No, I am not.

19 Q. So you wouldn't be referring to those rate
20 elements when you make the statement that Qwest's
21 proposal is too vague?

22 A. No.

23 Q. Okay. Hypothetically, Mr. Caputo, assume
24 with me, please, that Qwest or an ILEC can offer
25 customized routing over feature group D trunks in more

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1 than one way, in other words, more than one technical
2 configuration or method.

3 A. Okay.

4 Q. Do you have that assumption in mind?

5 A. Sure.

6 Q. And if offering customized routing over
7 feature group D trunks in the manner requested by --
8 well, let me back up.

9 Let's assume that those two different ways of
10 offering customized routing have two different costs
11 associated with them.

12 A. Okay.

13 Q. Is it your belief that the carrier requesting
14 or demanding the customized routing solution ought to be
15 obligated or willing to pay the costs of the solution it
16 chooses?

17 A. Well, I'm not sure I -- I'm not sure I fully
18 understand your question. I guess the key is if a
19 requesting carrier, in the case of MCI WorldCom, if we
20 designate as we're, you know, as we're allowed to do
21 under the UNE Remand Order, if we designate specific
22 trunks over which the traffic -- over which our operator
23 and directory traffic is to be sent, then it's my
24 understanding from my readings of the rules and the
25 decisions that the FCC has made is that the incumbent

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1 carrier is required to make changes in their network to
2 accommodate that request. And if they choose not to do
3 that or if they don't do that, then they're obligated to
4 provide operator and directory assistance services as an
5 unbundled network element at non-discriminatory rates.

6 Q. And if the incumbent carrier makes changes in
7 its network in order to meet the request and incurs
8 additional costs in order to do so, do you agree that
9 the requesting carrier should be required to pay those
10 costs?

11 A. Well, I'm not sure that that's entirely
12 clear. If the carrier avoids other costs as a result of
13 doing something differently than what they're doing
14 currently, then if they, you know, if they tried to
15 impose a charge for the different methodology without
16 removing the charge on the other side, then it would be
17 double, double charging.

18 Q. Okay. And if the carrier made adjustments to
19 not charge for costs it might avoid but sought to
20 recover additional incremental costs it was incurring,
21 would it be appropriate to recover those costs from the
22 carrier requesting the customized routing solution?

23 A. Possibly.

24 Q. Under what circumstances would it not be?

25 A. I don't know. I'm not sure. It would depend

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1 on -- it would depend on what the alternative was. If
2 it didn't meet the need of the requesting carrier, then,
3 you know, certainly it would not be appropriate.

4 Q. So it's WorldCom's position that the ILEC
5 should develop a solution for customized routing that
6 meets the CLEC's needs?

7 A. Well, I think that's the whole point of
8 customized.

9 Q. So is that a yes?

10 A. Yes.

11 Q. On pages 14 and 15 of your testimony, kind of
12 along the lines that we have just been discussing, you
13 state that:

14 If Qwest develops or implements a high
15 cost customized routing solution, CLECs
16 should not be penalized.

17 Is that a correct statement of your
18 testimony?

19 A. Yes.

20 Q. And then would it also be true that if the
21 CLEC demands a high cost customized routing solution
22 that Qwest should not be penalized?

23 A. I'm sorry, can you say that again, I'm sorry.

24 Q. Yes. If the CLEC demands a high cost
25 customized routing solution, that Qwest should not be

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1 penalized?

2 A. I don't think it's our intent to penalize the
3 ILEC in any way. Our objective is to be able to handle
4 our own customers' operator and directory assistance
5 calls ourselves to the -- so that we can provide service
6 to our own customers with our own operators. We would
7 prefer to do it that way. We would -- we would also
8 prefer to be able to manage the service delivery and
9 costs associated with that service delivery, and so our
10 objective is not to propose an unduly high cost
11 solution.

12 Q. What do you mean by unduly high?

13 A. I think I was responding to your question in
14 terms of penalty.

15 Q. Okay. And I guess, Mr. Caputo, what I'm
16 trying to get at is to the extent that the CLEC's
17 customized routing solution creates additional
18 incremental costs for Qwest or any other ILEC, should
19 Qwest or the other ILEC be permitted to recover those
20 incremental costs from the requesting carrier in your
21 view?

22 A. I'm not sure that it's clear that the answer
23 to that question is yes or no. It would depend on the
24 circumstances. If the ILEC is able to use that same
25 capability to support Qwest by others, then, you know,

4792

1 the cost should be born across all potential users,
2 including the ILEC.

3 Q. Have you presented in your testimony any cost
4 analysis with regard to the costs associated with
5 WorldCom's proposed solution?

6 A. No, I have not.

7 MS. ANDERL: Thank you, Your Honor, that's
8 all that I have for this witness.

9 JUDGE BERG: All right.

10 MS. ANDERL: Except that I would like to
11 offer, and I don't know if there is any objection or
12 not, I did not cover these with the witness, two
13 cross-examination exhibits previously identified 2331
14 and 2332.

15 MS. NELSON: I have no objection.

16 JUDGE BERG: All right, Exhibits 2331 and
17 2332 are admitted.

18 Ms. Tennyson.

19 MS. TENNYSON: Yes, I just had a couple of
20 brief questions.

21

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

23 BY MS. TENNYSON:

24 Q. Mr. Caputo, does WorldCom have any switches
25 in the state of Washington?

4793

1 A. I don't know the answer off the top of my
2 head, but I could find out. I'm not really sure. I
3 think we do. I think we do have a switch in Spokane,
4 Seattle. I think we do have a switch here.

5 Q. Okay.

6 A. Two. I'm being coached.

7 Q. And assuming that WorldCom does have at least
8 one switch in the state of Washington, does WorldCom
9 offer customized routing in its switches in this state
10 so that a WorldCom customer could access another
11 carrier's directory assistance or operator services?

12 A. No, I don't believe that we do that. I do
13 know that we use the same method of customized routing
14 that we have proposed to Qwest in order to deliver our
15 customers' calls, our customers' 411 calls to our own
16 operator platform as opposed to sending those calls to
17 the CLEC or to the ILEC for servicing or to some other
18 third party provider, so.

19 Q. So would they be sent over feature group D
20 shared trunks?

21 A. Yes, they are. They are -- we have our own
22 -- we have the same types of trunks from our switches to
23 our LD network as we have from the incumbent switches to
24 our LD network, and those would be the same types of
25 shared access feature group D trunks. And like I

4794

1 mentioned earlier, when our customer dials 411, we
2 translate that call on our switch to the area code
3 associated with the telephone number that's placing the
4 call or the ANI NPI plus the digits 555-4334, and we
5 know in our switches that that call should get routed to
6 our LD trunks using the CIC code, the same type of CIC
7 code that we talked about or that Mr. --

8 Q. Mr. Craig?

9 A. Yeah, Mr. Craig talked about it earlier
10 today. Sorry.

11 Q. Okay. I'm trying to remember whether you
12 said you did or didn't offer customized routing.

13 A. We do not offer -- we do not route our calls,
14 our directory assistance calls, to any other provider of
15 operator services. We handle those calls with our own
16 operators.

17 MS. TENNYSON: Okay, thank you.

18 I believe that's all I have for this witness.

19 MS. ANDERL: Your Honor, Ms. Tennyson's
20 question jogged my memory on one.

21 JUDGE BERG: All right, why don't you go
22 ahead and --

23 MS. ANDERL: Bounce back.

24 JUDGE BERG: There may be some questions from
25 the Bench as well.

4795

1 MS. ANDERL: Oh, all right, thank you.

2

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

4 BY MS. ANDERL:

5 Q. Mr. Caputo, with regard to the facilities
6 based customers that WorldCom has.

7 A. Mm-hm.

8 Q. Do you know if those customers are permitted
9 to presubscribe to any interexchange carrier other than
10 WorldCom?

11 A. I don't know the answer to that.

12 MS. ANDERL: Thank you.

13

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

15 BY DR. GABEL:

16 Q. Mr. Caputo, earlier this afternoon you
17 answered a question about the different ways in which
18 your customers could access operator services, and I
19 just want to ask one question. And that is for the
20 states of Texas and New York, WorldCom uses the UNE
21 platform to provide service, exchange service to
22 residential customers; is that correct?

23 A. That's correct.

24 Q. In those two states, how are calls to
25 operator services handled, so if a residential customer

4796

1 who uses the UNE platform dials 411, how is the routing
2 of that handled first in New York and then in Texas?

3 A. Today in both of those states, when an MCI
4 WorldCom UNE-P customer dials either local directory
5 assistance 411 or local operator services zero plus zero
6 minus, in both states, those calls are delivered by the
7 ILEC to their own operator platform the same as they are
8 here in Washington. We have requested customized
9 routing in Texas, and we were just awarded by the Texas
10 commission the approval to do the same thing that we're
11 asking here. Let me make sure I characterize that
12 correctly. There was an order by the Texas commission
13 supporting our position with respect to operator
14 services and directory assistance and customized
15 routing.

16 Q. Okay.

17 A. And we have not had an opportunity to bring
18 that issue forward in New York state yet, but we intend
19 to.

20 DR. GABEL: Thank you.

21 JUDGE BERG: No other questions from the
22 Bench.

23 Anything further, Ms. Anderl?

24 MS. ANDERL: Just one clarifying question.

25

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

2 BY MS. ANDERL:

3 Q. Mr. Caputo, was that Texas decision a
4 decision of the full Texas commission or a recommended
5 decision by an arbitrator?

6 A. I believe it was approved by the Commission.

7 Q. Recently?

8 A. Yes.

9 Q. And it's not been implemented yet?

10 A. No.

11 JUDGE BERG: Do you wish to have some
12 redirect, Ms. Singer-Nelson?

13 MS. NELSON: Yes, I do.

14 JUDGE BERG: All right, take your time.

15

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

17 BY MS. NELSON:

18 Q. Mr. Caputo, in your description of the three
19 different ways that WorldCom currently provides operator
20 services and directory assistance, is the request for
21 customized routing here of Qwest consistent with any of
22 those methods of providing operator services and
23 directory assistance?

24 A. Yes, as I mentioned, in our facilities based
25 local services, we use the same type of customized

4798

1 routing in our own switches that we're proposing here in
2 Washington and have been since 1997.

3 Q. Remember Ms. Anderl referring to Qwest
4 proposals for customized routing in this docket, the
5 pricing proposals; do you remember that discussion?

6 A. Sorry, say that again, please.

7 Q. Ms. Anderl's discussion with you about
8 whether you have spent any time reviewing Qwest's
9 customized routing pricing proposals in this docket.

10 A. Yes, I remember.

11 Q. Why didn't you spend any time looking at
12 their proposed rates?

13 A. I believe that those were covered by a
14 protective order and -- well, actually, I'm not sure
15 about that. I'm sorry, I'm not -- I'm not -- I'm
16 drawing a blank.

17 Q. Are the rates that would apply to WorldCom's
18 request for customized routing being proposed by Qwest
19 to be on an ICB basis?

20 A. Yes.

21 Q. Is WorldCom interested in providing
22 customized routing in the manner that Qwest has
23 currently required?

24 A. I don't believe so, because in the options
25 that Qwest has offered, those require dedicated

4799

1 trunking, and we're not interested in using dedicated
2 trunking.

