

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition
Of Qwest Corporation
For Competitive Classification of Business
Services in Specified Wire Centers

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DOCKET NO. UT-000883

REBUTTAL TESTIMONY OF

PERRY W. HOOKS JR.

QWEST COMMUNICATIONS CORPORATION

October 6, 2000

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I. EXECUTIVE SUMMARY

1 The purpose of my testimony is to demonstrate to the Washington Utilities and
2 Transportation Commission (“Commission”) that Qwest offers Competitive Local
3 Exchange Carriers (“CLECs”) a meaningful opportunity to compete in the local
4 market in order to provide competitive alternatives to customers in the State of
5 Washington. I have filed this testimony as a general reply to the response testimony
6 filed by Ms. Kaylene Anderson of NEXTLINK and Dr. Glenn Blackmon of the
7 Commission Staff in this proceeding.

II. INTRODUCTION OF WITNESS

1 Q. WHAT IS YOUR NAME, BUSINESS ADDRESS, AND POSITION AT QWEST?

2 A. My name is Perry W. Hooks, Jr. I am employed by Qwest Communications Corporation
3 (“Qwest”) as Director, Switching and Trunking Services, Global Wholesale
4 Markets. My business address is 1801 California Street, Suite 2150, Denver, CO,
5 80202. My principal business responsibility is to lead a team focused on switching,
6 switched access, signaling, transport and trunking marketing opportunities, and
7 product creation, development and life cycle management in those product markets
8 for both existing and emerging telecommunications service providers.

9 Q. WHY HAVE YOU BEEN ASKED TO TESTIFY IN THIS PROCEEDING?

1 A. I have been asked to testify in this proceeding as a holdover responsibility from my most
2 recent position that I held until earlier this week. I had served as Director, Legal and
3 Regulatory Affairs, Interconnection Operations. My principal responsibility in that
4 position was to testify in regulatory and legal proceedings concerning Qwest's
5 wholesale local services and products.

6 **Q. PLEASE PROVIDE YOUR FORMAL EDUCATION AND PROFESSIONAL**
7 **EXPERIENCE.**

8 A. I hold a Juris Doctorate degree from the University of Michigan Law School in Ann Arbor,
9 Michigan, and two bachelors degrees (Three Majors: Economics; Management; and
10 Political Science) from Washburn University in Topeka, Kansas.

11 I began working for U S WEST in 1984 in various legal and management positions. I
12 worked as an attorney in the U S WEST Law Department, for the first ten years of
13 my career, including seven years as the Chief Counsel to the Technical Operations
14 and Network organizations of the company. Since moving into management for
15 U S WEST, in 1995, I have served in various positions within the Strategy
16 Development, Markets-Regulatory Strategy, Network, Carrier and the Wholesale
17 Markets organizations. While in the Strategy Development organization, my
18 responsibilities included oversight and conduct of competitive analysis. While in
19 the Marketing – Regulatory Strategy organization, my responsibilities included
20 supervision of company and external expert witnesses who testified concerning

1 U S WEST's retail products and services, competition, and product costs. While in
2 the Network organization, I served as Director of Program Management for
3 Interconnection Operations and was responsible for the coordination of wholesale
4 local services program and project management for installation and repair processes
5 of resold finished services, interconnection services, and unbundled network
6 elements.

III. DISCUSSION

A. Interconnection Agreements in the State of Washington

1 **Q. HOW MANY INTERCONNECTION AND RESALE AGREEMENTS DOES**
2 **QWEST PRESENTLY HAVE WITH CLECS IN THE STATE OF**
3 **WASHINGTON?**

4 A. Presently there are more than one hundred local interconnection agreements between Qwest
5 and CLECs in the State of Washington.

6 **Q. DO THESE AGREEMENTS ALLOW CLECS THE ABILITY TO INTERCONNECT**
7 **FOR THE EXCHANGE OF LOCAL TRAFFIC, ACCESS TO UNBUNDLED**
8 **NETWORK ELEMENTS AND THE ABILITY TO RESELL QWEST**
9 **SERVICES?**

10 A. Yes. CLECs have all of those options to enter the market and effectively compete for end

1 user customers.

