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1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

2 COMMISSION

3

In the Matter of the)

4 Investigation into)

)

5 U S WEST COMMUNICATIONS, INC.'s) Docket No. UT-003022

) Volume XI

6 Compliance with Section 271 of) Pages 1218 - 1441

the Telecommunications Act of)

7 1996)

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In the Matter of)

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9 U S WEST COMMUNICATIONS, INC.'s) Docket No. UT-003040

) Volume XI

10 Statement of Generally) Pages 1218 - 1441

Available Terms Pursuant to)

11 Section 252(f) of the)

Telecommunications Act of 1996)

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A workshop in the above matter was held on

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November 7, 2000, at 9:10 a.m., at 1300 South Evergreen

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Park Drive Southwest, Olympia, Washington, before

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Administrative Law Judge ANN E. RENDAHL.

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The parties were present as follows:

19

AT&T, by MITCHELL H. MENEZES, Chief

20 Commercial Counsel, 1875 Lawrence Street, Suite 15-21,

Denver, Colorado 80202.

21

AT&T, by LETTY S.D. FRIESEN, Senior Attorney,

22 1875 Lawrence Street, Room 1500, Denver, Colorado

80202.

23

QWEST CORPORATION, by LISA A. ANDERL, Senior

24 Attorney, 1600 Seventh Avenue, Suite 3206, Seattle,

Washington 98191.

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1 QWEST CORPORATION, by ROBERT E. CATTANACH,
2 Attorney at Law, Dorsey and Whitney, 220 South Sixth
3 Street, Pillsbury Center South, Minneapolis, Minnesota
4 55402.

5 METRONET, COVAD, ICG, MPOWER, by BROOKS E.
6 HARLOW, Attorney at Law, Miller Nash, 601 Union Street,
7 Suite 4400, Seattle, Washington 98101-2352.

8 XO WASHINGTON, INC., ELECTRIC LIGHTWAVE,
9 INC., ADVANCED TELECOM GROUP, INC., FOCAL
10 COMMUNICATIONS OF WASHINGTON, INC., ALLEGIANCE TELECOM,
11 by GREGORY J. KOPTA, Attorney at Law, Davis Wright
12 Tremaine, 1501 Fourth Avenue, Suite 2600, Seattle,
13 Washington 98101.

14 WORLDCOM, INC., by ANN E. HOPFENBECK, Senior
15 Attorney, 707 17th Street, Suite 3600, Denver, Colorado
16 80202.

17 MCLEOD USA, by MARIANNE K. HOLIFIELD,
18 Assistant General Counsel, 10021 41st Avenue Northeast,
19 Seattle, Washington 98125.

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24 Kathryn T. Wilson, CCR

25 Court Reporter

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	EXHIBIT:	MARKED:	OFFERED:	ADMITTED
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2	369	1339		1413
3	370	1344		1413
4	391			1232
5	392	1231		1232
6	425	1356		1413
7	426	1362		1413
8	427	1369		1413
9	428	1374		1413
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1 P R O C E E D I N G S

2 JUDGE RENDAHL: We are here Tuesday morning,
3 November 7th, continuing the second workshop in the 271
4 SGAT proceeding, and there are a few new faces today,
5 and for AT&T, Ms. Friesen, would you state your name,
6 and are you at the same address as Rebecca DeCook?

7 MS. FRIESEN: Yes, I am. My name is Letty
8 Friesen, and I'm with AT&T.

9 MR. MENEZES: Mitchell Menezes with AT&T at
10 the same address as well.

11 JUDGE RENDAHL: You are both attorneys?

12 MR. MENEZES: Yes.

13 JUDGE RENDAHL: Ms. Hopfenbeck, you have an
14 additional witness here today?

15 MS. HOPFENBECK: Yes. Dayna D. Garvin will
16 be adopting the testimony that was prefiled by Thomas
17 T. Priday.

18 JUDGE RENDAHL: One preliminary issue that
19 wasn't resolved yesterday -- I said I would wait for
20 the break and then I forgot -- International Telecom
21 did not appear yesterday, and it doesn't appear they
22 are here today. Given that, I'm inclined to deny their
23 petition to intervene at this point for this workshop.
24 If they seek intervention for another workshop, we will
25 take that up at that point.

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1 Let's proceed with the interconnection issues
2 today beginning with Qwest's presentation.

3 Mr. Freeberg?

4 (Witness sworn.)

5 JUDGE RENDAHL: Please go ahead.

6 MR. FREEBERG: Tom Freeberg for Qwest. I
7 filed direct testimony on August 7th in this case. I
8 filed supplemental direct on August 29th and rebuttal
9 on October 20th. My testimony involved trunking, and
10 I'll be talking about trunking today, and also in the
11 early testimony involving collocation, Margaret
12 Bumgarner has adopted my testimony on collocation. She
13 wrote rebuttal to collocation, and she will be
14 responding to that in the workshop tomorrow.

15 JUDGE RENDAHL: We had premarked exhibits for
16 you, but I don't believe we've discussed admission, and
17 maybe we should go through now and make sure there are
18 no additional exhibits for you.

19 MR. FREEBERG: There will be additional
20 exhibits, about 17 of them.

21 JUDGE RENDAHL: Is that something we need to
22 do now before we start, or is it something we will do
23 at the time?

24 MR. CATTANACH: If I could make a request,
25 Your Honor, these are individual SGAT provisions and it

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1 might be best to wait as they come sequentially, and
2 then we can talk about it.

3 JUDGE RENDAHL: Why don't we go ahead with
4 the existing exhibits, and I have on my list starting
5 with your initial testimony marked as Exhibit 331 going
6 through Exhibit 362 with your Exhibit TRF-48.

7 MR. FREEBERG: I think that is accurate.

8 JUDGE RENDAHL: Are there any objections to
9 those exhibits at this point? Hearing nothing, they
10 will be admitted, and now you have the floor.

11 MR. FREEBERG: Today here in Washington,
12 Qwest exchanges about one billion minutes of local
13 calling with about 28 other local carriers, CLECs, each
14 month. About three thousand new trunks are put into
15 service here in Washington each month. The one billion
16 minutes of local calls are carried on 137,502 working
17 trunks, interconnecting the switches of Qwest with the
18 switches of other local carriers. Each of 880 working
19 trunk groups has a three-year forecast. Most
20 interconnected carriers have chosen to exchange local
21 traffic by one of three basic means. Those means
22 include collocation, Qwest-provided entrance
23 facilities, or mid-span meets. Requests for other
24 means have been processed. Qwest expects that it's
25 providing interconnection now at any technically

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1 feasible point.

2 In September, Qwest announced that it would
3 begin to exchange local calls with CLECs at the Qwest
4 toll or access tandem switch. With the most current
5 SGAT, Qwest established a broad legal obligation to
6 route local and intraLATA toll traffic over a single
7 trunk group via either tandem routed or direct paths.

8 Beyond the sheer volume of wholesale local
9 demand that has been satisfied, Qwest has provided
10 service which is equal in quality to that provided
11 itself. Installation intervals have averaged about 20
12 days, comparing favorably to other regions' intervals
13 and to trunking provided itself. An improving
14 percentage of commitments are met, but when delays have
15 been encountered, average intervals have been about 15
16 days. Blocking performance measures clearly show
17 nondiscrimination. Exhibit 20-C to my direct testimony
18 shows tandem routed final groups blocked well below one
19 percent in each except one of the first five months of
20 2000. Direct routed final groups were blocking under
21 one percent in all of the five months, the first five
22 months of 2000.

23 Comments of intervenors reflect that reaching
24 the current level of interconnection has not been easy.
25 Misunderstandings and differences of contract

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1 interpretation have happened. Qwest has agreed to many
2 SGAT changes, including elimination of interLCA
3 facilities and associated private line charges,
4 inclusion of LATA-wide mid-span meets and elimination
5 of local routing number per rate center requirements.

6 In summary, commercial volumes of
7 interconnection have been provided. All things
8 considered equal in quality service has been provided.
9 Finally, Qwest has a continuing legal obligation to
10 meet demand for more interconnection, and consequently,
11 Qwest employees take these obligations very seriously.
12 This concludes my opening statement.

13 JUDGE RENDAHL: Thank you. Mr. Wilson, you
14 are on again.

15 MR. WILSON: Thank you.

16 JUDGE RENDAHL: You are still sworn in from
17 yesterday.

18 MR. WILSON: Perhaps just a brief digression
19 since Washington was really the first state where
20 interconnection was permitted before the Act, actually,
21 and I think listening to Mr. Freeberg, my thought was,
22 we've come a long way since five years ago when Qwest
23 was pretty much steadfastly refusing to allow anyone to
24 interconnect, and Electric Lightwave had to set the
25 pace and tell the Commission and other bodies to get

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1 just the ability to interconnect at all.
2 I think as Mr. Freeberg stated, there is a
3 lot of interconnection taking place in Washington, and
4 I think there are some issues still left that we need
5 to address. The issues are far fewer than they were.
6 There are still some, I think, knotty issues that AT&T
7 would like to address. The first is known as local
8 routing number. This was briefly addressed in the
9 first workshop but more fully addressed and more
10 appropriately addressed here. Whereas yesterday, when
11 we discussed a little bit about the porting of
12 unassigned numbers and how that could potentially waste
13 a few numbers or where potentially warehouse a few
14 numbers, with LRN, we are talking about a policy that
15 Qwest has had for several years that has literally
16 wasted hundreds of thousands of numbers, and though
17 Qwest has agreed to allow CLECs to use one local
18 routing number per LATA instead of their original
19 position of one local routing number per calling area
20 or rate center, which caused the big problems and the
21 wasting of numbers, we are still having problems with
22 Qwest actually correctly implementing LRN, and it's
23 still causing AT&T, at least, problems in its local
24 market entry. We may want to get into some additional
25 detail with that, but the state of affairs is we still

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1 have some problems, and Qwest is still not able to
2 properly route such that one LRN per LATA would work.

3 This issue needs to be kept in clear
4 distinction from another issue which has been a problem
5 for AT&T, and that is the single point of interface per
6 LATA instead of a single point of interface per calling
7 area. Up until recently, Qwest had required a single
8 point of interface per calling area, which required a
9 tremendous amount of trunking for CLECs, even when
10 there was very, very little traffic. This happened
11 mostly away from the large cities. When AT&T or any
12 other CLEC wanted to go out to the more remote cities,
13 many times, Qwest did not have local tandem trunking to
14 the wire centers in a particular calling area, so the
15 CLEC was forced to put end-office trunking to all the
16 wire centers in the calling area rather than going to a
17 tandem.

18 Qwest has reversed this position recently
19 allowing interconnection at the access tandem in those
20 situations. We still feel that this does not quite
21 meet their obligation of interconnection in any
22 technically feasible point, but it was a big step in
23 the right direction. It is at least now allowing us to
24 reduce the number of trunks in order to go to areas
25 outside of the large cities. So that's an issue that I

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1 think will come up in some of the discussions today and
2 in language that we will address.

3 Then finally, the performance of
4 interconnection trunking as far as provisioning of that
5 trunking, we feel that the proper place to address
6 those issues is in the ROC OSS testing and the
7 verification of the way the metrix are being collected.
8 AT&T feels very strongly that this third-party
9 verification needs to be conducted thoroughly. We are
10 preparing data to take to that forum. We don't believe
11 that these workshops are the place for that data, that
12 first the data needs to be verified and compared,
13 because we do not see the 15-day averages that Qwest is
14 talking about. Maybe other CLECs are getting those
15 kinds of averaging for trunk provisioning, but we don't
16 see it.

17 So we hope that the verification process will
18 look at the differences in how data is being collected
19 and see what is the real story, and we will certainly
20 participate in that effort, and I think that concludes
21 my opening remarks. We have details that we will be
22 going over that are important to the issues that I've
23 just raised.

24 JUDGE RENDAHL: Ms. Friesen?

25 MS. FRIESEN: When would you like us to

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1 introduce his direct prefiled testimony?

2 JUDGE RENDAHL: We did most of it yesterday,
3 as I understand, because he did testify yesterday. We
4 put them all in simply because he was going on
5 yesterday.

6 MS. FRIESEN: One other administrative point,
7 our witness Timothy Boykin cannot physically be with us
8 today. We are making some efforts to have him
9 available by telephone for any kind of questioning. So
10 I'm wondering if at this time it's appropriate to bring
11 in his testimony, or would you rather that we wait
12 until he's available?

13 JUDGE RENDAHL: Let me turn to Qwest and see.
14 Have you all had time to discuss this ahead of time?

15 MS. FRIESEN: No, we haven't.

16 JUDGE RENDAHL: Thoughts from Qwest?

17 MR. CATTANACH: I don't think that will be a
18 problem, Your Honor. This is what happened in Oregon.
19 It didn't seem to be a problem there. We wouldn't have
20 any objection to Mr. Boykin's testimony coming in, and
21 I guess we'd like to think about it just a little bit,
22 but my sense is I'm not sure we even need him for
23 cross-examination.

24 JUDGE RENDAHL: Why don't you consider that
25 and coordinate with AT&T at the break, and if we need

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1 to bring him in, we will do that. We do have a
2 conference bridge set up. Is there anyone on the
3 conference bridge this morning? Mr. Fitch, public
4 counsel, had said he might be calling in, and I think
5 Brooks Harlow will be here later or he'll be on the
6 conference bridge, so there is that option. We can
7 give you that number so he can call in. That might be
8 an appropriate way to do it.

9 Why don't we look at Mr. Boykin's testimony.
10 I have his testimony marked beginning at Exhibit 301
11 and ending at 312. Are there additional exhibits for
12 Mr. Boykin?

13 MS. FRIESEN: No, there are not.

14 JUDGE RENDAHL: Is there any objection to
15 admitting Exhibits 301 through 312? Hearing nothing,
16 those will be admitted. Ms. Hopfenbeck, do you wish to
17 swear Ms. Garvin in and mark her testimony?

18 MS. HOPFENBECK: Yes.

19 JUDGE RENDAHL: Ms. Hopfenbeck passed around
20 yesterday and filed with the Commission a three-page
21 document entitled, "Direct Testimony of Dayna D. Garvin
22 on behalf of WorldCom Addressing Interconnection,
23 Collocation, and Resale." That will be marked as
24 Exhibit 392. Mr. Priday's testimony was marked as
25 Exhibit 391, and I understand Ms. Garvin is adopting

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1 Mr. Priday's testimony; is that correct?

2 MS. HOPFENBECK: Yes, that's true.

3 JUDGE RENDAHL: Are there any objections to
4 the adoption of the testimony or admitting these
5 Exhibits 391 and 392? Hearing nothing, Exhibits 391
6 and 392 will you admitted, and let's swear you in,
7 Ms. Garvin.

8 (Witness sworn.)

9 MS. GARVIN: I think I'm just going to defer
10 my comments to questions if they come up.

11 JUDGE RENDAHL: I also had Mr. Zulevic. I
12 don't know if he's here. Covad filed testimony, and
13 maybe that was more on collocation. I'm trying to
14 remember. Then we will wait on that. Are there any
15 other witnesses for interconnection that we need to
16 mark exhibits for or swear in? Hearing nothing, we can
17 go forward with the discussion, and the way we had
18 proceeded yesterday was primarily on a
19 SGAT-provision-by-SGAT-provision basis. Is that the
20 parties' preference; Ms. Friesen?

21 MS. FRIESEN: I believe that is our
22 preference. We do have some questions for Mr. Freeberg
23 based on his rebuttal testimony in chief, so I was
24 wondering how we want to do that, because parts of it I
25 don't think lend themselves to the SGAT provisions. Do

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1 we want to do that at the end perhaps?

2 MR. FREEBERG: That was going to be my
3 thought; that we would go through 7 and then follow up
4 with Section 4 of the definition section, and then get
5 into non SGAT specific kinds of matters.

6 MS. FRIESEN: That would be great.

7 JUDGE RENDAHL: Why don't we do that.
8 Mr. Freeberg, you mentioned, basically, revised
9 sections of the SGAT, the mini SGAT. Are they all in
10 one exhibit?

11 MR. FREEBERG: Here was my thought. I would
12 propose that we would use what is Exhibit 349 as kind
13 of our framework agenda. We would kind of follow
14 through Exhibit 349 -- it is Exhibit 35 to my
15 rebuttal -- as kind of our section-by-section redline
16 discussion. I would propose then that we would skip
17 over sections that were not commented upon by
18 intervenors in their written testimony. People could
19 certainly interrupt me if I passed over a section that
20 we should really talk about. Then I was going to try,
21 in order to be responsive to the agreements and
22 takeaways from the most recent discussion we've had on
23 this in Oregon, I brought proposed language changes, so
24 those would be exhibits that I would hand out here one
25 at a time as we reached those sections. So that was

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1 kind of my approach, if that's okay.

2 JUDGE RENDAHL: You had also mentioned
3 Section 4 and another section, and I'm assuming we will
4 start with 7 and then work progressively through.

