SUMMARY OF TESTIMONY

Tier Designation (Issue 4B): Eschelon proposes that PO-20 have a Tier 1 High designation and Tier 2 Medium designation. Qwest proposes a Tier 1 Low designation, claiming that PO-20 measures "feature only" errors that it says do not harm end users. Washington participated in LTPA. The LTPA Facilitator found that CLECs provided conclusive evidence that Qwest's service order errors adversely impact end user customers. In another PO-20 proceeding, the Colorado Independent Monitor found that such errors create foreseeable harm to both end users and CLECs. He also found that error rates allowed by the benchmark may result in a disproportionate impact to CLECs and their customers. I provide evidence of the importance of properly functioning features and the harm caused when they do not function properly. I also provide examples of dial tone outages that are also measured by PO-20.

Qwest concedes that it has many opportunities to identify and correct its own service order errors, which prevents the errors from being included as "misses" in PO-20. If the proper incentive is given to Qwest to take advantage of these opportunities, it can reduce PAP payments. It is important to view such opportunities in conjunction with the large number of errors ("free misses") that Qwest is already allowed under PO-20. CLECs requested a benchmark for PO-20 of 99%, but a lower benchmark was established. The benchmark for PO-20 already accounts for Qwest's argument that mistakes will invariably occur, despite Qwest's opportunities to correct its own errors. All of the PO-20 Qwest errors, whether at an acceptable or an unacceptable level per the benchmark, harm end user customers or CLECs and their ability to compete, or both. Only those Qwest errors after the number of Qwest errors reaches an unacceptable level

result in payments pursuant to the PAP's Tier designations. In other words, some Qwest errors that cause harm go uncompensated under the PAP. When the Qwest errors, in addition to causing harm, also reach an unacceptable level pursuant to the benchmark, the amount of the payment should be significantly more than $25 per occurrence.

Low Volume Exception (Issue 4C): The Commission should reject Qwest's proposal for a low volume exception for PO-20.

Burn in Period (Issue 4D): The Commission should reject Qwest's proposal to receive up to three months to implement each phase of PO-20. The "burn-in" period is simply an attempt to further delay implementation of a meaningful measure of Qwest's manual service order accuracy. During the 19 or more months that the parties and staff worked on this PID, Qwest continued to make these PO-20 service order errors and CLECs received no PAP relief for them. The time between phases is already a built in start-up time period, and additional delay should not be added to the agreed upon schedule for the four phases. If the Commission believes that the revised PO-20 might result in more frequent or significant restatements due to Qwest reporting errors, Eschelon would not oppose the Commission waiving interest payments for errors identified on the PO-20 payment reports that Qwest restates in the first three months of each phase.

XDSL-I (Issue 3): The product xDSL-i loops should be added to additional PIDs contained in the Washington PAP.

Aggregate Payment Reports (Issue 6): Qwest should be required to publish its aggregate payments under the PAP to CLECs.

I. INTRODUCTION OF THE WITNESS

Q. What is your name, title and business address?

A. My name is Ray Smith. I am Manager of ILEC Performance for Eschelon Telecom, Inc. ("Eschelon"). My business address is 730 Second Avenue South, Suite 900, Minneapolis, MN 55402.

Q. Please briefly describe your background and qualifications.

A. I graduated from the University of Central Florida with a Bachelor of Science of Business Administration degree. At the Ohio State University I earned a Master of Arts degree in economics and completed all the requirements for a Ph.D. in economics with the exception of the dissertation. One area of specialization in my studies and research was in the field of industrial organization, which includes the operation of regulated industries such as the telecommunications industry.

In February 2003, I joined Eschelon as Manager of ILEC Performance. Prior to joining Eschelon, I was an analyst with the Minnesota Public Utilities Commission ("PUC") for almost four years. While with the Minnesota PUC staff, I was one of the analysts assigned to the 271 proceedings. I participated in the Regional Oversight Committee ("ROC") Technical Advisory Group ("TAG") discussions. I also served on the ROC Steering Committee for the Operations Support Systems ("OSS") test. I also have more than eight years of experience teaching economics at the undergraduate and graduate level.

Q. What are your responsibilities at Eschelon as they relate to this proceeding?

A. At Eschelon, I work on issues related to Incumbent Local Exchange Carrier ("ILEC") performance, including Qwest's performance in the processing of Eschelon orders. I deal directly with the business units within Eschelon as well as individuals at Qwest in attempting to measure and address performance issues. As part of my responsibilities, I review Qwest's aggregate Competitive Local Exchange Carrier ("CLEC") and Eschelon-specific performance reports based on the the Performance Indicator Definitions ("PIDs"), as well as amounts paid by Qwest to Eschelon pursuant to the Performance Assurance Plans ("PAPs"). Eschelon has opted in to the PAPs in several states, including Washington. I participate in the Long Term PID Administration ("LTPA") forum, in which CLECs and Qwest discuss issues such as modifications to the PIDs. I participated in the discussions and activities in LTPA related to the disputed issues in this proceeding.

I also manage production of an Eschelon monthly report, known as a "Report Card," that summarizes Qwest's performance in providing services to Eschelon in ten key areas and provides the detail behind each of the ten measures. Eschelon provides multiple copies of the Report Card, including the detailed information, to Qwest on a monthly basis, and I participate in monthly meetings with Qwest to discuss the results. Qwest often asks for examples of problems identified by Eschelon, and one way to view the Report Card is as a highly organized set of examples of performance issues provided to Qwest monthly. The Report Card includes a measure, known as "E-3," that is similar to the PIDs P0-20 and OP-5 in that it measures new service installation quality. As part of producing this measure, I review the detailed information, including information related to Qwest service order errors detected by Eschelon using the Pending Service

Order Notifications ("PSONs"). I am familiar with the PSONs and the time-consuming process for Eschelon to review for Qwest errors that Qwest failed to identify and correct.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to describe Eschelon's position, and the basis for each position, regarding the disputed issues in the second six-month review of the Washington PAP. With my direct testimony, I have also included a number of exhibits for this purpose.[1] My testimony is divided into five sections:

1. Tier Designation (Issue 4B):[2] The PID PO-20 should be designated as a Tier 1 High and Tier 2 Medium measure under the PAP;

2. Low Volume Exception (Issue 4C): Qwest's proposal for a low volume exception for PO-20 is unnecessary and should be rejected;

3. Burn in Period (Issue 4D): Qwest's proposal for a burn in period for PO-20 should be rejected;

4. XDSL-I (Issue 3): The product xDSL-i loops should be added to additional PIDs contained in the Washington PAP; and

5. Aggregate Payment Reports (Issue 6): Qwest should be required to publish its aggregate payments under the PAP to CLECs.

[1] Exhibit RLS-2T is a table of the exhibits to my testimony. Exhibit RLS-3T is the Washington PAP. Exhibit RLS-4T is the Final Issues Matrix in this proceeding. Generally, Exhibits RLS-05T through RLS-29T & RLS-35T relate to PO-20 issues and RLS-30T through RLS-34 relate to xDSL-i capable loop issues. Some of the exhibits are excerpts from larger documents in an attempt to reduce the amount of paper. If any party objects to the use of excerpts, Eschelon has no objection to admission of the entire document.

[2] Issue Numbers in this testimony refer to the Issue Numbers in the Final Issues Matrix for this Proceeding. The Final Issues Matrix is enclosed as Exhibit RLS-3T

II. APPROPRIATE TIER DESIGNATION FOR PO-20 (ISSUE 4B)

Q. What is the disputed issue regarding the Tier designation for PO-20 in this proceeding?

A. Eschelon proposes that PO-20 have a Tier 1 High designation and Tier 2 Medium designation. Qwest proposes a Tier 1 Low designation.

Q. Based on what factors does Eschelon propose that PO-20 have a Tier 1 High and Tier 2 Medium designation under the PAP?

A. There are four factors that should be considered in setting the Tier designation for PO-20. The factors are:

1. How the PAP treats OP-5, a companion measure to PO-20.
2. The adverse affect that Qwest errors measured by PO-20 can have on end user customers.
3. The adverse affect that Qwest errors measured by PO-20 can have on competition and CLECs' ability to compete.
4. The large number of free misses allowed by PO-20 combined with the opportunity for Qwest to prevent its own service order errors.

Q. How is your testimony in this section organized?

A. In this section, I first provide some brief background on PO-20. I then address each of the factors that support a Tier 1 High and Tier 2 Medium designation.

A. PO-20 BACKGROUND

Q. Please explain what the PID PO-20 measures.

A. PO-20 (Manual Service Order Accuracy) is designed to measure the extent to which Qwest creates accurate service orders from a CLEC's electronically submitted Local

Service Request ("LSR") that Qwest processes manually for certain wholesale products. PO-20 reports Qwest's service order accuracy performance as a percentage based on the number of manual service orders that Qwest creates without error divided by the total number of service orders created during the reporting period.[3]

Q. Please explain how PO-20 came about generally.

A. The need to measure Qwest's manual service order errors was identified in several investigations of Qwest's wholesale performance. In one of these investigations, the Regional Oversight Committee's test of Qwest's Operation Support Systems ("OSS"), KPMG identified a large number of Qwest manual service order errors.[4] In another proceeding, Qwest acknowledged that it was not including its manual service order errors in its performance measure OP-5.[5] In a third proceeding, the Arizona Staff identified customer impacting Qwest-caused errors that Qwest was not including in OP-5 and recommended changes to the PIDs designed to capture these errors.[6]

To measure its manual service order errors, Qwest proposed changes to the existing PID (OP-5) and a new PID (PO-20). First, OP-5 was split into two measures. OP-5A replaces the old OP-5.[7] That is, OP-5A measures the percentage of new end user customer orders that have repair troubles after the provisioning process is complete up to the 30th day from when Qwest delivered the circuit/service. Second, a new submeasure,

[3] PO-20 is attached as Exhibit RLS-6T.
[4] *See* Exhibit RLS-13T (KPMG Manual Service Order Accuracy Report).
[5] *See* Exhibit RLS-27T (Reply Comments of Qwest Communications International Inc. In Support of Consolidated Application, *In the Matter of Qwest Communications International, Inc. Consolidated Application for Authority to Provide In-Region, InterLATA Services in Montana, Utah, Washington, and Wyoming*, FCC Docket No. 02-189, p. 26 (emphasis added)).
[6] *See* Exhibit 12T (Report on the July 30 – 31 Workshop, Report One – Operations Support Systems Related Issues, *In the Matter of Qwest Corporation's Section 271 Application*, ACC Docket No. T-00000A-97-0238, Feb. 25, 2003).
[7] The original version of OP-5 is attached as Exhibit RLS-7T.

OP-5B, measures the percentage of orders that have troubles during the provisioning process.[8] These include important day-of-cut issues for inward line activity that Qwest previously omitted from its measure. Third, Qwest also proposed PO-20 to measure the percentage of orders on which Qwest makes a service order error. Together, these three sub-measures/measures are supposed to measure the experience of CLEC end-user customers and CLECs when Qwest provisions CLEC orders. As I discuss in Section II. B., these measures, therefore, must be viewed together to determine the appropriate Tier designation for PO-20 in this proceeding.