2 **Q. ARE THESE AGREEMENTS APPLICABLE TO THE SEATTLE AND SPOKANE**
3 **AREAS WHICH ARE THE SUBJECT OF THIS COMPETITIVE**
4 **CLASSIFICATION HEARING?**

5 A. Yes. These Agreements are applicable to all of the Qwest wire centers throughout the State
6 of Washington, including all of the 31 wire centers which are the subject of this
7 proceeding.

8 **Q. HAVE CLECS BUILT SWITCHES IN THOSE METROPOLITAN AREAS IN**
9 **ORDER TO PROVIDE SERVICE TO THEIR CUSTOMERS?**

10 A. Yes. According to the Local Exchange Resource Guide (“LERG”) in the nine wire centers
11 which are the subject of this proceeding, the CLECs have more than two hundred
12 and fifty (250) switches installed in the network (see Rebuttal Testimony of Dr.
13 William E. Taylor).

B. Facilities Available for Competitive Local Exchange Carriers

1 **Q. WHAT PROCESS DOES QWEST HAVE IN ORDER FOR FACILITIES TO BE**
2 **AVAILABLE FOR CLECS WHICH PROVIDE SERVICES TO THEIR**
3 **CUSTOMERS?**

4 A. Qwest uses a forecasting process in order to anticipate the network infrastructure needs of
5 all network users, including CLECs.

1 Q. DOES QWEST REQUEST FORECASTS FROM THE CLECS?

2 A. Yes. Generally, Qwest's Interconnection Agreements require CLECs to confidentially
3 forecast their Local Interconnection Service ("LIS") Trunk, Unbundled Loops, Local
4 Number Portability ("LNP"), and Collocation needs.

5 Q. DOES NEXTLINK PROVIDE FORECASTS TO QWEST?

6 A. NEXTLINK has provided LIS forecasts to Qwest in the past. However, despite requests
7 from Qwest, NEXTLINK has not provided Unbundled Loop, LNP, or Collocation
8 forecasts to Qwest. As a result, Qwest is unable to address NEXTLINK's need for
9 these types of facilities in advance.

10 Q. HOW DOES QWEST USE THESE FORECASTS?

11 A. Qwest uses the forecasts to plan for network capacity. If accurate forecasts are received,
12 the greater is the likelihood that facilities will be available when CLECs desire
13 them.

14 Q. HOW DOES QWEST DETERMINE ITS COLLOCATION SPACE NEEDS?

15 Over the years, Qwest has evolved its collocation products, planning and deployment processes.
16 Some examples are as follows: (1) Qwest has added cageless collocation; (2) Qwest's
17 collocation ordering process provides a CLEC with the opportunity to have a meeting
18 with Qwest to discuss the specific collocation request within 24 hours of Qwest's receipt
19 of the CLECs application; (3) there is a Qwest web site posted with wire center locations

1 that are currently out of space for collocations; and (4) at a CLEC's request, Qwest will
2 respond to a CLECs inquiry regarding collocation space availability within 10 days of the
3 CLEC's inquiry. Also, as this Commission is aware, when there is a dispute over the
4 availability of collocation space, Qwest and the CLEC with whom there is a dispute may
5 have the Commission resolve the dispute and, as part of that proceeding, Qwest is
6 obligated to supply the Commission with detailed information concerning the collocation
7 dispute.

8 **Q. WHAT HAVE BEEN THE NUMBERS OF REQUESTS FOR COLLOCATION IN**
9 **THE STATE OF WASHINGTON OVER RECENT YEARS?**

10 A. Over the past three years the approximate collocations completions has grown. At the end
11 of 1998, there were sixty-nine (69) collocations in the state of Washington. At the
12 end of 1999, there were two hundred seventy (270) collocations in the state of
13 Washington. According to currently available information, there are currently over
14 three hundred sixty-eight collocations in Washington. Collocation is the
15 "beachhead" for additional competition to provide service to Washington
16 consumers.

17 **Q. SHOULD QWEST BE SHARING A PORTION OF THE CLEC'S COLLOCATION**
18 **COSTS?**

19 A. Qwest does not agree with the assertion of NEXTLINK's witness, Ms. Kaylene Anderson,
20 that Qwest should be sharing a portion of the CLEC's collocation costs. However,

1 the debate would best be considered in this Commission's cost docket and, with all
2 due respect, not be allowed as a distraction to the issue at hand in this hearing.