5 MR. FREEBERG: True, and Section 4 is Exhibit
6 356, also known as Exhibit 42 to my rebuttal.

7 JUDGE RENDAHL: Then let's start with Exhibit
8 349.

9 MR. KOPTA: Your Honor, before we do that,
10 might I point out that Ms. Anderson addressed some
11 interconnection issues in her testimony as well. I
12 don't know that we need to have a summary of those at
13 this point, and since they were provided as more or
14 less a follow-up to the initial workshop where there
15 were discussions of reciprocal compensation and how
16 those interrelated with interconnection, at least under
17 the revised draft initial order following the first
18 workshop, there was a call from the Commission for more
19 information on that particular topic, which is pretty
20 much the focus of Ms. Anderson's discussion of
21 interconnection issues.

22 So as I say, we don't need to summarize that
23 at this point. It's not something that's going to
24 arise in the SGAT discussion because it's in a
25 different portion of the SGAT, as I recall. So I would

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1 just make that note for the record that we have that
2 information, and to the extent that is an issue that
3 needs further discussion in the workshop, then I would
4 ask that we be able to do that at some point today so
5 Ms. Anderson will not have to return on Friday if we
6 don't get finished today.

7 JUDGE RENDAHL: We'll see how it goes. So at
8 this point, there is no need for a statement by
9 Ms. Anderson on the issue of interconnection?

10 MR. KOPTA: I don't think so, unless there
11 would be some benefit to you or Commission staff.

12 JUDGE RENDAHL: It's reiterating the
13 testimony. That's not really necessary at this point.
14 So let's start with Exhibit 349, the revisions to the
15 SGAT, and just so that I'm clear, these are the
16 revisions based on changes made in Oregon and the
17 six-state workshop; is that correct?

18 MR. FREEBERG: Let me be clear, if I can. In
19 Exhibit 349, which was, again, the 35th exhibit to my
20 rebuttal, the redline changes that you see there are
21 based primarily on Qwest's new willingness to exchange
22 traffic at the local access tandem. So these changes
23 are based primarily on procedural changes internal to
24 Qwest, previous discussion in potentially other venues
25 besides Oregon, but I've got changes which are

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1 subsequent to what was filed with my rebuttal, since
2 the Oregon proceeding has happened since the rebuttal
3 was filed. So the handouts that I have are going to
4 further modify Exhibit 349 if they are agreed on here
5 I think I'm going to hand out this next exhibit here
6 just right out of the box, and we would number it 363;
7 is that true?

8 JUDGE RENDAHL: That's the next on my list.
9 What would you like it described as?

10 MR. FREEBERG: Section 7.0. I think what you
11 are receiving now is some new proposed language that
12 covers really all of this first page. There are
13 probably five or six important things that have been
14 proposed as changes here. As this comes around here,
15 I'll start out and say that based on discussion that
16 we've had in the past, parties have been concerned
17 about referring to interconnection as local
18 interconnection service. So the first proposed change
19 to the sections on this first page would strike the
20 local interconnection service reference at 7.0, 7.1 and
21 7.2, changing it back to a more generic titling of
22 simply interconnection.

23 The second important change is in the upper
24 part of Section 7.1.1, we have added to the section
25 Qwest's acknowledgment that interconnection needs to be

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1 made at six points. These six points come directly
2 from the FCC First Order and so forth, so the
3 acknowledgment that interconnection needs to be made in
4 all of these points is there in the upper part of the
5 paragraph.

6 There was discussion in Oregon, and if you
7 will refer to 363, there is a shaded sentence in the
8 center of the paragraph that says, "Although some
9 aspects of these interconnection points are described
10 in this Section 7." So the point here being that if
11 you read through all of Section 7.1.1, it tries to make
12 clear that this section of the SGAT really focuses upon
13 interconnection at Points 2 and 3, and it really
14 doesn't speak very much about interconnection at the
15 other points. The other points are primarily addressed
16 in Section 9 of the SGAT, which we won't be talking
17 about much today. Although, this new sentence would
18 make clear that some of the other points, Points 4, 5,
19 and 6, for example, are discussed briefly here in
20 Section 7.

21 MR. WILSON: AT&T has some issues on
22 connectivity to subloop elements. I would assume from
23 what you've just said that Qwest feels that connection
24 to subloop elements would be dealt with in the subloop
25 workshop, and I believe there also may be some

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1 discussion of that in the collocation session tomorrow
2 in terms of remote collocation. Is that Qwest's
3 position as well that even though the FCC might call
4 some of those interconnection that we would deal with
5 those issues in the other section?

6 MR. FREEBERG: I'd like to handle it that
7 way.

8 JUDGE RENDAHL: So you would like to handle
9 that discussion either in collocation or the discussion
10 on UNI's?

11 MR. FREEBERG: Yes.

12 MR. WILSON: Probably realistically, it will
13 happen a little bit in both.

14 MR. FREEBERG: I agree with that also.

15 MS. GARVIN: I'd just like some clarification
16 on what you mean by "points of access to unbundled
17 network elements."

18 MR. FREEBERG: This language comes pretty
19 much directly out of the First Report and Order. The
20 intention is simply to acknowledge that Qwest
21 recognized that it needs to provide interconnection at
22 any technically feasible point. These are examples of
23 six undeniably technically feasible points.

24 MS. GARVIN: I guess for my clarification, we
25 would like to have access to unbundled network

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1 elements, but not necessarily through -- or some form
2 of cross connection outside or even inside a
3 collocation space. So the clarification of points of
4 access I would really like to make sure that our
5 position is taken that we can gain access either
6 through your cross-connects, but we don't have to go
7 cross connect ourselves.

8 MR. FREEBERG: I understand the question
9 better now; thank you. Within the SGAT, that subject
10 is called "direct connection." It is described in
11 Section 9 of the SGAT. Though admittedly, direct
12 connection is available with interconnection as well.
13 So there is no requirement to traverse a frame that a
14 party would like to avoid, and it is, again, I think, a
15 good subject for the collocation part of this workshop,
16 if we could.

17 MR. WILSON: I agree with what Mr. Freeberg
18 said except that it is part of Section 8, collocation,
19 not 9, and, in fact, I believe it's 8.3.1.11.2, direct
20 connection.

21 MR. FREEBERG: Thanks, Ken, you are right.
22 I'll keep going here if I can. The other changes that
23 I think are important on here, there was some
24 misunderstanding about the connection between pairs of
25 tandems, and there tried to be some clarification of

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1 language there down on the bottom of 7.1.1. You are
2 going to see there roughly two-thirds of the way
3 through 7.1.1 a pattern throughout Section 7 where the
4 word "local" is struck in front of the word "tandem" to
5 try to be clear that all types of Qwest tandems are
6 eligible. Another way to handle that is local or
7 access. You will see that two-thirds of the way down
8 in Section 7.1.1.

9 In Section 7.1.1.1, the subsection there, a
10 sentence was added, "Qwest will provide interconnection
11 under rates, terms, and conditions that are just,
12 reasonable, and nondiscriminatory," and again, some
13 language that I think an intervenor proposed here and
14 Qwest accepts. There is then another Section, 7.1.1.2,
15 I think, that AT&T proposed on the subject of indemnity
16 and sort of a CLEC being held harmless for problems
17 that might be caused by Qwest in its provision of
18 interconnection. Qwest did not accept that new section
19 here in the SGAT, and the reason for that is twofold, I
20 think. First all, indemnity is discussed in the SGAT
21 at Section 5.9, I believe, and we want to be sure not
22 to include language here in Section 7 that goes somehow
23 counter to language that's in 5.9. Another thing
24 that's true is similar language is offered around
25 resale, and Qwest is still trying to understand if, in

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1 fact, it might not accept some new language proposed,
2 some form of new language proposed by AT&T around
3 indemnity, trying to understand whether that belongs in
4 the resale section or 5.9; whether it should be a
5 subject of this workshop or a workshop which discusses
6 other sections of the SGAT, like Section 5, at a later
7 date.

8 JUDGE RENDAHL: For clarification, was that
9 proposed 7.1.1.2 in Mr. Wilson's testimony?

10 MR. WILSON: Yes, it is. More specifically,
11 it can be found on Page 16 of my testimony. Maybe just
12 one note on the indemnity issue, since interconnection
13 is really the life blood of a facilities-based CLEC, we
14 feel that it's very important that Qwest meet its
15 commitments for trunking and the related issue of
16 blocking, and that's why we felt that some indemnity
17 provision was necessary for interconnection, and we
18 still feel very strongly about that. There is new
19 language that we will see in the interconnection
20 section that states some guarantees that trunking will
21 be available when the CLECs need it. We feel that the
22 indemnities issue is also important just to put a
23 little teeth in that matter, and that's why we have
24 continued to include it here. We have no real problem
25 with maybe consolidating indemnity discussions to

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1 another time and place, but we certainly don't want the
2 issue to get lost.

3 MR. FREEBERG: If that would be okay, then
4 again, I would like to make clear, we are certainly not
5 rejecting it out of hand, and we would like to take it
6 up in a discussion on indemnity matters in a future
7 workshop.

8 JUDGE RENDAHL: Ms. Hopfenbeck?

9 MS. HOPFENBECK: Just to keep track of these
10 kind of issues that get passed on, does Qwest have in
11 mind a workshop in the future in which it would be
12 appropriate to address this, or would this be one of
13 the issues that we should address as a group that would
14 be taken up sort of as part of whatever proceeding we
15 have to deal with the remaining issues in 003040
16 portion of this proceeding with general terms and
17 conditions? Like forecasting, perhaps, is in that
18 basket.

19 MR. CATTANACH: That's a good question. We
20 have talked off and on about how to deal with general
21 terms and conditions. I think we've had different
22 discussions and in different forums, and I don't think
23 we have fully conceptualized what makes the most sense.
24 Clearly, we have to talk about it. When is the best
25 time to do it. We are a little reluctant to say we

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1 need a separate workshop. On the other hand, we
2 haven't exactly had workshops with excess time, and I
3 guess where I'm headed is the notion that we are not
4 probably going to come to closure on this issue, but
5 sooner or later, we've got to get our arms around these
6 general terms and conditions, and I think there have
7 been other discussions. I just don't recall all the
8 other variations that have been raised.

9 MS. HOPFENBECK: For purposes of Washington,
10 I would like to make the suggestion that we given sort
11 of a running list of issues that would be included in
12 the discussion that we've agreed to have off-line so
13 that we can make a recommendation on some of these
14 topics to the Commission as to how the best way to
15 address those. This is part of something we discussed
16 yesterday. We have a direction from Judge Rendahl that
17 we have discussions among the parties about how to
18 address general terms and conditions and other issues
19 that aren't directly related.

20 JUDGE RENDAHL: Just so you understand what
21 is reasonable, there was a request by the Commission
22 early on in this process after Qwest filed the SGAT as
23 to how they wished to address the issues in the SGAT.
24 There are pricing issues that are going to be addressed
25 in our continuing generic pricing proceeding in Docket

01244

1 003013. There are obviously the 271-related issues
2 that are being dealt with in this proceeding, and then
3 there are other terms and conditions. The lingering
4 question is how everyone wants to handle that. I think
5 it's a good question as to whether to handle it in a
6 workshop in this process, or is there some separate
7 process you all wish to have.

8 MS. HOPFENBECK: I didn't want to suggest
9 that this issue indemnity doesn't have bearing on 271
10 compliance. It just doesn't necessarily fit neatly
11 within the check list, I think.

12 JUDGE RENDAHL: So I would just encourage all
13 of you to continue your discussions off-line on that,
14 and obviously, we will be having a prehearing
15 conference prior to the third workshop, and maybe
16 that's a good time to do it, to give you all some time
17 to think about these issues, see how things are
18 progressing with the ROC, and whether our schedule
19 needs to be modified at all based on that and see how
20 we can accommodate it.

21 In terms of the suggestion to keep a running
22 list, is that something you would like the Commission
23 to do as we are keeping track of -- I'm trying to keep
24 track of issues that are takeback and impasse so we
25 know what we are doing at the follow-up workshop. Is

01245

1 that something you would like me to do, or is that
2 something you all want to do to keep track of these
3 issues. Not that I want to take on more work than I
4 should.

5 MS. HOPFENBECK: It would be great if you
6 would.

7 JUDGE RENDAHL: I will try, and at the
8 conclusion of the workshop when Paula circulates the
9 list of takeback and impasse issues, we'll also
10 circulate a list of general issues.

11 MS. FRIESEN: Can I just get a little bit of
12 clarity on the indemnity issue. AT&T has placed two
13 indemnity provisions or suggested two indemnity
14 provisions within the context and confines of this
15 workshop because we believe they are 271 impacting and
16 that they belong in these certain sections of the SGAT.

17 While we don't object discussing them at a
18 later time, I do hope that those issues remain open
19 and/or become disputed within this workshop when we get
20 to the point where we've actually discussed them and
21 either agreed or not agreed or maybe gotten partial
22 agreement out of Qwest, and then if something still
23 remains open, I would like to be able to bring it back
24 or brief it at some point. In fairness to AT&T, we
25 believe that it belongs in Section 7 and Section 6,

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1 which we will discuss on resale. So I'm wondering how
2 you want to handle that.

3 JUDGE RENDAHL: I think the proposal was made
4 by Qwest to defer it to a future workshop, and that's
5 what got us to this point, but if it's something AT&T
6 feels strongly enough about and it hasn't been resolved
7 in this workshop, then that's something we will have to
8 consider.

9 We have deferred some issues from the first
10 workshop to this and other workshops, so that seems to
11 be working in terms of keeping track of those, but if
12 you believe it's important on this particular issue of
13 interconnection, it's your prerogative to raise that
14 issue, and if impasse is reached, then that's impasse
15 on that issue.

16 I encourage you all to keep discussing it
17 off-line. At this point, it seems like there is some
18 willingness to discuss the issue, and right now, it
19 doesn't seem like it would be fruitful to continue
20 discussing it at this moment, but if later on this week
21 there has been further discussion and we can bring it
22 up again, let's do that. I will keep a running list of
23 general terms and conditions, and at this point, I'm
24 going to put the proposal of Section 7.1.1.2 and
25 indemnity on that list as AT&T's proposed section.

01247

1 MR. MENEZES: Just a point of clarification,
2 the provision is actually 7.1.1.1.2.

3 JUDGE RENDAHL: Thank you.

4 MR. FREEBERG: Moving down the page on
5 Exhibit 363, going into the meat of Section 7.1.1.2, I
6 think some very important changes made here. I would
7 say the most important is the striking of the
8 references to local calling areas. If you will
9 remember when we discussed reciprocal compensation here
10 in a previous workshop, that was a matter of great
11 concern to many parties, and what Qwest has done here
12 is simply struck reference to local calling area. You
13 can see it two places in this section, three places if
14 you include the striking of interlocal calling area
15 facility, and you will find again these kinds of
16 references struck throughout Section 7 of the SGAT.

17 MS. GARVIN: Can I ask another question
18 though? What WorldCom would prefer if that's even
19 possible is that where we are required to interconnect,
20 even within one point within the LATA, we would like to
21 make sure within that LATA that we have originating
22 customers, so could we add where the CLEC has
23 originating customers as opposed to where the CLEC does
24 business?

25 MR. FREEBERG: I would have no objection to

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1 that phrasing. So we would replace the words "does
2 business" with "has --

3 MS. GARVIN: -- originating customers."

4 MR. FREEBERG: Local customers?

5 MS. GARVIN: Yes.

6 MR. FREEBERG: Thanks. McLeod pointed us to
7 language that came out of an Oregon discussion. We
8 replaced the word "it" with "CLEC" to be more clear,
9 and we replaced the word "agreements" a couple of lines
10 down with the word "arrangements," again, to be more
11 clear.

12 JUDGE RENDAHL: Just so I understand, you are
13 saying that many of the changes made on your Exhibit
14 363 reflect changes made throughout Section 7; is that
15 the intent of this document?

16 MR. FREEBERG: The intent of this document is
17 if we could reach agreement on these language changes
18 here today that to the extent we discuss this again the
19 next time, these new pieces of language would be struck
20 and included in the next version.

21 JUDGE RENDAHL: Throughout Section 7?

22 MR. FREEBERG: We will discuss each change
23 throughout the rest of the thing as we work our way
24 through this workshop. This is the only place where I
25 actually included several sections on one page. In the

01249

1 future, I have simply put in each of the other language
2 change sections just one paragraph or one section. It
3 would maybe be a little easier as we work our way
4 through the rest of the section.

5 JUDGE RENDAHL: Have these been discussed in
6 Oregon and the six-state, or is this the result of
7 discussions and modifications since that time?

8 MR. FREEBERG: All of these discussions we
9 did have in Oregon. Not, however in the six-state
10 filing.

11 MR. WILSON: One suggestion, in 7.1.2, there
12 is a dispute in Item 1, a DS-1 or DS-3 entrance
13 facility. That discussion actually comes up more fully
14 in a little bit in another provision. I have a
15 suggestion to kind of remove that dispute from this
16 paragraph so we can maybe get closing on it. If we
17 just took out the word "entrance," so No. 1 would read
18 "a DS-1 or DS-3 facility," and it saves then the
19 dispute for the later section by kind of being neutral
20 on it here.

