

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

**IN THE MATTER OF AMERICAN)
TELEPHONE TECHNOLOGY, INC.'S)
PETITION FOR ARBITRATION OF AN)
INTERCONNECTION AGREEMENT)**

DOCKET NO. UT-990385

**WITH U S WEST COMMUNICATIONS,)
INC. PURSUANT TO 47 U.S.C § 252.)**

EXHIBIT NO. _____

**TESTIMONY OF
MARK S. REYNOLDS
ON BEHALF OF
U S WEST COMMUNICATIONS, INC.**

OCTOBER 15, 1999

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

2 **Q. PLEASE STATE YOUR NAME, POSITION, EMPLOYER, AND**
3 **BUSINESS ADDRESS.**

4 A. My name is Mark S. Reynolds. I am employed by U S WEST as Director -
5 Regulatory Affairs. My business address is Room 3206, 1600 7th Ave., Seattle,
6 WA 987191.

7 **Q. PLEASE REVIEW YOUR EDUCATION, WORK EXPERIENCE AND**
8 **PRESENT RESPONSIBILITIES.**

9 A. I have a Bachelor of Arts, in English, from Oregon State University (1977) and a
10 Masters of Business Administration (1979) from the University of Montana. I
11 joined Pacific Northwest Bell (“PNB”) in 1983 as a business sales account
12 manager. I moved to product management where I was responsible for a wide
13 range of product, pricing, and costing support for PNB products and services. I
14 assisted in PNB’s post-Divestiture state regulatory pricing dockets involving local
15 telephone service, long distance and switched/special access services.

16 I have held various director positions in costs, economic analyses, pricing, planning
17 and interconnection for U S WEST Communications, Inc. (U S WEST) in the
18 marketing and regulatory areas. I was responsible for ensuring economic pricing
19 relationships between and among U S WEST’s product lines, including telephone
20 exchange service, long distance, and switched/special access services. I
21 represented U S WEST, both as a professional pricing policy witness, and as the
22 lead company representative, in a number of state regulatory and industry pricing
23 and service unbundling workshops. I managed a staff of over 100 employees
24 responsible for the economic analyses and cost studies that supported
25 U S WEST’s tariffed product and service prices and costs before state and federal
26 regulators.

27 In the recent past, I managed U S WEST’s interconnection pricing and product
28 strategy and the interconnection negotiation teams that were in pursuit of
29 interconnection and resale contracts with new local service providers. Also, I
30 managed U S WEST’s cost advocacy and witness group which was responsible
31 for providing economic cost representation in telecommunications forums,
32 workshops and regulatory proceedings.

33 I am currently the Regulatory Affairs Director responsible for managing all wholesale
34 oriented regulatory matters in the state of Washington.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED?**

2 A. I have appeared as a witness on issues relating to pricing, costs, and policy in
3 regulatory proceedings in the states of Washington, Oregon, Colorado, Iowa,
4 Idaho and South Dakota. I have participated in interconnection, pricing and cost
5 workshops sponsored by the state commissions in Washington, Oregon, Colorado,
6 Nebraska, Minnesota, North Dakota, and Montana. Specific to some of the issues
7 in this case, I provided testimony and witness support on behalf of U S WEST in
8 Docket UT-960323, et. al., which sought to establish policies and procedures to
9 be followed when collocation with an ILEC is limited due to space limitations.

10 **Q. PLEASE PROVIDE A BRIEF OVERVIEW OF THE CONTESTED ISSUES**
11 **IN THIS PROCEEDING AND EXPLAIN HOW U S WEST IS**
12 **ADDRESSING EACH ISSUE.**

13 A. In its Petition for Arbitration, dated 8/26/99, American Telephone Technology
14 Inc. (ATTI) states it intends to opt-into almost all of the provisions of the
15 interconnection agreement between AT&T Communications of the Pacific
16 Northwest, Inc. and U S WEST (“AT&T Contract”). ATTI cites Section 252(i) of
17 the Telecommunications Act of 1996 (“Act”) as its legal authority for the opt-in.
18 U S WEST does not challenge ATTI’s right to opt-into the AT&T Contract and,
19 in fact, proposes the AT&T Contract opt-in as its own interconnection agreement
20 proposal in this arbitration. It should be noted that U S WEST does not propose
21 the AT&T Contract opt-in because it agrees with all of the provisions contained
22 therein, but rather as an acknowledgement of ATTI’s right to opt-into the AT&T
23 Contract and a desire to reduce the number of issues subject to arbitration.
24 U S WEST also proposes an amendment for collocation language based on a
25 modified version of the collocation language submitted by ATTI.