Q. Please explain the LTPA process that created the revised PO-20 measure before the Washington Commission at this time.

A. The parties discussed revisions to OP-5 and PO-20 in LTPA from mid 2002 up until the conclusion of the impasse process in May 2004.[9] The parties went to impasse on the performance benchmark for PO-20 and Qwest's proposal for a low volume exception for PO-20.[10] The LTPA Facilitator rejected Qwest's request for a low volume exception and recommended a compromise position on the benchmark[11] At the conclusion of the impasse process, neither Qwest nor the CLECs objected to the Facilitator's compromise benchmark standard for PO-20. Therefore, the standard for PO-20 is not a disputed issue

[8] The revised version of OP-5 containing OP-5A and OP-5B is attached as Exhibit RLS-8T.
[9] The revised OP-5 was finalized in August, 2004.
[10] The impasse process in LTPA requires the parties to provide their positions on the issue. The LTPA Facilitator then makes a recommendation.
[11] *See* Exhibit RLS-11T (LTPA Impasse Document and Recommendation, PO-20 - Manual Service Order Accuracy, April 12, 2004 at 2-3).

in this proceeding.[12] However, the Tier designation in the PAP is a disputed issue in this proceeding.

B. FACTORS AFFECTING TIER DESIGNATION.

1. FACTOR ONE: SAME TIER DESIGNATION FOR COMPANION MEASURES.

Q: You testified that the first factor that the Commission should consider in setting the Tier Designation for PO-20 is how the PAP treats OP-5, a companion measure to PO-20. Does the fact that these are companion measures support Tier 1 High and Tier 2 Medium designations?

A. Yes, it does. OP-5 (comprised of OP-5A, OP-5B, OP-5R, and OP-5T) and PO-20 are designed to work together and collectively measure the end user customer's and CLEC's experience when Qwest processes CLEC's orders and some fall out for manual handling. As I described in the Background section above the need for PO-20 and OP-5B was initially prompted by omissions in the original OP-5 (now OP-5A) that failed to adequately capture the end-user customer experience in switching carriers.

Service order errors are a factor in both OP-5 and PO-20. OP-5 is designated as a Tier 1 High and Tier 2 Medium measure in the PAP. PO-20 should similarly be designated as a Tier 1 High and Tier 2 Medium measure.

Q. Is it reasonable to compare OP-5 and OP -20 for the purpose of establishing the Tier designation for PO-20?

[12] Qwest has elected not to accept the Facilitator's recommendation on a low volume exception for PO-20 and included this request in this six-month review. This issue is discussed in Section III.

A. Absolutely. If the CLEC's end user customer experience on or near the due date is adverse due to Qwest errors, end user customers blame the CLEC. As a result, the CLEC may lose that customer or may lose other customers through harm to its reputation. Even if CLEC retains the customer, the CLEC expends resources attempting to resolve Qwest errors.

The PIDs split the customer and CLEC experience on or near the due date into three sub-measures ~ OP-5A, OP-5B, and PO-20. Because OP-5 and PO-20 measure the same aspect of an end user customer's experience, the PIDs should have the same Tier designation under the PAP.

Q. Does Qwest point to a particular difference between OP-5 and PO-20 as a basis for its proposal of the lowest Tier designation?

A. Yes. Qwest has claimed that PO-20 will involve more "feature only" errors than OP-5 and has suggested that feature only errors are not important or harmful to end user customers, so PO-20 should be assigned the lowest Tier designation. As I discuss below, Qwest has admitted in discovery that the data does not exist to determine whether its claim about the ratio of types of error in each PID is even accurate.[13] In any event, features and the proper functioning of features are very important to end user customers. Some feature errors will occur during activity that is measured in OP-5 and other feature errors will be measured by PO-20. In both cases, the CLEC has to expend resources to fix the problem. In some cases (either under OP-5 or PO-20), the customer may be so upset about the feature problem that the customer chooses to switch carriers. Such significant problems affecting services ordered by the CLEC's customer but not

processed properly by Qwest should have the same Tier designation regardless of whether measured by OP-5 or PO-20. The importance of features, and the harm caused when Qwest improperly processes requests for such features, is discussed in the next sections of my testimony.

2. FACTOR TWO: HARM TO END USER CUSTOMERS

Q. You testified that the second factor the Commission should consider in establishing a Tier designation for PO-20 is the harm to end user customers from Qwest service order errors measured by PO-20. Does PO-20 satisfy this criterion?

A. Yes. When Qwest improperly provisions the end user customer's service request, it typically means that the end user customer, at a minimum, did not get the service or feature that it requested or the service/feature did not function as anticipated. This is harm to the end user customer because Qwest's error prevented the CLEC from fulfilling the end user customer's request and meeting the end user customer's expectation, so the customer did not get what the customer desired. Qwest service order errors reported under PO-20 include Qwest errors that result in service outages (such as when Qwest makes an error on the line while changing a feature on that line).[14]

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[13] *See* Exhibit RLS-12T (Qwest Response to Eschelon Data Requests 03-017).

[14] In one example, a hair salon lost dial tone for at least three hours during the business day, when the customer needed to receive and make calls regarding appointments, cancellations, and other aspects of its business. (Qwest escalation ticket # 25364022.) During this time, callers received a disconnect recording, making it appear that the salon was no longer in business. End user customers view disconnect recordings as significant harm. The end user customer called Eschelon shortly before noon to report this outage. Qwest did not restore service until almost 3:00 in the afternoon. This order was a change ("C") order with "T" action for the fax line (from an additional line USOC to a main line USOC). PO-20 states that "Change Service Order types included in this measurement consist of all C orders with "I" and "T" action-coded line or feature USOCs." (*See* PO-20, Description.) When Qwest changed the line level USOC while manually processing the service order, Qwest omitted the telephone number, so the telephone number was disconnected. Any time Qwest makes the same error as happened in this case, the service affecting outage is measured by PO-20 (not OP-5). (Another example of such an outage is the title company example described below when I discuss due date or telephone number errors.)

Qwest suggested in LTPA that errors affecting dial tone will occur less frequently in PO-20 than feature only errors that do not involve lack of dial tone. Qwest has admitted in discovery in this proceeding, however, that it does not have the data to establish the ratio of one type of error versus the other (including the number of orders involving inward line versus inward feature activity).[15] In any event, the ratio does not matter because Qwest's premise that feature errors that do not involve a lack of dial tone are insufficiently important or harmful to end user customers to justify a higher Tier designation is flawed. To explain why it is flawed, in the next series of questions, I will address (a) third party decisions indicating that the errors captured in PO-20 harm end user customers; (b) examples of harm that can result from inward feature activity generally; (c) widespread use of affected fields; (d) importance and value of features to end user customers; (e) specific examples of harm to end user customers by field impacted (due date or telephone number; PIC/LPIC; directory listings; blocking; call forwarding; hunting; and intercept message); and (f) significant harm that exists even though it may not be immediately apparent or reported. In section (g), I will also address why Qwest's suggested "majority of errors causing customer harm" standard is without basis and should be rejected.

(a) <u>Third party decisions indicating that the errors captured in PO-20 harm end user customers</u>.

Q. Did the LTPA Facilitator address harm to end user customers caused by Qwest service order errors measured by PO-20 in the course of setting the benchmark for PO-20?

[15] *See* Exhibit RLS-16T.

A. Yes. Washington participated in LTPA, where a Facilitator addressed impasse items that the parties raised in LTPA. The LTPA Facilitator found that PO-20 measures Qwest errors that have "significant impacts on end user customers…"[16] The LTPA Facilitator also found that CLECs provided "conclusive evidence that Qwest's service order errors adversely impact end-user customers which effectively rebuts [a] study performed by Qwest [based on which Qwest claimed that 'the majority of situations do not result in significant end-user impact.'[17]]."[18] The LTPA Facilitator said that "Qwest service order errors can have a profound impact und [sic] end user customers."[19] Qwest errors that profoundly affect customers should receive the highest Tier designation under the PAP.

Q. Was the impact of Qwest's service order errors on end user customers addressed in any other PO-20 benchmark proceeding?

A. Yes. Although the other states in LTPA, like Washington, used the LTPA facilitator's recommendation for the PO-20 benchmark (to which the parties did not object), Colorado held its own hearing. The Colorado Independent Monitor found that "harm to a competitive LEC and its end user customer is foreseeable when Qwest mistakenly enters incorrect data from an LSR into the Qwest processing systems."[20] He also found that error rates allowed by PO-20's standard, "may result in a disproportionate impact to competitive LECs and their customers."[21] The only other third party monitor/facilitator to address the issue of the impact of Qwest's errors measured in PO-20, therefore, also

[16] *See* Exhibit RLS-11T at 3.
[17] *See* Exhibit RLS-11T at 3.
[18] *See* Exhibit RLS-11T at 4.
[19] *See* Exhibit RLS-11T at 3.
[20] *See* Exhibit RLS-26T (Order of the Independent Monitor Concerning Performance Indicator Definition PO-20—Manual Service Order Accuracy, In the Matter of Qwest Corporation's Colorado Performance Assurance Plan, Docket No. 02M-259T, April 28, 2004 at ¶17).

concluded that end user customers are harmed by the Qwest service order errors captured in PO-20.

(b) <u>Examples of harm that can result from inward feature activity generally</u>.

Q. What evidence supported these findings in LTPA and Colorado of end user customer harm?

A. Eschelon provided many examples of Qwest service order errors and the types of harm that occur when those errors are not caught. The list of 23 examples provided to the LTPA facilitator is enclosed as Exhibit RLS-20T. He cited these examples when making his finding of harm to end user customers.[22] The examples are equally relevant here. The service order errors and harm caused by them remain the same regardless of whether the issue being evaluated is the benchmark or the Tier designation.

Q. Since the examples that Eschelon submitted to the LTPA Facilitator and Colorado Independent Monitor, have these types of Qwest service order errors continued to occur?

A. Regrettably, yes. Exhibit RLS-21T provides additional examples of Qwest service order errors on inward feature activity, which is measured in PO-20 (and not OP-5).[23]

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[21] *See* Exhibit RLS-26Tat ¶16.

[22] The LTPA Facilitator also cited discussion of these examples, as well as additional information in the CLEC comments, as a basis for his decision. *See* Exhibit RLS-11T (PO-20 Impasse Document and Recommendation) at 3 & footnote 3. Exhibit RLS-20T (the list of examples provided to the LTPA Facilitator) provides Qwest's internally assigned Escalation Ticket number associated with the Qwest service order error (so Qwest has the information necessary to review each example). The purpose of the examples is not to show harm in these particular cases, because in many of them Eschelon detected the problems (before, on, or near the due date), when Qwest did not. Unless Qwest can guarantee that it will never again make the same service order error that it made in each of these examples, however, other CLEC end user customers will suffer the described impact in the future when such Qwest errors occur and go undetected. The examples illustrate the types of harm that can occur from PO-20 misses when not caught.