21 MR. FREEBERG: I don't have an objection to
22 that necessarily. Do you think it would be even more
23 helpful to describe that as a Qwest-provided facility?

24 MR. WILSON: I think that's fine.

25 MR. FREEBERG: I think there is no reason we

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1 can't then strike the word "entrance" and add the words
2 "Qwest-provided".

3 JUDGE RENDAHL: Would that be striking the
4 "DS-1 or DS-3 entrance," those words and adding
5 "Qwest-provided"?

6 MR. FREEBERG: I thought I heard Mr. Wilson
7 propose we were simply striking the word "entrance." I
8 would be simply striking the word "entrance" in favor
9 of the words "Qwest-provided."

10 MR. WILSON: So it would read, "A DS-1 or
11 DS-3 Qwest-provided facility"?

12 MR. FREEBERG: Yes.

13 MR. WILSON: I think that's fine. Then we
14 had one additional suggestion. In the fourth
15 arrangement, after the word "other," we are suggesting
16 to add the words "technically feasible," and then to
17 strike the words at the end of the sentence, "mutually
18 agreeable to the parties." So the fourth item would
19 read, "other technically feasible methods of
20 interconnection."

21 MR. FREEBERG: This is language I believe was
22 proposed by WorldCom, and I think what was happening
23 here is Qwest was accepting WorldCom's words verbatim.

24 MS. HOPFENBECK: Actually, I thought my
25 suggestion in Oregon was consistent with what Ken's

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1 was, which would be "any other technically feasible
2 means or methods of interconnection." If I didn't make
3 that clear, would you accept it as a friendly
4 amendment? We would accept Ken's suggestion as the
5 friendly amendment.

6 MR. FREEBERG: How about if we compromise
7 with adding the words "technically feasible" and, Ann,
8 you remind me you did bring this up in Oregon, but can
9 we retain "mutually agreeable to the parties"?

10 MS. HOPFENBECK: I guess I'll say from our
11 perspective, the reason why I don't think it's
12 appropriate to include "mutually agreeable to the
13 parties" is because I believe it's Qwest's obligation
14 to permit us to interconnect at any technically
15 feasible point using any technically feasible means.
16 So I think by adding the words "mutually agreeable," we
17 are adding a condition to this agreement that is not
18 consistent with the requirements of the Federal Act.

19 MR. WILSON: I'd like to add that I think our
20 sensitivity is we've had some problems getting those
21 agreements. I think it was pointed out maybe yesterday
22 or maybe it was in Oregon that we may understand what
23 this means here, but then it goes to account
24 representatives of Qwest who may not understand it and
25 who may have some different ideas about agreement, so I

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1 think that's our sensitivity.

2 MS. ANDERL: I have a question. The way I
3 read the Act is it does mandate interconnection at any
4 technically feasible point. Can somebody point me to
5 the additional requirement of any technically feasible
6 method?

7 MR. MENEZES: It's 47 CF 51.321 subparagraphs
8 A and B. Midway through the sub A paragraph it says,
9 "any technically feasible method of obtaining
10 interconnection or access to unbundled network elements
11 at a particular point upon a request by a
12 telecommunications carrier." Subparagraph B goes into
13 a list of items which are technically feasible methods,
14 but it's not an exhaustive list. That is what we rely
15 on for this proposal.

16 MS. ANDERL: Thank you for that
17 clarification.

18 MR. FREEBERG: I would expect that we could
19 agree that at 251-A that as joint parties in
20 establishing interconnection, we've each got the
21 obligation to make this work, and it's just logically
22 critical that we've got mutual agreement. So I don't
23 see it as a one-way street.

24 JUDGE RENDAHL: So would it be clear to say
25 there is an impasse at this point on the language for

01253

1 Subsection 4 of Section 7.1.2?

2 MR. CATTANACH: I guess just for a moment,
3 Your Honor, before we throw in the towel on this one,
4 it might help if we clarify it, because I'm not sure I
5 understand. If we get the language that we have
6 proposed, what do the CLECs feel they are giving up,
7 and then I guess if we give the CLECs the language that
8 they have proposed, what do they feel they are getting
9 that they would not get with our language? I just want
10 that point of clarification. It could be we are at
11 impasse, but I'm not sure I understand it enough to say
12 we can't work this out. Do those questions make sense?

13 MR. MENEZES: The FCC in its rule under
14 51.321 I think sets forth an objective standard, an
15 objective standard that would be measured in various
16 ways but does not require the agreement of the parties
17 to what is a technically feasible method. I think what
18 we give up is that if, for example, Qwest were to
19 establish a particular method with another CLEC and
20 under an interconnection agreement with a different
21 CLEC would not use that method, would not agree to that
22 method, it seems to me that is an absolute objective
23 thing. You've determined it with another carrier. Why
24 wouldn't you do it with the second carrier, and we
25 shouldn't be required to have Qwest's agreement. It

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1 should be based on the usage, other rules, other acts
2 by Qwest, and injecting that further condition, I
3 think, detracts from the objective standard that I
4 think the FCC is trying to set forth.

5 MS. HOPFENBECK: As I read the agreement as
6 proposed by Qwest, I think in the absence of Qwest's
7 agreement to a means of interconnection, we would not
8 be entitled to it. WorldCom believes that the Act
9 states that Qwest must provide access or must allow us
10 any technically feasible means of interconnection. It
11 does not have that right to exercise its discretion to
12 agree or not agree.

13 MR. WILSON: Maybe I could try and answer
14 Mr. Cattanach's question from a technical point of
15 view. While Items 1, 2, and 3, seems to cover current
16 methods that CLECs are using to interconnect, we have
17 in the past tried to set interconnection arrangements
18 that to us seem to fall within these three items; yet,
19 when we went to order the trunking, we were told that
20 our interconnection agreement did not encompass what we
21 wanted, and so they wouldn't agree to it. They would
22 say we needed an amendment. We needed to be afar,
23 etcetera.

24 So I think what we are trying to avoid here
25 are these disputes that hold us up for months and

01255

1 months when the interconnection is technically
2 feasible. It probably has been done elsewhere. They
3 are probably doing it in their network already, and it
4 seems to us to be not a reason to hold up the
5 interconnection trunk order. So I think that's what we
6 are trying to get with the removal of the mutually
7 agreed language. I know we are not trying to sneak
8 some new method of interconnection in that's debatably
9 technically feasible. I think we are just trying to
10 avoid confrontation and delays.

11 MS. GARVIN: If I could just speak to the
12 real world. The implementation of the contract is
13 sometimes rather difficult because of the language
14 within the contract, and we have had difficulty with
15 our provisioning of services because of what's quote,
16 "mutually agreeable," and we never get to what's
17 mutually agreeable, and our people will come back to
18 say, Can you be more specific, which is why in some
19 cases we actually put in other contracts specific terms
20 and conditions on how we actually do interconnection.
21 So that is our dilemma, and sometimes we need
22 interconnection as quickly as possible because with
23 that kind of demand, we've got to get going.

24 MR. FREEBERG: I'd like to propose that we
25 take this back. I want to say again there are almost

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1 140 thousand interconnection trunks in place here in
2 Washington, and we've made a lot of changes to this
3 first several sections of the SGAT, all at ILEC's
4 request. I think we will take this back. I would like
5 to see us not go to impasse over this. I don't think
6 it has that kind of merit, but maybe we can agree to
7 strike the language. I'll bring this back to the next
8 workshop, if that's okay.

9 MR. WILSON: I don't disagree with anything
10 Mr. Freeberg said. For instance, I don't think
11 dropping these words would allow us to get around other
12 provisions that we are coming to in this section. For
13 instance, we will have the issue of using long-distance
14 trunks for interconnection, but there is a preclusion
15 in the language later that addresses that issue. So I
16 think the disputes that are left are preserved, whether
17 or not this is taken out.

18 MR. FREEBERG: Dropping these words make a
19 one-way street out of a two-way street. These weren't
20 my words. These were WorldCom's words in their
21 testimony.

22 Let's go to the next section. It is 7.1.2.1.
23 you will see in Exhibit 363 that there have been no
24 language changes made here, and we retain the original
25 language. This matter is discussed in my rebuttal at

01257

1 Page 23. Unless it would be good, I won't repeat what
2 I've said at Page 23 of my testimony again here. AT&T
3 may want to talk about the language which we did not
4 accept.

5 MR. WILSON: AT&T has an issue with Qwest's
6 use of the entrance facility concept. AT&T believes
7 that the intent of the FCC was to provide the CLECs the
8 ability to use dedicated transport for connecting to
9 Qwest switches, and what Qwest has done is to split
10 dedicated transport in two pieces. One is the entrance
11 facility, and the second that we will get into in
12 language in just a minute is the direct trunk
13 transport. So the problem is that for the majority of
14 switch locations that the CLEC needs to connect to, you
15 have to have both an entrance facility and direct trunk
16 transport.

17 So they have essentially added two elements
18 with the associated prices together instead of
19 providing us the one element, which we believe we
20 should be getting, and so the net is that the price
21 goes up because they are splitting this single element
22 into two pieces and charging us for both in almost all
23 trunking situations.

24 MS. FRIESEN: Tom, in your testimony on Page
25 24, you cite to the proxy rates for entrance

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1 facilities, and you suggest that the FCC has flushed
2 this issue out sufficiently. A couple of questions
3 based on your testimony. First, as I understand
4 Qwest's proposal, its entrance facilities are loops
5 and, therefore, should be priced as loops under the
6 proxy rates that the FCC has set; am I correct in that?

7 MR. FREEBERG: Yes.

8 MS. FRIESEN: Those are the same loop rates
9 that the Eighth Circuit has vacated; am I correct?

10 MR. FREEBERG: Yes.

11 MS. FRIESEN: Are there any other FCC dockets
12 that suggest entrance facilities should be treated the
13 same as interconnection trunks and priced the same, or
14 is it basically limited to the proxy rates that you've
15 identified in your testimony?

16 MR. FREEBERG: I'm not aware of other
17 references.

18 MS. FRIESEN: Thank you.

19 MR. FREEBERG: Maybe one point that I will
20 make that isn't in my rebuttal, and that is that
21 entrance facilities are a concept that mirrors the
22 provisioning of switched access at a much different
23 price, of course, when it involves local
24 interconnection, and the familiarity of entrance
25 facilities with the people who do provisioning, I

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1 think, has helped there to be more interconnection in
2 place now then there might have been otherwise. It's a
3 familiar concept, and again, priced at the TELRIC
4 rates. I think we have impasse here, unless I'm
5 mistaken.

6 MS. HOPFENBECK: I have a few questions just
7 to bring out a few more aspects of this.

8 JUDGE RENDAHL: Ms. Hopfenbeck, you have a
9 few questions for Mr. Freeberg?

10 MS. HOPFENBECK: I do. Mr. Freeberg, isn't
11 it true that the process for ordering entrance
12 facilities from Qwest, local entrance facilities and
13 the process for ordering what is considered the
14 identical facility but considered special access, those
15 are two different processes; is that right?

16 MR. FREEBERG: Yes.

17 MS. HOPFENBECK: Can you describe the
18 differences between those processes, please?

19 MR. FREEBERG: Yes. Entrance facilities I
20 would consider to be a rate element, one component of a
21 rate of something larger. Special access, I think, is
22 a more colloquial term having to do with, again, the
23 connection between an interexchange carrier's point of
24 presence and a Qwest end-office for the purpose of
25 exchanging one-plus calls on a direct basis.

01260

1 MS. HOPFENBECK: Isn't it true that in the
2 State of Washington, there are some CLECs that are
3 purchasing facilities out of the special access tariffs
4 to provide local interconnection?

5 MR. FREEBERG: Yes, I expect that's true.

6 MS. HOPFENBECK: Would you agree that one of
7 the reasons that that is going on is that the processes
8 for ordering those special access facilities are more
9 established and those facilities can be put into place
10 more quickly than the local entrance facility purchased
11 out of the local offering?

12 MR. FREEBERG: I don't know that I'd agree
13 with that.

14 MS. HOPFENBECK: But you would agree that to
15 the extent that a CLEC is using special access
16 facilities -- first of all, you would agree that the
17 special access facility when it's used to provide local
18 interconnection services functionally equivalent
19 facility to the entrance facility that would be
20 purchased out of the local tariff; is that right?

21 MR. FREEBERG: I think there isn't
22 equivalency. I think they are two different things.
23 One is a component of something larger. I'm not sure
24 I'm understanding where you are going.

25 MS. HOPFENBECK: You don't agree that they

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1 are essentially the same facilities? They are just
2 priced differently?

3 MR. FREEBERG: I think that special access
4 often includes more than entrance facilities.

5 MS. HOPFENBECK: Would you agree that to the
6 extent that a CLEC is using a special access facility
7 to carry local traffic, it's paying a higher rate than
8 it does if it purchases an entrance facility out of the
9 interconnection tariff?

10 MR. FREEBERG: Yes, I would agree with that.

11 MS. GARVIN: I'd just like to ask you what
12 you mean by the last sentence, "entrance facilities may
13 not be used for interconnection of unbundled network
14 elements," and I just want to give you an example. In
15 a real life example, if I was using these facilities --
16 call it dedicated transport or entrance, however we
17 want to acknowledge the name of this facility --
18 between your end-office and my switch location, if,
19 indeed, I was trying to accommodate a large customer
20 with dedicated transport, and my market people have
21 sold them dedicated transport, how do I then transport
22 that traffic? Do I have to purchase another facility?
23 Because in my real life example, this would be my
24 interconnection facility, and local traffic should be
25 able to ride my estimation of the existing underlying

01262

1 facility.

2 MR. FREEBERG: Let me try this. I believe
3 that the FCC obligated ILECs to provide
4 interconnection, regardless of whether or not
5 facilities were available. Unbundled elements, I
6 think, follow a slightly different way of thinking and
7 that is that they need to be provided when facilities
8 are available. So there is a distinction between the
9 two, and I believe this language here at the last
10 sentence of 7.1.2.1 attempts to maintain that
11 distinction.

12 To your question of how could you accomplish
13 it, you would accomplish it by the ordering of either,
14 for example, an unbundled loop or an unbundled
15 transport system, and I think you could accomplish what
16 you were after without using entrance facilities.

17 MS. GARVIN: Let me just try to make this
18 example more clear in my mind. I'm trying to
19 understand dedicated transport as an existing facility
20 that I've now used to support a large customer's needs,
21 and he is served out of the same end-office as my
22 switch location, so what I really want to be able to do
23 is transport, say, a DS-1's worth of dedicated
24 transport service from him to my facility, and it's
25 local traffic, and I'd like that to be cross-connected

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1 to these facilities because I'm going to be using these
2 facilities as my point of interconnection, and it's
3 still considered to be local traffic. So I'm trying to
4 understand the distinction between dedicated transport
5 as a UNI versus even entrance facilities, because as
6 Ann was asking before, my understanding of pricing for
7 this entrance facility should also be UNI-based because
8 it's being used for interconnection trunking. So
9 therefore, the distinction of UNI in my mind is very
10 blurred here. It's a form of dedicated transport and
11 entrance facilities are being used as underlying
12 facilities. In way one case, dedicated transport is a
13 service that we would like to connect to the underlying
14 UNI-based entrance facility. So I just don't
15 understand why we can't interconnect them.

16 MR. FREEBERG: Again, I believe the parties
17 here were involved in the generic cost docket where the
18 prices of entrance facilities were discussed, and I
19 think I've been clear that our understanding of the
20 instructions from the FCC here are that unbundled
21 elements are not to be mixed with interconnection;
22 interconnection not mixed with unbundled elements. The
23 two can be in parallel with each other, but from
24 Qwest's point of view, there continues to be a reason
25 to maintain a distinction between the two.

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1 MS. GARVIN: One last clarification, back in
2 7.1.1 where you say Qwest will provide interconnection
3 to points of access to unbundled network elements, how
4 is that different?

5 MR. FREEBERG: Again, unbundled elements are
6 connected to unbundled elements, and when we are
7 talking about bundled matters where some transport and
8 some switching are bought effectively as a combination
9 of elements, that we are considering to be
10 interconnection in a different realm.

11 JUDGE RENDAHL: Mr. Freeberg, have you cited
12 in your testimony the FCC cite or reference that you
13 cannot mix UNI's and interconnection facilities, or do
14 you have that here if it's not in your testimony?

15 MR. FREEBERG: I think I do have it here.
16 I'm going to go to the First Report and Order,
17 Paragraph 5.5.2, and at this section, the subject of
18 midpoint meets is being discussed, and if I could read
19 it there just a minute, and I'm just starting in the
20 middle of the paragraph: "Further, although the
21 creation of meet POI arrangements may require some
22 build-out of facilities by the incumbent local exchange
23 carrier, we believe that such arrangements are within
24 the scope of obligations imposed by Sections 251 C-2
25 and 251 C-3. In a meet POI arrangement, the point of

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1 interconnection for purposes of 251 C-2 and 251 C-3
2 remains on the local exchange carrier's network, for
3 example, main distribution frame and trunk site of the
4 switch and limited build-out of facilities from that
5 point may then constitute an accommodation of
6 interconnection."