26 For its proposed agreement, ATTI modifies three areas of the AT&T contract. First,
27 ATTI seeks to op-into the reciprocal compensation arrangement from the
28 interconnection agreement between MFS Communication Company, Inc. and U S
29 WEST (“MFS Contract”). U S WEST challenges this opt-in on the basis that it
30 constitutes only a portion of the interconnection arrangement with MFS and that
31 the “pick and choose” provision, as defined by the FCC¹, requires that a company
32 opt-into a complete arrangement. Although the Commission has dealt with a
33 similar issue in the interconnection enforcement proceeding brought by
34 NEXTLINK, in Docket UT-990340, U S WEST believes that it has new evidence
35 to present regarding the integral nature of pricing conditions to an “arrangement”
36 for provisioning service. U S WEST considers this a legal issue which it will

¹ 51 C.F.R. § 47.809

1 address on brief.

2 Second, ATTI says it declines to “pick and choose” provisions from the
3 AT&T contract regarding unbundled network element (“UNE”)
4 combinations. In reality, ATTI provides revised AT&T contract
5 language as its own provisions on UNE combinations. U S WEST
6 considers both the procedural and substantive issues raised by the
7 ATTI proposal to also be legal issues which it will address on
8 brief.

9 Finally, ATTI declines to “pick and choose” collocation provisions
10 from the AT&T contract. In place of the AT&T Contract
11 collocation language, ATTI has submitted its own collocation
12 provisions that are actually based on modified language from U S
13 WEST’s template collocation agreement. U S WEST has
14 submitted competing collocation language to that submitted by
15 ATTI by modifying ATTI’s proposed collocation provisions.
16 Many of the differences between the ATTI and U S WEST
17 collocation proposals raise issues of fact, and those issues are the
18 primary focus of my testimony. U S WEST proposes that its
19 proposed collocation contract language be adopted as an
20 amendment to the underlying agreement coincident with the
21 Commission’s approval of ATTI’s opting into the AT&T Contract.

22 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

23 A. The purpose of my testimony is to address the disputed factual issues between
24 U S WEST and ATTI in this arbitration proceeding. Specifically, I will explain
25 all of the changes that USWC made to ATTI’s proposed collocation section of the
26 interconnection agreement.² To do this, I will address the issues listed in the
27 Factual Issues List that U S WEST submitted to ATTI on October 8, 1999. I have
28 attached this document to my testimony and will refer to it as Exhibit MSR-1.
29 For convenience, I have also attached U S WEST’s proposed collocation
30 amendment (Exhibit MSR-2) which includes the revision marks that differentiate
31 it from the underlying ATTI proposed collocation language. Exhibit MSR-1
32 (Factual Issues List) includes an index of the number of each provision that has
33 been modified for cross-reference between the documents.

1 2 USWC has submitted this modified document as an amendment to its proposed
2 interconnection agreement that would become effective with the Commission’s approval
3 of the underlying agreement.

1

2 **II. FACTUAL ISSUES REVIEW**

3 **HOW IS YOUR TESTIMONY ORGANIZED IN THIS SECTION?**

4 As explained above, the questions that are posed in this section of my testimony are
5 the issues listed in the Factual Issues List (Exhibit MSR-1). For ease of cross-
6 reference I will include the issue number and the associated provision number(s) from
7 the Factual Issues List. In my response, I will provide support for U S WEST's
8 position on the issues and reference applicable laws and regulations to support my
9 conclusions.

10 **1. WHICH COMPANY WILL SPECIFY CROSS-CONNECT DEVICES AND**
11 **CIRCUIT LOCATION IN U S WEST'S NETWORK? (2.1.1, 2.1.2, 2.1.3)**

12 U S WEST has modified ATTI's proposed language with respect to this issue to read
13 that U S WEST will specify the appropriate point on the cross-connect device for
14 connecting ATTI's collocated equipment to access U S WEST UNEs or for cross-
15 connects to other collocated parties. As a practical matter, only U S WEST is able to
16 identify the appropriate point on a U S WEST cross-connect device for
17 interconnection because only U S WEST has the knowledge of the location of the
18 desired cross-connect port, or circuit.