3 Q. And why is that?

4 A. Because it's unduly burdensome to us from a
5 financial perspective. We already have trunks between
6 the Qwest switches and our network that are able to
7 carry this traffic, and to establish an overlay network
8 would cost much, much more money than we would ever
9 recover in terms of revenue. So it's, you know, our
10 objective in terms of handling these calls is to improve
11 our financial situation with respect to our UNE-P
12 offerings, not to make it more expensive than it is
13 today.

14 Q. Mr. Caputo, is WorldCom as a CLEC required to
15 provide customized routing?

16 A. I don't believe that we are, no. Maybe I can
17 amplify on that answer. My understanding is that we are
18 not a dominant carrier in the market, and my
19 understanding is that the whole purpose of the Telecom
20 Act was to provide for competition in the local market
21 and to encourage the incumbents to unbundle their
22 networks to allow competition to flourish. And one of
23 the things that as a competitor I would want to do would
24 be able to manage the services that I provided to my
25 customers. So I can't envision any scenario where I

4800

1 would ask myself to customize route my own calls
2 somewhere else.

3 MS. NELSON: I have nothing more.

4 JUDGE BERG: All right.

5 Ms. Tennyson?

6 MS. TENNYSON: No, Your Honor, except that I
7 just realized I failed to admit or request admission of
8 Exhibit 2334, which is Staff's cross-examination exhibit
9 for Mr. Caputo.

10 JUDGE BERG: I was going to bring that up
11 before we left this witness.

12 Any objection, Ms. Singer-Nelson?

13 MS. NELSON: Oh, no, I have no objection.

14 JUDGE BERG: All right, thank you.

15 And I would also just touch on Exhibit 2333,
16 that was another cross-exam exhibit from Qwest that was
17 not offered. I want to be sure that wasn't the result
18 of an oversight.

19 MS. ANDERL: That's correct, Your Honor, it
20 was not.

21 JUDGE BERG: All right.

22 MS. ANDERL: It was not offered.

23 JUDGE BERG: All right.

24

25

4801

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

2 BY DR. GABEL:

3 Q. Mr. Caputo, I asked you in my prior question
4 about how your UNE-P customers in the Verizon and SBC
5 territory obtain access to your operator services, and
6 in light of our earlier discussion about the Louisiana
7 II order, I think I now want to amend my earlier
8 question. Are things different in the BellSouth
9 territory, or is the same method used?

10 A. No, sir, we have been trying to obtain
11 customized routing for our own UNE-P customers in just
12 about every jurisdiction dating back to 1997, and we
13 have been unsuccessful so far in obtaining it anywhere
14 where we have asked for it.

15 DR. GABEL: Thank you.

16 JUDGE BERG: Any further follow-up questions?

17 MS. ANDERL: No, Your Honor.

18 JUDGE BERG: All right.

19 Any further redirect?

20 MS. NELSON: No.

21 JUDGE BERG: All right.

22 Mr. Caputo, thank you very much for being
23 here and testifying in this hearing. You're excused
24 from the witness stand.

25 THE WITNESS: Thank you.

4802

1 JUDGE BERG: We will be off the record.

2 (Discussion off the record.)

3

4 (The following exhibits were identified in
5 conjunction with the testimony of DON PRICE.)

6 Exhibit T-2230 is Don Price Second Amended
7 Direct Testimony. Exhibit 2231 is Don Price Academic
8 and Professional Qualifications and Testimony Presented
9 Before Regulatory Agencies. Exhibit T-2232 is Don Price
10 Supplemental Testimony. Exhibit 2233 is Qwest Response
11 to WorldCom Data Request No. 01-012. Exhibit 2234 is
12 Qwest Response to WorldCom Data Request No. 01-010.
13 Exhibit 2235 is Qwest Response to WorldCom Data Request
14 No. 01-008. Exhibit 2236 is WorldCom Response to Qwest
15 Data Request No. 2; WorldCom Response to Staff Data
16 Request No. 5. Exhibit 2237 is WorldCom Response to
17 Qwest Data Request No. 3. Exhibit 2238 is WorldCom
18 Response to Qwest Data Request No. 4. Exhibit 2239 is
19 WorldCom Response to Qwest Data Request No. 7. Exhibit
20 2240 is WorldCom Response to Staff's Data Request No. 4.
21 Exhibit 2241 is WorldCom Response to Staff's Data
22 Request No. 5. Exhibit 2242 is WorldCom Response to
23 Staff's Data Request No. 8. Exhibit 2243 is WorldCom
24 Response to Staff's Data Request No. 9. Exhibit 2244 is
25 WorldCom Response to Staff's Data Request No. 11.

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1

2 Whereupon,

3

DON PRICE,

4 having been first duly sworn, was called as a witness

5 herein and was examined and testified as follows:

6

7

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

8

BY MS. NELSON:

9

Q. Mr. Price, could you please state your name

10 and business address for the record.

11

A. Yes, my name is Don Price. Business address

12

701 Brazos, that's B as in boy, R-A-Z-O-S, Suite 600,

13

Austin, Texas 78701.

14

Q. And are you employed by WorldCom?

15

A. Yes, I am.

16

Q. And what is your position at WorldCom?

17

A. My title is senior manager competition

18

policy. I'm never quite sure. And I'm in the Western

19

Region public policy group. My responsibilities include

20

testimony and development of public policy on a variety

21

of issues in state jurisdictions basically west of the

22

Mississippi.

23

Q. Do you have what's been marked as T-2230,

24

your second amended direct testimony in this docket?

25

A. Yes, I do.

4804

1 Q. Did you prepare this document?

2 A. Yes, I did.

3 Q. Is it true and correct to the best of your
4 knowledge and belief?

5 A. Yes.

6 Q. And did you also prepare what's been marked
7 as T-2232?

8 A. Yes, I did.

9 Q. Which is your supplemental testimony?

10 A. Yes.

11 Q. Is it true and correct to the best of your
12 knowledge?

13 A. Yes.

14 MS. NELSON: Move for the admission of T-2230
15 and T-2232.

16 BY MS. NELSON:

17 Q. And then 2231 is your qualifications and your
18 background. Do you have that attached to your
19 testimony?

20 A. It is not attached to what I have before me.
21 It was, of course, originally attached to the testimony
22 that was filed in December. I frankly don't know how
23 that was dealt with with the second amended testimony
24 that essentially replaced that initial reply testimony.

25 Q. Is your background -- has your background

4805

1 changed; is that true and correct to the best of your
2 knowledge and belief?

3 A. I'm just a little older.

4 MS. NELSON: I move for the admission of
5 T-2230, 2231, and T-2332.

6 MS. ANDERL: No objection.

7 JUDGE BERG: All right, those three exhibits
8 are admitted.

9 MS. NELSON: And Mr. Price is available for
10 cross-examination.

11 MS. ANDERL: Ms. Singer-Nelson, I believe
12 that there were three exhibits appended to his
13 supplemental testimony as well. They were Qwest data
14 request responses.

15 MS. NELSON: Oh, we have listed them
16 separately on the exhibit list.

17 MS. ANDERL: Yes, and I presume you wanted to
18 offer them as well.

19 MS. NELSON: Sure.

20 JUDGE BERG: All right, with regard to
21 Exhibits 2233, 2234, and 2235, any objections?

22 MS. ANDERL: No.

23 JUDGE BERG: All right. And again, I would
24 have come back to that after I had seen whether or not
25 there was any reference during the course of cross or

4806

1 redirect.

2 Those exhibits are admitted.

3 Thank you, Ms. Anderl.

4 MS. ANDERL: Sure. I thought I might want to

5 ask him something about one of those. Thank you, Your

6 Honor.

7

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

9 BY MS. ANDERL:

10 Q. Good afternoon, Mr. Price.

11 A. How are you?

12 Q. I'm fine, how are you?

13 A. All right. Glad to be on the stand.

14 Q. I bet. I'm Lisa Anderl, one of the attorneys

15 here for Qwest. I will be asking you a few questions

16 here today. First, there were several exhibits that

17 were identified for use on cross-examination with you,

18 2236, 2237, 2238, and 2239. Have you been provided with

19 copies of those documents at the stand?

20 A. I have a bundle of documents that is entitled

21 Qwest's list of cross-examination exhibits. I do not

22 unfortunately have numbers associated with them, but

23 there are descriptions of the documents, and then I have

24 each of the documents. So I think we're on the same

25 page, although I simply don't have the exhibit numbers

4807

1 associated with the documents.

2 Q. All right. Turn to the Qwest Data Request
3 Number 3, please. It will be part way back through the
4 packet after the power point presentation.

5 A. All right, I have it.

6 Q. And do you recognize that as WorldCom's
7 response?

8 A. Correct.

9 Q. That's, Mr. Price, just so that you can mark
10 that, it's Exhibit 2237.

11 And the next document that you have should be
12 Qwest Data Request Number 4 with WorldCom's response.
13 Can you verify that is indeed the next document in your
14 packet?

15 A. Yes, it is.

16 Q. And that's Exhibit 2238.

17 And then if you could turn to the next
18 document, do you recognize that as Qwest's Data Request
19 Number 7?

20 A. I do.

21 Q. And WorldCom's response?

22 A. Correct.

23 Q. That is Exhibit 2239.

24 Mr. Price, do you know if Qwest Data Request
25 Number 7 has ever been supplemented or updated with an

4808

1 additional response by WorldCom?

2 A. I'm hesitating because the question was
3 directed at the original reply testimony filed in
4 December, and it may be that the portion of the
5 testimony that is referenced there was stricken as part
6 of the second amended direct testimony. So I guess my
7 answer is I'm not 100% sure, but I believe that perhaps
8 the answer is no. And the reason is because of the
9 modifications that were made to that original reply
10 testimony in that second amended direct.

11 Q. I will represent to you, Mr. Price, that the
12 document that I received as your second amended direct
13 did not show that particular question and answer to have
14 been stricken, and to refresh your memory, let me remind
15 you that that particular question and answer at your
16 original page 21, lines 11 through 18, discussed an
17 example in Dallas, Texas where WorldCom stated that 89%
18 of the buildings that WorldCom accesses through special
19 access circuits are served only by Southwestern Bell,
20 and the numbers for the Saint Louis and Kansas City,
21 Missouri markets are in that same range.

22 A. I recall that portion of the testimony.

23 Q. Can you confirm for me that that testimony
24 remains even in your testimony in the second amended
25 version?

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1 A. I would be happy to. Give me just a moment,
2 please.

3 It is indeed still there.

4 MS. ANDERL: Your Honor, we would offer
5 Exhibits 2237, 2238, and 2239.

6 JUDGE BERG: And hearing no objection,
7 Exhibits 2237, 2238, and 2239 are admitted.

8 MS. ANDERL: Thank you.

9 BY MS. ANDERL:

10 Q. Mr. Price, I don't have any further questions
11 on those documents.

12 Mr. Price, have you participated in any
13 Washington cost dockets other than your appearance here
14 today?

15 A. I have not.

16 Q. Are you familiar with the prior cost docket
17 before the Washington Commission Number 960369?

18 A. If I could ask for clarification, was -- I'm
19 not clear whether that is a separate proceeding or
20 whether that was just an earlier phase of this
21 proceeding.

22 Q. Well, you are not alone. For clarification,
23 the 960369 was the first cost docket the Commission
24 opened. It had three parts. And it then closed around
25 the time that this docket opened.