7 I should have started a little later. Let me
8 jump ahead, if I could, because that was not the
9 section I was looking for. "We believe that although
10 the Commission has authority to require incumbent local
11 exchange carriers to provide meet POI arrangements upon
12 request, such an arrangement only makes sense for
13 interconnection pursuant to 251 C-2 but not for
14 unbundled access under Section 251 C-3." It's repeated
15 again later in Paragraph 552 of the First Order.

16 JUDGE RENDAHL: Mr. Kopta?

17 MR. KOPTA: I just have some maybe very basic
18 questions for Mr. Freeberg so that I understand what is
19 meant by an entrance facility. Let's start with just
20 the basic definition. How does Qwest define an
21 entrance facility when it's used in the context of
22 interconnection as opposed to collocation?

23 MR. FREEBERG: If I read from Section
24 7.1.2.1, and we talk about a DS-1 or DS-3 transport
25 system, very typically, one that has one end at a Qwest

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1 serving wire center and the other end at a CLEC switch
2 location or point of interface. So I would understand
3 an entrance facility to be a transport system,
4 typically a digital transport system, at DS-3 rate that
5 has one end at a CLEC's switch location or POI and the
6 other end at a Qwest serving wire center, and that it
7 is typically provided by Qwest to the CLEC.

8 MR. KOPTA: So first looking at the CLEC end
9 of the entrance facility, if it is a Qwest facility,
10 would construct that facility all the way to the CLEC
11 switch location as long as it is within the territory
12 served by the tandem?

13 MR. FREEBERG: I don't think the tandem has
14 anything to do with it. It simply says that the
15 entrance facility will go from wherever the CLEC has
16 established its switch or POI to whatever is the
17 closest Qwest office.

18 MR. KOPTA: If you have one point per LATA
19 that you are required to interconnect with the CLEC and
20 the CLEC switch is outside of the serving wire center
21 boundary but still within the LATA, I guess I'm
22 wondering whether the entrance facility goes all the
23 way to the CLEC switch, or does the entrance facility,
24 as you defined it, go only to the boundary of the
25 serving wire center?

01267

1 MR. FREEBERG: Let me try to take on two
2 different things. One is that the interconnection that
3 the POI that you established, the switch location that
4 you established, the place at which you would want us
5 to extend facilities needs to be within Qwest's serving
6 territory someplace. That is, it would be unusual -- I
7 can't think of an example where we've extended Qwest
8 entrance facilities into the territory of another
9 incumbent local exchange carrier who has adjacent
10 space. So if that's the question, and we are typically
11 not meeting outside of what has been Qwest's serving
12 area, historically speaking. Was that your question?

13 MR. KOPTA: Let me give you an example, and
14 I'm going to assume, perhaps, that you don't know
15 Washington geography or local exchange areas, per se,
16 but let's say a CLEC has a switch in Seattle and wants
17 to basically interconnect with a serving wire center in
18 a different exchange, say, Kent, which has a different
19 local calling area, different exchange, so it's outside
20 of the serving area of the switch. Does the entrance
21 facility to that serving wire center in Kent extend all
22 the way to the CLEC's switch in Seattle?

23 MR. FREEBERG: No. If I understood your
24 example, you said CLEC has a switch in, let's say,
25 downtown Seattle, wants to exchange local traffic

01268

1 between their switch in downtown Seattle and the switch
2 in Kent. What might be arranged is an entrance
3 facility that goes from the CLEC's switch in Seattle to
4 the nearest Qwest office in Seattle and then direct
5 trunk transport might be provided from that Qwest
6 switch in downtown Seattle out to the Kent serving wire
7 center.

8 MR. KOPTA: Now I'd like to focus on the site
9 of the entrance facility in the serving wire center.
10 Where is the terminating point within the serving wire
11 center of an entrance facility?

12 MR. FREEBERG: It depends. It is typically
13 terminating on a digital cross-connection, same
14 termination point as all other trunks entering and
15 exiting the office.

16 MR. KOPTA: So it comes through manhole zero
17 outside the central office through a conduit into the
18 central office over cable racking to a DSX panel, for
19 example, if it's a DS-1 facility?

20 MR. FREEBERG: Yes.

21 MR. KOPTA: Thanks. That's all I wanted to
22 know.

23 JUDGE RENDAHL: Mr. Wilson, before you go
24 ahead, how much discussion do you also anticipate on
25 entrance facilities?

01269

1 MR. WILSON: I have one additional short
2 issue. Well, it might take a few minutes of
3 discussion.

4 JUDGE RENDAHL: Are there any other issues
5 that people want to address with entrance facilities?
6 Go ahead Mr. Wilson.

7 MR. WILSON: There is actually one additional
8 disputed issue in this paragraph, and that has to do
9 with the sentence that reads, "Qwest's private line
10 transport service is available as an alternative to
11 entrance facilities, when CLEC uses such private line
12 transport service for multiple services."

13 The issue here actually was touched on in the
14 first workshop. It has to do with ratcheting. At
15 least that's what the issue has been called, and I
16 believe we discussed that at some length there. I'm
17 not sure we need to go through that whole discussion
18 again here. I just wanted to point out that it is the
19 CLEC's contention that we should be able to use
20 existing private line or special access facilities to
21 route interconnection trunks, and that when we do that,
22 the rate for the interconnection trunks on that
23 facility should be part of a reciprocal compensation
24 and not charged at the private line rate.

25 Just briefly, the dispute centers around

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1 interpretation of the FCC's current restrictions on the
2 use of EELs to transport both access and local
3 services, and Qwest is using that restriction, we
4 think, inappropriately to preclude the sharing of those
5 facilities of access and interconnection trunking, and
6 I would just like to point out that you can't even
7 apply the methods of the exclusion to interconnection
8 trunking because the restrictions apply to traffic for
9 a customer, and this is traffic for many customers. So
10 there is no way to even apply the conditions under
11 which the preclusion is based.

12 JUDGE RENDAHL: Any further comments by Qwest
13 on this section?

14 MR. FREEBERG: No.

15 JUDGE RENDAHL: So I'm assuming we are at
16 impasse on the entire section.

17 MR. CATTANACH: When you say "entire
18 section," just so we are clear, 7.1.2.1.

19 JUDGE RENDAHL: Exactly. Why don't we take a
20 break.

21 (Recess.)

22 JUDGE RENDAHL: Before we go back to
23 Mr. Freeberg, Qwest has circulated during the break a
24 copy of Ms. Bumgarner's exhibit -- I believe it's
25 295 -- that was a part of her rebuttal testimony but

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1 did not include a complete redline version of the SGAT
2 provisions, and basically, the intent is to replace her
3 existing Exhibit 295 with what Qwest just circulated.
4 If you didn't get a copy, talk to Elizabeth and she
5 will get you one. Let's go back to Mr. Freeberg.

6 MR. FREEBERG: I think we were at Section
7 7.1.2.2. The changes to this section are related to
8 collocation and specifically to the in-building tie
9 cabling associated with collocation. When a party
10 chooses collocation in order establish interconnection,
11 it is doing that instead of or in lieu of having
12 established entrance facilities as we just discussed.
13 The language changes proposed here try to make more
14 clear that with regard to interconnection, the proper
15 in-building tie cabling is called expanded
16 interconnection channel termination. This is described
17 more fully later in Section 7 at 7.3.1.2.1. So the
18 only real changes here are to make that reference to
19 bring the EICT back to this section and to remove
20 interconnection tie pair in building tie cabling
21 associated with unbundled elements and out of this
22 section.

23 Parties in their comments have proposed that
24 there should be greater changes to this section, and
25 Qwest does not agree to incorporate all of the

01272

1 intervenors comments, so they way want to discuss those
2 now.

3 MR. WILSON: I think the basic issue here is
4 the rate element, referring to this piece of wire as a
5 rate element that is not part of reciprocal
6 compensation, so I think the dispute is actually on the
7 treatment of the wire between the CLEC collocation and
8 the Qwest switch, and I think what our position would
9 be is that the paragraph should end at the end of the
10 third line where it says that the terms and conditions
11 which collocation will be available are described in
12 Section 8 of this agreement, and that would then leave
13 the discussion and dispute on the interconnection or
14 expanded interconnection channel termination to
15 reciprocal compensation section and other issues in
16 collocation. So I think that would be our position.

17 JUDGE RENDAHL: Any other comments on this
18 section? Is the only impasse issue that issue that you
19 just raised, Mr. Wilson, or are there other issues with
20 this section that we will need to address later?

21 MR. WILSON: I think that's the only issue.

22 JUDGE RENDAHL: Let's move on to 7.1.2.3.

23 MR. FREEBERG: At 7.1.2.3, the change that
24 has been made strikes the sentence that says, "The
25 mid-span meet POI shall be located within the wire

01273

1 center boundary of a Qwest switch." That was again an
2 intervenor's recommendation. We think an important
3 change in position on Qwest's part is that we are more
4 open to discuss mid-span meet arrangements than maybe
5 ever before in more creative ways.

6 MR. WILSON: I believe I had a question on
7 this paragraph in Oregon, and it may have been a
8 takeback, and that was the sentence that said, "Each
9 party will be responsible for its portion of the build
10 to the mid-span meet POI," and my question to Qwest
11 was, could a CLEC order that span as dedicated
12 transport. I don't believe we had gotten an answer on
13 that.

14 MR. FREEBERG: I remember the discussion, and
15 I remember us again going back to Paragraph 552 of the
16 First Report and Order, and if you give me just a
17 moment, I'll read that again and be more clear about
18 what I think the answer to that question is.

19 MS. GARVIN: I don't have the language handy,
20 but is there a potential for us to share with you some
21 language that's more specific about how the mid-span
22 meet would be actually implemented? What we have in
23 other contracts is more detailed information about who
24 provides what pieces of equipment, and our definition
25 of mid-span is that you would provide two of the

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1 fibers; we provide two of the fibers, and each company
2 provides a corresponding FOT.

3 MR. FREEBERG: Did you propose some language
4 in your written testimony?

5 MS. GARVIN: No.

6 MR. FREEBERG: Would you like to do that now?

7 MS. GARVIN: Sure. I'll have to write it.

8 JUDGE RENDAHL: Is that maybe something we
9 can take back and you guys can discuss off-line or
10 maybe even today at a break, just to make best use of
11 time?

12 MR. FREEBERG: To go back to Mr. Wilson's
13 question again, and I'm going to try to restate the
14 question. I think his question was, would Qwest
15 consider an interconnection arrangement to be meet
16 point if, in fact, the CLEC really didn't construct
17 facilities on its site of the meet point, but instead,
18 Qwest provided all of the facilities associated with
19 the span, and again, at Paragraph 552, there is some
20 advice on that question. The advice says, "In a
21 meet-point arrangement, each party pays its portion of
22 the costs to build out the facilities to the meet
23 point." There, I guess, we are talking about payment,
24 not construction. "We believe that although the
25 Commission has authority to require incumbent local

01275

1 exchange carriers to provide meet-point arrangements
2 upon request, such an arrangement only makes sense for
3 interconnection pursuant to Section 251 C-2 but not for
4 unbundled access under 251 C-3."

5 I won't go on, but I think that the Qwest
6 understanding of midpoint would be that each party is
7 constructing facilities on its site of the meet point
8 and that if Qwest provided all of the facilities, it
9 your not be a meet-point arrangement. It would be an
10 entrance facility situation.

11 MS. GARVIN: I know that this subject has
12 come up in many instances of other negotiations I have
13 been involved with, and that specific question of being
14 able to utilize your facilities in a mid-span has led
15 to a series of discussions on different designs of a
16 mid-span. The potential would be to have maybe three
17 designs, one of which, if indeed you are located
18 somewhere where there is a fiber optic cabling
19 available and we don't happen to have it, it might be a
20 good idea that we could come up with some cooperative
21 planning to use your fiber where we would then have
22 each individual company supply the FOT. We've done
23 that, or in the other case, if it's a mutually designed
24 mid-span where we've talked and cooperatively planned
25 this where it's a location where we have the fiber, we

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1 would be willing to then put in the fiber as long as we
2 could then include that each party is responsible for
3 its own FOT. There is a series of different designs we
4 could use, but the underlying point is that a mid-span
5 allows us to have a single point of interconnection
6 with a LATA, which all local traffic traverses over and
7 it's made up of facilities and FOT's, fiber optic
8 terminating equipment.

9 MR. FREEBERG: I think from a Qwest point of
10 view, I know there is no objection to being creative
11 here, but to the extent that we are trying to stay
12 within the framework of a mid-span meet POI, the
13 thinking would be that if we each are providing
14 facilities up to a point, that is, a mid-span meet POI,
15 if the CLEC provides all the facilities that's
16 typically a collocation situation, if Qwest provides
17 all the facilities, then it's typically an entrance
18 facility. I don't think there is any objection to the
19 kinds of arrangements that you suggested working out in
20 an interconnection. Should I move on?

21 JUDGE RENDAHL: Sure. Just for purposes of
22 figuring this out, is this more of a takeback than an
23 impasse or is there agreement, or where are we on this
24 section?

25 MR. FREEBERG: I understood that WorldCom was

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1 going to propose some new language, and we would
2 consider that in a future session.

3 JUDGE RENDAHL: So why don't we consider this
4 as a takeback at this point.

5 MR. FREEBERG: I think you are going to like
6 the next section. Without discussing each subsection
7 individually, 7.1.2.4 has been struck. This was the
8 subject of interLCA facilities, if you remember. It
9 had to do with an interconnecting party having to pay
10 potentially retail private line rates to transport
11 traffic between local calling areas, and that entire
12 concept is now gone from the SGAT.

13 If there is no objection, we will go to
14 7.1.2.5. I believe the next exhibit that is being
15 handed out addresses this section. While that's being
16 handed out, I will tell that you only a minor change
17 was made based on discussion in the Oregon workshop on
18 this same point. The words, "the traditional," were
19 struck in favor of the words, "its own" --

20 JUDGE RENDAHL: That will be Exhibit 364.

21 MR. FREEBERG: -- which tries to make clear
22 we've struck the words, "the traditional" in favor of
23 the words, "its own."

24 We've discussed this subject in several
25 previous workshops. I have not received specific

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1 language in any form except that it is specific
2 language to make more clear the diversity and the
3 opportunity here with regard to interconnection. In
4 the Oregon workshop, AT&T did propose some new language
5 here, and that new language would have said something
6 like, Diversity would be made available to the extent
7 facilities were available.

8 I took that issue back last week to people
9 internal to Qwest. The feeling was that that language
10 maybe wasn't appropriate here; that again, the
11 obligation could be that we have to provide diversity,
12 even if facilities aren't available, and that the
13 obligation is really to do it again to the same extent
14 that it's done within the Qwest network. So our
15 feeling is we've addressed this subject as best we can
16 with this new Exhibit 364.

17 MR. WILSON: Maybe if I could ask a question.
18 In your opinion, does the language that you are
19 providing allow a CLEC to order a particular route for
20 an interconnection trunk, or do I just get to order
21 between points A and Z and you pick the route?

22 MR. FREEBERG: I think the thought here is
23 that in the discussion in the planning session, the
24 parties would propose the degree of diversity that they
25 would like to have; that Qwest might come back and say,

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1 "That's very typically what we do internally. We can
2 put some members of the trunk group along one path and
3 some members of the trunk group along another path and
4 give ourselves some survivability, as we typically do
5 in making arrangements for local trunking that is not
6 interconnection oriented.

7 I think there could be a possibility that in
8 a planning session like that that one party would call
9 for more diversity than is typically provided in the
10 Qwest local trunk provisioning network, and there could
11 be some push back on Qwest's part because it's a more
12 glorious degree of diversity than is typically
13 provided. Did I answer your question?

14 MR. WILSON: Yes, I believe I understand it.
15 The issue is the following: I think the language that
16 has been added is an improvement, certainly, over no
17 diversity. I think the only remaining issue would be
18 Qwest's ability for itself to pick routes for special
19 purposes. Maybe there is a particular issue with one
20 facility run over another, and Qwest certainly has the
21 ability to select its own routes for itself, and the
22 additional language that I had proposed was simply
23 designed to give the CLECs parity with that ability of
24 Qwest.

25 MR. FREEBERG: Let me try this: When an

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1 order comes through, if, in fact, no particular degree
2 of diversity is called for, the same people who design
3 both noninterconnection and interconnection trunks that
4 do it very much the same way using the same tools to
5 arrange the diversity, and again, some diversity is
6 often provided just as a matter of arranging enough
7 facilities. That is, it's hard to sometimes find
8 enough space on any one individual path to accommodate
9 all the members of the trunk group. So it's very
10 common for diversity to be designed into
11 interconnection, again, in a very nondiscriminatory
12 way.