[23] Qwest uses the same order processing centers to process LSRs across its region. The examples I have included demonstrate the type of Qwest service order errors that can occur in any state.

Q. In the examples provided in Exhibits RLS-20T and RLS-21T in this proceeding, what types of errors in the service orders did Qwest make?

A. The Qwest service order errors in these examples relate to errors on service order fields such as:

- The due date of the order;
- The customer's telephone number/line;
- The customer's long distance provider ("PIC/LPIC");
- The customer's directory listings,
- Blocking of calls such as long distance or 900 calls;
- Call forwarding features;
- Hunting; and
- Referral messaging/intercept messages[24]

(c) <u>Widespread use of common fields</u>.

Q. Is the use of such fields on an LSR common?

A. Yes. The LSRs for the Qwest service orders measured in PO-20 will always include a due date field, regardless of whether the LSR is for residential or business customers or whether the order involves inward line or inward feature activity. Every manually handled LSR, therefore, has the potential for a Qwest service order error as to the due date. The customer's telephone or line number field is virtually as common. When changes are made to a feature only, the CLEC indicates the line on which the feature change will be made on the LSR. The other fields are also used frequently. On its web site, Qwest describes Call Forwarding and Hunting, for example, as "popular" features and Referral Messaging as "a commonly-preferred solution."[25] Businesses and residences often have a directory listing, as shown by the size of the telephone book.

[24] If a field is not yet included in PO-20's mechanized comparison, errors in that field will be captured if the CLEC reports the error. *See* Exhibit RLS-6T (PO-20, Description).
[25] *See* Exhibit RLS-29T.

PIC/LPICs are also widely used in LSRs. Whenever these commonly used features are populated in a CLEC's LSR, and Qwest manually handles the related Qwest service orders, the potential for service order errors exist.

(d) <u>Importance and value of features to end user customers</u>.

Q. Do end user customers value features and functions captured in PO-20 (inward feature activity)?

A. Yes. Although Qwest suggested in LTPA that such features are not important to, or valued by, end user customers, that is not the case. The widespread use of these features/fields, which was discussed in my answer to the previous question, is evidence of their importance and value. Call Forwarding and Hunting would not be "popular"[26] features if customers did not value them (or if they did not work properly, as discussed below).

Additional evidence of the importance of feature only activity is the regulatory activity that has been prompted by certain types of features. PIC/LPIC changes, for example, are so important that they are protected by rules such as freeze and slamming regulations. The FCC regulates PIC freezes,[27] and Washington regulates local service freezes.[28] While I do not mean to suggest that Qwest's PIC/LPIC service order errors represent slamming, Qwest service order errors can, at least temporarily, have the same result for end user customers — they receive long distance bills (sometimes unreasonably high bills) from a carrier the end user customer did not select. In the context of

[26] *See* Exhibit RLS-29T.
[27] *See* 47 CRF 64.1190.
[28] *See* WAC 480-120-139(5).

slamming, when such harm occurs regulators have applied significant sanctions, such as $40,000 per occurrence.[29] While a service order error is different from slamming, the slamming regulations and heavy sanctions certainly suggest that the accuracy of PIC/LPIC choices is of greater importance to consumers than Qwest has suggested in LTPA.

Properly functioning features are also important to customers. End user customers do not just want features; they want features that work and work as anticipated. Qwest states on its web site that "Missing even one call can be costly for your business."[30] Missed calls that result from Qwest service order errors on inward feature activity are costly to both the end user customer's business and the CLEC's business.

Customers order features because they value them. Virtually all of Eschelon's customers, for example, demand and require one or more of the features listed above. Qwest Retail offers feature rich packages to end user customers, as well, because its customers also demand such features.[31] Customers rely on features and whether changes to those features are performed smoothly as bases to decide whether to remain with a CLEC or switch carriers. This demonstrates the importance of getting inward feature activity right and providing a higher Tier designation when an unacceptable level of Qwest errors occur.

[29] *See*, for example, the FCC's recent proposed fine for Worldwide Communications Satellite Systems, Inc. with fines starting at $40,000 per occurrence. (Press Release attached as Exhibit RLS-25T.)
[30] *See* RLS-29T.
[31] *See* RLS-29T (Qwest press release announcing availability of a new feature package "in response to Qwest customers asking for a package with a more customized list of services that they are more likely to use every day.").

(e) <u>Specific examples of harm to end user customers by field impacted</u>.

Q. Do Qwest service order errors relating to the fields listed above harm end user customers?

A. Yes. Because Qwest has argued in LTPA that end user customers are not harmed by its service order errors that are captured in PO-20 (particularly feature only errors), in the next questions, I will walk through some of the fields listed above (on which Qwest service order errors have recently occurred) and provide illustrations of the harm to end user customers that can occur when Qwest makes such errors.

Q. How can a Qwest error on such fields as the due date or telephone number adversely impact an end user customer?

A. By way of example, in March 2003, Qwest processed an Eschelon LSR manually. On two of the five service orders that Qwest typed, it erroneously populated the Due Date field with a date two-weeks early. When Qwest processed these inaccurate service orders, it took down the customer's service and the customer lost dial tone.[32] It should be obvious that performing work on the wrong date adversely impacts end user customers.

To illustrate the importance of due dates under the PAP, consider the case of the PID OP-3. OP-3 measures whether Qwest meets its committed due dates on its service orders. The PAP treats missing committed due dates as a Tier 1 High and Tier 2 medium measures. However, the due date errors that are measured in PO-20 would not be captured in OP-3. When Qwest provisions the service order at the wrong date (based on the CLEC's LSR), the Qwest central office technician counts the installation as a "made"

[32] *See* Exhibit RLS-22T (Order Finding Service Inadequate and Requiring Compliance Filing, *In the Matter of a Request by Eschelon Telecom for an Investigation Regarding Customer Conversion by Qwest and Regulatory Procedures*, Docket No. P-421/C-03-616, July 30, 2003 at 2.)

commitment in OP-3 because that is the date Qwest's (incorrect) service order directed the technician to do the work.

Consider, instead, the case where Qwest performs the work at the proper time, but provisions the request on the wrong line as a result of a Qwest service order error. In an example provided to the LTPA Facilitator, Qwest made a typing error on a change of service order. This end user customer requested disconnection of two of its lines. Qwest incorrectly typed the service order and took down the end user's fax line for more than two full business days.[33] This end user customer is a title company. A title company depends on the use of its fax machine to transmit documents from one place to another and did not have the ability to fax for more than two full business days. This is the type of harm measured by PO-20 (not OP-5). If these errors were captured in OP-5, they would be subject to a Tier 1 High and Tier 2 medium payment. An outage is an outage, irrespective of the PID in which Qwest captures the error. As such, PO-20 should have the same Tier 1 High designation as OP-5.

Q. How can a Qwest service order error on PIC/LPIC field adversely impact an end user customer?

A. Customers have a legal right to select their preferred long distance carrier. When Qwest makes a service order error related to a customer's long distance PIC, customers may not be aware a service order error until their bill arrives 30 or more days later. When the bill arrives, a call from the angry customer is ample evidence of harm. For example, Eschelon submitted an LSR to Qwest to change the PIC/LPIC on an existing customer's account. Eschelon asked for, and Qwest assigned, a due date of Tuesday, December 23,

2003. When Eschelon discovered that Qwest did not change the PIC/LPIC on the service order as Eschelon had requested, Eschelon opened an escalation ticket on December 29, 2003 and notified Qwest of the Qwest service order error.[34] This customer had no reason to know of any service order error because it had not yet received any bill showing the wrong carrier. The customer is legally entitled to a choice in long distance carriers and was harmed by this mistake. That the customer did not yet know it does not make the mistake insignificant to the customer.[35]

In another example relied on by the LTPA Facilitator, an end user customer had the unenviable experience of both receiving a large casual calling bill for the first thirty days (when the customer did not realize that Qwest had made the PIC service order error) and then, after 30 days, also losing its long distance service altogether.[36] The end user customer then received a recording saying that its long distance service had been disconnected. This was a very unhappy end user customer. It took approximately five months and a significant amount of Eschelon resources to resolve this issue. In the end, although Eschelon did not cause the error, Eschelon ultimately had to provide a credit to the customer to retain the customer's business. This was inward line activity not captured in OP-5 because it was not discovered in the first 30 days. It would only be captured in PO-20 through a mechanized field-to-field comparison. Contrary to Qwest's

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[33] The first example on Exhibit RLS-20T describes the events of this ticket in greater detail.
[34] This is the 22nd Qwest service order error in described in more detail in CLECs' attachment to their LTPA Comments. *See* Exhibit RLS-20T.
[35] In some cases, end user customers realize the impact because they cannot make long distance calls. (POPP Telecom, for example, uses a recording that states that the customer does not have an account.) In other cases, the carrier allows the call to go through but charges high casual calling rates. In this case, the customer becomes aware of the impact when the customer receives a large bill. Even if no PIC change is made, contrary to the customer wishes, the customer is harmed through denial of its choice of carrier and any difference in rates.
[36] Qwest made this PIC service order error on LSR ID 6215906 (due date of March 7, 2003).

claim that such issues do not impact the end user customer, both the end user customer and Eschelon were harmed.

Q. How can a Qwest service order error on a directory listings field adversely impact an end user customer?

A. The main account number, or Billing Telephone Number ("BTN") is generally the number listed in published directories and directory assistance (unless the end user customer has asked for an unlisted number). In an example of a Qwest service order provided to the LTPA Facilitator, Qwest typed the wrong telephone number in the listed account.[37] If the wrong telephone number populated in the directory is the customer's fax line, anyone trying to contact the customer could get a fax tone as an answer. If the wrong telephone number populated in the directory is a number that is not in a hunt group or does not forward to voicemail, the caller could receive no answer. If the wrong number goes undetected and the local directory goes to print, the wrong telephone number could be published. This significant associated harm to end user customer's business as a result of Qwest's error sometimes cannot be corrected for up to a year.

Q. How can a Qwest service order error on blocking adversely impact an end user customer?

A. Based on Eschelon's experience, Qwest makes many service order errors related to blocking. In fact, one of the causes of the delay in implementing the revised PO-20 was Eschelon's insistence that Qwest service order errors related to blocking be included in

[37] This 9th example Qwest service order error is described in more detail in CLECs' attachment to their LTPA Comments. *See* Exhibit RLS-20T.