19 This language is not intended to limit ATTI's rights under the FCC's First Report
20 and Order and Further Notice of Proposed Rulemaking in CC Docket No. 98-147
21 ("FCC's Collocation Order"), which requires incumbent LECs to permit
22 collocating carriers to construct *their own* cross-connect facilities between
23 collocated equipment located on the incumbents premises. Rather, it is intended
24 to apply to the situation where *a U S WEST cross-connect facility* is being used by
25 ATTI for access to UNEs or other parties' collocated equipment. In this situation,
26 U S WEST believes that 47 C.F.R. § 51.323 (h) (2) is the governing requirement
27 that allows U S WEST to determine the points on cross-connect devices where it
28 is appropriate for competitive LECs to interconnect. The FCC rule reads:

29 An incumbent LEC is not required to permit collocating
30 telecommunications carriers to place their own connecting transmission
31 facilities within the incumbent LEC's premises outside of the actual physical
32 collocation space.

33 U S WEST reads this provision to grant it the authority to determine network
34 routing for facilities beyond competitive LECs collocation installations,
35 notwithstanding the exception cited above. Accordingly the Arbitrator should

1 adopt U S WEST's proposed position.

2 **2. WILL U S WEST BE ALLOWED TO DIRECT THE ROUTING OF CABLES**
3 **TO ACCESS UNES IN ITS NETWORK? (2.1.2, 3.20-ATTI, 3.21-USW)**

4 To describe the interface between ATTI's collocated equipment and U S WEST's
5 network, U S WEST uses the following phrase;

6 "Either ICDF or interconnection tie pair or direct cabling to USW's
7 network via ICDF will be available to ATTI where ATTI is physically
8 collocated."

9 In ATTI's proposal, the words "to USW's network via ICDF" have been
10 deleted. U S WEST believes that ATTI takes this position based on its reading of the
11 FCC's Collocation Order, paragraph 42, which states that "[i]ncumbent LECs may
12 not require competitors to use an intermediate interconnection arrangement in lieu of
13 direct connection to the incumbent's network, if technically feasible, because such
14 intermediate points of interconnection simply increase collocation costs without a
15 concomitant benefit to incumbents." However, the ICDF actually reduces costs by
16 providing a single point of access to all facilities, rather than requiring competitive
17 LECs to purchase separate to access each type of facility. In an effort to resolve this
18 issue, U S WEST is willing to offer ATTI the following contract language that it has
19 negotiated with another competitive LEC to offer assurance that U S WEST will
20 employ the same network architecture in provisioning its own services as it would in
21 provisioning UNEs to ATTI:

22 ATTI may order access to UNEs which ATTI may connect to other
23 network elements or combine for the purpose of offering finished retail services.
24 ATTI will utilize the ICDF to access USW UNEs in USW's Wire Center only to
25 the same extent, on the same terms and conditions, as USW utilizes the ICDF
26 for provision of its retail services.

27 **3. FOR CAGELESS PHYSICAL COLLOCATION, WILL ATTI BE**
28 **ALLOWED TO COMMINGLE ITS EQUIPMENT IN THE SAME BAY**
29 **WHERE U S WEST EQUIPMENT IS LOCATED? (2.1.3)**

30 U S WEST withdraws the following contested language:

31 "ATTI will not be permitted to co-mingle [sic] their equipment
32 on the same bay where USW equipment is located."

33 U S WEST withdraws the language on the basis that it is redundant to the definition
34 for Cageless Physical Collocation contained in the same provision (2.1.3):

1 “Cageless Physical Collocation is a non caged area within a
2 USW Central Office. Any unused space will be made available to the extent
3 technically feasible in standard 9 square foot, *single bay increments*.”
4 (emphasis added)

5 ATTI did not dispute this language, and, accordingly, U S WEST assumes that the
6 parties are in agreement that Cageless Physical Collocation is available only in
7 single bay increments. If ATTI alternatively believes that it is entitled to
8 commingle its equipment in the same bay as U S WEST, U S WEST would refer
9 the Arbitrator to paragraph 43 of the FCC’s Collocation Order in support of the
10 proposition that it is only required to provide cageless collocation in single bay
11 increments:

12 “We require incumbent LECs to make collocation space available in
13 single-bay increments, meaning that a competing carrier can purchase
14 space in increments small enough to collocate a single rack, or bay, of
15 equipment.”

16 The Arbitrator should allow U S WEST to withdraw the contested language and
17 acknowledge that the definition for Cageless Physical Collocation contained in
18 provision 2.1.3 only requires the service to be provisioned in single bay
19 increments.