13 MR. WILSON: And I understand that function,
14 and I think that's good. I think my suggestion is just
15 kind of the other part of that, which is the ability to
16 get special routing on occasion, which I believe Qwest
17 can do for itself. So I think we are close, but I
18 don't think it's quite the same yet.

19 MR. FREEBERG: My thought is just that
20 whatever language might be added to this would need to
21 be not so open-ended that Qwest would simply have to
22 live with whatever was prescribed, and we just haven't
23 found that language I don't think yet, and again, I'm
24 satisfied with what we have if that could be settled
25 on.

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1 MS. GARVIN: I have a question though with
2 regards to this issue of diversity. If, indeed, on a
3 mid-span and a single point of interconnection where
4 you are carrying traffic from points beyond that point
5 of interconnection back into your end-office, I guess
6 the question I would have and I'd like to make sure of
7 is that the diversity that you provide to your own
8 end-users to terminate a call between end-users to
9 another U S West end-user and whatever route you
10 provide, we would certainly like to have the same form
11 of diversity where a call from one of your end-users is
12 calling one of my end-users. So if that's the form of
13 diversity that we are talking about, that's the parity
14 that I would be looking for; that anything internal to
15 the network be provided the same way to us as it would
16 be to your own end-user customers.

17 MR. FREEBERG: I think the language proposed
18 at 7.1.2.5 is intended to get precisely to where you
19 just described. That's the end goal.

20 MS. HOPFENBECK: I have a small question.
21 What's the significance of your view of the term of the
22 use of the word "own"? It seems like it's a redundant
23 term, but it's not a necessary term. So is there a
24 particular reason why Qwest added "in its own local
25 network"?

01282

1 MR. FREEBERG: I'm not wedded to "its own."
2 You found that kind of phrasing a lot in various FCC
3 orders. I actually don't like it very much. I like,
4 "in the noninterconnection network," but not everyone
5 likes that.

6 JUDGE RENDAHL: How about, "in Qwest's local
7 network"?

8 MS. HOPFENBECK: That would be great.

9 MR. WILSON: Let me make one point here that
10 might be clear but might not be clear. One issue on
11 this discussion of "its own" or "Qwest's" or whatever
12 has to do with what we have been calling "classic
13 U S West" versus "classic Qwest" facilities, and we
14 actually have had this discussion in other venues, but
15 I think it's appropriate to alert the Commission here
16 that there is an issue as to which facilities, either
17 classic Qwest or classic U S West or both that the
18 CLECs are entitled to utilize.

19 I believe it's the CLEC's position that it
20 would be both classic U S West and classic Qwest
21 facilities that would be subject to use for
22 interconnection trunking and as we get into them in
23 other sections for unbundling of dark fiber, etcetera,
24 and I think that will definitely be a disputed issue
25 both as to where it's appropriate to deal with that

01283

1 issue and whether or not we should have the ability to
2 use those classic Qwest facilities.

3 MR. FREEBERG: With that thought, what if we
4 struck the words, "its own" in favor of the word
5 "Qwest's ILEC."

6 MR. WILSON: I guess that would bring the
7 dispute right out in the open.

8 MR. FREEBERG: What if we say "Qwest's" and
9 leave it as Qwest's; is that better? Done.

10 JUDGE RENDAHL: It appears there is agreement
11 from WorldCom. Is that acceptable to AT&T?

12 MS. FRIESEN: Yes, that's acceptable to AT&T.

13 MR. FREEBERG: Let me read it just to be
14 sure: Qwest agrees to arrange local interconnection
15 trunk diversity to the same extent it does so in
16 Qwest's local network.

17 MR. WILSON: I think for that part that it is
18 acceptable to AT&T. We will take back and consider the
19 other that I raised as to whether or not we feel that
20 additional language is necessary for special routing
21 situations or whether this covers the needs completely.

22 MR. FREEBERG: Let's go then to Section
23 7.2.1.2.3, and maybe the following section. At this
24 section, I think this may be the first reference to
25 jointly provided switched access. It's referred to

01284

1 again in the section below, 7.2.1.2.4, and in the
2 Oregon workshop, we had some comments by intervenors on
3 these sections. Qwest didn't make changes to these
4 sections, and the thinking here, again, to be clear is
5 that jointly provided switched access is a situation
6 where two local carriers are collaborating to either
7 originate a one-plus call or terminate a one-plus call
8 for a third party interexchange carrier. When those
9 two local exchange carriers help to originate or
10 terminate that one-plus call, the interexchange carrier
11 typically pays for that origination and termination
12 some portion to each local carrier who helped with the
13 call.

14 I think that AT&T especially had comments to
15 make here, and in our mind, as I took this one back and
16 tried to ask more questions about it during the last
17 week, the thinking was that AT&T, we would think,
18 wouldn't want this language; that there is certainly
19 the possibility that an originating customer might
20 always use AT&T, for example, as its interexchange
21 carrier so that AT&T was both a collaborating local
22 carrier and the interexchange carrier, but jointly
23 provided switched access I think ought to be thought of
24 from a terminating view. AT&T most certainly could be
25 the provider of local service to a customer and might

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1 need to terminate a call handled by a third-party
2 interexchange carrier; that AT&T would have, certainly,
3 no ability to prevent that from happening, and in that
4 case, again, might want to charge the interexchange
5 carrier some terminating access, and that would
6 potentially be done through a jointly provided switched
7 access. So we left the language in here hoping AT&T
8 would agree.

9 MR. WILSON: I think the major issue on this
10 paragraph was an issue kind of peculiar to AT&T and the
11 other large carriers who also happen to be
12 long-distance carriers; that we order a tremendous
13 amount of access services from Qwest under tariffs and
14 other arrangements, and we didn't want to imply in the
15 SGAT that those arrangements were necessarily
16 superseded by the SGAT; that those are huge businesses
17 in themselves, and we didn't feel we were renegotiating
18 whatever agreements are held between Qwest and AT&T and
19 WorldCom and Sprint, etcetera, in these discussions,
20 and maybe if that is understood, then we have no
21 particular problem with the language here as it's
22 stated. It's just, I think, that understanding of we
23 are not in some way redoing access.

24 MR. FREEBERG: To be responsive, I don't
25 think we plan on anything new or renegotiated either.

01286

1 I think you may be playing a new role that you didn't
2 play before, and that is terminating a one-plus call
3 carried by another interexchange carrier.

4 MS. FRIESEN: We appreciate that explanation
5 and the explanation you gave us in Oregon. In addition
6 to our concern over our agreements to exchange access
7 traffic and things like that, we did disagree with you
8 in terms of the definition of how you guys have defined
9 jointly switched access to include IP telephony, and
10 the definition is found in another section, as you
11 know, so we are just going to reserve for that later
12 discussion that piece.

13 MR. FREEBERG: Stop me if I skip over it when
14 we get to it.

15 MR. MENEZES: Could I just ask two questions?
16 In your description of jointly provided switched
17 access, we talked about two local carriers
18 collaborating, and in my mind that means, for example,
19 AT&T and Qwest would each be on the originating side.
20 Perhaps Qwest would be providing the tandem switching
21 and we would provide some sort of terminating element.
22 Otherwise, we are separate. There is nothing that
23 needs to be in here, because if we are the terminating
24 access provider and Qwest is the originating access
25 provider, we deal separately with the IXC, don't we?

01287

1 MR. FREEBERG: Let's think of this: A
2 one-plus call that is destined towards your local
3 customer comes into Seattle from Washington D.C.
4 carried by Sprint. You don't have, let's say, an
5 ability to exchange one-plus calls with Sprint. I
6 don't know if you do or don't, but let's say you
7 didn't, but that Sprint was purchasing switched access
8 from us. That call might come in to us. We might then
9 hand that call off to you and we would finish the call.
10 Each of us, you and we, would charge Sprint something
11 to have completed that call.

12 MR. MENEZES: This is all in the terminating
13 access side.

14 MR. FREEBERG: It works similarly on the
15 originating side.

16 MR. MENEZES: I wanted to ask that question.
17 We had a lot of discussion in Oregon, and one of the
18 things I thought would be helpful I don't think I saw
19 in the SGAT anywhere where jointly provided switched
20 access is explained in that way or in the way you
21 described earlier. I looked back to 7.2.2.4, and it
22 simply refers to industry standards. I'm not sure
23 there is anything in Section 4. There is switched
24 access, and you set forth a laundry list of items that
25 qualify as switched access traffic, but I think it

01288

1 would be helpful to have some language that explains
2 what we've discussed in the workshops. Maybe it's
3 there and I missed it.

4 MR. FREEBERG: Here is an attempt. At
5 Section 4.38, which I can imagine why you might have
6 missed this because it's in the M's, like in "Mary."
7 It's under meet-point billing, but then it says, "or
8 jointly provided switched access," so it's using those
9 two terms fairly interchangeably with each other.

10 Furthermore, I think I would offer that these
11 MECAB and MECOD documents are really very good
12 explanations of jointly provided switched access, and
13 these are produced by the Ordering and Billing Forum, a
14 national forum for striking agreements on these kind of
15 subjects. You certainly may have your own way of
16 getting this kind of documentation; although, at 31.5
17 of the SGAT, there is a telephone number, address, fax
18 number for Faison Office Products. I think they could
19 provide some of this really good explanation of
20 meet-point billing and jointly provided switched
21 access.

22 MS. GARVIN: Would it be okay to add into
23 7.2.1.2.3, meet-point billing as well as jointly
24 provided switched access? I recognize that most of the
25 industry call it meet-point billing.

01289

1 MR. FREEBERG: I'd have no objection to that.

2 MR. DITTEMORE: Was that reference 4.38 or
3 4.39? I think it's 4.39.

4 MR. FREEBERG: If we move up from 7.2.1.2.3
5 up to the heading of this kind of subsection, and it
6 talks about traffic types to be exchanged, and
7 meet-point billing is not exactly a traffic type, so I
8 wonder if we really are making it more clear by adding
9 that, or maybe we need to add a sentence that simply
10 says, "Jointly provided switched access is associated
11 with meet-point billing." Would that be okay?

12 MS. GARVIN: We have proposed in other
13 jurisdictions language that specifies the corresponding
14 elements that each party is able to charge. I'd be
15 willing to also present that as something you can look
16 at and determine whether or not that may add some
17 clarification, and this has to do with which party
18 charges tandem, you don't have a tandem switching
19 charge, etcetera.

20 MR. FREEBERG: If we could, I'd like to add
21 this acknowledgment that jointly provided switched
22 access is associated with meet-point billing and leave
23 it at that, if I could.

24 JUDGE RENDAHL: That's acceptable to AT&T and
25 WorldCom?

01290

1 MR. WILSON: Yes, I believe it is. We do
2 need to back up one paragraph to a disputed issue that
3 I think was addressed in the first workshop. It's in
4 Paragraph 7.2.1.1. The second sentence refers to
5 symmetrical rates that each party will bill the other,
6 and I believe that was a disputed issue from the first
7 workshop that the CLECs feel that they should not be
8 held to symmetrical rates for toll in all cases.

9 MR. FREEBERG: I agree. I passed that by
10 since I felt it was a topic of a previous workshop.
11 That is, I'm not reiterating those as I go here,
12 necessarily.

13 I would go to 7.2.2.1.2.1 next. I think we
14 have a handout. Do you have a number on this exhibit?

15 JUDGE RENDAHL: It would be 365. Which
16 section are we revising?

17 MR. FREEBERG: 7.2.2.1.2.1. The changes made
18 to this paragraph were considered in Oregon. What
19 we've done to this paragraph is made more clear that a
20 party may arrange either one-way or two-way trunking,
21 and as you see this being handed out here, we put the
22 one-way phrasing at the front of the paragraph, I
23 believe at WorldCom's request in Oregon. So I don't
24 believe we've changed this other than to less bias for
25 two-way trunking.

01291

1 MS. GARVIN: WorldCom is okay with this.

2 MR. WILSON: I think it still leaves open the
3 question as to the selection of the point of
4 interconnection. In other words, AT&T has had the
5 following problem, that we wanted to do one-way
6 trunking, and we want to do it to a particular place,
7 say, the tandem. So we put in a one-way trunk to the
8 tandem, and Qwest has come back and said they want to
9 go from every end-office, and that drives the CLEC to
10 use up a lot of switch terminations in its switch and
11 additional expenses associated with that, and we don't
12 believe that that is the intent of the FCC.

13 We believe the intent of the FCC is that the
14 CLEC can decide on the points of interconnection, not
15 Qwest. So while the changes are good that have been
16 made, this still leaves open the issue of the fact that
17 we believe that the CLECs should be able to choose the
18 points of interconnection and not be subject to Qwest
19 driving us to additional expense for their one-way
20 trunks.

21 MR. FREEBERG: Ken, did you propose specific
22 language in your written testimony to this point?

23 MR. WILSON: I think we have an additional
24 sentence that we think would do it if we added the
25 following sentence: "The point(s)of interconnection

01292

1 for such one-way trunk groups shall be those designated
2 by the CLEC."

3 MR. FREEBERG: I don't know. We may end up
4 going to impasse over this one, I think. If my
5 understanding of this phrasing would be that in a
6 one-way trunking situation, Qwest would have no
7 opportunity to decide how its one-way trunking ought to
8 be arranged back towards the CLEC, if we've completely
9 walked away from that and handed that over, I think
10 we'll go to impasse over that.

11 MS. GARVIN: I'd just like to make a
12 clarification to my understanding, so I need to ask you
13 a question, and I have to look at 7.2.2.1.2.1 in
14 conjunction with 7.2.2.1.3, and to me, it's difficult
15 to separate the two, so excuse me for jumping another
16 paragraph, but from a WorldCom target architecture and
17 arrangement for, let's say, the mid-span, if we are to
18 interconnect at our mid-span -- let's say we are
19 putting in a mid-span meet at the access tandem, which
20 is in the LATA, and it basically serves all resident
21 end-offices where we may originate or terminate
22 traffic. We would represent that the trunking is
23 incumbent on you from that point to get our traffic
24 from that mid-span meet out to those specific
25 end-offices.

01293

1 So when I get down to 7.2.2.1.3 where you say
2 now if we have in excess of one T-1's worth of traffic,
3 a dedicated trunk group must be established, my
4 position would be certainly we can establish what we
5 call a logical trunk group in our switch, which is
6 really just a translation for a TGID, if you want to
7 call it that, over the mid-span that would then be
8 directed to go to an end-office as opposed to you
9 switching it to your access tandem, and that's the way
10 we would see the need to go to subtending end offices.

11 We do not believe in 7.2.2.1.3 that it is
12 incumbent upon us to build a facility to those
13 end-offices, and we certainly don't want to go through
14 our collocation, which is really for our purposes to be
15 used for unbundled loop customers. So if there is a
16 desire at this point that we must build facilities, we
17 would then have another problem, which is who is
18 originating the traffic, and if there is a T-1's worth
19 of traffic coming from end-office A that subtends the
20 access tandem, but it's primarily your traffic coming
21 to us, we would say in that case that you would be
22 responsible for building that one-way trunk, not us.
23 We would be responsible for building one-way trunks
24 only for the traffic that we originate to that
25 end-office.

01294

1 MR. FREEBERG: I don't see these two sections
2 as being inextricably linked. I think they can be
3 handled separately. I don't think I disagreed with
4 anything you said. I might want to come back to that,
5 but I don't think that I do. I think both sections are
6 worded to do allow for what you want, generally
7 speaking, but if we stick with 7.2.2.1.2.1, I think the
8 only really impasse matter we have is that if, in fact,
9 we agree to exchange traffic on one-way trunk groups,
10 which is your choice to choose that we would do it via
11 one-way trunk groups, that you would decide how to send
12 your one-way traffic towards us. We would likewise
13 decide how to send our one-way traffic towards you, and
14 that would be the end of the story.

15 I think what AT&T is asking for is that they
16 not only get to choose that the trunks get to be
17 one-way rather than two-way, but they will decide how
18 the traffic will flow on the one-way trunks from us
19 towards you, and that's the impasse.

20 MR. WILSON: The reason that AT&T is being
21 insistent upon this is that we have seen this as
22 another way that Qwest has used to discourage our
23 ability to trunk in an efficient manner. In other
24 words, we decide that one-way trunking is better and we
25 want that one-way trunking to go to a tandem because

01295

1 there isn't much traffic on it yet. Once you get over
2 512-CCS, then it's as WorldCom just stated that Qwest
3 would be responsible for putting in one-way trunks to
4 the end-offices. That's kind of not an issue. The
5 issue is when there is a small amount of traffic, Qwest
6 should not be able to force trunking from their
7 direction to all the end-offices. It uses up valuable
8 resources on both the CLEC switches and the Qwest
9 switches, and we don't think that's sensible but we
10 have seen that done, and that's why we are being
11 relatively insistent here. We don't think it's
12 efficient to put in one-way trunks to every end-office
13 when there is a very small amount of traffic to those
14 end-offices, and this is just being used as a method of
15 discouraging one-way trunking.

16 MR. FREEBERG: From Qwest's point of view, we
17 agree. Small amounts of traffic should be sent via the
18 tandem.

19 MR. WILSON: Then maybe there is less issue
20 here. If that's the case, what is the problem with the
21 sentence that we wanted to add, because I don't believe
22 our sentence would supersede the 512-CCS rule.