PO-20. Even with this delay, PO-20's mechanized review will only measure certain types of blocking errors in Phase III to be implemented in 2005.[38]

Qwest blocking service order errors relate to many blocking types and have many characteristics. For example, if Qwest, through a service order error, omits 900 blocking to a CLEC customer's line (even though the CLEC requested it on the LSR), the end user customer may not realize that it does not have its requested block. If there is a teenager in the house or a non-compliant employee at a business that places unauthorized calls, the end user customer may not find out about these calls until the customer receives a large, unwanted bill. By then, the teenager will have had access to the 900 numbers that the end user customer was trying to prevent. Customers consider this an adverse impact.[39]

Similarly, if Qwest fails to properly provision long distance blocking (either all long distance or just one type of long distance such as international or interstate long distance), or blocking of collect calls/third party billing, again, the customers may face large, unanticipated bills.[40] It should be obvious that such large and incorrect bills are evidence of harm to end users.[41]

I would suggest that anyone who has been involved in the telecommunication industry recognizes the importance customers place on blocking. I know from my

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[38] *See* Exhibit RLS-6T (PO-20). Qwest has expressed a willingness to implement measurement of other Qwest blocking errors in Phase 4, which has a "to be determined" implementation date.
[39] The 3rd, 13th, 15th, and 17th examples in Exhibit RLS-20T, provided to the LTPA Facilitator, describe this type of error.
[40] The 5th example provided to the LTPA Facilitator describes this type of error. *See* Exhibit RLS-20T.
[41] In addition, it is sometimes the case that Qwest service order errors result in its failure to implement a customer request to remove a block. In an example provided to the LTPA Facilitator, Qwest failed to remove long distance blocking as requested by a government office that needed the ability to make these calls. The 4th example provided to the LTPA Facilitator describes this type of error. *See* Exhibit RLS-20T. As one can imagine, in some cases, this type of Qwest service order error can result in an angry call from the customer that begins with the customer saying something like: "I asked you to do <u>one simple</u> thing…"

experience at the Minnesota Commission of numerous customer complaints that resulted from disputed long distance or 900 calls. This is evidence of both the importance that customers place on these features and the harm of Qwest's errors. This harm should be reflected in the Tier designation.

Q. How can a Qwest service order error on call forwarding field adversely impact an end user customer?

A. Qwest service order errors regarding call forwarding features can result in problems for the end user customer as significant as a loss of dial tone. This type of error can, in fact, be worse than a loss of dial tone for many businesses. If, for example, the call forwarding/don't answer feature is missing or not working properly, callers to the customer's business line will not even get a busy signal. Instead, the line will ring with no answer, and voice mail will not work. This makes the business customer look very bad, as though no one is working during business hours. The calls may even be forwarded to an unrelated number or a disconnected number (leaving the impression the customer has gone out of business). That such features work as requested is very important to end user customers.

In one recent case provided to the LTPA Facilitator, Qwest did not type the correct call forwarding numbers on the service order.[42] With this error, the customer's calls that should have gone to the customer's voice mail will not go to voice mail. Qwest typed a "1" before the customer's call forward number in error. When such an error happens, the customer would expect the callers to go to voice mail and instead the caller would receive a recording stating the caller does not need to dial a "1" before this

number. Customers who request voice mail depend on voice mail to take messages from people they are unable to speak with directly. With this type of Qwest service order error, end user customer does not receive the desired messages.

Q. How can a Qwest service order error on hunting adversely impact an end user customer?

A. Qwest service order errors related to hunting can cause end user customer problems that are as just as significant as a loss of dial tone. If hunting is missing from the main line as a result of a service order error, for example, a business will be able to receive only one call at a time, and other customers calling the business will receive a busy signal.

In an example of this type of error provided to the LTPA Facilitator, Eschelon requested a circular hunt group for an end user customer.[43] Circular hunting is designed to go from the first line through the hunt and, when it reaches the last line, hunt back to the first line. Customers who have circular hunting generally do not have a call forward busy to voice mail, because they want the calls to continue ringing until answered. When Qwest enters the wrong type of hunting, as happened in this example, the caller will not hunt back to the first line as intended; instead, the caller will get a busy signal.

Q. How can a Qwest service order error on a referral messaging/intercept message adversely impact an end user customer?

A. Example number nine in Exhibit RLS-21T demonstrates the type of harm that can occur from this type of Qwest error. In April, Eschelon submitted an LSR to disconnect

[42] *See* the 8th example provided in Exhibit RLS-20T for more detail.
[43] *See* the 23rd example provided in Exhibit RLS-20T for more detail.

two customer lines in Washington. The end user customer requested that an intercept message be placed on one of the lines so that any callers would be referred to a new number. Qwest neglected to include the intercept on the service order. A customer requests an intercept message because it anticipates that callers will need to reach them at a different number. If a Qwest service order error omits this feature on its service order, the customer may miss critical calls. If the error goes uncorrected, it could cause harm for a significant period of time.

(f) <u>Significant harm that exists even though it may not be immediately apparent or reported</u>.

Q. Does the lack of a trouble report by the CLEC or the end user customer in the first 30 days indicate that the customer was not impacted?

A. Absolutely not. The lack of a trouble report in the first 30 days is insignificant because end user customers will not always know immediately that Qwest has improperly provisioned their service request-- even if the error significantly impacts them. As I mentioned previously, some customers do not catch service order errors related to features such as PICs and blocking until they receive their long distance bill, which can be delayed because of billing cycles. These customers may not learn that Qwest has improperly provisioned their preferences until the bill arrives 30 or more days later.

Even if a Qwest service order error does not immediately affect service (such as a billing USOC error), the error may affect service at a later time. Examples of this type of Qwest service order error were also provided to the LTPA Facilitator.[44] When a Qwest

[44] *See* examples 12 and 20 on Exhibit RLS-20T.

typist omits the billing USOC, adds the wrong billing USOC, or adds duplicate USOCs, although it may not affect service initially, it may do so at a later time when the end-user customer requests a change in service. The customer's records will be incorrect. At that time, the customer's order may be delayed while Qwest's earlier service order error is addressed. Customers consider such delay an adverse impact.

(g) <u>No basis for a "majority of errors causing customer harm" standard</u>.

Q. You said that the adverse impact on end user customers is a factor that should be used to determine the Tier designation for PO-20. If some Qwest errors harmed end user customers and others only harmed CLECs, would you support a standard that required CLECs to show that the majority of the service order errors committed by Qwest harmed end user customers before applying anything other than the lowest Tier designation?

A. No. Qwest appears to be proposing such a standard,[45] but Eschelon opposes it. To the best of my knowledge, the Commission has not used such a standard in establishing the Tier designations in the PAP. Harm to CLEC and competition is an important issue in itself, even assuming Qwest could identify examples of its service order errors that do not harm end users in any way. As discussed, CLECs are harmed whenever they have to unnecessarily expend resources conducting quality control that should be performed by Qwest or escalating Qwest errors to get them corrected. Furthermore, there is no data upon which to apply a "majority of errors cause end user harm" threshold for PO-20 in this proceeding Qwest has admitted that such data does not exist. In discovery in this

proceeding, Eschelon asked Qwest to provide the total number of service order errors corrected by Qwest in Washington from October 2003 to April 2004. Eschelon also asked Qwest to identify the total number of errors that were on LSRs requesting inward line activity and the total number of errors that were on inward feature activity. Qwest's response to each of these questions was that "the information requested does not exist."[46] Because Qwest cannot provide the universe of service order errors or the number of its errors that are feature only errors, Qwest obviously cannot break down the non-existent data even further to identify how many service order errors cause end user harm versus those that "only" harm CLECs and competition. If Qwest's proposal is to require CLECs to provide data about Qwest's errors that Qwest itself does not maintain, that is even more clearly an inappropriate shifting of a burden that results from Qwest's own errors. Qwest makes the errors and, when those errors reach an unacceptable level vis a vis the benchmark, a Tier 1 High and Tier 2 Medium designation should apply.

3. <u>Factor Three: Harm to competition and CLECs' ability to compete</u>

Q. You testified that the third factor that the Commission should consider in establishing a Tier designation for PO-20 is the harm to competition and CLECs' ability to compete caused by Qwest service order errors measured by PO-20. Does PO-20 satisfy this criterion?

A. Yes. While the harm to end user customers and CLECs are related, they are not the same. I would categorize the harm to CLECs from Qwest service order errors as falling

[45] *See* Exhibit RLS-3T (Washington Final Issues Matrix, at 9-10).
[46] *See* Exhibit RLS-12T (Qwest Response to Eschelon Data Requests 03-017).

into at least three areas. First, CLECs are harmed because end user customers switch carriers as a result of the harm experienced by Qwest service order errors. Second, CLECs are harmed because customers are more reluctant to leave Qwest due to the harm to the reputations of CLECs from Qwest service order errors. Third, CLECs are harmed because of the time and resources they must expend to escalate the issues with Qwest until resolved and deal with angry customers. The harm to CLECs will be even greater if the burden is inappropriately shifted to them on an ongoing basis to perform quality control to identify Qwest errors that Qwest should be responsible to find and correct.

Q. How does the harm to CLECs caused by service order errors compare to the per occurrence remedy that Qwest proposes in this proceeding?

A. Qwest service order errors resulting in the loss of one large CLEC customer can have a tremendous financial impact on a CLEC.[47] Qwest proposes that PO-20 be assigned a Tier 1C designation. Tier 1C measures receive a per occurrence payment of $25 once Qwest exceeds the number of misses allowed by the standard. A $25 payment does not even compensate a CLEC for the expense of the labor to escalate and resolve the issue much less the value of the customer contract if the customer is so upset about the error that the customer chooses to switch carriers.[48]

[47] As the result of a Qwest service order error in the due date, the Minnesota Commission found that Eschelon lost (and Qwest retained) a customer with more than $460,000 of billing. *See* Exhibits RLS-22T through RLS-24T.

[48] At a $25 rate, Qwest would have to make more than 18,000 per occurrence payments before matching Eschelon's loss from the one Qwest service order error that resulted in the loss of the customer with more than $460,000 of annual billing. *See* Exhibits RLS-22T through RLS-24T.

Q. Can Qwest benefit from the service order errors it makes while processing CLEC LSRs?

A. Yes. Qwest's service order errors create a winback opportunity for Qwest Retail.[49] If the customer is unhappy with the feature change provisioned by the customer's CLEC carrier, for example, the customer may switch back to Qwest, even though Qwest actually caused the error in the feature change. If the affected end user customer is asked by another potential end user customer to describe the CLEC's service, that recommendation may be unfavorable solely due to a Qwest-caused error. This would harm the CLEC's reputation while Qwest benefits from the winback.

Q. In addition to loss of customers who switch carriers and damage to a CLEC's reputation, are there other types of harm?

A. Yes. The Qwest errors create a significant resource burden to resolve the problem for the end user customer. This may be a full day or two at the time the error occurs, or it may take weeks or months to straighten out, depending on the nature of the problem (such as a billing issue). Qwest service order errors may also make the end user customer become so dissatisfied by a Qwest-caused problem that the customer demands large credits from the CLEC.

As I discuss above, end user customers do not always recognize Qwest service order errors immediately for valid reasons. Important Qwest-caused problems identified on the end user customer's bill more than 30 days after installation, will only be captured in PO-20 (through a mechanized field-to-field comparison, when available), even if the

[49] In the Minnesota case involving a Qwest service order error in the due date, for example, Qwest retail used Qwest's wholesale error to create a winback opportunity. *See* Exhibits RLS-22T through RLS-24T.

order is for inward line activity.[50] The resources required by CLECs to clear up Qwest-caused end user customer billing problems that are discovered after the fact can be particularly extensive.