20 **4. IS THERE A REQUIREMENT FOR CO-PROVIDERS SEEKING UNE**
21 **COMBINATIONS TO COLLOCATE IN ORDER TO COMBINE UNES? (2.1.5)**

22 This issue is inextricably tied to the UNE combination issue that is raised by ATTI’s
23 proposed contract provisions on UNE combinations. Accordingly, U S WEST will
24 address this issue on briefs.

25 It should be noted, however, that U S WEST believes that it is required to
26 provide a platform where competitive LECs can access and interconnect UNES.
27 U S WEST calls this platform the Interconnection Distribution Frame (ICDF).
28 Under ICDF collocation, a competitive LEC need not collocate equipment in the
29 U S WEST wire center to gain access to the facilities in the wire center in order to
30 combine UNES and ancillary services.

31 **5. SHOULD THE REQUIREMENT FOR ADJACENT COLLOCATION**
32 **EXTEND TO “NEARBY LOCATIONS” WHERE U S WEST DOES NOT OWN**
33 **PROPERTY? (2.1.7)**

34 No. In the adjacent physical collocation provision of its proposal, ATTI includes an
35 option that it refers to as collocation at a “Nearby Location”. The provision defines a

1 “Nearby Location” as “...where ATTI wishes to obtain space for collocated facilities
2 in a building or property not owned by USW nearby or across the street from USW’s
3 premises...” The provision further requires U S WEST to “... extend facilities
4 sufficient to establish connectivity to USW’s network and distribution frame facilities
5 to ATTI’s Collocation space where ATTI is in a Nearby Location.”

6 In the FCC’s Collocation Order at paragraph 44, the FCC “. . . requires
7 incumbent LECs, when space is legitimately exhausted in a particular LEC
8 premises, to permit collocation in adjacent controlled environmental vaults or
9 similar structures to the extent technically feasible.” (emphasis added). The FCC
10 further requires that “[t]he incumbent LEC must provide power and physical
11 collocation services and facilities, subject to the same nondiscrimination
12 requirements as traditional collocation arrangements.” Nowhere is the phrase
13 “nearby location” used or even anticipated. In fact, the fundamental concept
14 envisioned in collocation is that it will occur on the premises of the incumbent
15 LEC.

16 Furthermore, given the FCC’s requirement that the incumbent LEC provide power
17 and physical collocation services and facilities, it is inconceivable that the FCC
18 intended incumbent LECs to incur the cost of trenching, placing conduit, placing
19 power cabling, and placing fiber facilities for installations that are distant from the
20 property upon which the LEC’s wire center resides. Notwithstanding the
21 extraordinary costs associated with provisioning to a “Nearby Location”, the
22 costs to administer such a program would also be considerable (i.e., quote
23 preparation, contractor bids, permit requests, etc.). For all these reasons,
24 U S WEST submits it is clear that the FCC intended to limit adjacent collocation
25 to the contiguous real property of an ILEC surrounding the ILEC wire center.
26 This concept is contained in U S WEST’s proposed contract provision relating to
27 adjacent collocation. U S WEST’s proposal is consistent with the FCC’s
28 Collocation Order and should be adopted.

29 **6. WHAT SHOULD BE THE AUDIT CAPABILITIES FOR ILECS TO**
30 **DETERMINE IF CO-PROVIDED COLLOCATION EQUIPMENT IS “USED**
31 **OR USEFUL” FOR EITHER INTERCONNECTION OR ACCESS TO UNES?**
32 **(3.2-ATTI, 3.3 & 3.4-USW)**

33 In the FCC’s Collocation Order, at paragraph 28, incumbent LECs are required “... to
34 permit the collocation of any type of equipment used for interconnection or access to
35 unbundled network elements.” The FCC further states that “... our rules require
36 incumbent LECs to permit collocation of any equipment required by the statute unless
37 they first “prove to the state commission that the equipment will not be actually used
38 by the telecommunication carrier for the purpose of obtaining interconnection or
39 access to unbundled network elements.” U S WEST’s proposed contract language, in

1 provisions 3.3 and 3.4 of its proposed collocation amendment, acknowledges the
2 rights granted by the Order with respect to the types of equipment allowed for
3 collocation, and also protects U S WEST's right to determine how the equipment will
4 be used by the competitive LEC. U S WEST's language is consistent with the FCC's
5 Collocation Order and should be adopted.