23 MR. FREEBERG: I think the question goes the
24 other way too. If Qwest is not going to do what it is
25 that you feared it would do, then the new language is

01296

1 not necessary.

2 MR. WILSON: Because we've seen it done, I
3 guess is the reason.

4 MR. FREEBERG: I think we are at impasse
5 here. I think we've said all we have to say. That's
6 my thought.

7 JUDGE RENDAHL: Let's leave it at that point,
8 and if the parties between now and then can work on
9 that impasse, then fine.

10 MR. FREEBERG: Moving to 7.2.2.1.2.2, this is
11 a section where the language was softened. I think a
12 little bit the "elect to" was struck. The language was
13 added speaking to a third party who may have arranged
14 private line transport service. There was some
15 discussion on one party's part that that wasn't clear.
16 We hope this would make that more clear. There is
17 simply several options laid out earlier in this
18 paragraph.

19 The word "local" was struck from before the
20 word "tandem" about halfway down through section to try
21 to allow that interconnection of local traffic could
22 happen at an access tandem, and finally, the language
23 added at the end suggesting that the section was not
24 intended to expand other parties' obligation under
25 Section 251-A of the Act. So those changes were

01297

1 proposed.

2 MS. YOUNG: This is Barbara Young with
3 Sprint. Mr. Freeberg, I have a question, and it's a
4 more transiting EAS question. In the events that a
5 CLEC interconnects, and let's take it down to a local
6 tandem level just for an example. The CLEC would be
7 entitled to the local calling area within that local
8 tandem. Now, what if that local calling area includes
9 other ILEC end-offices that may or may not subtend the
10 Qwest local tandem? Is it Qwest's position that you
11 would terminate that traffic via the existing
12 facilities between Qwest and that other ILEC?

13 MR. FREEBERG: Yes.

14 MS. YOUNG: Thank you. That hasn't been the
15 case. I was just curious. You would not require the
16 CLEC to establish separate trunking to that ILEC for
17 the termination of the EAS traffic?

18 MR. FREEBERG: No. Section 7.2.2.3 addresses
19 transit traffic, and I believe the first section it
20 says, Qwest will accept traffic originated by the CLEC
21 for termination to another CLEC existing LEC that's
22 connected to Qwest's local tandem. So I would expect
23 this to happen, and I know we handle a lot of that kind
24 of traffic now.

25 MS. YOUNG: We've seen some examples of Qwest

01298

1 actually trying to block that traffic and insist the
2 CLEC establish separate interconnection trunks with the
3 other ILEC, and I just want to clarify your position on
4 that.

5 MS. ANDERL: Was the premise of your question
6 that the second LEC was or was not connected to Qwest's
7 tandem?

8 MS. YOUNG: Either way. Actually, my example
9 is the second LEC would not be connected, would not be
10 subtending a Qwest tandem. It would be a separate
11 office, but there would be currently EAS trunking
12 established between Qwest and that second LEC even
13 though it does not subtend the Qwest tandem.

14 MR. FREEBERG: I misunderstood your question
15 then. I thought the assumption was that the ILEC
16 switch subtended Qwest's local tandem. If the other
17 ILEC's switch did not subtend Qwest's local tandem,
18 then I can imagine that Qwest wasn't able to somehow
19 arrange a new path between its tandem and that carrier
20 that didn't previously exist.

21 MR. WILSON: Maybe someone could clarify what
22 is the difference between subtending the tandem and
23 being connected to the tandem. I don't see a
24 distinction. Generally, I would reserve the word
25 "subtending the tandem" to be a Qwest switch which is

01299

1 subservient to the tandem, but just my brief
2 understanding of the situation is that the Qwest tandem
3 is connected to the other ILEC switch. Subtending may
4 not be the proper word --

5 MR. FREEBERG: My paradigm is there is a
6 trunk group, which is a logical thing, between the
7 Qwest local tandem and the non Qwest ILEC switch, if
8 that exists, it is subtending.

9 MS. YOUNG: I think it's semantics here
10 because subtending to me implies that the end-office
11 actually gets its smarts, which is very nontechnical
12 terms, from the Qwest tandem versus just a simple
13 traffic or a simple trunking scenario that's set up.
14 So maybe we just need to define what we mean by
15 "subtending."

16 MR. FREEBERG: If a trunk group exists
17 between the Qwest tandem and the other carrier switch,
18 Qwest will relay or transit that traffic. If there is
19 no trunk group between that tandem and a particular
20 end-office, then there isn't a way for a party to
21 somehow create that path that doesn't exist.

22 MS. YOUNG: Thank you. That answers my
23 question.

24 MR. WILSON: I believe it answers my
25 question. I don't know we need to get the semantics.

01300

1 It sounds like Qwest is still committed to doing
2 transit traffic.

3 MR. FREEBERG: (Witness nods head.)

4 MR. WILSON: I see nods yes.

5 MR. FREEBERG: Does there need to be any
6 further discussion on 7.2.2.1.2.2? If not, I'll
7 move --

8 MR. WILSON: The issue here has been that the
9 CLECs don't feel that they can be compelled to lease
10 facilities or interconnection trunks to Qwest. We may
11 choose to do that but that we should not be compelled,
12 and as long as Qwest feels that the way this has been
13 recrafted does not compel us to lease interconnection
14 trunks to Qwest, then we are okay with it. If Qwest
15 feels there is some interpretation of this that does
16 require that, then we still would have a problem.

17 MR. MENEZES: If I could just add to that.
18 It's the terms and conditions upon which Qwest would
19 lease those facilities from AT&T. By the language in
20 this provision, 7.2.2.1.2.2, Qwest seeks to impose the
21 rates, terms, and conditions of the SGAT on the CLEC
22 when Qwest orders transport facility from the CLEC.

23 There is no disagreement that 251-A imposes
24 an interconnection obligation on CLECs. However, that
25 obligation does not require a CLEC to sell transport to

01301

1 an ILEC on the same rates and terms and conditions upon
2 which the ILEC sells transport to the CLEC, and that's,
3 I think, the bone of contention here.

4 MR. FREEBERG: I think it is too, and I'd
5 like to read from a couple of instructions that I think
6 are the basis for how Qwest thinks it's a way through
7 this. Before I read those sections, I would say here
8 is the situation: To the extent a CLEC provides
9 transport, chooses to provide the transport which will
10 be used for a local interconnection which will carry
11 local calls flowing back and forth between the two
12 networks, to the extent the CLEC chooses to provide
13 that to Qwest, Qwest is willing to pay at reciprocal
14 compensation rates. It believes that to be the correct
15 rates because of 251 B-5, 251 B-5 is an obligation of
16 all local exchange carriers, and it's the reciprocal
17 compensation obligation.

18 Further, in the First Order at Paragraph 552,
19 it says, "New entrants will request interconnection
20 pursuant to Section 251 C-2 for the purpose of
21 exchanging traffic within local incumbent exchange
22 carriers. In this situation, the incumbent and the new
23 entrant are cocarriers and each gains value from the
24 interconnection arrangement. Under these
25 circumstances, it is reasonable to require each party

01302

1 to bear a reasonable portion of the economic costs of
2 the arrangement."

3 So it does sound as though we are at impasse
4 here again this. By the way, if you read Tim Boykin's
5 testimony on the question of lease back, it is kind of
6 a real-life example of this situation.

7 JUDGE RENDAHL: Would AT&T agree at this
8 point we are at impasse on this?

9 MR. MENEZES: Yes, I think so.

10 MR. FREEBERG: Now, let's go to 7.2.2.1.3.
11 We mentioned this earlier so let's be sure we don't
12 miss anything that came up there previously. This is
13 the section of the SGAT which talks about the
14 establishment of the direct trunking when there is
15 enough traffic between two end-offices to justify
16 taking that traffic off of the tandem route, relieving
17 the tandem of some traffic and handling that on a
18 direct path. The important changes to this section are
19 that the word "shall" was changed to the word "may"
20 when there was discussion about having established a
21 collocation arrangement and potentially using
22 facilities associated with the collocation to carry
23 these direct end-office trunks.

24 There is a handout coming around to you,
25 which is No. 366, which makes another change behind the

01303

1 word "may" is the words "at its sole option." This was
2 language proposed by AT&T in the Oregon workshop held
3 recently. Furthermore, Qwest agreed to strike the
4 words "when required" later in that same sentence,
5 again at AT&T's request. Finally there was some
6 discussion in Oregon, and you will see it on the new
7 proposed 366, that the 512-CCS has further been
8 clarified to be the monthly average of the busy-hour
9 CCS rate.

10 So with those changes, I hope what's clear
11 here is that Qwest is not requiring a CLEC to use
12 facilities that it may have between its collocation and
13 its switch to make these direct trunks available. It
14 may choose to use those. If, in fact, it did choose to
15 use those, it might choose to charge Qwest for that
16 transport, again, at reciprocal compensation rates.
17 There could be a party who would like to do that, so we
18 think this language allows for that while it also
19 allows for a party who says, I would like not to do
20 that, to have Qwest agree, certainly is not their
21 obligation.

22 MR. WILSON: The two issues here, one is the
23 same one we raised a moment ago as to what terms and
24 conditions and rates apply if the CLEC is providing the
25 trunks. Let me pass that one for a moment. The other

01304

1 issue is the new language on the 512 monthly average
2 BHCCS, and this came up in Oregon. I had kind of been
3 leaving it hoping we wouldn't get into this because
4 clarifying may actually cause additional issues. I had
5 been content to kind of leave it just at the 512-CCS
6 because here's what happens. You have trunking to the
7 tandem, and at some point, the equivalent traffic to an
8 end-office hits 512-CCS. That may hit it one month and
9 then fall back for a few months. What happens in
10 practical matters is that once it hits 512, Qwest
11 starts complaining to the CLEC that they should add
12 direct trunking. The complaining, the back and forth
13 goes on for a few months and then eventually, the trunk
14 is added because traffic tends to build, and eventually
15 we add it. But the way this is set up now you would
16 have to add that trunk immediately when you hit
17 512-CCS, and I don't think that's quite right.

18 This was brought up in Oregon, and I didn't
19 say much there, but I would actually prefer to take the
20 monthly average BH out and just leave it 512-CCS and
21 let the companies continue in the way that they've been
22 working with this issue because it seems to work.
23 Otherwise, I think we've got to add language about a
24 six-month average or something else or do a study,
25 etcetera.

01305

1 MR. FREEBERG: Qwest would be fine with
2 striking "monthly average busy hour."

3 MS. HOPFENBECK: This was WorldCom's
4 suggestion, and we are okay with striking it too.
5 Mr. Wilson raised some points that we didn't consider.
6 That's what you get when you leave your lawyer to make
7 these suggestions without an expert.

8 MR. FREEBERG: Can we move on then?
9 7.2.2.1.4.

10 JUDGE RENDAHL: Can I just clarify. Taking
11 out the "monthly average busy hour" addition, I
12 understand that AT&T still has the remaining issue, the
13 first issue that you discussed, Mr. Wilson, about the
14 terms and conditions that apply when a CLEC provides
15 trunking; is that correct?

16 MR. WILSON: I think the language in this
17 paragraph is okay. I think the dispute is more clearly
18 in the previous paragraph, so I think we are okay with
19 the language in this paragraph.

20 MS. GARVIN: Do you know we need
21 clarification that this is a two-way trunk facility,
22 but each party would have its ability to charge for the
23 percentage of use on that facility?

24 MR. WILSON: I believe that that is covered
25 in the reciprocal compensation later, and I don't think

01306

1 that this affects that.

2 MR. FREEBERG: That would be my opinion, yes.

3 JUDGE RENDAHL: So there is agreement on this
4 section?

5 MS. GARVIN: One question though. Is it
6 possible to put in the word "logical" next to dedicated
7 trunk group in the middle of that paragraph?
8 Originating party will order a dedicated, i.e., direct
9 trunk group? Could I order a logical trunk group?

10 MR. FREEBERG: To me a trunk group is a
11 logical thing by definition.

12 MS. GARVIN: My concern is that when you say
13 "dedicated," in some cases, there may be room that
14 people believe we are responsible for building those
15 facilities, and at this point option only to order the
16 logical trunk group. As I mentioned, this is an access
17 tandem with all these subtending end-offices. If I do
18 have 512-CCS that would encourage us to bypass the
19 tandem and have direct trunking, I do not want to be
20 responsible for building that facility. I would prefer
21 to have it as a logical trunk within my switch.

22 MR. FREEBERG: Again, I think we first used
23 the word "dedicated," and then we weren't sure everyone
24 knew what that meant. Then we put in parenthesis,
25 "that is direct" to try to help make that more clear.

01307

1 Now we would be proposing to put in the word "logical"
2 to make it even more clear.

3 I think the arrangement that you describe
4 where the path of the trunks might be through the same
5 building where the tandem exists but that the traffic
6 is not switched at the tandem, those are direct trunks,
7 and I don't think there is any ambiguity about that.
8 If the traffic is not switched at the tandem, then
9 those are direct trunks. Do you still think we need to
10 have the word "logical"?

11 MS. GARVIN: I would prefer then to remove
12 the word "dedicated" and call it a direct trunk group.

13 MR. FREEBERG: I would be okay with that.

14 MR. WILSON: I think that's fine with
15 Mr. Freeberg's explanation as well that we just
16 received.

17 MR. FREEBERG: So we will strike the word
18 "dedicated" in favor of the word "direct" and we will
19 take away the parens.

20 JUDGE RENDAHL: We have agreement?

21 MR. WILSON: Yes.

22 JUDGE RENDAHL: Good job, everyone.

23 MR. FREEBERG: Moving right along.

24 7.2.2.1.4, and I have an idea we are going to agree on
25 this one. Struck the word "local" in front of the word

01308

1 "tandem" three times to be sure that any kind of tandem
2 would be fine.

3 MR. WILSON: That's acceptable.

4 MR. FREEBERG: Hearing others, I'll hope
5 that's acceptance too. 7.2.2.1.5 comes next. It
6 involves some change in language which I think was the
7 result of discussion at the Oregon workshop. This
8 section is a new section to the SGAT since it's new
9 since reciprocal compensation was discussed here in
10 Washington, and this section proposes that direct trunk
11 transport might need to be built across some very long
12 spans, especially now that Qwest has agreed to exchange
13 local traffic at its access tandem. These spans would
14 be hundreds of miles in length stretching across a
15 state within a LATA still but some very, very long
16 spans.

17 Given that they are very, very long, we
18 anticipated there could be disagreement about who would
19 provide them. And the thought here was that in the
20 event we couldn't agree on who would provide them,
21 though I think the pattern is that Qwest is providing
22 these when the carrier is ordering them, but if, in
23 fact, we reach the point where neither party had
24 facilities -- that is, the new language from Oregon
25 adds the words, "and existing facilities are not

01309

1 available in either party's network" -- that we would
2 resolve our dispute by agreeing to constructing a
3 mid-span arrangement.

4 I would tell you that within Qwest, we
5 considered a lot of other possibilities, things like
6 going to the Commission to resolve the dispute and so
7 forth, and thought this was maybe the way to move a
8 disputed issue along most expediently, most fairly.

9 MR. WILSON: I think the issue here is that
10 the FCC placed obligations on Qwest, and we see this as
11 simply an admission on Qwest's part that they have a
12 lot of facility problems in Washington and other
13 states, and this is one way to try to one, get out of
14 an obligation and to shift some burden to build network
15 facilities that Qwest should have over to the CLEC. So
16 I think this is just a simple impasse issue. We feel
17 this has no place in the SGAT. I see the other CLECs
18 vigorously shaking their heads yes.

19 MR. FREEBERG: I think we are at impasse. We
20 can move on.

21 JUDGE RENDAHL: The language for 7.2.2.1.5
22 that was circulated is marked as Exhibit 367, and I'll
23 just ask when parties think it's a good time to break
24 for lunch. I'm happy to keep going for a little while.
25 We seem to have some momentum, but I want to gauge

01310

1 where people's blood sugars are. Let's be off the
2 record for a minute.

3 (Discussion off the record.)

4 (Lunch recess taken at 12:00.)

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AFTERNOON SESSION

2

(1:30 p.m.)

3

MR. FREEBERG: I think we are at 7.2.2.4, and there is no language change here, but I was asked a question in Oregon that I couldn't answer when we were together here not long ago, and it had to do with the sentence that says, "Qwest will also provide the one-time notification to the CLEC of the billing name, billing address, and carrier identification codes of the interexchange carriers subtending any access tandem to which CLEC directly connects."

12

I was asked a question why is that only a one-time notification in an environment that could be very dynamic, and I think the answer was once a local carrier has established itself as providing local service in a LATA, it receives regular notification from the interexchange carriers who potentially might be new on the scene and who might not be interexchange carriers there anymore. So the one time notification is really all that's required after that. Local exchange carriers are regularly informed.

22

MR. WILSON: Thank you.