4810

1 JUDGE BERG: That first docket had phases,
2 this docket has parts.

3 Q. It's an important distinction, Mr. Price.

4 A. If you say so.

5 JUDGE BERG: And there's a third docket to
6 follow.

7 A. I did not participate. I believe that was
8 the original question. I did not participate in that
9 proceeding. I believe I have reviewed some of the
10 decisions in that proceeding.

11 Q. All right. And have you also reviewed some
12 of the decisions in the earlier phases of this docket?

13 A. It is my understanding that only one of the
14 phases has gone to a final decision, that we're still
15 waiting a decision in Phase B. And sitting here today,
16 I can't recall whether I read the Phase A decision.

17 Q. Let me ask you this, and you don't need to
18 look at the data request, but it was one that I just
19 asked you about and then told you you could put away,
20 but Exhibit 2238 indicates that at the time the response
21 was prepared, January 22, 2002, WorldCom had not
22 requested remote terminal collocation in Washington. Do
23 you know if that response has changed as of today, May
24 9th?

25 A. I do not believe that it has changed in any

4811

1 respect at all.

2 Q. You state generally in your testimony that
3 you have a criticism of Qwest's presentation in that
4 Qwest does not adequately explain how the charges for
5 certain rate elements will apply; is that a fair
6 description?

7 A. Yes, it is.

8 Q. Now WorldCom has an interconnection agreement
9 with Qwest; is that correct?

10 A. Yes, it does.

11 Q. And is it your understanding that that
12 interconnection agreement contains the terms and
13 conditions under which WorldCom obtains wholesale
14 services from Qwest?

15 A. That would be my understanding.

16 Q. Have you reviewed that document ever and then
17 or recently?

18 A. Certainly portions of it, yes.

19 Q. Did you review it in preparation for your
20 testimony here today?

21 A. Not specifically, no. As I understood it,
22 the prices that were contained in the attachment to
23 Ms. Million's exhibit were prices that were to have been
24 prices for the SGAT, and so to the extent that we are
25 talking about prices that would supersede prices in an

4812

1 existing interconnection agreement that was previously
2 approved by this Commission, it was not my understanding
3 that the prices that we are here today talking about
4 would necessarily supersede those prices in an existing
5 interconnection agreement.

6 Q. And where did you obtain that understanding?

7 A. Well, I guess it would be safe to say sort of
8 in a collective sense. I recall, and I probably have it
9 here with me, the heading as I recall on the exhibit to
10 Ms. Million's testimony said something about an SGAT
11 exhibit price list, so it would be in part that. And it
12 would also be in part that just generally my
13 understanding of the way that interconnection agreements
14 are negotiated and/or arbitrated and then presented for
15 approval, that those interconnection agreements, whether
16 it be rates, terms, or conditions, are not necessarily
17 superseded by a decision in a separate -- in a
18 proceeding where the rates, terms, and conditions of
19 that interconnection agreement are not at issue.

20 Q. So you're not aware of whether or not the
21 WorldCom interconnection agreement with Qwest has a
22 specific term in it that states that the rates contained
23 in that document are interim subject to the Commission's
24 decision in either this or the prior cost docket?

25 A. As I sit here today, no.

4813

1 Q. It is your understanding based on your
2 testimony though that Qwest does have an SGAT in
3 Washington that sets forth rates, terms, and conditions
4 for service that are generally available in Washington;
5 is that correct?

6 A. Yes, it is.

7 Q. Okay. Is it your belief or understanding
8 that terms and conditions associated with specific rate
9 elements are being addressed in this cost proceeding?

10 A. No, it is not, although as I said in my
11 testimony, there is an undeniable linkage between the
12 terms and conditions including the application of rates
13 and the rates that are subsequently developed. I don't
14 see those as something that can be separated. They can
15 be examined independently of each other, but at the end
16 of the day, they have to all come back together into a
17 coherent whole. And that was the concern that I had is
18 that particularly with respect to the application of
19 rates it was impossible for me to determine on those
20 instances that I mentioned in my testimony exactly how
21 those rates were to be applied under which circumstances
22 to which types of calls, for example, with respect to I
23 believe the tandem switching rate elements. So it's the
24 interdependence of those elements that was of concern to
25 me, not the fact that we were dealing with terms and

1 conditions in this proceeding.

2 Q. Mr. Price, if you were to understand that the
3 rates that Qwest has proposed in this docket would
4 indeed replace rates for the same services that were
5 contained in existing interconnection agreements, would
6 that change WorldCom's position on any of the issues in
7 this docket?

8 A. In terms of the ultimate questions or the
9 recommendations that we are making collectively, we the
10 WorldCom witnesses in this proceeding, I don't think so.
11 I mean it might have affected slightly my criticism of
12 the presentation, because again, what I did was I looked
13 at the SGAT for the particular provisions, for example,
14 the tandem switching element and the SS7 elements that I
15 criticized Ms. Malone's testimony on, and with respect
16 to those two elements, looking at the SGAT, I was unable
17 to find anything that provided any kind of clear
18 understanding of how those rates were to be applied.

19 Q. And did you -- you did not consult your own
20 interconnection agreement to see if things were more
21 clear in that document?

22 A. That is correct, I did not.

23 Q. Mr. Price, do you have Ms. Malone's set of
24 testimony at the witness stand with you?

25 A. I believe so, just a second.

4815

1 JUDGE BERG: Ms. Anderl, could you just give
2 me a heads up as to what exhibit numbers you're going to
3 refer to.

4 MS. ANDERL: Yes, Your Honor, I was just
5 going to do that, thank you. T-2132 would likely be the
6 reference. That's the supplemental rebuttal testimony.

7 THE WITNESS: Ms. Anderl, I believe the
8 question pending was whether I had them.

9 MS. ANDERL: Yes.

10 THE WITNESS: I have our direct testimony
11 dated November 7th. I have rebuttal testimony dated
12 March 7th. I do not have with me supplemental rebuttal,
13 or I believe that was the way you characterized it.

14 MS. ANDERL: It was.

15 Ms. Singer-Nelson, do you need me to find an
16 extra copy of that?

17 MS. NELSON: I don't think I have -- oh,
18 maybe I do.

19 MS. ANDERL: Thank you.

20 MS. NELSON: Ms. Anderl, which page?

21 MS. ANDERL: Actually, I just wanted to be
22 sure he had a chance to be familiar with it, and then I
23 was going to ask him to look at pages 4 and 5.

24 MS. NELSON: Okay.

25 THE WITNESS: Just for clarification, are you

4816

1 referring to pages 4 and 5 of the supplemental rebuttal?

2 MS. ANDERL: Yes, the April 17th testimony,
3 which is number for the record T-2132.

4 THE WITNESS: I'm there.

5 BY MS. ANDERL:

6 Q. Do you have that? Have you reviewed that
7 testimony prior to taking the stand today?

8 A. Yes.

9 Q. Okay. Now in your testimony of February
10 14th, which is 2232, exactly 100 apart, you criticize
11 Ms. Malone's presentation with regard to the vertical
12 feature switching charge and express concern that it is
13 still unclear to you as of February at least how those
14 vertical feature switching charges were going to apply
15 and the extent to which they would apply to services
16 other than Centrex; is that a fair summary?

17 A. Actually, you made it sound a little harsher
18 than I remember it, but I did express a concern that it
19 was not clear to me which of the elements would apply,
20 for example, to a UNE-P POTS type application, and I
21 believe in -- I believe in my original reply testimony
22 and again in the second amended direct, I had stated
23 that it seemed to me as if most of the elements that she
24 had included as switching features would for the most
25 part be Centrex related, but it was still not clear.

4817

1 Q. And with regard then to this last piece of
2 testimony that Ms. Malone filed, T-2132 at pages 4 and 5
3 where she presents an itemized list of features that
4 could be ordered with POTS as well as Centrex, have you
5 reviewed that testimony?

6 A. Yes.

7 Q. Do you have any remaining concerns or
8 questions with regard to how or when those sort of
9 feature switching charges would apply?

10 A. No, and I wish that that type of presentation
11 had been given in the response to our data request so
12 that it would have been more clear at the time that I
13 filed my supplemental testimony.

14 Q. Now keeping on your supplemental testimony,
15 Exhibit 2232, page 3, you discuss the signaling system 7
16 or SS7 rates.

17 A. That is correct.

18 Q. Were you in the room when Ms. Malone
19 testified here this week?

20 A. For a portion of the time, yes.

21 Q. A portion of the time. Do you recall that
22 Ms. Malone was asked to respond to I believe it was a
23 Bench request to identify the extent to which signaling
24 system 7 costs might be included in or captured in the
25 unbundled local switching rate elements?

4818

1 A. I do recall that, yes.

2 Q. Is that essentially the concern that you're
3 raising here in your testimony on page 3? In other
4 words, is that the same question?

5 A. It is a component of my question. It is not
6 -- I don't think it's not synonymous. And what I mean
7 by that is as a carrier with its own SS7 signaling
8 network, obviously when we interconnect for purposes of
9 exchanging traffic for termination, for example, within
10 the Seattle market, it would be my understanding that
11 the charges that were proposed by Qwest would not apply,
12 and that's why we posed the discovery the way we did was
13 to get clarification that if we were not seeking to
14 obtain from Qwest on an unbundled basis use of its SS7
15 signaling network that we would not be obligated to pay
16 the charges that were proposed in this proceeding. That
17 clarification was never obtained.

18 Q. And are you also then looking for an
19 explanation of whether the SS7 rates apply in addition
20 to the unbundled switching rate element in a UNE-P
21 environment?

22 A. Absolutely.

23 Q. And to the extent then that the Bench request
24 response when it addresses cost recovery issues
25 addresses those questions as well, do you have any

4819

1 remaining questions?

2 A. I think the short answer is no. I think at
3 that point we will have finally obtained the
4 clarification that we have sought all along as to
5 exactly how these rates were intended to be applied.

6 Q. And it's correct, is it not, Mr. Price, that
7 you're not proposing different rate elements for Qwest
8 for any of these items?

9 A. That is correct.

10 Q. You're only seeking clarification as to how
11 they would apply?

12 A. That is correct.

13 Q. And then finally with regard to the local
14 tandem switching issues, I believe you discuss that at
15 pages 3 and 4 of your Exhibit 2232.

16 A. Yes, I do.

17 Q. Are you here talking about local tandem
18 switching as an unbundled network element only, or are
19 you addressing it relative to interconnection issues as
20 well?

21 A. The purpose of my testimony was to express a
22 concern about the lack of clarity with Qwest's
23 presentation, because it again was another instance
24 where it was not clear how Qwest intended for these
25 rates to apply. It would be -- it would be my position

4820

1 that when Qwest and WorldCom interconnect their networks
2 in the Seattle market on a facilities basis for
3 transport and termination of local traffic, that these
4 unbundled charges that Qwest is proposing for tandem
5 switching would have no applicability to that scenario.

6 If on the other hand WorldCom came to Qwest
7 and said for some reason we desire tandem switching as
8 an unbundled element, and I frankly can not envision any
9 situation where we would do that, then I guess it would
10 be my position that under those circumstances the rate
11 proposed for tandem switching would apply.

12 So I am drawing a distinction between
13 interconnection for purposes of transport and
14 termination in a facilities based environment and the
15 UNE prices for tandem switching that Qwest is proposing
16 here.