6 **7. SHOULD U S WEST'S TECHNICAL PUBLICATION ON COLLOCATION,**
7 **#77386, BE INCLUDED IN A LIST OF TECHNICAL PUBLICATIONS**
8 **RELEVANT TO THE TECHNICAL SPECIFICATIONS FOR**
9 **COLLOCATION? (3.4-ATTI, 3.6-USW)**

10 U S WEST's provisioning of collocation requires adherence to technical standards.
11 In provision 3.4 of its proposed collocation language, ATTI deleted technical
12 publication #77386, without offering an technical standards of its own to replace it.
13 U S WEST reinserted reference to technical publication #77386 in its proposed
14 language, as it is the technical publication which describes the technical specifications
15 for collocation and is thus a critical reference document to support U S WEST
16 collocation practices. In fact, if this technical publication is deleted, there are no
17 technical standards to guide collocation implementation. Because reference to this
18 document is a required part of provisioning collocation, the Arbitrator should adopt
19 U S WEST's proposed reinsertion.

20 **8. SHOULD THERE BE A SPECIFIC TIME PERIOD (AND, IF SO, HOW**
21 **LONG?) IN WHICH CO-PROVIDERS MUST CHOOSE AN ALTERNATIVE**
22 **COLLOCATION OPTION IF PHYSICAL COLLOCATION IS NOT**
23 **AVAILABLE? (3.5-ATTI, 3.7-USW)**

24 ATTI proposes no particular time constraint to select an alternative collocation
25 option, when physical collocation is not available, while U S WEST proposes that
26 competitive LECs be required to select their option within ten days of the notice that
27 physical collocation is not available. It should be noted that competitive LECs are
28 required to choose an alternative collocation option with their initial request.
29 U S WEST's experience is when a competitive LEC is being offered a collocation
30 alternative because there is a shortage of space in the requested central office, there
31 are usually a number of other competitive LECs also waiting in queue for collocation.
32 U S WEST encourages the adoption of its proposal because it considers the interest of
33 all parties that may be waiting for collocation opportunities in a particular central
34 office. Other competitive LECs waiting in queue should not be delayed indefinitely
35 while ATTI considers an alternative collocation option.

1 Q. 9. SHOULD COMMISSION REVIEW BE A PART OF THE
2 CONTRACTUAL REQUIREMENTS FOR THE FOLLOWING
3 CONTRACT PROVISIONS;

4 DEMONSTRATING THAT A REQUEST FOR AN ALTERNATIVE
5 FORM OF COLLOCATION IS NOT TECHNICALLY FEASIBLE (3.5-
6 ATTI, 3.7 USW)

7 DENYING ACCESS TO USW FACILITIES DUE TO REPEATED
8 VIOLATIONS OF SECURITY REQUIREMENTS (3.15-ATTI, 3.17-
9 USW)

10 REVIEW OF USW DIRECT TRAINING CHARGES IN
11 ASSOCIATION WITH EMPLOYEE TRAINING FOR VIRTUAL
12 COLLOCATION EQUIPMENT (4.6)

13 REVIEW OF REASONABLE EXPENSES OF USW CHARGES TO
14 ATTI TO MEET TECHNICAL STANDARD SAFETY
15 REQUIREMENTS AND OTHER TECHNICAL STANDARDS OF
16 AGREEMENT (5.11, 5.12, 6.3)

17 REVIEW PRICE QUOTES TO PROVIDE ATTI WITH ADJACENT
18 SPACE FOR CAGELESS COLLOCATION (6.2)

19 REVIEW EXPENSES OF USW CHARGES TO ATTI FOR COSTS
20 INCURRED IN PROVIDING AGREED-UPON COLLOCATION
21 SERVICE FOR WHICH NO RATE HAS BEEN DEVELOPED (7.1)

22 U S WEST does not believe that specific contract terms requiring Commission
23 review of the above provisions are either appropriate or desired. If it believes it has
24 been aggrieved, ATTI has the ability to invoke dispute resolution, file an informal
25 complaint with the Commission, or petition to the Commission on a formal basis
26 (WAC 480-09-530). The Arbitrator should adopt U S WEST's proposal to delete the
27 specified contract terms for Commission review.