Q. Should CLEC or Qwest bear the burden of identifying and correcting Qwest-caused service order errors?

A. Qwest should bear the burdens created by its own errors. Instead, however, Qwest has argued that CLECs should bear the burden of reviewing Qwest's work to find Qwest's errors, using the Pending Service Order Notifications ("PSONs").[51] Qwest refers to this burden as an "opportunity" for CLECs to identify Qwest errors.[52] In 2002, Qwest began to provide PSONs as an option to requesting CLECs. The PSON provides certain service order detail (information from the Service and Equipment ("S & E") section of the Qwest service order) to the carrier before the due date. The PSON is available to Qwest, although Qwest chooses not to use it.[53] When Qwest argued that the PSONs should impact its reporting obligations under PO-20 in Colorado, the Independent Monitor rejected Qwest's argument:

> The competitive LECs argue that the PSONs unfairly shift the burden of Qwest's quality control from Qwest to the competitive LECs. Qwest presents the PSON process as "an opportunity for a CLEC to review the PSON to identify an error prior to due date and to ask Qwest to correct that [error]" and also as "an opportunity for [a competitive LEC] to look at the service order information and to add to the existing Qwest quality assurance processes." I agree that the PSON

[50] If, after all the phases of PO-20 are completed, some of these issues are still not captured in PO-20, the problems will be free misses for Qwest. For errors not included in the mechanized compare, CLECs must report the error "within 30 days" to be counted in PO-20. Although the language of PO-20 does not actually contain such a 30-day limitation, once Qwest has reported its performance, there is no mechanism to go back and correct the reporting for errors that upset the end user customer when a bill arrives more than 30 days after the due date. Therefore, PO-20 may under report Qwest service order errors.
[51] *See also* Exhibit RLS-3T (Final Issues Matrix) at 10-11.
[52] *See, e.g.*, Exhibit RLS-26T (Colorado Independent Monitor Order) at ¶26.
[53] If Qwest corrects its service order itself through other means (other "opportunities" to correct its errors), the error is not counted against Qwest in PO-20.

> reports offer an "opportunity" for additional quality control. But the PSON reports should not shift Qwest's responsibility for ensuring the accuracy of manually processed orders. Consequently, I am not persuaded that this "opportunity" impacts Qwest's reporting obligations under PO-20.[54]

Although Eschelon asked Qwest to provide CLECs with a copy of Qwest's manually created service orders so that requesting CLECs could review them and point out Qwest errors before the day of cut, Eschelon did so only reluctantly and only as a stop-gap measure until Qwest found its own errors. It did not intend to assume Qwest's quality control job on a long-term basis.[55]

In the meantime, as time and resources permit, Eschelon compares them, for example, to confirm whether the requested information that is on the Eschelon LSR is also on the Qwest service order.[56] The whole universe of LSRs that Qwest processes manually must be checked to find those with Qwest errors, because naturally we do not know in advance which ones contain errors. This is manual and resource-intensive work.[57] If the PSONs are clear and complete and Eschelon identifies a Qwest service order error, Eschelon attempts to get Qwest to correct Qwest's service order errors.[58]

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[54] *See* Exhibit RLS-26T, ¶26. Footnotes omitted.

[55] CLECs have consistently argued that Qwest should correct the underlying problem to avoid this situation, rather than shift the burden to CLECs. *See, e.g*., Exhibit RLS-35T (Eschelon's Ex Parte Letter to the FCC, Qwest II (Sept. 4, 2002), p. 11). CLECs argued that, in the meantime, as long as CLECs need to rely on the manual PSON process or not measure problems so identified at all, a measure should be developed and tested to capture these errors and to relate them to a performance assurance plan. *See id*. While Qwest errors identified by any CLEC use of PSONs should be captured to reflect the Qwest error, the better result in the long run is for Qwest to identify and correct the errors itself.

[56] To the extent that Eschelon has been able to perform the highly manual task to use the PSON data to identify and correct Qwest service errors, even fewer of these errors have been captured in Qwest's OP-5 performance results to date. For example, Qwest's OP-5 performance may have appeared to improve when, in reality, Qwest continues to make the errors but Eschelon is bearing the expense and burden of correcting Qwest's errors so that they do not appear in OP-5.

[57] Although Qwest has suggested that CLECs should mechanize the PSON review to correct Qwest's errors for Qwest, that suggestion directs the incentive to the wrong party. If Qwest suggests that the PSONs should be used widely or relied on as part of any kind of long-term solution, any incentive to mechanize this review should be on the party causing the errors - Qwest. If Qwest continues to suggest that mechanization of the order confirmation/PSON comparison is a realistic solution, Qwest should mechanize

Although carriers can now potentially compare the information in the PSON to the order confirmations (which show the information from the LSRs), in practice it is prohibitively resource-intensive to do so, as demonstrated by the lack of use by both Qwest and virtually all CLECs. In particular, the highly manual PSON review is prohibitive for carriers with large volumes of orders (such as residential providers). Eschelon serves small to medium business customers. Eschelon is one of the few, if not the only, CLEC devoting resources to PSON review.[59] The PSON review suffers from too many problems to receive widespread use.[60]

Eschelon's use of the PSON to correct Qwest's service order errors represents a very small percentage of manually created service orders. As I indicate below, Eschelon's share of the manually handled LSRs in Washington is approximately 5%. Even if Eschelon were able to correct all Qwest service orders before Qwest provisioned its incorrectly populated service orders, Eschelon only accounts for 5% of the manually handled LSRs.

Earlier, I described the harm to CLECs and competition from loss of customers who switch carriers or are subject to Qwest winbacks, damage to reputation, and

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it and perform the mechanized order confirmation/PSON comparison for itself before the due date to correct its own errors.

[58] Qwest sometimes sends multiple PSONs for the same Qwest service order (duplicate PSONs), which creates additional manual work for Eschelon to evaluate them and determine which PSON applies. In addition, Qwest at times sends incomplete PSONs that do not serve the purpose of a PSON because the information from the S & E section of the Qwest service order is missing from the PSON (incomplete PSONs). Instead of providing Qwest's service order information, Qwest includes a message that the information is "not available." If time allows, Eschelon then has to manually call the Qwest service center to ask Qwest for a complete PSON or to get the information on the Qwest service order.

[59] Reviewing and using the PSONs is different from simply subscribing to them.

[60] Even Eschelon, which attempts the highly manual task, is not always able to call based on the PSONs to avoid end user impact, particularly during the narrow time window of time before the due date (instead of calling earlier) allowed under PO-20. While it is Eschelon's hope and desire to do so, the problems with the PSON review described here prevent it.

expenditure of resources to correct Qwest errors. This harm to CLECs will be even greater if the burden is inappropriately shifted to CLECs on an ongoing basis to perform quality control to identify Qwest errors that Qwest should be responsible to find and correct. Like the Colorado Independent Monitor, this Commission should reject such an inappropriate shifting of this burden.

4. Factor Four: The large number of free misses allowed by PO-20 combined with the opportunity for Qwest to prevent its own errors.

Q. You testified that the final factor that the Commission should consider in establishing a Tier designation for PO-20 is the large number of free misses allowed by PO-20 combined with the opportunity for Qwest to prevent its own errors. Does PO-20 satisfy this criterion?

A. Yes. Qwest concedes that it has many opportunities to identify and correct its own service order errors, which prevents the errors from being included as "misses" in PO-20. As I discuss below, additional opportunities to correct its own errors are also available to Qwest. If the proper incentive is given to Qwest to take advantage of these opportunities through the appropriate Tier designation, Qwest has the ability to greatly reduce, if not eliminate, payments due to CLECs under the PAP for PO-20. Because Qwest will likely argue that all errors can never be completely eliminated, it is important to view Qwest's opportunities to correct its own errors in conjunction with the large number of errors (which I refer to as "free misses") that Qwest is already allowed under PO-20, as part of the error rate under the benchmark standard. CLECs requested a benchmark for PO-20 of 99%, but the facilitator rejected that proposal and adopted a lower benchmark. The

lower the benchmark, the more Qwest errors allowed. The now established benchmark standard for PO-20 already accounts for Qwest's argument that mistakes will invariably occur, despite Qwest's many opportunities to correct its own errors. It sets an "acceptable" level of errors. When the number of Qwest errors exceeds the benchmark standard, the number of errors is at an "unacceptable" level. All of these Qwest errors, whether at an acceptable or an unacceptable level, adversely affect end user customers or CLECs and their ability to compete, or both. Only those Qwest errors after the number of Qwest errors reaches an unacceptable level result in payments pursuant to the PAP's Tier designations. In other words, some Qwest errors that cause harm go completely uncompensated under the PAP. When the Qwest errors, in addition to causing harm, also reach an unacceptable level pursuant to the benchmark, the amount of the payment should be significantly more than $25 per occurrence. The Tier designation should be Tier 1 High and Tier 2 Medium.

Q. You testified that the number of free misses is "large." Based on the benchmark standards for PO-20, is it possible to estimate the number of Qwest service order errors that will likely be allowed under the PAP before a payment is required once the Commission concludes this proceeding?

A. Yes. Qwest reports the number of CLEC electronically submitted LSRs that Qwest manually processes under the PID PO-2A (Electronic Flow Through) for some wholesale

products.[61] In Washington, Qwest processed at least 8,000 LSRs manually in May 2004.[62]

Q. Does a single CLEC LSR create a single Qwest service order?

A. No. A single LSR submitted by a CLEC can result in Qwest generating multiple service orders. For example, suppose a CLEC submits an LSR requesting that Qwest install 5 unbundled loops to an End User Customer. Qwest process is to generate 5 service orders (one for each unbundled loop) to fulfill the CLEC's LSR. In LTPA, Qwest estimated that there are approximately 1.5 Qwest Service Orders per LSR.[63]

Q. Under the standard for PO-20, how many service order errors can Qwest make?

A. At the 5% error rate established for the long term (Phase III and beyond) when a 95% benchmark will apply, and assuming conservatively that Qwest creates only one service order per LSR, Qwest could make *approximately 400 service order errors each month* under PO-20's 95% standard in Washington alone. At that rate, Qwest manually processed approximately 12,000 service orders in May in Washington (8,000 * 1.5). With an allowed 5% error rate in Phase III and beyond and using Qwest's assumption of

[61] In LTPA, Qwest agreed to begin measuring it flow through performance for the additional wholesale products UNE-P Centrex 21 and Line Sharing.

[62] The number of orders that Qwest processes manually in Washington can be derived by taking the total number of orders processed minus the number of orders processed electronically using the Washington PID data for PO-2A. PO-2A measures the percentage of CLEC LSRs that Qwest processes fully electronically by product and by interface for four product disaggregations. For example, Qwest received 1,059 LSRs for unbundled loop products via IMA EDI in Washington. Qwest processed 745 of these LSRs electronically. Or put another way, Qwest processed 314 unbundled loop LSRs manually. Added up across all PO-2A disaggregations, Qwest processed 8,145 LSRs manually in May in Washington. An excerpt from Qwest's Aggregated Performance Results for this PID is attached as Exhibit RLS-18T.