17 Q. And were you in the room when Ms. Malone
18 testified about SGAT Section 9.10.3; do you recall that?

19 A. I believe I was, yes.

20 Q. Is it your understanding from your review of
21 the SGAT that that Section 9 generally addresses
22 unbundled network elements?

23 Or we could skip that question.

24 A. No, I think I -- I mean it's up to you if you
25 want to skip the question.

4821

1 Q. Well, why don't I withdraw that question,
2 because if you're going to go look, I might as well have
3 you look at the more precise one.

4 Is it your understanding that Section 9.10 of
5 the SGAT specifically addresses tandem switching as an
6 unbundled network element?

7 A. I'm going to have to answer on a somewhat
8 general basis. I will take subject to check that that
9 is the question. I have reviewed it. I do not have
10 that in front of me.

11 Q. And to the extent that the charges associated
12 with the tandem switching proposal in this docket are
13 intended to apply to tandem switching as an unbundled
14 network element, does that answer WorldCom's questions
15 on that issue?

16 A. Yes, again on a belated basis, because that
17 was exactly the sort of clarification that we were
18 seeking in imposing the discovery to Qwest on that
19 particular issue. That's the response to WorldCom's
20 Data Request Number 1, Question Number 8, that was
21 attached to my supplemental testimony.

22 MS. ANDERL: Mr. Price, thank you very much.
23 That's all that I have for you.

24 JUDGE BERG: Ms. Doberneck, any questions for
25 this witness?

4822

1 MS. DOBERNECK: I have about 60 seconds
2 worth.

3 JUDGE BERG: All right, let's take them now.

4 MS. DOBERNECK: Okay.

5

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

7 BY MS. DOBERNECK:

8 Q. Mr. Price, if you could turn to T-2230, which
9 is your second amended direct testimony.

10 A. All right.

11 Q. And I have just a few questions about the
12 cost issues that you lay out at page 13 of your
13 testimony.

14 A. All right.

15 Q. My first question at line 9, you --

16 MS. ANDERL: Excuse me, Ms. Doberneck, are
17 you looking at a not redlined version?

18 MS. DOBERNECK: I am looking at a not
19 redlined version.

20 MS. ANDERL: Because my page 13 is completely
21 struck through.

22 THE WITNESS: Well, for the record, mine is
23 not, so I believe I'm with counsel for Covad.

24 MS. ANDERL: Thank you, I apologize, I
25 apparently only had the redlined version.

4823

1 BY MS. DOBERNECK:

2 Q. When you identified the addressable market,
3 are you talking about the market that could be served
4 from the central office or the market that could be
5 served from the FDI?

6 JUDGE BERG: Just before we go forward, I
7 want to -- I'm a little confused now. Is this a
8 question that's based on information that's been
9 stricken?

10 MS. TENNYSON: No.

11 JUDGE BERG: All right. And would you please
12 give me the reference of where you are.

13 MS. DOBERNECK: Sure, it's Exhibit T-2230,
14 page 13, line 9.

15 JUDGE BERG: All right. So should I be
16 looking at a version that is not redlined at that point?

17 MS. ANDERL: Well, Your Honor, you can go to
18 page 15 of the redlined version, and I believe you would
19 be there.

20 JUDGE BERG: All right, thank you.

21 MS. NELSON: Here you go, this is what was
22 filed with the Commission.

23 JUDGE BERG: Thank you very much. What I
24 will do is I will match this up with the versions I have
25 and make sure that the proper one is identified as an

1 exhibit.

2 MS. NELSON: And that's the one that was --
3 the one that we're admitting into the record was the one
4 that was filed with the Commission.

5 JUDGE BERG: All right.

6 MS. MCCLELLAN: Your Honor, before we
7 continue, just so the record is clear, for the official
8 exhibit that is part of the record, should we follow the
9 page numbers of the non-redlined version?

10 MS. NELSON: Yes.

11 JUDGE BERG: All right, so then the purpose
12 of filing the redlined version was to show those
13 portions that had been stricken?

14 MS. NELSON: Exactly, Judge.

15 JUDGE BERG: All right.

16 MS. NELSON: And what we did was file both.

17 JUDGE BERG: Unfortunately, what I did was
18 the first thing I did was to separate the cover letter
19 from the exhibits and lost track of some of the context,
20 so I appreciate the clarification and apologize for
21 interrupting the flow of the question and the responses.

22 MS. DOBERNECK: Not a problem, Your Honor.

23 BY MS. DOBERNECK:

24 Q. Okay, page 13, line 19.

25 A. Yes.

4825

1 Q. The phrase addressable market, are you
2 referring to the market that the central office could
3 serve or that the FDI could serve?

4 A. In this context, the term is relevant to that
5 area of the wire center or central office that is in
6 that particular serving area, and a serving area is an
7 outside plant concept that relates to some geographic
8 size with some finite number of units, living units,
9 business units, whatever in it. So in this context, it
10 would be that geographic area served by either an FDI or
11 an RT depending on the architecture chosen by Qwest.

12 Q. Okay, thank you. In the sort of the
13 calculations you lay out at page 13 of your testimony,
14 are you assuming that the CLEC is already collocated in
15 the central office such that the costs that are laid out
16 here are the incremental costs to serve end user
17 customers where there is a remote terminal deployed or a
18 remote DSLAM deployed?

19 A. Generally yes. I mean the purposes of this
20 entire portion of my testimony was intended to
21 demonstrate that in instances where a CLEC had
22 collocated in a central office for purposes of serving
23 DSL based -- providing DSL based services within that
24 central office, that the deployment of remote DSLAMs by
25 Qwest would render at least some portion of that

1 investment by the CLEC obsolete. And to the extent that
2 it was done on a ubiquitous basis throughout that wire
3 center, then my calculations were intended to show yet
4 the additional cost beyond the existing CO collocation,
5 beyond the existing equipment that the CLEC had placed
6 in the CO to provide service to begin with that would
7 then have to be placed in the field in order to
8 essentially do what the CLEC had originally been able to
9 do with the CO based investment in the collocation in
10 its own equipment.

11 MS. DOBERNECK: Thank you, I have no further
12 questions.

13 JUDGE BERG: Let's be off the record for a
14 moment.

15 (Recess taken.)

16

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

18 BY MS. TENNYSON:

19 Q. Mr. Price, now staff has identified several
20 cross-examination exhibits consisting of WorldCom
21 responses to staff data requests. Do you have those?

22 A. Yes, I do.

23 MS. TENNYSON: And just for the Judge and
24 everyone else's information, I will withdraw what's been
25 marked as 2241, because it is already included in

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1 Exhibit 2236 that Qwest offered and had admitted. So
2 rather than duplicate the record or have -- and ours
3 apparently only has a few of the excerpted pages from
4 the response of the SBC project Pronto and power point
5 situation.

6 JUDGE BERG: Ms. Tennyson, 2236 has not been
7 offered for admission.

8 MS. TENNYSON: Oh, I had it as, I'm sorry.

9 JUDGE BERG: We dealt with just 2237 through
10 2239.

11 MS. TENNYSON: Okay. Then although it is
12 identified by Qwest, as I was indicating, the staff --
13 WorldCom's response to staff's Data Request Number 5
14 that's marked as 2241 is not as complete as the version
15 that's in 2236, so I would propose that we admit 2236
16 rather than 2241.

17 JUDGE BERG: Are you proposing that at this
18 time?

19 MS. TENNYSON: Yes, I am.

20 JUDGE BERG: All right.

21 Any objections?

22 All right, Exhibit -- and I should probably
23 look to Ms. Singer-Nelson since it's also her witness.

24 MS. NELSON: No objection.

25 JUDGE BERG: All right, Exhibit 2236 is

4828

1 admitted. 2241 is marked withdrawn.

2 MS. TENNYSON: Yes. I would also offer the
3 admission of Exhibits 2240, 2242, 2243 and 2244.

4 JUDGE BERG: All right, and hearing no
5 objection, Exhibits 2240 and 2242 through 2244 are
6 admitted.

7 MS. TENNYSON: Thank you.

8 BY MS. TENNYSON:

9 Q. Mr. Price, I just have a couple of questions,
10 and I did note first in your second amended direct
11 testimony, and what I have is at page 5, lines 5 to 6,
12 you state:

13 As this Commission is well aware, Qwest
14 terminates traffic of varying types -
15 including both interexchange and local
16 calls.

17 Now it is true, isn't it, that most
18 interconnection agreements provide or include provisions
19 for jointly provided switched access?

20 A. I'm not sure that I'm understanding exactly
21 what you mean by jointly provided switched access, at
22 least not in -- not in the context of the
23 interconnection agreements. If you could provide a
24 little more background.

25 Q. Well, it's not really -- I don't really need

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1 to pursue this. If you don't understand precisely the
2 term there, then it's not something that's really
3 important, so we can just move on.

4 On page 7 of your testimony, your second
5 amended direct testimony at line 3, there you refer to
6 overcharging for a function element or an element that
7 could result from Qwest's strategy that you're
8 discussing at this point. Can you explain for us how
9 you're using the terms function, element, and service at
10 this point?

11 A. My use of the terms function or element is
12 with regard to the obligation of an incumbent under the
13 Act to provide access to the piece parts of its network,
14 if you will. And obviously those aren't the terms of
15 art in the Act, but that's the way in which I think of
16 that. When I think of a service, I tend to think of a
17 service as something that is offered that's not on a
18 piece part basis, but that's some whole, if you will.
19 So I tend to think of a function or an element as
20 similar and as a service as something that is different
21 from that because it would include probably multiple
22 functionalities or multiple elements that have been
23 combined for a complete service.

24 MS. TENNYSON: I believe those are all the
25 questions I had for this witness.

4830

1 JUDGE BERG: All right, thank you,
2 Ms. Tennyson.

3 Dr. Gabel.

4 DR. GABEL: None.

5 JUDGE BERG: All right.

6 Redirect?

7 MS. NELSON: Real quickly.

8

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

10 BY MS. NELSON:

11 Q. Mr. Price, have you reviewed the
12 interconnection agreement amendment between Qwest and
13 MCI WorldCom?

14 A. Yes, I have.

15 Q. And you have already stated that you have
16 reviewed the SGAT for the state of Washington. Do you
17 recall the date of the SGAT that you reviewed?

18 A. The one that I recall that I have
19 electronically on my computer was dated something
20 January 2002, so it's a relatively recent document.

21 Q. And the date of the interconnection agreement
22 amendment?

23 A. I believe the amendment is a May 2001
24 document, you know, which is obviously amending a yet
25 older interconnection agreement, older than 2001.

4831

1 Q. Do you know whether the rates and the terms
2 and conditions in either the -- in the amendment are
3 consistent with the terms and conditions set forth in
4 the SGAT?

5 A. I would think that there would be differences
6 in part because they resulted from different processes.
7 The SGAT was a function of I guess a multilateral, if
8 you will, proceeding before the Commission, whereas the
9 UNE amendment that we have been talking about was a
10 result of bilateral negotiations between Qwest and
11 WorldCom.

12 Q. Do you know whether the terms and conditions,
13 whether there are terms and conditions set out in the
14 amendment that are consistent with the rate elements
15 that are described in Ms. Million's testimony or the
16 rate elements that are described in the SGAT Exhibit A?