23

JUDGE RENDAHL: Is that an agreement section?

24

MR. FREEBERG: I think there is no dispute.

25

It was simply a question.

01313

1 MS. YOUNG: Could I ask you a question? This
2 is what we talked about a little bit before.
3 7.2.2.3.1 where it talks about the type of traffic that
4 Qwest will accept, it states, "Qwest will accept
5 traffic originated by CLEC for termination to another
6 CLEC, existing LEC, IXC, or wireless carrier that is
7 connected to Qwest's local and/or access tandems."

8 In the event there is ever a situation, and I
9 think there is, where Qwest has an end-office
10 connection with another ILEC, would Qwest, I think I
11 understood you to say, would also deliver traffic
12 assuming that connection is existing?

13 MR. FREEBERG: I'm going to presuppose I
14 understand your question to be, is Qwest willing to, at
15 the request of a CLEC, make an end-office act like a
16 tandem? And if that's the question, then I think the
17 answer is no, that is not something Qwest understands
18 it needs to be obligated to do.

19 MS. YOUNG: Even though those facilities
20 between Qwest and that ILEC are already existing for
21 termination of its own EAS traffic?

22 MR. FREEBERG: Qwest does not transit traffic
23 through an end-office. A call ends at the end-office,
24 and so it does not routinely relay or transit traffic
25 through an end-office.

01314

1 MR. WILSON: Maybe I could expound for the
2 Commission on what the issue is because AT&T has run
3 into this problem in Minnesota, and there have been
4 extensive discussions in Minnesota on this same issue.

5 It happens in the following, and I believe
6 Sprint has this issue in Washington so it is
7 appropriate to address. The situation is in an EAS
8 calling area, there could be another local carrier,
9 another ILEC, that is part of that local calling area,
10 and Qwest will have interconnection trunks, actually,
11 between itself and the other ILEC, and the problem for
12 the CLEC is that sometimes there is no connectivity to
13 the other ILEC from the local tandem, and the only way
14 for the CLEC to get to that second ILEC would be either
15 through the access tandem of Qwest or by having Qwest
16 do a tandeming function through an end-office.

17 This discussion was gone over at length in
18 Minnesota, and actually, both solutions were proposed.
19 AT&T preferred getting to the other ILEC through the
20 access tandem, but I believe some other carriers prefer
21 to have Qwest do the transiting through an end-office,
22 and it's really not that much change in an end-office
23 to give a tandem functionality. The problem is without
24 some capability, the CLEC cannot connect its calls in
25 the same manner that Qwest is able to complete its

01315

1 calls. So we think this is a legitimate issue for
2 interconnection discussion.

3 MR. FREEBERG: From Qwest's point of view,
4 the exchange of calls, as I think Mr. Wilson just
5 suggested, could happen now. This may not have been
6 true in the past; certainly was not true prior to
7 September, that this kind of traffic could flow either
8 through an access tandem or through a local tandem or
9 finally, could flow via direct end-office trunks that
10 the CLEC has arranged between itself and the other
11 incumbent carrier.

12 That incumbent carrier, and certainly may
13 have access obligations itself, so Qwest does not
14 understand that it is somehow obligated to make an
15 end-office into a tandem at a CLEC's urging.

16 MS. YOUNG: So in that scenario, Qwest has
17 taken that position. Would the CLEC have the ability
18 to say, Okay, fine. Rather than establishing trunking
19 to that separate ILEC, I will just go to the access
20 tandem to get there or the nearest local tandem?

21 MR. FREEBERG: I'd like to verify that access
22 tandem question. Access tandem arrangement being as
23 new as it is, I guess I haven't been faced with this
24 one before. I'm optimistic that what you say would be
25 true, but I can't solidly confirm it. So maybe a

01316

1 takeback here.

2 MS. YOUNG: Thank you.

3 MR. WILSON: I guess it would be AT&T's
4 position that if we were not able to go through the
5 access tandem to get that connectivity, then Qwest
6 should provide connectivity through the end-office that
7 is connected to the other ILEC.

8 JUDGE RENDAHL: Okay.

9 MR. FREEBERG: Move on. That's a takeback
10 for us. I'm going to Section 7.2.2.6.1. At this
11 section, I think a minor change, one we agreed to
12 quickly in Oregon, and that is when a party arranges
13 for common channel signaling between networks that it
14 may do it through an unbundled element, and that
15 approach is described at Section 9.6 or 9.13, and we
16 just simply added that reference here.

17 MR. WILSON: AT&T is fine with that
18 reference, but I have a question for Mr. Freeberg. In
19 the situation where the Qwest switch does not have the
20 ability to do SS-7 signaling, can we establish MF
21 interconnection trunks?

22 MR. FREEBERG: I would think the answer would
23 certainly be yes.

24 MR. WILSON: That's what we think too. I
25 think we would like to see this put into the SGAT

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1 because there actually is such a situation popping up
2 that we are finding, and it's not in Washington, but it
3 could happen here. As we get out into some of your
4 more rural areas, your switches are not as modern as
5 the ones in Seattle and so forth, and we actually have
6 been refused, essentially, interconnection at a switch
7 that has MF signaling, and we are told that we would
8 have to submit a BFR to do that, which is amazing,
9 because this isn't like a new unbundled element. It's
10 just a different trunk type that people have been
11 dealing with for 50 years, probably.

12 MR. FREEBERG: I'll take that one back. I
13 certainly understand we have an obligation to arrange
14 interconnection with an end-office that was not SS-7
15 capable.

16 MR. WILSON: Thank you.

17 MR. FREEBERG: 7.2.2.6.2, again a section
18 that was fairly noncontroversial in Oregon. There, we
19 struck the word "local" in front of the word "tandem"
20 for the same reasons as we discussed previously;
21 reworded a sentence slightly, hopefully making it more
22 clear that Qwest understood it had an obligation to
23 provide clear channel, certainly where available, and
24 that it would construct if it needed to to help this
25 happen.

01318

1 MR. WILSON: The new language is okay for
2 AT&T.

3 MS. GARVIN: Can I just ask one question? It
4 says 64 clear capability. Qwest will provide CLEC with
5 a listing of Qwest tandems that are capable of routing
6 64 clear. What happens on an end-office direct basis?

7 MR. FREEBERG: Those are available at the
8 same place. You make a good point. I believe it is
9 not strictly tandems.

10 MS. GARVIN: So are you saying they are
11 available, both?

12 MR. FREEBERG: At the same Web site that is
13 shown there you would find both end-office and tandem
14 information.

15 MR. WILSON: I think we were focusing on the
16 tandems because that's where we had some known
17 problems, but you are absolutely right.

18 MR. FREEBERG: Thanks for that clarification.

19 MS. HOPFENBECK: Does that mean there is
20 going to be a change in the language here to reflect
21 both? Is that appropriate?

22 MR. FREEBERG: Would you like there to be?

23 MS. GARVIN: Yes.

24 MR. FREEBERG: Should we strike the word
25 "tandems" in favor of the word "switches"?

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1 MS. GARVIN: Sure.

2 MR. FREEBERG: Done. 7.2.2.8.3, this
3 paragraph is the first one in a larger section which
4 talks about forecasting, and at 7.2.2.8.3, there is a
5 fair amount of rewording to first of all, I think,
6 clarify that growth jobs may require new switching
7 modules, though not necessarily, so that language, I
8 think, has been softened or clarified to do that.
9 However, this section, I think, is trying to warn the
10 reader that there is a lead time here when it comes to
11 a manufacturer supplying equipment in order to
12 potentially fill a large forecast.

13 At the end of this section there is some new
14 language, which makes clear that for capacity growth,
15 Qwest will utilize CLEC forecasts to insure
16 availability of switch capacity. So just trying to
17 clarify again that CLEC forecasts have prominence.

18 MR. WILSON: As I've said before, we hope so.
19 I think we don't have a problem with the language as
20 it's been modified.

21 MR. FREEBERG: Hearing no other --

22 MS. HOPFENBECK: In Oregon, Tom, you were
23 going to respond to my question with respect to
24 7.2.2.8.6. Are we there yet?

25 MR. FREEBERG: We are not. We will get there

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1 though. I'm going to 4 next.

2 JUDGE RENDAHL: So you are okay with the 8.3?
3 Hearing nothing, I'll assume it's an agreement on
4 7.2.2.8.3.

5 MS. GARVIN: I'm sorry, I need to ask a
6 clarification question. Maybe it's been asked before,
7 but with regards to blocking, etcetera, which could
8 potentially be used to define whether a switch needs to
9 be augmented or a new growth job is put in place, do
10 you provide information with regards to trunk
11 utilization and blocking behind our interconnection
12 trunks? In other words, if we were to do a mid-span at
13 Montana and trunk groups were coming directly from your
14 end-office through your facilities, can we see as well,
15 based on any kind of blocking criteria you use in your
16 network, how much of the traffic internal to your
17 network is being blocked?

18 MR. FREEBERG: Yes. If you went to my
19 rebuttal testimony, to what is Exhibit 41-C -- in our
20 greater numbering scheme, I believe it is 355-C -- you
21 will find just that kind of information. There, you
22 will see for a given month the traffic through all of
23 the tandems in the state, both local and nonlocal, and
24 you will see the blocking which existed on the
25 noninterconnection network. So again, here we are

01321

1 talking about trunk groups which are not between a
2 switch of Qwest's and the switch of a CLEC but between
3 two Qwest switches.

4 So you see here the blocking on the
5 noninterconnection network, sometimes referred to as
6 "behind the tandem," behind the Qwest tandem, at least,
7 and on the far right-hand column of this exhibit, you
8 will see that in the month of September out of what
9 were several hundred trunk groups, there were six that
10 were blocking in excessive two percent, two calls out
11 of every hundred calls, a level which we might agree is
12 excessive blocking. So out of that, there are only
13 three groups which were blocking through local tandems,
14 for what it's worth, and if you are interested in
15 knowing which three or which six those were, you can go
16 to the second page of the exhibit, and there you will
17 find the end-office identification, the tandem with
18 which that end-office sends its traffic, and you have a
19 chance to see just to your point where there might have
20 been excessive block in a given month, for example.
21 This kind of information we would expect to exchange
22 during regular quarterly trunk planning meetings.

23 MS. GARVIN: Thank you.

24 MR. FREEBERG: 7.2.2.8.4.

25 JUDGE RENDAHL: So there agreement on

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1 7.2.2.8.3.

2 MR. WILSON: Yes.

3 MR. FREEBERG: 7.2.2.8.4 continues on the
4 subject of forecasting, and some changes have been made
5 towards the end of the section, and from Qwest's point
6 of view, we think there is now some very strong
7 language in this section. It says, "Qwest will have
8 the necessary capacity in place to meet the CLEC
9 forecast." It goes on to say, "After the initial
10 forecast, Qwest will insure that capacity is available
11 and meets CLEC's needs as described in the CLEC
12 forecast." Once again, we think very strong language.
13 We have accepted that language.

14 MR. WILSON: I think AT&T is glad that this
15 language has been amended to include these sentences.
16 I think this is the issue that CLECs have most suffered
17 with in the past. We hope that Qwest will use the
18 forecasts going forward and have the necessary
19 capacity. I think this is the place where in some
20 states we have had a lengthy discussion about
21 indemnification and other penalties. I'm not going to
22 launch into this at this moment.

23 I must say I miss Nigel Bates because he had
24 a very nice position on this issue, and we will miss
25 that, but I think this is a point where the CLECs have

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1 a lot of concern, and we hope Qwest will, indeed, use
2 the forecast and provide the capacity, and I think to
3 assure that is one of the reasons why we still think
4 there should be some indemnification language in the
5 section in general, which we discussed earlier today.

6 MR. FREEBERG: We'll go to 7.2.2.8.5.

7 JUDGE RENDAHL: Just for clarification, does
8 that mean that AT&T is opposed to this section, is at
9 impasse on this section, just for my own tracking.

10 MR. WILSON: I believe, at least for AT&T,
11 this language is okay. I think all I was saying is
12 that the language that we have included in other places
13 for indemnification of damages we still feel is
14 necessary, but it doesn't directly affect the language
15 in this paragraph.

16 JUDGE RENDAHL: So again, the same sort of
17 indemnity issue that was discussed before as a general
18 term and condition that needs to be addressed.

19 MR. WILSON: Yes. I believe the AT&T
20 language was only addressing indemnification. I
21 believe there may be some other CLECs that wanted to
22 seek damages as well associated with this. I'm not
23 sure they submitted testimony on that.

24 MS. GARVIN: At the risk of being chastised
25 by my fellow CLECs, there have been some within my

01324

1 company, WorldCom, that wondered whether or not the
2 forecasting requirements could also consist possibly of
3 a semiannual forecasting as opposed to quarterly. I
4 throw that out because in some cases we feel that we
5 are better able to handle that on a semiannual basis
6 rather than come back and reassess on a quarterly
7 basis. I guess I would ask you, Tom, how do you feel
8 from a U S West perspective -- Qwest, I'm sorry.

9 MR. FREEBERG: This is a first for me. I
10 haven't heard anyone suggest this before, so I really
11 have no clue what our reaction would be. I would be
12 happy to take that back if your opinion were shared
13 especially by other parties.

14 MR. WILSON: I was going to add that I think
15 in the Qwest region that CLECs have been eager to meet
16 as often as possible to work on the interconnection
17 trunk issues, so I don't know that AT&T cares either
18 way. I think we actually probably meet more often than
19 quarterly anyway.

20 MS. GARVIN: I believe that from a WorldCom
21 perspective, we would like to -- cooperative planning
22 sessions is something in which we can certainly work
23 together to determine what our trunking needs are. I
24 think just because of the accuracy and the need for
25 appropriate number of trunks, it's easier for our

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1 people to assess after a six-month period whether or
2 not we will be needing additional trunking, etcetera,
3 so the semiannual is -- according to our traffic
4 engineers, it's a bit more reliable, perhaps.

5 MR. FREEBERG: A thought I would have is that
6 this SGAT is really obligating Qwest, I think, to meet
7 quarterly. We are on thin ice, I recognize, whenever
8 we are trying to propose that the SGAT is putting
9 obligations on the other party, and I guess my thought
10 here would be that if an individual CLEC wanted to meet
11 semiannually rather than quarterly that there at least
12 would be some way to certainly abbreviate or allow a
13 party to meet less frequently if it chose that, but to
14 refuse to meet with other parties as often wouldn't
15 seem the right thing to do. Why don't you let me just
16 simply take this back, if you wouldn't mind, and come
17 back on this.

18 MS. GARVIN: Thank you.

19 MR. FREEBERG: 7.2.2.8.5, a minor change I
20 think. Simply tried to clarify, put the word
21 "end-office" behind the word "direct." Again, I think
22 we went quickly past this in Oregon.

23 MR. WILSON: Not an issue for AT&T, no.

24 MR. FREEBERG: We'll go then to 7.2.2.8.6.
25 This has been changed dramatically from what it was

01326

1 previously. The thinking here again is at 7.2.2.8.4,
2 there is effectively an assumption made that the
3 forecast that's submitted is completely accurate. You
4 might use the word "perfect." There continues from
5 Qwest's point of view to be a requirement, I think,
6 that it accept orders even though they might not be
7 associated with a forecast; that is, Qwest is not
8 rejecting orders if they are not tied to a forecast or
9 they are outside of a forecast.

10 Finally, Qwest, I think, has lately agreed to
11 the exchange of local calls at the access tandem
12 covering a much wider geography again, so it is
13 exposed, we think, to much greater construction costs
14 and so forth than ever before. This coupled with the
15 fact that CLECs want to be certain that their forecasts
16 are heard when they are submitted, the language here at
17 7.2.2.8.6 allows for a refundable deposit to be
18 collected. That deposit being refunded if, in fact,
19 utilization stays at healthy levels.

20 There is a piece of amended language which I
21 think was just passed around, Exhibit No. 368, and this
22 new language that's been added since the Oregon
23 discussion on this same subject adds at the end of the
24 section, "Ancillary trunk groups, such as mass calling,
25 are excluded from the ratio." There was some request

01327

1 that in this calculation we would also exclude
2 tandem-routed alternate final trunk groups, and the
3 thinking on our side is that the rate that we set as a
4 target is a good one. It balances the tandem-routed
5 final trunk groups with the direct-routed high-use
6 groups which typically are going to have much higher
7 utilization, so the 60 percent number which was offered
8 was meeting kind of -- to exclude the final routed
9 stuff through a tandem would call into question that
10 percentage. So we did not add language here to exclude
11 the tandem-routed traffic.

12 The last thing I would say is that in Oregon,
13 if you look at what is now the first sentence of the
14 section, it begins, "In the event of a dispute
15 regarding quantities, the parties will make capacity
16 available in accordance with the lower forecast," and I
17 believe it was WorldCom who in Oregon said, Well gee,
18 wouldn't it make sense for Qwest to build for the
19 higher forecast, the assumption being that the CLEC had
20 submitted the higher forecast and that Qwest was not
21 confident that that forecast would materialize and so
22 it had in mind a lower forecast, and the thinking here
23 being if a party were willing to put down a deposit,
24 wouldn't Qwest build to that higher forecast?