[63] Qwest's estimate is contained in cell "C7" of a spreadsheet attached to an email from Kathy Haile to LTPA on Feb. 12, 2004. This spreadsheet is attached as Exhibit RLS-10T.

1.5 service orders per LSR, Qwest will be able to make approximately *600 service order errors* each month under PO-20's 95% standard in Washington.[64]

Qwest agreed to report PO-20 against a 97% standard for Phase 1. Phase 1 ends, however, with Qwest's September 2004 results (at the latest; Qwest could choose to implement Phase II earlier than September). As this proceeding will likely not conclude until at least October, and given Qwest's attempt to avoid making payments under the Washington PAP for a time via a "burn in" period (discussed below), Qwest may never be held to a 97% standard through the PAP in Washington, if Qwest's "burn-in" request is granted. In any event, even if the 97% standard were applied to Qwest's May 2004 performance in Washington, Qwest would still have been allowed to make nearly 250 errors (or 8,000 LSRs * 0.03).

Q. Please estimate the number of allowable free misses for Eschelon using the same Qwest data.

A. Yes. The number of errors allowed by PO-20's Phase III 5% error rate can also be calculated on a CLEC-specific basis using a similar methodology. For example, Qwest manually processed 289 Eschelon LSRs in Washington in May 2004 (assuming conservatively one service order per LSR).[65] A 5% error rate on this conservative number would result in 14 "free misses" for Qwest on Eschelon's PO-20 performance in

[64] Under the unlikely scenario that Qwest is held to the 97% standard Qwest agreed to for Phase I, the number of service order errors allowed is still extremely high. At a 3% error rate for PO-20, the range of allowable errors would be from 244 to 366 per month, depending on whether one assumes 1 or 1.5 service orders per LSR.

[65] Qwest's PO-2 performance to Eschelon is attached as Exhibit RLS-19T. Eschelon-specific information is confidential. Eschelon does not waive confidentiality on the remainder of its performance report.

Washington in May.[66] The number could actually be higher. Using Qwest's own assumption of 1.5 service orders per LSR,[67] Qwest manually typed approximately 430 service orders for Eschelon LSRs. A five percent error rate on this estimate of the number of service order errors could result in Qwest receiving 21 "free misses" under the PAP each month for Eschelon alone in Washington.

There are approximately 20 business days in a month. While 14-21 misses may not appear to be a large number on its own, put in context this means that Eschelon might have to suffer Qwest-caused service order errors more than once every business day in the month in just one state before Qwest would make a payment under the PAP to Eschelon. Eschelon also does business in an additional five states in Qwest's territory. As I discuss above, only those Qwest errors after the number of Qwest errors is at an unacceptable level pursuant to the benchmark result in payments pursuant to the PAP's Tier designations. In other words, these Qwest errors go uncompensated under the PAP. If the Commission accepts Qwest's proposal for the Tier designation, Qwest would required to pay a CLEC like Eschelon just $25 for each PO-20 miss above the 20 free misses that Qwest will likely receive each month.

Q. You testified that Qwest concedes that it has many opportunities to identify and correct its own service order errors. Does Qwest's claim that it has taken many steps to improve its manual service order accuracy support Eschelon's proposed Tier designation?

[66] Another reason this methodology is conservative is that Qwest's flow through measure, PO-2, does not include all products. As such, there are likely many more manually handled LSRs (and corresponding errors) than these estimates would indicate.
[67] *See* Exhibit RLS-9T.

A. Yes. Qwest has claimed that it has taken several steps that provide it with an opportunity to correct its own errors before the due date or impact to the end user customer, such as:

1. steps to increase flow through;[68]
2. steps to increase the quality of manually typed orders through training and manual review of manually typed service orders;
3. steps to increase the quality of manually typed orders through systems solutions.[69]

The systems solutions that Qwest has described include such as things mechanized reviews of certain fields on the LSR through a process called Service Order Verification and implementations Service Order Processor edits that Qwest claims will reduce manual service order errors. When Qwest corrects its own errors before the due date or impact to the end user customer, the error is not counted against Qwest (i.e., is not a "miss") under PO-20. Therefore, by taking such steps, Qwest will be able to reduce or avoid PAP payments. To the extent Qwest desires to further avoid the risk of PAP payments, Qwest may choose to implement further mechanization. For example, if the SOV only verifies certain fields, Qwest may add additional fields to the automated SOV review.

Q. Does Qwest have additional opportunities to improve its performance to ensure that it passes PO-20 by preventing manual service order errors?

A. Yes. Qwest currently has many other opportunities to reduce or prevent service orders from taking place. For example, Qwest has agreed to implement for the purposes of PO-20 a Field-by-Field Auto Compare for LSR/service order mismatches. This also provides Qwest with a tool that, if adjusted as to timing, could allow Qwest to correct errors before the due date. Recall that PO-20 detects Qwest's service order errors through a

mechanized field comparison of the CLEC's LSR and the Qwest manual service order. Qwest has already implemented this mechanization. Qwest, however, does not plan to run this automated check until the end of the month when it produces the PO-20 performance report. I will call this PO-20 the "End-of-Month Auto Compare." Under this review, when an end user customer's service is affected on the due date, a later end of the month check is too late from that customer's perspective. If the End-of-Month Auto Compare detects a difference between the LSR and service order and indicates that Qwest made a service order error, Qwest will "take a miss" on that order under PO-20. The End-of-Month Auto Compare thus measures performance after the fact, rather than at a time when Qwest could avoid the error altogether and "make" the measure. As long as the consequences of "taking a miss" are light enough, Qwest benefits from this approach. The Qwest-caused problem is shifted to CLECs, who are impacted through end user customer dissatisfaction and increased workload. It does not have to work this way. Qwest could elect to run this mechanized Field-by-Field Comparison, which compares the LSR and service order, before the due date. Because it would now be performed before the due date, I'll call this proposed automated Field-by-Field Comparison as "Pre-Due Date Auto Compare" when performed earlier. If Qwest chooses to run this automated comparison before the due date, the Pre-Due Date Auto Compare would allow Qwest to correct service order errors before any adverse impact to the end user customer and report a "make" in PO-20.

Qwest has other opportunities to reduce its manual service order errors. Qwest

[68] The reason that Qwest is required to type manual service orders is because the CLECs LSR either does not qualify for flow through or it was supposed to flow through Qwest's systems but failed to do so.
[69] *See* Exhibit RLS-24T.

could elect to use a review of the PSON to detect its service order errors before the due date. Qwest creates the PSONs. Although Qwest does not use the PSONs itself at this time to compare the information in the PSON to a CLEC's LSR, Qwest could elect to do so.

As I discuss above, the large number of free misses already reduced the PAP payments due under PO-20. The free misses, combined with Qwest's existing opportunities to correct its own errors, are sufficient. If Qwest desires, however, to further reduce its PAP payments under a higher Tier designation, Qwest can additional opportunities to increase flow through, enhance its existing quality control steps, or perform various mechanized reviews of its service orders so that it can correct its errors and avoid more PAP payments.[70]

Q. It is important to provide an incentive to Qwest to continue to implement such steps in the post-271 entry environment?

A. Yes. For example, the Department of Justice said that "Qwest's fulfillment of its commitments to maintain as well as improve the accuracy of it service order processing deserves close monitoring, and its continued collection and reporting on this process will be critical to ensure the adequacy of its post-entry performance."[71]

If Qwest takes advantage of these opportunities, it will not only fulfill the commitment it made to the Department of Justice, it will reduce the chance that it is required to make PAP payments under PO-20.

[70] Qwest could also benefit by reducing the resources it currently expends on manual processes currently.
[71] Memorandum Opinion and Order, In the Matter of the Application of Qwest Communications International, Inc. for Authorization to Provide In-Region, InterLATA Services in the States of Colorado, Idaho, Iowa, Montana, Nebraska, North Dakota, Utah, Washington, and Wyoming, WC Docket No. 02-314, December 23, 2002, at ¶101. *See* Exhibit RLS-27T.

C. TIER 2 DESIGNATION

Q. Please explain why PO-20 should have a Tier 2 designation in addition to a Tier 1 designation.

A. The Washington PAP frequently includes both Tier 1 payments to CLECs and Tier 2 payments to the state of Washington for a single measure.[72] Tier 1 payments represent instances where Qwest has provided a particular CLEC with discriminatory or inadequate service. These payments are designed to encourage Qwest to comply with the market opening requirements of Sections 251 and 271 of the Telecommunications Act. Tier 2 payments are made when Qwest fails to meet the required performance for all CLECs collectively. This means that Qwest is likely to be required to pay Tier 2 payments only when it has provided discriminatory/inadequate service to the majority of CLECs. Because Tier 2 payments apply when Qwest has exhibited a pattern of providing discriminatory/inadequate service, they provide further incentive for Qwest to comply with the market opening requirements of the Act. As I describe above, OP-5 has both a Tier 1 High and Tier 2 Medium designation.

As applied to PO-20, if Qwest's aggregate performance is less than the benchmark standard, Qwest would be obligated to make per occurrence payments to the state based on Table 4 in Section 7.3.1 of the PAP.

[72] *See* Exhibit RLS-4T.

D. TIER DESIGNATION (ISSUE 4B) SUMMARY

Q. Please briefly summarize your testimony regarding the appropriate Tier designations for PO-20 in the Washington PAP.

A. A Tier 1 High and Tier 2 Medium designation for PO-20 is needed for consistency with the companion PID PO-20 to ensure the combined purpose of the two PIDs is met; to help address the harm to end user customers from Qwest service order errors; to help address the harm to competition and CLECs from Qwest service order errors; and to take into consideration the large number of free misses allowed by PO-20 combined with the opportunities for Qwest to prevent its own errors.

III. QWEST'S ONE FREE MISS REQUEST FOR LOW VOLUMES (Issue 4C)

Q. Please explain Qwest's proposal for a low volume exception for PO-20.

A. Qwest believes it should be allowed "one free miss" when CLEC volumes are below twenty in a reporting period.[73]

Q. Do you agree with Qwest's proposal?

A. No. The Commission should reject Qwest's proposal.

Q. Why should the Commission reject Qwest's low volume proposal?

A. Although Qwest has not identified the reason for its request,[74] Qwest will likely argue that, without low volume protection, it could be held to a 100% standard. For example, consider the following "low volume" situation: suppose Qwest creates 15 manually typed service orders in August for a particular CLEC and makes an error on one of the orders. Qwest's PO-20 performance for that CLEC would be 93% (14 out of 15 orders were

[73] *See* Exhibit RLS-3T at 9.

created accurately). Qwest would argue that, although it failed the PO-20 standard, it should not be required to make any payment under the PAP because Qwest would have needed to process each order accurately to pass the benchmark given the low volume. Qwest's concern, however, is unfounded.