17 A. I suspect that there is some overlap, but I
18 would be very surprised if there was any kind of, what's
19 the word I'm searching for, I would be very surprised if
20 there was any kind of comprehensive overlap between the
21 two documents for the reasons that I have previously
22 stated.

23 Q. Now you talked with Ms. Anderl before about
24 the effect of the rates in this docket on the existing
25 interconnection agreements; do you recall that?

4832

1 A. Yes, I do.

2 Q. And if you were to assume that the rates in
3 the MCI Metro Washington contract pursuant to the
4 contract are set forth as being interim subject to
5 automatic true up as Docket 96-03-69 concludes, would
6 that affect your response to Ms. Anderl's question?

7 A. I would assume based on my experience that
8 there would still need to be some form of bilateral
9 negotiations between the parties to implement that order
10 and that as part of that process the parties could
11 choose to negotiate rates that may be different from
12 what were contained in the Commission order.

13 Q. And if you were to assume that there are
14 provisions in the MFS Qwest Washington interconnection
15 agreement that states that the rates are subject to true
16 up but requires that the contract be amended to
17 incorporate those rates, does that affect your response
18 to Ms. Anderl?

19 A. No, I don't believe so.

20 MS. NELSON: Nothing further.

21 JUDGE BERG: All right.

22 Any recross?

23 MS. ANDERL: No recross, thank you.

24 JUDGE BERG: All right.

25 Anything else, Ms. Tennyson?

4833

1 MS. TENNYSON: No.

2 JUDGE BERG: All right, Mr. Price, thank you
3 very much for being here.

4 THE WITNESS: Thank you, Your Honor.

5 JUDGE BERG: We'll be off the record
6 momentarily while Mr. Lathrop comes to the witness
7 stand.

8 (Discussion off the record.)

9 JUDGE BERG: At this time before we begin the
10 cross-examination of WorldCom's witness, Mr. Roy
11 Lathrop, counsel for Verizon has indicated that she has
12 responses for Records Requisition 2500 and 2501. Is
13 that correct, Ms. McClellan?

14 MS. MCCLELLAN: That's right, Your Honor.

15 JUDGE BERG: All right, if you could proceed.

16 MS. MCCLELLAN: Yes, Your Honor. Record
17 Requisition 2500 sought to the extent available
18 information distinguishing the types of collocation used
19 for the cable runs presented in confidential Exhibit 1
20 to Exhibit C-2017, and Record Requisition 2501 asked for
21 the same information for confidential Exhibit 3 for that
22 same exhibit. Verizon has been able to confirm that for
23 both sets of data that all of the cable links studied
24 were for physical collocation.

25 JUDGE BERG: All right, thank you,

4834

1 Ms. McClellan.

2 All right, then at this point, Mr. Lathrop,
3 would you please raise your right hand.

4

5 (The following exhibits were identified in
6 conjunction with the testimony of ROY LATHROP.)

7 Exhibit T-2250, CT-2250 is Confidential
8 Direct Testimony of Roy Lathrop. Exhibit 2251 is
9 Spreadsheet revisions to Qwest CLEC to CLEC collocation
10 cross connection install disconnect cost studies.
11 Exhibit T-2252 is Supplemental Testimony of Roy Lathrop.
12 Exhibit 2253 is Spreadsheet revisions to Qwest cost
13 studies re: Verification and Inquiry Fees. Exhibit 2254
14 is Qwest Response to WorldCom Data Request No. 04-428.
15 Exhibit T-2255 is Surrebuttal of Roy Lathrop. Exhibit
16 2256 is Qwest Response to WorldCom Data Request No.
17 05-432. Exhibit 2257 is Qwest Response to WorldCom Data
18 Request No. 05-433. Exhibit 2258 is Qwest Response to
19 WorldCom Data Request No. 05-434. Exhibit 2259 is Qwest
20 Response to WorldCom Data Request No. 05-435. Exhibit
21 2260 is Qwest Response to WorldCom Data Request No.
22 05-436. Exhibit 2261 is Qwest Response to WorldCom Data
23 Request No. 05-437. Exhibit 2262 is Qwest Response to
24 WorldCom Data Request No. 01-025. Exhibit 2263 is Qwest
25 Response to WorldCom Data Request No. 05-440. Exhibit

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1 2264 is WorldCom Response to Qwest Data Request No. 49.
2 Exhibit 2265 is WorldCom Response to Qwest Data Request
3 No. 50. Exhibit 2266 is WorldCom Response to Qwest Data
4 Request No. 51. Exhibit 2267 is WorldCom Response to
5 Staff Data Request No. 23.

6

7 Whereupon,

8

ROY LATHROP,

9 having been first duly sworn, was called as a witness
10 herein and was examined and testified as follows:

11

12 DIRECT EXAMINATION

13 BY MS. NELSON:

14 Q. Mr. Lathrop, please state your name and
15 business address for the record.

16 A. My name is Roy Lathrop. My business address
17 is 1133 - 19th Street Northwest, Washington, D.C.

18 Q. And are you employed by WorldCom?

19 A. Yes, I am.

20 Q. And what is your position?

21 A. I'm an economist in the regulatory analysis
22 group.

23 Q. Have you filed testimony in this docket?

24 A. Yes, I have.

25 Q. Do you have your direct testimony dated

4836

1 December 21st, 2001?

2 A. Yes.

3 Q. Marked as T-2250?

4 A. Yes.

5 Q. And then CT-2250, is there a confidential --

6 A. I believe I just have --

7 Q. -- version of your testimony?

8 A. I believe I just have the proprietary

9 version.

10 Q. Okay. Did you prepare that document for

11 filing here?

12 A. Yes, I did.

13 Q. Do you have any changes to make to that

14 document?

15 A. Yes, I do. I would like to strike two

16 paragraphs beginning on page 30, line 22, and through

17 page 31, line 13.

18 MS. ANDERL: I think I have two different

19 paginations, Ms. Singer-Nelson, because I have --

20 JUDGE BERG: Let's be off the record

21 momentarily.

22 (Discussion off the record.)

23 BY MS. NELSON:

24 Q. Mr. Lathrop, do you have any other changes to

25 your testimony?

4837

1 A. No.

2 Q. Otherwise, is your testimony true and correct
3 to the best of your knowledge and belief?

4 A. Yes.

5 Q. Turning to your supplemental testimony that's
6 been premarked as T-2252 dated February 14th, did you
7 prepare that testimony?

8 A. Yes.

9 Q. Do you have any changes to make to that
10 testimony?

11 A. No, I do not, other than the -- I have what
12 is marked as a proprietary version, and I believe that
13 there is no information that is proprietary or
14 confidential, and I believe we did not reissue a new
15 version with all the indications of confidential
16 information removed.

17 Q. Right, and the parties discussed that prior
18 to today, and it's understood that this document has
19 been filed as a non-confidential piece of testimony.

20 JUDGE BERG: And that also extends to the
21 attachment which has been marked as 2253, the
22 spreadsheet attachment to Exhibit 2252.

23 BY MS. NELSON:

24 Q. So is your supplemental testimony true and
25 correct to the best of your knowledge?

4838

1 A. Yes.

2 Q. And then the spreadsheet attached as 2253, is
3 that true and correct to the best of your knowledge and
4 belief?

5 A. Yes.

6 Q. Then you have attached a response to a data
7 request that's been marked as 2254, is that true and
8 correct to the best of your knowledge and belief?

9 A. Yes, to the extent it's a copy of a response
10 from Qwest.

11 Q. Then what's been marked as T-2255 is
12 surrebuttal testimony, do you have any changes to that
13 testimony?

14 A. No, I do not.

15 Q. And did you prepare that?

16 A. Yes.

17 Q. Is it currently true and correct to the best
18 of your knowledge and belief?

19 A. Yes.

20 Q. And then were Exhibits 2256 through 2263 the
21 responses to data requests attached to that testimony as
22 well?

23 A. Yes.

24 MS. NELSON: I think the one exhibit I didn't
25 note is 2251, which is the spreadsheet attached to

4839

1 Mr. Lathrop's direct testimony. Judge, I would move for
2 the admission of 2250, C-2250 through 2263.

3 MS. ANDERL: No objection.

4 JUDGE BERG: Those exhibits are admitted.

5 MS. NELSON: Mr. Lathrop is available for
6 cross-examination.

7 MS. ANDERL: Thank you, Your Honor.

8

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

10 BY MS. ANDERL:

11 Q. Good afternoon, Mr. Lathrop.

12 A. Good afternoon.

13 Q. Before we get started into the substantive
14 questions, I would like you just to verify that you have
15 before you the Qwest cross-examination Exhibits 2264,
16 2265, and 2266, consisting of WorldCom responses to
17 Qwest Data Requests Number 49, 50, and 51.

18 A. Yes, could you give me the numbers again,
19 please.

20 Q. The exhibit numbers or the data request
21 numbers?

22 A. The exhibit numbers.

23 Q. 2264, 2265, and 2266.

24 A. Thank you.

25 Q. And can you verify that those are true and

4840

1 correct copies of WorldCom responses to those Qwest data
2 requests?

3 A. Yes, they are.

4 Q. And has any of the information in the
5 responses changed since you provided them?

6 A. No.

7 MS. ANDERL: Your Honor, we would offer
8 those.

9 MS. NELSON: No objection.

10 JUDGE BERG: All right, 2264 through 2266 are
11 admitted.

12 BY MS. ANDERL:

13 Q. Okay, Mr. Lathrop, what's your job title at
14 MCI WorldCom?

15 A. Economist.

16 Q. And what are your duties and responsibilities
17 generally there?

18 A. To develop and promote WorldCom public policy
19 positions before state and federal regulators. Most of
20 my time is spent participating in cost cases such as
21 these.

22 Q. Do you have any training as a
23 telecommunications engineer?

24 A. No, other than on-the-job type training that
25 I acquired by at times being a staff member of a public

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1 -- state public utilities commission, and then what I
2 have -- the knowledge I have acquired through
3 participating in cases such as these and reviewing
4 testimony and discovery.

5 Q. So you have not worked for a
6 telecommunications company as a network engineer or
7 technician?

8 A. No, I have not.

9 Q. In either the central office or outside plant
10 capacity?

11 A. That's correct.

12 Q. Is it a fair summary that you reviewed
13 Qwest's cost studies in this docket as they pertained
14 generally to collocation issues, poles, ducts, and
15 rights of way issues, and certain other nonrecurring
16 charges related to collocation?

17 A. Yes.

18 Q. And is it accurate to say that your direct
19 testimony kind of addresses the universe of those issues
20 while your supplemental testimony really addresses the
21 poles, ducts, and rights of way?

22 A. Yes.

23 Q. And then that your surrebuttal testimony is
24 limited in focus to the CLEC to CLEC interconnection
25 issues and the space optioning and inquiry issues?

4842

1 A. Yes.

2 Q. Now you indicated in a data request response
3 that you had not recently toured any Qwest central
4 offices in Washington. If I were to expand that
5 question to ask it with regard to any other states,
6 would your answer be the same?

7 A. No, I toured two different central offices of
8 Qwest in Minnesota three or four years ago I believe as
9 part of a cost case in Minnesota.