28 10. SHOULD U S WEST BE REQUIRED TO DEMONSTRATE THAT IT
29 CANNOT REASONABLY PROCESS MULTIPLE COLLOCATION
30 REQUESTS WITHOUT A PRIORITIZATION PROCEDURE, OR SHOULD
31 THIS DETERMINATION BE BASED ON A SET NUMBER OF REQUESTS
32 (I.E., 5)? (3.6-ATTI, 3.8-USW)

33 A. Because it is limited in the number of simultaneous collocation requests it can
34 implement at given time, U S WEST proposes that a prioritization process occur

1 when more than five requests per week per state are received by USW from a
2 competitive LEC. U S WEST bases this requirement on its experience in
3 implementing hundreds of collocation requests. ATTI proposes that the
4 prioritization process be subject to “. . . where USW demonstrates that it cannot
5 reasonably process all of such requests timely absent the procedure below.”
6 U S WEST submits that the ATTI proposal adds one more potential point of
7 contention and argumentation in an already difficult process. As previously
8 stated, U S WEST is limited in its ability to handle more than five requests per
9 state per collocator on a weekly basis. U S WEST’s proposal is reasonable and
10 should be adopted .

11 **Q. 11. SHOULD THERE BE A SEPARATE (EXPEDITED) DISPUTE**
12 **RESOLUTION CLAUSE FOR COLLOCATION IN ADDITION TO THE**
13 **STANDARD DISPUTE RESOLUTION CLAUSE ALREADY CONTAINED**
14 **IN THE CONTRACT? (3.6.3, 3.10, 3.19 – ATTI; 3.8.3, 3.12, 3.20 – USW;**
15 **SECTIONS 17 AND 22, 21.4)**

16 A. No. In its proposal, ATTI makes numerous references to the parties’ ability to
17 resolve disputes under an Expedited Dispute Resolution clause contained in
18 Section 22 of its proposal. As was previously addressed in response to ATTI’s
19 desire for informal Commission review of a number of procedures called for
20 under the contract, nothing in the contract between the parties limits ATTI’s
21 ability to petition the Commission under a number of applicable statutes.
22 Furthermore, the AT&T contract which ATTI seeks to opt-into also contains a
23 dispute resolution clause, resulting in two competing clauses. Because the
24 Expedited Dispute Resolution is superfluous, U S WEST requests the Arbitrator
25 to order that it be deleted and that all references to it be directed to the dispute
26 resolution clause contained in the body of the AT&T contract.

27 **Q. 12. SHOULD THE STANDARD INTERVAL FOR DEVELOPING QUOTES**
28 **FOR COLLOCATION BE 25 DAYS? (3.7-ATTI; 3.9-USW; 6.2, 7.1, 13.1,**
29 **14.1, 15.1)**

30 A. The twenty-five day collocation quote interval that U S WEST is proposing is
31 currently being implemented region-wide in all of its contracts with competing
32 LECs. The interval is based on what is required by this Commission in its Order
33 in Docket UT-960323, et. al.³, and is necessary for U S WEST to perform the

1 3 Commission Decision and Final Order, Docket UT-960323, et.al., “Furthermore,
2 there is no disagreement that an additional *twenty-five (25) days* is a reasonable time for
3 U S WEST to complete planning and quote preparation if space is available.” (emphasis
4 added). (page 22).

1 tasks necessary to produce a collocation quote. Accordingly, U S WEST requests that the
2 Arbitrator adopt U S WEST's proposed 25 day interval for collocation quotes.

3 **Q. 13. IN THE EVENT THAT THE PARTIES DISAGREE ON A PRICE**
4 **QUOTE, SHOULD U S WEST BE REQUIRED TO PROCEED TO**
5 **PROCESS THE INTERCONNECTION WHILE THE DISPUTED**
6 **CHARGES ARE REFERRED FOR DISPUTE RESOLUTION UNDER THE**
7 **AGREEMENT, WITH A TRUE-UP IF NECESSARY? (3.7-ATTI; 3.9-USW)**

8 This issue is specific to the section of both parties' proposed agreement that has to
9 do with cost recovery for grooming circuits in an effort to reclaim space. The
10 following language is in dispute:

11 In the event the parties disagree on the price quote, or USW's
12 entitlement to impose such costs, USW will agree, upon receipt of the quoted
13 price, to proceed to process the interconnection under this section while the
14 disputed charges are referred for dispute resolution under this Agreement, with a
15 true up if necessary.

16 U S WEST initially struck the language, but after reconsideration would be
17 willing to accept the language if it is made clear that U S WEST would receive the
18 quoted price before proceeding to process the interconnection under this section
19 (actually only 50% of the price is due upon acceptance of the quote by ATTI).
20 U S WEST would still acknowledge ATTI's right to dispute the charges through
21 dispute resolution. If the parties can agree, U S WEST requests that the Arbitrator
22 allow withdrawal of this issue from arbitration. If the parties cannot agree,
23 U S WEST requests that the Arbitrator strike the language on the basis that
24 U S WEST is entitled to at least 50% of the estimated cost of the grooming
25 project before starting work.