3 **Q. DO GEOGRAPHICALLY DEAVERAGED LOOP RATES ORDERED BY THE**
4 **COMMISSION UNDERMINE THE FINANCIAL VIABILITY OF NEXTLINK**
5 **UTILIZING QWEST LOOPS?**

6 A. I do not know. However, Qwest is currently obligated to abide by the FCC's TELRIC
7 pricing structure for UNEs, as applied by this Commission. NEXTLINK's use of
8 Qwest loops verses other available options is a business decision for NEXTLINK.
9 Neither this Commission nor Qwest, however, is required to ensure the success of
10 NEXTLINK's business plans. Nevertheless, NEXTLINK's opposition to the
11 deaveraging of unbundled loop rates is more appropriately handled in a cost hearing
12 before this Commission; it is not appropriate for NEXTLINK's concern over
13 unbundled loop pricing to be considered in this hearing.

14 **Q. IS UNE-P READILY AVAILABLE FOR SERVING THE MASS MARKET?**

15 A. Yes. Qwest began offering UNE-P for business basic exchange service equivalents earlier
16 this year.

17 **Q. HAS QWEST RECENTLY PROPOSED A NEW NONRECURRING RATE**
18 **STRUCTURE FOR UNE-P?**

19 A. Yes. Although irrelevant to this proceeding, NEXTLINK has raised a question concerning

1 the propriety of this rate. In Docket No. UT-003013 Qwest has proposed revised
2 non-recurring charges for UNE-P.

3 **Q. DOES NEXTLINK HAVE THE ABILITY TO RESELL QWEST SERVICES AT**
4 **THE WHOLESALE DISCOUNT RATE SPECIFIED BY THE COMMISSION?**

5 A. Yes. NEXTLINK may resell finished Qwest basic telecommunications services with the
6 resale discount rate specified by the Commission. Resale has been a viable
7 competitive tool in Washington prior to passage of the Act and impact of resale has
8 become more significant since passage of the Act.

9 **Q. DO CLECS, SUCH AS NEXTLINK, HAVE THE ABILITY TO DEVELOP AND**
10 **DETERMINE THEIR OWN PRODUCTS AND SERVICES, AS WELL AS**
11 **IDENTIFY THEIR OWN TARGET MARKETS?**

12 A. Yes. All CLECs, including NEXTLINK, may determine and develop the types of products
13 and services they wish to sell to one or more of their defined market segments. The
14 terms and conditions of their services and marketing plans are all controlled by the
15 CLECs.

16 **Q. WHAT OPTIONS DO CLECS HAVE TO CREATE AN INFRASTRUCTURE TO**
17 **DELIVER THEIR SERVICES TO END USER CUSTOMERS?**

18 A. CLECs have several options. They include:

19 1) CLECs deploying their own network;

- 1 2) CLECs may access Qwest UNEs for use in combination with the CLECs' networks to
2 offer telecommunications services;
- 3 3) CLECs may resell Qwest basic telecommunication services;
- 4 4) CLECs may secure facilities from other providers, such as other CLECs; and
- 5 5) CLECs may interconnect their networks with Qwest, and others.

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IV. ALLEGATIONS OF KAYLENE ANDERSON

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9 **Q. IN HER TESTIMONY, MS. ANDERSON RAISES A NUMBER OF ISSUES**

10 **REGARDING PROVISIONING, TROUBLE REPORTS, ETC. CAN YOU**

11 **ADDRESS THESE ALLEGATIONS?**

12 A. Yes. Ms. Anderson's allegations are very general and lack sufficient detail to allow Qwest
13 to formulate a specific response. However, it is important to note that NEXTLINK
14 has the ability to raise these issues with its Qwest account team or in a formal
15 complaint if it deems the allegations to be sufficiently serious to warrant that action.
16 It is also important to note that NEXTLINK has not associated any of its complaints
17 about Qwest with NEXTLINK's own success in the market, nor has NEXTLINK
18 been willing to disclose that level of success in order for Qwest to be able to
19 understand how competitive NEXTLINK has been in Spokane and Seattle.

V. CONCLUSION

1 Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?

2 A. Qwest respectfully requests that the Commission rule in favor of Qwest's request for
3 competitive classification. As discussed herein, CLECs are now in Washington and,
4 along with other companies, provide competitive alternatives for Washington
5 consumers.

6 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

7 A. Yes, it does. Thank you.