10 Q. So that would be your most recent --

11 A. Yes.

12 Q. -- experience there?

13 WorldCom is physically collocated in a number
14 of Qwest central offices in Washington, isn't it?

15 A. Yes.

16 Q. Do you know how many?

17 A. No, I don't.

18 Q. Let me ask you a clarifying question. The
19 last piece of testimony that you submitted, 2255, on
20 page 1 of 13, you're talking there at lines 28 through
21 30 about the space option cost study, and you proposed
22 modifying the time requirement for engineering functions
23 from zero to four hours. Are you saying there that you
24 had previously recommended an allowance of zero hours,
25 and you're now increasing that to four?

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1 A. That's correct.

2 Q. And then in conjunction with that, you
3 recommend that dollar amount for three of those hours be
4 credited back if the CLEC ultimately accepts collocation
5 after having optioned space?

6 A. Yes.

7 Q. Thank you for that clarification. So to the
8 extent that you had originally recommended reducing
9 Qwest's space optioning work times from 16 hours to 4,
10 is it correct to say that you have increased that
11 recommendation to 8 hours?

12 A. Yes.

13 Q. Thank you. You identified in your testimony,
14 and I don't think you need to look at this, an error in
15 a probability calculation with regard to the space
16 optioning. Do you recall that?

17 A. Yes, an error made by Qwest.

18 Q. Right. And did you read Ms. Million's
19 testimony where she acknowledged that error and
20 corrected it?

21 A. Yes.

22 Q. Does that correction made by Ms. Million
23 address that particular criticism that you had of the
24 study?

25 A. Yes.

4844

1 Q. Let me ask you about CLEC to CLEC direct
2 connections and cross connections. Is it fair to say
3 that in order to accomplish a CLEC to CLEC direct
4 connection, it is necessary to run cable or physical
5 facilities between two collocation spaces?

6 A. Yes.

7 Q. And would those cables need to be on cable
8 racking?

9 A. Generally, yes.

10 Q. In the typical caged collocation setup in a
11 central office to the extent that you're familiar with
12 that, is it generally true that collocation cages come
13 in ten by ten foot sizes?

14 A. There are a variety of sizes that are
15 offered, and 100 square feet is one of them.

16 Q. And sometimes they're larger than that?

17 A. Yes.

18 Q. Are you aware that sometimes those caged
19 physical collocation spaces are set up in a discreet
20 area of the central office with perhaps an aisle between
21 cages on either side of the aisle?

22 A. Yes.

23 Q. And to the extent that you're familiar with
24 this, and I don't know if you are, I mean you can say if
25 you are not, can you estimate how wide an aisle would be

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1 in a central office between the collocation cages?

2 A. In uncaged space, I believe the standard is
3 about three feet in front and two feet in back. That is
4 the front side of the equipment aisles are wider, which
5 is where the technicians usually need access to the
6 equipment, than the back.

7 And I will note that my recommendations with
8 respect to the cable racking are to be consistent with a
9 cost study that Qwest filed in an earlier I think it's a
10 phase of this proceeding or part of this proceeding in
11 which one of the diagrams that Qwest provided showed
12 cages next to each other. And rather than a central
13 aisle, it showed, for example, four cages connected
14 together, so they're in Qwest's modeling in at least one
15 part they assumed that there might be an aisle around
16 the cages.

17 Q. That was in the calculation for the rent
18 space, rental for the floor space?

19 A. Yes, that was one of the calculations made in
20 that study.

21 Q. But it's possible there are other
22 configurations in existence; isn't that right?

23 A. Yes, and those were also included in Qwest's
24 calculation, which did not just include -- or as part of
25 the rent space calculation included space that Qwest

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1 assumed that aisle space that would be dedicated to the
2 CLEC so that the cost of a 100 square foot space was
3 developed not based on just 100 square feet but included
4 additional space in the aisles. Qwest referred to that
5 as the R/U factor.

6 Q. Rental/usable?

7 A. That sounds good. It might be correct. I
8 don't know off hand.

9 Q. Were you the WorldCom witness with regard to
10 collocation issues in Part A?

11 A. Yes.

12 Q. And at that time you reviewed the Qwest
13 collocation study; is that right?

14 A. I reviewed different parts of cost studies.
15 I do not recall whether Qwest submitted its collocation
16 cost model in that proceeding. So I reviewed the space
17 rent that we have just referred to and maybe other
18 components, but I don't know if you were referring to
19 Qwest's now collocation cost model.

20 Q. I actually was, and so it's your testimony
21 that you did not review the whole thing, but perhaps
22 components of it?

23 A. It's my testimony that I'm not sure whether
24 Qwest had filed it in Part A. And if so, my testimony
25 in Part A I reviewed several months ago, and I know I

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1 addressed the per square foot, which was a cost study
2 separate from Qwest's collocation cost model. I don't
3 recall what other cost elements Qwest had provided, but
4 I will say that Qwest's collocation cost model does not
5 provide the costs for all necessary collocation
6 elements. There are some things that are -- that are
7 developed outside of Qwest's cost model.

8 Q. And with regard to the study that was used as
9 a basis for developing the dollar amount for the rent
10 per square foot, when you discuss that here today, by
11 that testimony do you mean to suggest that that rent
12 dollar amount per square foot includes cable racking
13 costs necessary to accomplish CLEC to CLEC connections?

14 A. It's not clear, because the source of that
15 cost study is a text referred to as R.S. Means, and
16 there's information in R.S. Means that includes
17 electrical and mechanical components of the total
18 investment in the central office, which is used to
19 develop the per square foot rental rate. The R.S. Means
20 does not indicate what mechanical represents, so it
21 might be or it probably includes heating, ventilating,
22 and air conditioning, and it may include cable racking,
23 but it's not clear.

24 Q. Did you review Ms. Million's testimony where
25 she indicates that it, in fact, does not include it?

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1 A. I reviewed Ms. Million's testimony, and what
2 I recall is that her testimony said that fiber cable
3 racking is not included in Qwest's space construction
4 charge, which is the charge Qwest uses to recover
5 building a central, I'm sorry, building a cage as well
6 as various electrical and mechanical components that go
7 along with that cage. My testimony had said that my
8 review of Qwest's collocation cost model in other recent
9 proceedings showed that Qwest allots somewhere on the
10 order of 10% to 15% of that space construction charge to
11 cable racking. And Ms. Million, and perhaps there's
12 another part of it, but at a minimum, she said that
13 there's no fiber cable racking in that collocation cost
14 model, and I believe the answer -- and I point out in my
15 testimony that most of the collocations have fiber, the
16 CLECs who collocate have fiber coming into their cage,
17 and the way it gets there is on cable racking that's
18 separate for fiber than from power, copper. And the
19 answer to that question or to the issue is that the
20 entrance facilities costs, which is how Qwest collects
21 money for getting the fiber into the cage, is where
22 Qwest would have fiber cable racking costs.

23 Q. Do you have Ms. Million's testimony that you
24 were just discussing?

25 A. I have parts of her testimony. It would take

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1 me a couple of minutes probably to find it. Should I
2 look?

3 Q. The testimony that I believe that you were
4 referring to, and I don't know if this is accurate or
5 not, was her supplemental rebuttal testimony dated April
6 17th, and that would be Exhibit T-2052. I did want to
7 ask you some questions about that to clarify the answer
8 you just gave.

9 A. Okay, I have this section I believe you will
10 be interested in.

11 Q. Are you on page 17 of that exhibit?

12 A. Yes.

13 JUDGE BERG: Is it important that I have a
14 copy to follow along?

15 I have a copy to follow along.

16 MS. ANDERL: How could I say no, it's not.

17 BY MS. ANDERL:

18 Q. Mr. Lathrop, the Q&A that starts on line 9
19 there, is that the area that you were just discussing
20 with me?

21 A. It's in that section, but that -- I don't
22 know that that question contains the -- her comment to
23 which I referred.

24 Q. Can you point me to that then, please. Is it
25 on page 19, lines 8 through 19?

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1 A. Well, this -- that section states her
2 assumptions in Qwest's direct connect cost study, and
3 I'm not sure where your question departed to which my
4 reply was. You had asked about cable racking.

5 Q. Yes, I had.

6 A. And if you could -- yes, I have the
7 testimony, I'm not sure what the question is now, I'm
8 sorry.

9 Q. Well, I was trying to explore with you, and
10 then I think we did depart to some extent, Ms. Million's
11 discussion at page 17 that the R.S. Means study upon
12 which collocation rent is based does not include or
13 compensate Qwest for any additional cable racking that
14 would be necessary for CLEC to CLEC connections. And I
15 wanted to ask you if you had understood her testimony to
16 be as I just summarized it. And is that what you took
17 from Ms. Million's testimony?

18 A. Yes, in part. I guess I would say that --
19 that my understanding of her testimony is that she
20 believes the R.S. Means cost study or the background for
21 the space rent does not include any cable racking for
22 CLEC to CLEC connections. Furthermore, she has stated
23 at page 18, lines 18 and 19, that this study, the R.S.
24 Means study, has no connection to a study for CLEC to
25 CLEC direct connection.

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1 My problem with this statement and her
2 background or analysis and comment on my comments is
3 that that statement means that Qwest is inconsistent in
4 its cost development for collocation services as a
5 whole. The R.S. Means cost study on which Qwest relied
6 in an earlier part of this proceeding assumed a one
7 floor central office, and I agreed in my testimony in
8 Part A that the R.S. Means approach was generally a
9 forward looking approach. In rebutting my comments,
10 Ms. Million and Mr. Hubbard refer to CLEC to CLEC
11 connections sometimes being on multiple floors or in
12 room additions. That is just inconsistent with the one
13 floor central office that Qwest assumed in another part
14 of the cost study.

15 Now Qwest is saying in its testimony that
16 it's -- that conflict is okay, it's okay for one part of
17 the collocation cost study to assume one sort of network
18 configuration, the size of a central office, but
19 somewhere else we can make different assumptions. And
20 in my testimony, I said that I think that's inconsistent
21 and not the correct way to do a forward looking cost
22 study for collocation elements.

23 Q. And can you point me -- well, it's correct
24 that that discrepancy existed in the Part A proceeding,
25 isn't it? But when I say discrepancy, by that I mean

1 the modeling of a single floor central office for
2 purposes of looking at the rent calculation and the
3 assumption that the central office had multiple floors
4 for purposes of other assumptions.

5 A. I testified earlier that I did not recall
6 whether Qwest's collocation cost model was used. If it
7 was used and if Qwest made those assumptions say for
8 distances of the power cables or other connectivity
9 cables, then that would be wrong. And the fact that
10 perhaps it was wrong and adopted as part -- in Part A in
11 my mind doesn't mean that if it was wrong it should be
12 adopted in Part D.

13 Q. Mr. Lathrop, are you aware that the R.S.
14 Means study has been made a part of the record in this
15 Part D on cross-examination of one of Qwest's witnesses?

16 A. I believe it's not the R.S. Means cost study
17 but Qwest's own cost study which used R.S. Means as one
18 of the inputs.

19 Q. And can you point me in that document, I can
20 provide it to you if you wish, to any reference specific
21 or otherwise that indicates that CLEC to CLEC cable
22 racking costs were included in the assumptions upon
23 which the rental price or cost was based?

24 A. No, I can't. And as I mentioned earlier, one
25 of the inputs was from this text R.S. Means, which is

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1 not specific for that. And, you know, I will agree that
2 there's nothing that says the rent study includes cable
3 racking, because R.S. Means is just insufficiently
4 detailed to say whether it does or does not.