26 **14. SHOULD COST RECOVERY OF JOINT TESTING OF COLLOCATION**
27 **COMPONENTS BE RATABLY SPLIT BETWEEN THE PARTIES OR**
28 **SUBJECT TO RATES CONTAINED IN THE CONTRACT OR APPROVED**
29 **BY THE COMMISSION? (5.10)**

30 In accordance with the Telecommunication Act of 1996, U S WEST is entitled to
31 recover the costs it incurs to provide interconnection and access to UNEs, including
32 costs associated with collocation equipment testing. Theoretically, almost all costs of
33 interconnection could be "ratably split" between parties; however, this is not
34 consistent with the required cost recovery procedures from the FCC, or from this
35 Commission. U S WEST requests that the Arbitrator adopt U S WEST's language
36 which reads:

1 “Subsequent joint testing between the parties will be conducted in
2 accordance with the rates and terms of this Agreement and with WUTC
3 approved rates where such rates are in effect.”

4 The Arbitrator should reject ATTI’s proposal to ratably split the costs because
5 such a proposal would deny U S WEST full cost recovery.

6 **15. SHOULD COLLOCATION RATES BE SUBJECT TO A TRUE-UP WHEN**
7 **PERMANENT RATES ARE ESTABLISHED BY THE COMMISSION? (7.1,**
8 **7.2)**

9 Consistency with prior rulings of the Commission would require the Arbitrator to
10 reject ATTI’s proposed language which requires a true up of interim rates to those
11 approved by the Commission on a permanent basis.

12 **16. SHOULD THE QPF BE CREDITED AGAINST THE NONRECURRING**
13 **CHARGES OF THE COLLOCATION JOB IF THIS RESULTS IN NOT**
14 **RECOVERING QPF COSTS? (13.2, 14.1, 15.1)**

15 U S WEST’s right of cost recovery under the Act for costs associated with
16 interconnection and UNEs includes the right to recover costs associated with a
17 quote preparation fee for collocation. U S WEST’s Quote Preparation Fee
18 (“QPF”) is a cost based element for work done to provided competitive LECs
19 quotes for collocation based on technical specifications submitted to U S WEST.
20 The fee is not offset by the rates recovered for other nonrecurring costs associated
21 with collocation, and, thus it is inappropriate to credit the QPF against such
22 nonrecurring charges as proposed by ATTI. Accordingly, U S WEST requests
23 that the Arbitrator adopt U S WEST’s proposed language. ATTI’s proposed
24 language would deny U S WEST the cost recovery to which it is entitled.

25 **17. SHOULD FINAL PAYMENT FOR INSTALLATION OF COLLOCATION**
26 **EQUIPMENT BE BASED ON COMPLETION OF THE JOB OR ON ATTI’S**
27 **REASONABLE SATISFACTION WITH THE JOB, RESULTING IN THEIR**
28 **ACCEPTANCE OF THE SPACE? (14.1)**

29 U S WEST is entitled to payment for services rendered under the contract. To the
30 extent that the parties disagree on whether the work performed is satisfactory, they
31 can invoke the dispute resolution clause in the contract or avail themselves of a host
32 of statutory remedies at the Commission and in the courts. ATTI’s language is not
33 definitive and results in payment for work rendered being totally at their discretion.
34 The Arbitrator should reject ATTI’s proposed language which makes payment to
35 U S WEST for work rendered contingent upon “ATTI’s reasonable satisfaction or
36 when ATTI accepts the space.”

1 **Q. 18. SHOULD U S WEST BE REQUIRED TO IDENTIFY OTHER WIRE**
2 **CENTERS WHERE SHORTER INTERVALS ARE AVAILABLE FOR**
3 **COLLOCATION SPACE WHEN CAGED PHYSICAL SPACE IS DENIED**
4 **TO ATTI IN A WIRE CENTER? (14.2)**

5 A. No. The FCC Collocation Order at paragraph 58 requires that

6 “ . . . an incumbent LEC must submit to a requesting carrier
7 within ten days of the submission of the request a report indicating the
8 incumbent LEC’s available collocation space in a particular office. This
9 report must specify the amount of collocation space available at each
10 requested premises, the number of collocators, and any modification in the use
11 of the space since the last report.”