Section 2.4 of Washington PAP already addresses the treatment of low volume situations for benchmark standards for Tier 1 PIDs-- such as PO-20.[75] The relevant portion states:

> Percentage benchmarks will be adjusted to round the allowable number of misses up or down to the closest integer, except when a benchmark standard and low CLEC volume are such that a 100% performance result would be required to meet the standard and has not been attained. In such a situation, the determination of whether Qwest meets or fails the benchmark standard will be made using performance results for the month in question, plus a sufficient number of consecutive months so that a 100% performance result would not be required to meet the standard. For purposes of section 6.2, a meets or fail determined by this procedure shall count as a single month.

Q. In Response to Eschelon Data Request 03-026, Qwest says Sections 2.4 and 7.1 do not addresses low volume issues.[76] Do you agree with Qwest?

A. No. I have reviewed Qwest's response, and I do not agree. The Washington PAP requires Qwest to look at its performance in other months to ensure that Qwest is not held to a 100% standard. Using the example above, suppose in September (the next month), Qwest also manually typed just 15 service orders, Qwest's performance would be determined by the combined number of errors divided by the combined number of orders in August and September. For example, if Qwest made five errors in September, its August performance would be 80% (24 orders processed correctly out of the 30 orders

[74] *See* Exhibit RLS-3T at 8-16.
[75] Qwest and CLECs agree that PO-20 will be a Tier 1 measure. The disputed issue is over the Tier 1 level and whether PO-20 should also be a Tier 2 measure.

typed during those months). Because Qwest failed PO-20's standard, it would be required to make a PAP payment. On the other hand, if Qwest instead, made no errors in September, its August performance would be 97% (29 out of 30 orders processed accurately) and Qwest would be required to make no PAP payment.

This example demonstrates that the Washington PAP already ensures that in no case is Qwest held to a 100% standard for a benchmark measure like PO-20.

Q. Does the Washington PAP have similar low volume language for measurements designated as Tier 2?

A. Yes. Section 7.1 of Washington PAP states:

> Payments to the State shall be limited to the performance measurements designated in section 7.4 for Tier 2 per measurement payments and in Attachment 1 for per occurrence payments and which have at least 10 data points each month for the period payments are being calculated.

Q. Is it very likely that Qwest would have a low volume situation for a Tier 2 measure whether the exception is the current volume of 10 or Qwest's proposed volume of 20?

A. No. I cannot imagine a time when Qwest will have below 20 manually processed orders in Washington in a month. As described in Section II. E., Qwest will manually type approximately 8,000 service orders each month in Washington. As such, it is extremely unlikely that Qwest would have a basis to need a low volume exception for Tier 2 payments—whether the trigger point for low volume is Qwest's proposed 20 or the Washington PAP's current 10. Moreover, it is unlikely that payments would be significant in low volume situations since the number of occurrences requiring a payment

[76] *See* Exhibit RLS-28T.

by Qwest would be small.[77] At most, Qwest would be required to make a payment on one order in a low volume situation.

IV. QWEST'S PROPOSED "BURN-IN" PERIOD (ISSUE 4D)

Q. Please generally describe Qwest's proposal.

A. My understanding is that Qwest will propose that it receive up to three months to implement each phase of PO-20.[78] This proposed time period is sometimes referred to as a "burn-in" period. A more accurate description would be the "delay" period.

Q. Did Qwest propose a burn in period in LTPA?

A. No. Qwest did not propose a burn in period in LTPA.

Q. Do you believe Qwest's proposal is inappropriate?

A. Yes. I am quite troubled by Qwest's suggestion that its commitment in LTPA to report performance under a revised PO-20 was anything but a commitment to do so accurately. By rejecting Qwest's proposal, the Commission would send a clear signal to Qwest that inaccurate reporting is not acceptable. The parties have already agreed PO-20 would be reported starting with Qwest's May 2004 performance. Qwest has had several months to develop reporting for PO-20, and will have additional time for each additional phase of PO-20. When Qwest commits to report data, that data is presumably accurate or the commitment is meaningless. (After all, Qwest did not say, "yes, we'll report the data, but it will be inaccurate." Such a commitment would have drawn a very different response from CLECs.) Therefore, Qwest's promised reporting should be accurate. When it is not, as I discuss below, mechanisms are in place to deal with that situation.

[77] *See* Qwest Response to Eschelon Data Request 02-005. Attached as Exhibit RLS-17T.
[78] *See* RLS-3T (Final Issues Matrix) at 9.

Q. Should the Commission reject Qwest's proposed burn in approach?

A. Yes. The "burn-in" period is simply an attempt to further delay implementation of a meaningful measure of Qwest's manual service order accuracy. It has already been a very long time since CLECs and regulators discovered the errors and omissions in OP-5 and development of PO-20 began at least in part to attempt to address those problems.[79] During the 19 or more months that the parties and staff worked on this PID, Qwest continued to make these PO-20 service order errors and CLECs received no PAP relief for them. Additional delay is harmful to CLECs who have been suffering the effects of these types of Qwest service order errors. If Qwest is claiming harm from not having a "burn in" period for three months per phase, Qwest's alleged harm is of much shorter duration than the years of harm already suffered by CLECs as a result of Qwest service order errors.

Additional delay is unwarranted. The nature of each of the four phases, such as which fields will be added to the comparison in each phase, is known and has been known now for some time. Qwest has ample time to develop those phases. The time between phases is already a built in start-up time period, and additional delay should not be added to the agreed upon schedule for the four phases.

The LTPA Facilitator found that Qwest should report PO-20 against a 97% standard for Phase 1, and Qwest agreed to this benchmark for Phase I. A benchmark is not effective unless it is enforced by application of the PAP. CLECs believe the LTPA facilitator's recommended benchmark should be effective. Phase 1 ends, however, with Qwest's September 2004 results. If this proceeding does not conclude until October or

later and Qwest's "burn-in" request is granted, Qwest may never be held to a 97% standard under the PAP in Washington. The Commission should reject Qwest's "burn-in" proposal and implement the phases of the benchmark recommended by the LTPA facilitator after much hard work by the parties and Staff.

Q. Would the Commission's rejection of Qwest's proposal disadvantage Qwest?

A. No. The current PAPs language allows Qwest to restate performance results. The ability to restate has clearly protected Qwest by ensuring that it can correct any Qwest errors that resulted in overpayments to CLECs. So far, the cumulative effect of Qwest's revisions under the PAP has been to reduce payments that Qwest had previously made to CLECs.[80]

Discovery of Qwest reporting errors under the Washington PAP has been frequent. For the period January 2003 to March 2004, Qwest restated CLEC payment reports in 9 of the 15 months.[81] Section 11.1 of the Washington PAP requires Qwest to make interest payments for inaccurate reporting. Despite the frequent restatements, Qwest has paid less $1,000 in interest through March 2004 under this provision.[82] If the Commission believes that the revised PO-20 might result in more frequent or significant restatements due to Qwest reporting errors, Eschelon would not oppose the Commission waiving interest payments for errors identified on the PO-20 payment reports that Qwest restates in the first three months of each phase. This approach is preferable to delaying the immediate implementation of PO-20 and the protection that it provides to CLECs.

[79] *See*, *e.g.*, Exhibits RLS-9T, RLS-12T, and RLS-35T.
[80] *See* Exhibit RLS-14T (Revised Qwest Response to Eschelon Data Request 02-001).
[81] *See* Exhibit RLS-14T.
[82] *See* Exhibit RLS-15T (Qwest Response to Eschelon Data Request 02-002).

V. xDSL-i CAPABLE LOOPS. (Issue 3)

Q. What is the disputed issue regarding xDSL-i capable loops in this proceeding?

A. Qwest's provisioning and repair performance for xDSL-i loops is not currently measured in key Ordering/Provisioning ("OP") and Maintenance/Repair ("MR") performance measures included in the PAP. As I discuss below, the LTPA Facilitator agreed with the Eschelon proposal on this issue. Eschelon's proposal is to correct this omission by including xDSL-i loops in the following PIDs with the corresponding performance standard that reflects the provisioning and repair intervals that Qwest has committed to in its Standard Interval Guide ("SIG"):

PID	Standard
OP-3	Parity with retail ISDN BRI
OP-4	Parity with retail ISDN BRI
OP-5A	Parity with retail ISDN BRI
OP-5B	Benchmark to be determined. This benchmark will be the same as for ISDN-capable loops and implemented at the same time.
OP-5R	Diagnostic as long as ISDN-capable loops are diagnostic, then the same standard.
OP-5T	Diagnostic as long as ISDN-capable loops are diagnostic, then the same standard.
OP-6	Parity with retail ISDN BRI
OP-15	Parity with retail ISDN BRI
MR-3	Parity with retail ISDN BRI
MR-4	Parity with retail ISDN BRI
MR-6	Parity with retail ISDN BRI
MR-7	Parity with retail ISDN BRI
MR-8	Parity with retail ISDN BRI
MR-10	Diagnostic

The Commission has previously endorsed the parity standard Eschelon proposes for a similar wholesale product (ISDN-capable loops) measured in the PIDs as one that

provides CLECs a meaningful opportunity to compete. The Commission should adopt this standard for xDSL-i capable loops as the LTPA Facilitator recommended.

Q. Is Qwest's performance in providing non-discriminatory service for xDSL-i loops measured in other PIDs?

A. Yes. Qwest's performance is measured in billing and pre-order PIDs. For example, the revised PO-20 PID that is also at issue in this proceeding measures Qwest's service order accuracy for xDSL-i loops.

Q. Please describe the service that CLECs provide to end user customers using xDSL-i loops.

A. Digital Subscriber Line ("DSL") service is distance sensitive. The farther away an end user customer is from a central office, the slower the transmission speed of the DSL. CLECs order xDSL-i loops to provide IDSL to end user customers. IDSL, based on a technology similar to Integrated Services Digital Network ("ISDN"), is the slowest "flavor" of DSL at 128Kbps.

Q. Why do end user customers order this flavor of DSL?

A. IDSL is a DSL product that can be used for customers too far from central offices to receive data faster than dial-up but below the costly T-1 level of service.

Q. Why do you believe xDSL-i loops should be added to these PIDs?

A. xDSL-i loops are important to CLECs and their end user customers. CLECs use xDSL-i loops to provide competitive alternatives in this under-served portion of the DSL market. Qwest may argue that few CLECs order this product. Many CLECs are not able to compete in this market due to the costly equipment necessary to provide the service.

Eschelon has, however, been able to use this product to provide competitive data services that otherwise would be unavailable.