5 Q. Do you know if WorldCom has any CLEC to CLEC
6 connections in Washington?

7 A. I don't know.

8 Q. In any state?

9 A. I believe we do.

10 Q. And are those direct connections or cross
11 connections or a combination?

12 A. I believe they're -- we have direct
13 connections. I do not know whether we have cross
14 connections.

15 Q. And is it your understanding that Qwest will
16 allow WorldCom to provide the CLEC to CLEC connections
17 itself?

18 A. Can you clarify when you say CLEC to CLEC
19 connections whether you mean the direct connection
20 service or the cross connection service?

21 Q. Well, let's ask it in each piece.

22 Do you have an understanding of whether Qwest
23 will allow WorldCom to provide the cross connections
24 itself?

25 A. I do from hearing Mr. Hubbard's testimony

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1 yesterday or today, and that surprised me, because I did
2 not believe Qwest allowed that. And I guess I
3 overlooked the fact that in an earlier response to my
4 counsel's questions, if Qwest does indeed permit
5 WorldCom to perform some of the functions, then Qwest's
6 cost study, the costs should be reduced by the amount of
7 costs Qwest includes assuming it will perform those
8 crossed connections, if indeed a CLEC chooses and is
9 able to perform those functions.

10 Q. And are you aware of whether Qwest will
11 permit WorldCom to provide direct connections itself?

12 A. I believe the service requires that the CLECs
13 actually run the cable between the two collocation
14 arrangements and that Qwest will not provide the cable
15 or run the cable, so that the CLECs are required to
16 place it.

17 Q. So to the extent that WorldCom has direct
18 connections with other CLECs in other central offices in
19 Qwest's territory, it's your understanding that WorldCom
20 has or the other CLEC has provisioned those themselves?

21 A. Yes, because I believe that's Qwest's
22 requirement.

23 Q. Now WorldCom did not submit its own
24 nonrecurring cost study for any elements in this docket,
25 did it?

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1 A. Not if by that you mean a cost study other
2 than the ones in which I modified Qwest's cost study.

3 Q. That is what I mean.

4 Does WorldCom have a nonrecurring cost study
5 of its own as opposed to a modification of Qwest's that
6 addresses any of the rate elements which you address in
7 your testimony?

8 A. No, not for the rate elements I address. Oh,
9 I'm sorry, I think -- I think I misspoke. I think we --
10 WorldCom developed a collocation cost model jointly with
11 AT&T, and I believe there is an element in that cost
12 model that may be the equivalent of the CLEC to CLEC
13 interconnection direct connection service.

14 Q. Are you familiar with that cost model or
15 study?

16 A. Generally, but I would need to refresh my
17 memory to make sure that that -- the Qwest service is
18 indeed one that our model addresses.

19 Q. Is it correct that in any nonrecurring cost
20 study, nonrecurring costs are generally based on work
21 times multiplied by labor rate for particular tasks?

22 A. Yes, and there is usually a probability that
23 is multiplied also.

24 Q. Okay. And to the extent that you're familiar
25 with WorldCom's nonrecurring costs study, how are the

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1 inputs for the work time estimates developed?

2 A. Well, to clarify, I was referring to the
3 WorldCom AT&T collocation cost model, which may have a
4 service similar to one that Qwest has. It's not
5 referring to another study, which is a nonrecurring cost
6 model that WorldCom and AT&T also have, which was not
7 submitted in this proceeding, which does not have a
8 service similar to the ones Qwest has provided in this
9 proceeding. With all that caveat, generally the work
10 times and probabilities are developed -- were developed
11 through using a panel of subject matter experts who are
12 familiar with the functions that needed to be performed.

13 Q. Mr. Lathrop, could you turn to the
14 spreadsheet that's attached to your December testimony,
15 2251.

16 MS. ANDERL: Your Honor, may I get some more
17 water before I continue.

18 JUDGE BERG: Yes.

19 BY MS. ANDERL:

20 Q. Okay, looking at page 1 of 4 of that
21 document, Mr. Lathrop, are you with me?

22 A. Yes.

23 Q. There you take the tasks associated with the
24 service delivery coordinator for a CLEC to CLEC cross
25 connection installation and adjust those time estimates;

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1 is that right?

2 A. Yes.

3 Q. And is it correct that in that first page you
4 reduce the Qwest work time of 86 1/2 minutes to one
5 minute?

6 A. Yes.

7 Q. Mr. Lathrop, have you ever performed
8 functions of a service delivery coordinator?

9 A. No.

10 Q. Would you turn to the next page, please. You
11 have reduced the work times associated with the design
12 work group from 49 1/4 minutes to 11 1/4 minutes; is
13 that correct?

14 A. Yes.

15 Q. And the design function is a function
16 associated with designing the circuit, either a DS1 or a
17 DS3, that is going to be used to accomplish the cross
18 connect?

19 A. I can't answer that question yes or no,
20 because there's a conflict between what Qwest assumes --
21 when you use circuit, that word is more general than the
22 backup information that Qwest provided to substantiate
23 these numbers. What Qwest used in its term was DS1 or
24 DS3 capable loop, and the service at issue here for the
25 cross connection is a DS1 or DS3 level but a jumper from

4858

1 one point on a frame to another point on the frame. It
2 is not a loop that invokes all the questions of what's
3 in the outside plant. So I couldn't answer your
4 question using the word circuit, because the -- because
5 of the conflict I just mentioned in Qwest's backup to
6 its cost study.

7 Q. If I were to modify the word circuit to say
8 DS1 or DS3 capable facility, would you answer the
9 question then?

10 A. I'm sorry, could you give me the first half
11 of the question.

12 Q. No. Is it correct that at least as far as
13 Qwest views it, the design tasks, work tasks and
14 probabilities are associated with the work required or
15 necessary to design the DS1 or DS3 capable facility that
16 is going to be used to accomplish the cross connect?

17 A. To be honest, that is not clear either.
18 Because again, the list of functions arises from Qwest's
19 documentation that was labeled proprietary, the date of
20 which is labeled proprietary in my testimony, and I
21 don't want to say that on the record, but it is in my
22 testimony. Because of the service that's described,
23 it's not clear to me that while the list of functions
24 that appears in this cost study for design might be
25 appropriate for a loop, they may not be appropriate for

4859

1 the cross connect that we're referring to. And, in
2 fact, in -- there's a reference to this that also
3 appears in Qwest's backup that is part of Ms. Million's
4 exhibit TKM-C30 in tab 10, which addresses design.

5 Q. Mr. Lathrop, have you ever performed circuit
6 design work?

7 A. No, neither for a loop nor for a cross
8 connect.

9 Q. With regard to the next work group, central
10 office frames, have you ever completed a cross connect
11 in a central office on a frame?

12 A. No.

13 Q. And would it be safe to say that you have not
14 performed any of the other functions there either?

15 A. That's correct.

16 Q. You didn't adjust any of those work times,
17 did you?

18 A. No, I was generous generally in my comments
19 on Qwest cost studies.

20 Q. And the service delivery implementor in your
21 view did not fare so well, you reduced the work time
22 there from 25 minutes to 12 minutes; is that right?

23 A. Yes.

24 Q. Have you ever performed any of the work
25 functions that a service delivery implementor does in

4860

1 the Qwest order provisioning process?

2 A. Well, possibly an analog, the first mention
3 is screen WFA for circuit, my understanding is that is
4 looking -- that represents the time required for a
5 technician to look at a computer system to see that work
6 is there for them to do, and just like I get E-mails
7 telling me I have work to do. I haven't worked as a
8 service delivery implementor, but some of the functions
9 in Qwest's cost study lend themselves to fairly easy
10 interpretation.

11 Q. In the notes, you describe some of the
12 general things that you did that resulted in some of the
13 reduced work times; is that right?

14 A. Yes.

15 Q. In note number one, you state that you
16 eliminated activities associated with manual orders, and
17 Ms. Million and your counsel had a discussion about
18 this, I believe, and I don't know if you were in the
19 room during that time or not. Are you recommending that
20 Qwest not be able to recover costs for the activities
21 associated with manual orders?

22 A. No. In my testimony I recommend that Qwest,
23 as it does for other services, provide an electronic
24 cost and a manual cost, and that Qwest recover costs
25 associated with manual orders from those entities that

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1 submit orders manually.

2 Q. So you did not propose a separate calculation
3 for a nonrecurring charge for processing a manual order,
4 but you would nevertheless recommend that Qwest would be
5 permitted to propose such a charge?

6 A. Yes.

7 Q. Okay.

8 A. To both questions.

9 Q. Thank you. Now note number two, you indicate
10 that you removed tasks associated with the verified
11 check and validate functions; is that correct?

12 A. Yes.

13 Q. Now is that particular issue discussed in any
14 detail in your testimony, or are you relying on
15 Mr. Morrison's analysis for that decision to remove
16 those items?

17 A. I discuss the issue in my testimony as well.

18 Q. Can you show me where that is?

19 A. Mostly on page 18 of my direct testimony.
20 The question begins on page 17. One of the reasons, as
21 an example, is that Qwest includes time to verify that
22 the co-provider is certified and has an approved
23 contract or amendment. And I believe Qwest includes
24 something on the order of 15 minutes for that function,
25 where I would think that most technicians if they see an

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1 order from WorldCom or AT&T know that those entities are
2 certified. And there's also a task that is listed to be
3 applied for only for new CLECs, but that's assessed in
4 each case in the way Qwest's cost model is developed.

5 Q. Do you rely at all in your decision to remove
6 verify, validate, and check work items on Mr. Morrison's
7 testimony or only on the analysis contained at page 18
8 of your direct?

9 A. I relied to some extent on Mr. Morrison's
10 testimony, and that's mentioned in my testimony on page
11 3 and I believe somewhere else, but.

12 Q. I think I understand the problem here, and
13 that is that I don't seem to have page 18. There, I see
14 it now, thank you.

15 I'm sorry, I didn't mean to cut you off.
16 Were you through with your answer?

17 A. Yes.

18 Q. Moving off of the CLEC to CLEC connection
19 issues, has WorldCom optioned any space in any Qwest
20 central offices in Washington under the space optioning
21 offering?

22 A. Not that I'm aware of.

23 Q. Has WorldCom to your knowledge requested a
24 space inquiry report from Qwest in Washington?

25 A. I don't know, but Qwest responded to a

4863

1 discovery request saying that no one had requested one,
2 and it may have been in the previous year. I forget the
3 time period associated with that, so at least not
4 recently.

5 Q. Let's move on, Mr. Lathrop, to your testimony
6 that's marked 2252. We discussed at the beginning of
7 your cross-examination that this testimony really
8 focuses on the pole and interduct inquiry fees and the
9 field verification fees; is that correct?

10 A. Yes, Qwest submitted those cost studies after
11 the point in time in which they submitted the cost
12 studies I addressed in my direct testimony.

13 Q. Mr. Lathrop, would you agree that it is
14 appropriate when Qwest receives a request for pole
15 attachments along a particular pole route that Qwest
16 would first check its data base or records to try to
17 make a preliminary assessment of whether the route is
18 available?

19 A. I believe that would be a function I have no
20 problem with, and the dispute is not so much whether
21 Qwest should perform, between me and the Qwest
22 witnesses, is not so much between whether Qwest should
23 conduct both a data base inquiry and a field
24 verification, but whether Qwest should charge for both
25 functions. And my belief is no, that that's

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1 inconsistent with TELRIC, a forward looking approach,
2 because Qwest by requiring that structure admits that
3 its data bases are not up to date, and that is not a
4 problem or a cost caused by a CLEC application. It may
5 be an issue that arises as a consequence of a CLEC
6 application.