12 ATTI’s request that U S WEST somehow canvas nearby wire centers to find it a
13 shorter interval is inconsistent with the FCC’s Order and would be costly for
14 U S WEST to administer. U S WEST submits that ATTI can submit its request
15 for the information it desires about a particular wire center consistent with the
16 FCC’s Order and obtain the information it requires. Additionally, U S WEST has
17 recently begun to post a list of all its wire centers that have “out-of-space”
18 conditions on its interconnection web site. ATTI can obtain the information it
19 needs without requiring U S WEST to do the survey requested. Accordingly,
20 ATTI’s language should be rejected by the Arbitrator.

21 U S WEST would also note that a similar term exists in provision 15.1 of the
22 agreement:

23 U S WEST will identify for ATTI those Wire Centers where
24 shorter intervals are available and provide an estimated revised shorter
25 interval.

26 U S WEST inadvertently missed striking this term, but would request, on the same
27 bases as provided above, that the Arbitrator reject this language as well.

28 **19. WHAT SHOULD BE THE REQUIREMENTS FOR NOTICE TO ATTI BY**
29 **U S WEST REGARDING SPECIAL CIRCUMSTANCES THAT MAY DELAY**
30 **COLLOCATION? (14.2)**

31 A. The provision that contains this issue is one that attempts to account for
32 unforeseen variables that might impact the standard intervals in provisioning
33 collocation. These variables include, but are not limited to, equipment
34 availability, scope of work to be performed, and reinforcement of supporting
35 infrastructure (i.e., POI placement, power upgrades, and space reclamation).

1 U S WEST will not always be able to determine all of the variables within 10
2 days of the collocation feasibility study, as proposed by ATTI. For example,
3 U S WEST may not know about supply delays for certain materials until it is well
4 into the implementation of the job. Accordingly, U S WEST requests that the
5 Arbitrator adopt U S WEST's proposed language which requires U S WEST to
6 disclose such variables to ATTI, *as soon as possible*.

7 **Q. 20. WHAT SHOULD BE THE REQUIREMENTS FOR PROVIDING**
8 **ACCESS TO CROSS-CONNECT DEVICES IN CONJUNCTION WITH**
9 **ICDF COLLOCATION? (16.1, 16.2)**

10 A. This issue is related to the provisioning of ICDF collocation. Under ICDF
11 collocation, a competitive LEC need not collocate equipment in a U S WEST wire
12 center to combine UNEs and ancillary services. The ICDF (Interconnection
13 Distribution Frame) connects through tie cables to various points within a wire
14 center (e.g., MDF, COSMIC, or DSX, etc.) providing competitive LECs with
15 access to UNEs and ancillary services.

16 Provisions 16.1 and 16.2 document the process to order ICDF Collocation and
17 provide for installation time intervals in cases where an ICDF has not yet been
18 installed. The differences in the two parties language centers on the time intervals
19 involved in verifying cross-connect capacity (7 days – ATTI vs. 10 days for
20 USW), development of a cost quote (35 days – ATTI vs. 25 days for USW), and
21 the construction interval for provisioning ICDF in offices where it has not
22 previously been placed (“as soon as reasonably possible” – ATTI vs. “within 90
23 days – USW).

24 U S WEST requests that the Arbitrator adopt U S WEST's proposed interval of 10
25 days for verifying cross-connect capacity because it is consistent with the
26 verification for space availability for its other types of collocation which, in turn,
27 is consistent with the FCC's Collocation Order (paragraph 55) which finds that 10
28 days is a reasonable period of time to evaluate space availability. U S WEST also
29 requests that the Arbitrator adopt its 25 day interval for development of a price
30 quote for the reasons listed in its response to issue 12 and because its is less time
31 than is requested by ATTI (35 days). Finally, U S WEST requests that the
32 Arbitrator adopt its language that, in central offices where ICDF's have not
33 previously been placed, U S WEST will make ICDFs available within 90 days, as
34 being more definitive than the ATTI proposal that “USW will make such
35 additional capacity available as soon as reasonably possible.”

1 21. SHOULD U S WEST BE REQUIRED TO PROVIDE “BUNDLING” OR
2 UNE COMBINATION SERVICE TO ATTI IN CONJUNCTION WITH ICDF
3 COLLOCATION? (21.4)

4 A. This issue is inextricably tied to the UNE combination issue that is raised by
5 ATTI’s proposed contract provisions on UNE combinations. Accordingly,
6 U S WEST will address this issue on brief.

7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

8 A. Yes, it does.