Q. Does Qwest agree to measure its performance in providing xDSL-i loops to CLECs in this PIDs?

A. No. Qwest opposes reporting its performance for xDSL-i loops.

Q. On what basis does Qwest oppose reporting?

A. Qwest's reasons for opposing measuring this product have varied over time. When a Qwest objection is determined to not apply, Qwest moves the goalpost and raises a new objection. For example, in LTPA, Qwest first argued that a certain critical product volume was necessary before it would be willing to measure a product. Qwest's position was that until there were 1,000 lines in service across its region, it opposed measuring a new product in the PIDs.[83] Then, after the volumes increased, Qwest changed its position. In response to Eschelon discovery, Qwest stated that as of May 2004, there were 1,049 xDSL-i loops across the region.[84] Nevertheless, even though its volume rationale disappeared, Qwest refused to measure the product. Instead, Qwest withdrew its volume threshold in LTPA and simply gave, as its new rationale, that "Qwest is concerned that adding products to the PIDs will automatically flow into PAPs in certain states."[85] In other words, Qwest just does not want to make PAP payments. Payments, however, are not "automatic" under the PAP. They flow from poor performance. Qwest will only pay PAP payments if its performance is discriminatory such that it does not meet the applicable standard.

[83] *See* Exhibit RLS-31T (Final LTPA Issues Matrix at 28).
[84] *See* Exhibit RLS-33T (Qwest Response to Eschelon Data Request 02-009, Supplement 1).
[85] *See* Exhibit RLS-30T.

Q. In the Issues Matrix (RLS-3T), Qwest has asserted that there needs to be evidence of discriminatory treatment for xDSL-i capable loops before measuring. Do you agree?

A. No. The purpose of performance measures is to detect discriminatory treatment should it occur. If Qwest does not measure performance on a product, we may never know if Qwest provides discriminatory treatment. Including revised measurements that include xDSL-i capable loops in the PAP provides Qwest with an incentive to provide non-discriminatory service. If Qwest does so, it will face no sanctions under the PAP.

Qwest's suggestion that CLECs should have to reinvent the wheel in this proceeding is unreasonable. It has already been determined that Qwest's performance should be measured in key areas (e.g., pre-ordering, ordering, provisioning, maintenance and repair, etc.). PIDs were developed in each of these functional areas (e.g., the PO, OP, and MR PIDs groups). One task of the six-month review is to "update" the existing PIDs to include additional products to evaluate whether Qwest is providing non-discriminatory service for xDSL-i loops as required by state and federal law.[86] If the Commission does not approve the change, Qwest's performance will remain unmeasured and CLEC's will not receive the protections of the PAP for this important product.

Q. What approach did you take in proposing your standards?

A. With the exception of PIDs in the table above with "diagnostic" standards or "benchmarks to be determined," I recommend "parity with Qwest's ISDN BRI products." The approach that is generally taken in setting parity standards is to pick an appropriately analogous Qwest retail product.

Q. Why did you propose this standard?

A. I propose this standard for the same reasons that were provided in LTPA. In LTPA, CLECs proposed that the standards for xDSL-i loops be the same standards established for ISDN- loops for the "OP" and "MR" PIDs. CLECs did so because Qwest considers the two products so similar that Qwest's ordering and repair guidelines for xDSL-i loops and ISDN- loops are the same. To be precise, Qwest's ordering and repair guidelines are not just the same; Qwest considers the two products so similar that the products are *combined* in the SIG.[87] As Qwest agrees that it should provision and repair xDSL-i loops in the same manner as it does ISDN loops, the performance standards should be the same.

Q. Did Qwest propose a different retail analog in LTPA?

A. No. As I described before, Qwest's position in LTPA, like in this proceeding, was that xDSL-i loops should not be measured. However, after the parties completed their impasse position statements, Qwest did assert in an email to LTPA that the CLEC proposed standards might be an inappropriate retail analogue.[88]

Q. Did the LTPA Facilitator reject Qwest's arguments and recommend the standards you propose?

A. Yes. As an initial manner, the LTPA Facilitator noted that Qwest never presented this information to LTPA in any meeting or conference call. Furthermore, he noted that Qwest did not raise the issue in its impasse position paper.[89] While the LTPA Facilitator

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[86] *See* Exhibit RLS-4T, Section 16.0.
[87] Many products have the same intervals in the SIG, they are however, documented separately in the SIG. A redacted version of Qwest's SIG containing the relevant portion is attached as Exhibit RLS-32T.
[88] *See* LTPA Facilitator's recommendation on xDSL-i capable loops at 9. Attached as Exhibit RLS-31T.
[89] Qwest's impasse position paper is included in the LTPA Facilitator's recommendation.

noted that Qwest's comments were untimely and out of process, he went on to reject Qwest's arguments as:

> [B]elied by arguments presented in their Position Statement. In its Position Statement, Qwest states that under its Star Measure proposal, "The CLECs could track the performance of ISDN BRI by reviewing existing provisioning or maintenance and repair measurements that already utilize ISDN BRI as the retail analogue and then compare it to xDSL-i capable loops." If ISDN-capable loops are the proper comparison for xDSL-i capable loops under a Star Measure, they are also the proper comparison for PIDs.[90]

Q. Does Qwest propose an analog different from ISDN BRI in this proceeding?

A. Yes. Qwest has indicated that, if the Commission orders reporting, Qwest would advocate that its retail iDSL product be chosen as the retail analog.

Q. Do you agree with this proposal?

A. No. iDSL is sufficiently different that it is not an appropriate retail analog. For example, Qwest's repair guidelines for its retail product are 8 hours.[91] In contrast, Qwest commits to repair an xDSL-i loop in 4 hours. Qwest identified other differences in discovery as well.[92]

Q. How do you propose the Commission resolve the disputed issue regarding the standard for xDSL-i loops?

A. I recommend that the Commission endorse the LTPA Facilitator's recommendation to report xDSL-i loops as Eschelon proposes.[93] I would also recommend that the Commission direct Qwest to develop reporting capabilities for its retail iDSL product that measure its performance in the same manner as the OP and MR PIDs at issue.

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[90] *See* Exhibit RLS-31T at 9. Footnote omitted.
[91] *See* Qwest response to Eschelon Data Request 02-011 (including Attachment A). Attached as Exhibit RLS-34T.
[92] *See* Exhibit RLS-34T.

Q. Should the Commission defer this issue until the matter can be discussed in LTPA?

A. No. The burden should be on Qwest to present performance data under the PIDs that supports its position first. Qwest should have done this in the first LTPA session. To the extent that Qwest will not discuss the issue in LTPA, then the Commission should require it to provide performance data prior to submitting the issue in a future six-month review.

Q. Please briefly summarize your testimony regarding xDSL-i loops.

A. I am proposing that the Commission include the important product xDSL-i loops in the "OP" and "MR" PIDs contained the Washington PAP, generally with a standard of parity with Qwest's ISDN BRI retail product.

VI. AGGREGATE PAP PAYMENT REPORTS (Issue 6)

Q. What is the disputed issue in this proceeding?

A. Eschelon and other CLECs have requested that Section 14.1 of PAP be changed to require Qwest to make available CLEC aggregate PAP performance and payment reports at the product level. Reporting at the product level means that Qwest would report aggregate performance and payment information for each PID in the PAP at the product level.

Q. Please explain Eschelon's proposal for aggregate payment reports.

A. A PAP payment report at the product level can be illustrated by an example. The PAP includes the PID MR-8 (Trouble Rate). MR-8 measures Qwest performance for many products. A PAP payment report at the product level would require Qwest to provide, for

[93] Each of the 13 state staffs voting on the impasse item voted to endorse the LTPA Facilitator's Recommendation.

example, the total amount it was required to pay under MR-8 for the product DS-1 loops and the basis for the payment.

Q. Do CLECs have access to this information currently?

A. No. CLECs currently only receive their own individual PAP payment reports for Tier 1 measurements. CLECs have no visibility into payments made by Qwest for failure of Tier 2 measurements. Similarly, CLECs have no information on Qwest's aggregate payments to CLECs for Tier 1 measures.

Q. Does Qwest have this aggregate data?

A. Yes. Qwest provides a report to every CLEC that has elected the PAP. The aggregate report is simply the addition of information that Qwest already possesses. Qwest also provides aggregate reports, including Tier 2 payment reports to the Staff and Public Counsel.

Q. Do you believe Qwest should report this on its website?

A. Yes, I do. In Colorado Qwest has created a website where publishes PAP related items. If Qwest, however, can propose some other mechanism to provide this data to CLECs in a more efficient manner, Eschelon would certainly consider such options.

Q. Do aggregate payment reports raise any confidentiality concerns?

A. No. The aggregate nature of the data means that individual carrier confidential information is not disclosed.

Q. Why is this aggregate information important?

A. Aggregate payment reports can identify issues and present opportunities for CLECs to compete fairly in the marketplace. For example, suppose that Qwest pays a particular CLEC a $2,000 payment under a particular measure month after month. Suppose also

that by reviewing an aggregate payment report, that CLEC is able to identify that no other CLEC has received any payments for that measure. This information could be used by the CLEC to root cause the problem. If it is a process problem on the CLEC side, the CLEC can correct it and gain efficiencies for the CLEC and Qwest in processing the CLEC's orders. If the issue appears to be on Qwest's side, the CLEC may take appropriate steps to determine whether Qwest is discriminating against the CLEC. In either case, making this data publicly available can improve CLECs' ability to compete.

In addition, Section 15.5 of the PAP explicitly provides that any party may petition the Commission to require Qwest to determine the cause for repeated failure of Tier 2 measures. Without publicly available Tier 2 payment information, CLECs currently must rely only on their own Tier 1 payment reports in requesting investigations. The availability of Tier 2 information would assist parties in determining whether to request an investigation or, if the data answers a question, to avoid an unnecessary investigation.

Q. Would reporting aggregate PAP payments at the PID level perform the same purpose?

A. No. By payment at the PID level, I mean a payment report for OP-5 or MR-8 that aggregates payments for all products under the PIDs. Such a report could either mask problems or create undue concern that requires the parties to inefficiently expend resources investigating issues. Suppose, for example, that Qwest makes total payments of $25,000 under MR-8 three months in row. If Qwest is consistently making payments for the product DS-1 loops, this would suggest an area that should be investigated. If, on the other hand, Qwest made payments solely for failing the product UNE-P POTS in the first

month, Line Sharing in the second month, and DS-1 loops in the third month, the publication of the payment report would suggest something different.

Q. What is Qwest's position on the issue?

A. Qwest seems to assert that CLECs need to prove that publication of this data is needed. Qwest also states that this change is outside the scope of issues that can be considered in six-month review.[94]

Q. What is your response?

Qwest's proposed standard of review is not the standard that should be applied to whether Qwest should be required to publish this data. Nevertheless, as I indicate above, CLECs' ability to compete and exercise their rights under Section 15.5 of the PAP are affected by the lack of such reporting.

In addition, Qwest recently proposed to change its reporting obligations under Section 14.2 of PAP so that it would no longer be required to provide a paper copy of CLEC aggregate reports to Public Counsel. The fact that Qwest proposed such a change to the Commission demonstrates that Qwest believes this section of the PAP can be changed by the Commission.[95] Qwest, unlike CLECs, has the ability to propose a change merely by filing a revised SGAT. The six-month review is an appropriate venue to change this section of the PAP.

Q. Does this conclude your testimony?

A. Yes it does.

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[94] *See* Exhibit RLS-3T at 17.
[95] As long as Public Counsel has no objection to the change, Eschelon does not oppose changing Section 14.2 in this manner as part of the six-month review.