7 Q. So is it your testimony that in a forward
8 looking environment, Qwest's data bases would be up to
9 date in such a way that a field verification or
10 inspection would never need to be conducted in order to
11 determine availability of a particular pole route or
12 interduct route?

13 A. Not necessarily, that's not necessarily my
14 testimony.

15 Q. I'm just seeking to clarify that.

16 A. Imagine if Qwest did a field verification
17 first. Part of the cost of the field verification that
18 Qwest develops includes making drawings which are then
19 updated for Qwest's use for itself and/or other CLECs.
20 So checking the data base originally might be a step
21 that Qwest could just avoid and require the field
22 verification. So it's not my testimony that they
23 shouldn't necessarily look in their data base. If their
24 data base, you know, was more accurate than they
25 generally must think they are, then that might be

4865

1 sufficient.

2 Q. Okay. Well, let's take a hypothetical
3 example in that Qwest receives an application from a
4 CLEC for pole attachments for the -- or space
5 availability on poles for pole attachments on Main
6 Street from First Avenue to 20th Avenue; do you have
7 that in mind?

8 A. Yes.

9 Q. When Qwest first receives that application,
10 what is your understanding of what Qwest needs to do in
11 order to determine if it even has poles on Main Street
12 from 1st to 20th?

13 A. Well, the first thing Qwest would have to do
14 is require, as it does, that a lot of information be
15 provided by the CLEC that identifies the poles and
16 surrounding geography. So that Qwest receives this
17 information, and perhaps they might want to check that
18 it's accurate and, you know, the pole numbers are
19 associated with the same place that the CLEC believes
20 they're associated with.

21 Q. So it would be reasonable for Qwest to check
22 or verify the accuracy of the application it initially
23 receives from the CLEC?

24 A. Yes. And, in fact, Qwest says that it will
25 reject applications that have illegible or incomplete

4866

1 maps, so a map is required. And, you know, if -- I
2 would think that Qwest should not spend a whole lot of
3 time trying to correct it, because that's just a cost
4 that the CLECs should bear themselves to submit accurate
5 information.

6 Q. And is it your opinion then that once Qwest
7 receives the application and verifies that it's accurate
8 and verifies in its own data bases that its paper
9 records indicate that the route is available, that Qwest
10 should not do a field inspection?

11 A. No, the proper TELRIC approach would probably
12 permit Qwest to perform less time than it has requested
13 to perform the functions associated with the inquiry and
14 just do a field verification. The question you're
15 really asking is what's the appropriate TELRIC approach,
16 and it's not charging the CLECs for Qwest having to
17 validate whether its information is correct. So what I
18 did in my analysis was not remove either one in the
19 extreme. I sort of reduced the time because of -- for
20 the reason I just mentioned. Some of these functions
21 are not, you know, are -- Qwest mapping its own network
22 is not something for which CLECs should pay.

23 Q. Would you agree with me that with regard to
24 both pole lines and interduct routes, there could be
25 environmental factors that could impact availability

4867

1 between physical inspections?

2 A. Can you clarify?

3 Q. And I can give you an example if you would
4 like.

5 A. Well, can you clarify what you mean by in
6 between inspections?

7 Q. Between physical inspections and record
8 updating.

9 A. Do you mean as part of Qwest's single process
10 or, you know, they get another request in a week or two?

11 Q. For example, if Qwest has completely up to
12 date records and conducts a field verification and
13 everything matches on day one, isn't it correct that
14 there are things that could happen in the field over
15 which Qwest has no control that could impact the
16 validity of Qwest's paper records on day two or day five
17 or day ten?

18 A. Sure, there could be an earthquake that
19 limits the availability or the accessibility of
20 interduct.

21 Q. And it could be something as simple as I
22 believe an example that Mr. Hubbard gave in his
23 testimony was a city paving over a manhole cover?

24 A. I will take that as a hypothetical, that yes,
25 that could happen.

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1 Q. Mr. Lathrop, have you ever conducted a field
2 verification for pole availability?

3 A. No.

4 Q. Have you ever conducted a field verification
5 for interduct inquiry, interduct availability rather?

6 A. No.

7 Q. What about for manhole availability?

8 A. No. But the fact that I haven't conducted
9 the exact service as provided by Qwest I think does not
10 mean I am completely at a loss to comment on how long it
11 might take to make copies or track an escalate or put
12 information into a data base, which are part of the
13 functions for the services that you mentioned.

14 MS. ANDERL: Your Honor, if I could just have
15 a few moments, I believe I just need to move some papers
16 around and verify that I don't have anything else, but.

17 JUDGE BERG: All right, we'll just be off the
18 record.

19 (Discussion off the record.)

20 MS. ANDERL: As I suspected, that concludes
21 my questions.

22 JUDGE BERG: Mr. Trautman.

23 MR. TRAUTMAN: Thank you.

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

2 BY MR. TRAUTMAN:

3 Q. Ms. Anderl covered almost everything I was
4 going to ask. I do have one question on page 10 of your
5 direct testimony, T-2250, and it's actually two
6 sentences that continue on to page 11. And here you're
7 referring to cable racking, and you say:

8 In each permutation, cable racking would
9 already exist if Qwest engineered
10 collocation arrangements in an efficient
11 manner. If Qwest has not done so, CLECs
12 should not be forced to pay for Qwest's
13 inefficient placement practices over
14 which they have no control.

15 Do you see that?

16 A. Yes.

17 Q. Has WorldCom completed any studies showing
18 that Qwest has been inefficient in its engineering of
19 collocation spaces in Washington?

20 A. I need to, well, I need to distinguish
21 between two things. One is a forward looking cost study
22 approach in which case the answer is yes, and the other
23 is actual deployment in which case the answer is no.

24 Q. And the study -- okay, so you're -- so
25 WorldCom has completed a study that would show that

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1 there's inefficiencies on a forward looking basis?

2 A. By study, I meant to refer to essentially the
3 testimony I provided in Part A, which took issue with
4 Qwest's proposed R/U factor that addressed essentially
5 the efficiency of collocation cage placement. So I
6 guess I was thinking of commenting on Qwest's study. We
7 did not, to my knowledge, we have not proposed or
8 developed any separate study.

9 Q. But you're referring to the R/U study?

10 A. Yes.

11 Q. Okay. Would it be accurate to say that your
12 understanding of the efficiencies of cable rack
13 installation are based on WorldCom's standard
14 engineering practice where it provides collocation
15 space?

16 A. No, it's based on an analysis of ILEC
17 collocation placement.

18 Q. And I think the only other item I have is
19 Cross Exhibit 2267, which is WorldCom's response to
20 Staff Data Request 23, and I note that the request
21 indicates that you were responder to that request?

22 A. Yes, that's correct.

23 MR. TRAUTMAN: I would move for admission of
24 Exhibit 2267.

25 JUDGE BERG: All right, hearing no objection,

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1 Exhibit 2267 is admitted.

2 MR. TRAUTMAN: That's all I have.

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

5 BY DR. GABEL:

6 Q. Mr. Lathrop, I just have one general question
7 for you, and that is the same question that I proposed
8 to Ms. Million, and that is in this case as in other
9 cases, we have presented -- what parties have presented
10 to the commissions are two sets of estimates for the
11 times involved in doing some type of nonrecurring
12 activity. And going back to the 8th Supplemental Order
13 around the area of Paragraph 452, the Commission talked
14 about the need to look at the reasonableness of the
15 opinions of the experts.

16 And what I would like to know is what you
17 have offered through, for example, the appendix to your
18 direct testimony, your estimates of what you feel are
19 appropriate times for different activities, what have
20 you done or what can you offer us to validate the
21 reasonableness of those numbers other than just saying
22 this is your opinion? Have you done any kind of
23 benchmark analysis looking at how the values compare to
24 numbers you have seen for other companies? Have you
25 compared the numbers you recommend with any kinds of

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1 similar internal processes within WorldCom? So my
2 general question is, how do we -- how can one validate
3 the reasonableness of your recommendations?

4 A. The approach I took was to look at Qwest's
5 cost study and the documentation to the extent that they
6 provided any as well as discovery that we propounded to
7 find out whether the description of the tasks and the
8 times associated were reasonable. And I tried to
9 describe in my testimony certain things, and I gave a
10 couple of examples on the record here of functions that
11 I just believe are inappropriate to include and then
12 other functions from which Qwest documentation said,
13 well, there's so much time allotted for, you know, what
14 is it, printing E-mails and various tasks that I think
15 don't require that you actually be someone who is
16 employed by Qwest performing those functions to have an
17 idea of whether the information -- whether it should
18 take as long as Qwest said.

19 One of the issues that Qwest doesn't address
20 really directly in those cost studies is that there are
21 data bases in OSS systems that should communicate, and
22 Qwest admits that there is a lot of validation of its
23 own data, for which I don't think CLECs should pay, as
24 well as time spent because its own data or systems are
25 not synchronized, the data within the various systems

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1 are not synchronized. That's also an issue for which I
2 don't believe CLECs should pay.

3 Beyond going through, as I did, sort of line
4 by line and questioning whether these functions are
5 appropriate, whether Qwest has provided enough
6 information to sort of meet the burdon that it really
7 does take X amount of hours, I don't -- I don't have a
8 simple answer for you to say, you know, one party is
9 right, the other party is right, or we're just going to
10 cut it in half.

11 And so my approach was to take a line by line
12 for all the functions, and when there was a function
13 such as in one of their cost studies that just said for
14 space optioning had the term engineering. I said, well,
15 it's not clear to me what that means or what functions
16 are being performed for the seven hours. And
17 Ms. Million provided reply testimony, and I was given an
18 opportunity to provide another round of testimony
19 saying, okay, well, now Qwest has said there are
20 actually some functions that are performed rather than
21 just saying engineering seven hours.

22 So again, short of sort of going through and
23 looking at the two parties' opinions and what Qwest's --
24 the comments in their cost study actually represent,
25 there's no easy answer.

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1 Q. And am I correct, Mr. Lathrop, that you have
2 reviewed similar studies that were produced by other
3 ILECs such as Verizon or BellSouth or SBC, or have you
4 only looked at similar type of studies for Qwest?

5 A. There are -- some of the studies on which I
6 testified are studies that I have not testified on
7 before or seen cost studies from other ILECs, and some
8 of them have analogs within the network that they're
9 similar functions. I have been looking at ILEC cost
10 studies for over ten years and have some familiarity
11 with functions that are performed and what needs to be
12 done, but I can't say that -- or I can say that I have
13 not seen another ILEC's space optioning cost study, so I
14 have -- I did no bench marking. I just looked at what
15 Qwest said they were doing for the times they said it
16 took to do those functions and provided my comments.

17 DR. GABEL: Thank you.

18 JUDGE BERG: Anything further?

19 Anything further, Mr. Trautman?

20 All right, by way of a question, does the
21 Commission appreciate your attendance? Yes. Are you
22 excused from the witness stand and from the proceeding?
23 Yes.

24 THE WITNESS: Thank you.

25 JUDGE BERG: You're welcome.

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We will be off the record.

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(Hearing adjourned at 5:20 p.m.)

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