25 As I took that issue back last week now

01328

1 internally, I was reminded that the deposit is a
2 50-percent deposit. It's not a 100-percent deposit.
3 To the extent it were a 100-percent deposit, then that
4 higher forecast language might be appropriate. But to
5 be clear, the reason Qwest might have a dispute here is
6 low utilization. In other words, if a party comes to
7 Qwest and says, Here's my forecast, and it is an
8 ambitious forecast, and it's come on the heels of what
9 has historically been known as low utilization, there
10 could be a dispute. In other words, Qwest's dispute
11 would be based on historic low utilization and then an
12 ambitious forecast on top of it, and that might be the
13 source of a dispute. So we did not accept that higher
14 forecast language that was proposed in Oregon.

15 MS. HOPFENBECK: Tom, I actually think you
16 may have misunderstood my point there. What I was
17 suggesting is that it seems to me if Qwest is only
18 building in accordance with the lower forecast, in the
19 event of a dispute -- the scenario that we are talking
20 about is that the CLEC has a forecast which is X, and
21 Qwest has a forecast which is Y, and the lower forecast
22 is Qwest's. In that event where Qwest is building in
23 accordance with its own forecast, it seems to me that
24 it is not appropriate to charge the CLEC a deposit, any
25 portion of a deposit, because all you are doing is

01329

1 building in accordance with your own forecast.

2 So what I was trying to convey in Oregon is
3 that while I can understand Qwest seeking a deposit
4 from the CLEC in the event that CLEC is insisting that
5 Qwest build in accordance with the CLEC's higher
6 forecast, I think it shouldn't be permitted for Qwest
7 to seek a deposit from the CLEC when all Qwest is doing
8 is building in accordance with its own forecast, which
9 is what this is providing here. And then I have
10 another couple of questions about this.

11 MR. FREEBERG: Can I ask a question back?
12 Would you be okay if we changed the "lower" to
13 "higher"; to change the "50 percent" to "100 percent"?

14 MS. HOPFENBECK: I don't think that we should
15 have a provision in the SGAT, one, that says, In the
16 event of dispute, the parties will go with the higher
17 forecast. I don't think that should be the way the
18 resolution of that dispute is worked out, and then I
19 guess as far as the 100 percent goes, that gets to my
20 next question which is, if it's true that
21 interconnection trunks are paid for in proportion to
22 use, then my question would be 100 percent of what?

23 MR. FREEBERG: And I think that question was
24 asked, and I think maybe AT&T may have asked that
25 question in Oregon, but it's estimated construction

01330

1 costs.

2 MS. HOPFENBECK: Does that make sense? If
3 these are two-way trunks, they are going to be carrying
4 traffic, and many of them are, I assume, going to be
5 two-way trunks. They are going to be carrying traffic
6 that originates both on Qwest's network and traffic
7 that originates on the CLEC network. Certainly, there
8 are going to be instances where there is out-of-balance
9 conditions so that once the trunk group is built, it's
10 not going to be the CLEC's responsibility to even pay
11 for 50 percent of the construction of that trunk. So
12 that's why I think this deposit language is also
13 problematic because it really could be requiring the
14 CLEC to be paying for more than its fair share of the
15 trunk up front.

16 MR. FREEBERG: To be clear, the deposit is
17 refunded in full if the utilization stays high, if the
18 number of trunks required is 60 percent of the number
19 of trunks forecast and in service. So there isn't a
20 payment twice as long as the utilization is kept at 60
21 percent or better.

22 I think another proposal made there in Oregon
23 was that if there were a number other than 60 which a
24 CLEC would propose as being more appropriate, then
25 that's another idea. I don't know if any CLEC has an

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1 opinion on that.

2 MS. GARVIN: I'd just like to clarify a
3 condition. If in this particular scenario we order a
4 one-way trunk, we want one-way trunking, and in this
5 particular case, we recognize based on your
6 utilization, etcetera, that we are going to require X
7 amount of one-way trunks from you to meet our demand
8 for traffic coming to us, and we place TGSR's,
9 etcetera, but these facilities and trunks will not be
10 our trunks. They will be your trunks. I don't
11 understand how we will be responsible for paying a
12 deposit for the trunks and then being penalized when
13 they are really your facilities and your trunks for
14 your service to us.

15 MR. FREEBERG: The thinking here again is
16 that Qwest fully intends to put in enough trunks to
17 carry the traffic. There should be no mistaking about
18 that. The point is that when Qwest decides how many
19 trunks that is, the CLEC says, No, that's not enough.
20 You need more.

21 MS. HOLIFIELD: I'm having a hard time
22 figuring this out too. It looks to me like you are
23 mixing two concepts. If I understand this, the lower
24 forecast is your forecast; correct?

25 MR. FREEBERG: I think that would be true,

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1 yes.

2 MS. HOLIFIELD: So you have ability to make
3 that forecast anything you want. Then tell me why I
4 now should pay a penalty or put up money up front to
5 finance you, in effect, for a given period of time
6 because you are going to go ahead and build your lower
7 forecast? Shouldn't it be if I insist on you building
8 a higher forecast, then some sort of a deposit would be
9 required if ever there should be one, and then there
10 would be a pro rata adjustment made depending on how
11 many I use, I think. It looks to me like you've mixed
12 two different things. If you can build to your lower
13 forecast, and you are solely responsible for setting
14 that forecast, why should I be penalized?

15 MR. FREEBERG: My thinking is that you are
16 not penalized. As long as the utilization is kept to
17 60 percent, you are not penalized. If Qwest, on the
18 other hand, is wrong about what it has made available,
19 it certainly will face financial penalties under the
20 performance assurance plan.

21 MS. HOLIFIELD: I don't mean to be cynical,
22 but we haven't gotten to those yet. I really would
23 like to try to figure out why this makes sense, and I
24 can't get there.

25 MR. WILSON: Maybe to throw my five cents in

01333

1 the conversation, I understand Qwest's concern that
2 CLECs may request more trunks than Qwest thinks are
3 appropriate. I would like to posit that some of that
4 concern is due to the fact that the CLECs in some cases
5 have ordered too many trunks, but it's primarily
6 because of capacity shortages.

7 When your business has been held up time and
8 time again by lack of capacity, you will tend to order
9 more trunks than you need because you don't know where
10 the shortage is going to come from, when it's going to
11 come, and how long it will last, and I think this is a
12 circuitous problem, and that if Qwest did, in fact,
13 follow through on the very nice language we looked at,
14 then this problem will probably go away of the CLEC's
15 perhaps ordering more trunks than are needed. Given
16 data that I glance at, I'm sure the problem is involved
17 yet, and I think it may, in fact, be a bit exacerbated
18 because it seems in order to meet the new PIDs on
19 meeting DIS, on meeting projected due dates, that you
20 are setting due dates way out now. So instead of
21 having due dates of two weeks and you miss them by a
22 month, you are now setting due dates at 90 days and
23 coming in average. I'm not sure that Qwest's
24 forecasting of when trunks are going to be completed is
25 helping this problem at all.

01334

1 I have some other problems specifically with
2 the language. If we went on an analogous statement
3 kind of to what we did in the paragraph above, we would
4 simply say, The CLEC will make its best efforts to
5 provide accurate forecasts. I didn't see any skin in
6 the game in the paragraph above, and we have asked for
7 skin in the game several times, and I'm not convinced
8 that a PID will help me out here because it's an
9 aggregate, so that's one issue. I don't think this is
10 symmetrically cast as the assurance we were given
11 above.

12 The next thing is if I get down to specifics
13 in this the way it's written, I'm paying for single
14 trunk based on an aggregate evaluation. I could ask
15 that you put in this higher capacity trunk and I could
16 be using it at 100 percent after I put it in, and I'm
17 still paying you because my overall average is under
18 your 60 percent. So I don't think that captures the
19 problem very well either.

20 I have other problems, but I think that just
21 shows that I have issues at a general level, at a
22 philosophical level with this kind of paragraph, and I
23 think at a pragmatic level and down to a language
24 level, there are great problems as well, and I agree
25 with the other CLECs. Given the problems that we've

01335

1 seen, I don't think this is appropriate at this time.
2 Maybe sometime in the future when you are meeting your
3 objectives and there aren't any held orders that then,
4 maybe a new CLEC needs to be given some encouragement
5 to give accurate forecasts, but I don't think we are
6 there yet from Qwest's side.

7 MS. HOPFENBECK: Maybe to really crystallize
8 the issue that I raised, I'm just going to suggest the
9 language, and this is assuming that there is any
10 circumstance in which a deposit is warranted. This is
11 the language that would seem to make sense and address
12 the concern that Qwest has articulated, its concern
13 that CLECs are overforecasting.

14 It would read: "In the event of a dispute
15 regarding forecast quantities, the CLEC may insist that
16 Qwest make capacity available in accordance with the
17 higher forecast. When Qwest makes available capacity
18 in accordance with the higher forecast, the CLEC pays a
19 deposit, and the statewide average trunk forecast to
20 trunk usage ratio is 60 percent or less for the prior
21 six months. Qwest reserves the right to require prior
22 construction."

23 So that seems to be consistent with Qwest's
24 stated objective, which is to protect itself in the
25 event that the CLEC is making a forecast which is too

01336

1 high.

2 MS. GARVIN: I have to ask -- maybe it's not
3 a simple question. Is there a charge for trunking
4 with Qwest? Because my understanding from a mid-span,
5 the way that WorldCom has done this before is that
6 there are no charges for trunks, and the only time
7 charges would be resident is if and when we leased
8 facilities from you, and that would be prorated based
9 on the amount of usage if two-way trunking was placed
10 upon it. So I have a problem in general of putting a
11 deposit down for trunks when I don't believe that there
12 is a prerequisite trunking nonrecurring charge. So if
13 that could be clarified for me, I would appreciate
14 that.

15 MR. FREEBERG: In a mid-span meet
16 arrangement, would we not each be charging for call
17 termination, for example?

18 MS. GARVIN: I can only speak from our
19 experience in other parts of the country of our
20 mid-spans. As I mentioned before, we put in fiber, and
21 the RBOC places a similar quantity of fiber, and each
22 of us are responsible for the FOT's that we work
23 cooperatively to determine the size of that FOT, but
24 from that point on, trunking is free. There is no
25 charge for the trunks because we've shared the costs of

01337

1 the interconnecting facilities, and the only time we
2 would pay for -- we wouldn't pay for trunks. We would
3 be paying for the facilities is if we leased DS-1's or
4 DS-3's from you, and at that point, we would be looking
5 for some form of pro rata based on the relevant use by
6 each company of that leased facility.

7 MR. FREEBERG: From Qwest's point of view
8 again, I think the issue of that, reciprocal
9 compensation charges are separate from this deposit
10 which is proposed. Let me ask one more question.
11 Would we have more agreeable language here if there was
12 another clause added, which would refund some portion
13 of the deposit to the extent a CLEC had forecast a
14 capacity which Qwest later was unavailable to provide
15 on our typical interval; that the portion of the
16 deposit related to Qwest's inability to provide what it
17 would be refunded. This is back to kind of this
18 thinking that needs to be more recourse for the CLEC.

19 MR. WILSON: I think the issue that maybe we
20 are getting at is that when Qwest builds new
21 facilities, they don't just build them for a CLEC.
22 There are multiple uses for all of these components.
23 If it's switch modules, you have normal growth of
24 traffic that's going to use that up. If it's transport
25 facilities, you have many, many uses for those. I

01338

1 would say if a CLEC was forecasting outrageous
2 capacities and it caused Qwest to build facilities that
3 would be stranded, then I think you might have an issue
4 here. I've never seen that happen. Your normal growth
5 takes up any slack in a fairly short time.

6 So I think the trouble is, what this seems to
7 be doing is having a CLEC potentially fund construction
8 for facilities that you would then turn around and use
9 to sell back to somebody as private line or retail
10 services, and I don't think that's right. I don't
11 think this kind of a paragraph belongs here unless it
12 says something about stranded facilities. If I put a
13 switch out in the sticks and forecast huge amounts of
14 traffic and it never shows up, then maybe you have a
15 good point, but I have never seen that happen, and
16 generally, you use the stuff up. Switch modules are
17 like popcorn, and transmission facilities get filled up
18 quickly.

19 MR. FREEBERG: From Qwest's point of view
20 again, there is huge investment here. There is low
21 utilization on interconnection trunking. Those
22 facilities don't become available again for other uses.
23 They stay there waiting for that hoped-for traffic, and
24 so I think where we are at here is impasse. I will
25 tell you that if Qwest were to try to resolve this

01339

1 impasse by some new wording of 7.2.2.8.6, it might have
2 to go back to the old wording, and it might have to
3 revise language at 7.2.2.8.4 in competition with that.
4 I think we've probably said all there is to say here is
5 my thought.

6 MR. WILSON: All I would like to say in
7 closing is I quote back to your opening statement, A
8 billion minutes of interconnection traffic. That's a
9 lot of trunk's worth of traffic. Utilization may not
10 be what we all want on all of those, but this is a
11 fast-growing business, and I have seen CLECs that were
12 starting up where their growth rate was 50 percent a
13 month on interconnection trunks. So you could actually
14 be adding trunks like crazy and still be under the 60
15 percent every month when you are adding trunks as fast
16 as you can add them.

17 JUDGE RENDAHL: Let's go ahead.

18 MR. FREEBERG: We'll move on to the next
19 section, which is 7.2.2.8.7. there is a handout here
20 coming around. It will be 369; is that true?

21 JUDGE RENDAHL: That's what I have.

22 MR. FREEBERG: Minor change here. I think it
23 was WorldCom's proposal again in our Oregon session
24 that towards the end of the new language, which is here
25 at the last part of the new 7.2.2.8.7 section, that we

01340

1 would strike the word "Qwest." That is, the
2 information that we exchange in joint planning meetings
3 is certainly proprietary going both ways and that we
4 tend to come in and share very sensitive information,
5 both of us, and we all need to be very, very careful
6 with that. So we struck the word "Qwest."

7 This also comes back to an earlier discussion
8 we had about can a CLEC understand what's happening in
9 the noninterconnection network as well, and here, we
10 are referring to that kind of information, commits us
11 to provide this kind of thing in the joint planning
12 meetings.

13 MR. FREEBERG: If there is no objection, we
14 will go on to --

15 MR. WILSON: One moment.

16 JUDGE RENDAHL: Tom, these were changes from
17 Oregon?

18 MR. FREEBERG: The striking of the word
19 "Qwest" was a change from Oregon. The other material
20 is actually subsequent to, I think, our reciprocal
21 compensation workshop and based on other discussions
22 we've had.

23 MR. WILSON: This language is okay for AT&T.

24 JUDGE RENDAHL: Is this okay for WorldCom as
25 well?

01341

1 MS. HOPFENBECK: This satisfies the concern
2 that we raised in Oregon.

3 JUDGE RENDAHL: No objections from other
4 parties? Okay, let's move on.

5 MR. FREEBERG: Minor change at 7.2.2.8.8,
6 just striking the word "local" again. I assume there
7 is no problem with that. Moving onto 7.2.2.8.12. This
8 comes back again to the sensitivity of this information
9 that is exchanged in a joint forecasting session, and I
10 think it simply reinforces how important this is in
11 effectively accepting proposed language by intervenors
12 at 7.2.2.8.12.

13 MR. WILSON: We actually addressed this type
14 of an issue last week in a Colorado workshop and
15 started thinking that in Part B where it says, Qwest
16 may not distribute or reveal..." We started thinking
17 that maybe instead of saying who it could not be given
18 to, to specify would it could be given to, and it
19 engendered a lively discussion around the fact that
20 Qwest feels that it has the right to give our
21 proprietary forecasts to its legal people, which I
22 think raised a very interesting question.

23 So in other words, we are giving Qwest our
24 proprietary forecast, and they feel they can give this
25 to their legal people without asking or seeking

01342

1 discovery, which we found very interesting. So I think
2 we would like to see this switched to who it will be
3 given to, i.e. the trunk planning group, period,
4 probably the trunk planning group on a need-to-know
5 basis. Maybe C does that, but it's not that clear now
6 after the discussion in Colorado.

7 MR. FREEBERG: So, Ken, are you proposing
8 striking B in favor of C?

9 MR. WILSON: We were almost thinking of
10 striking B and tightening up C, perhaps. I guess we'd
11 like to know if it's this team's opinion that Qwest's
12 legal group can have access to these forecasts.

13 MS. GARVIN: Can you explain why it's given
14 to Qwest legal and in what context?

15 MR. FREEBERG: Let me just take a peek at my
16 exhibits here.

17 MR. CATTANACH: I don't know the answer to
18 that, and if this witness doesn't know, I think that's
19 got to be a takeback for us. I personally was not at
20 the workshop, and if that's a question, it's a fair
21 question. If we can find some language that obviates
22 the issue, certainly we would consider that as part of
23 the takeback.

24 MS. FRIESEN: Since this is CLEC proprietary
25 information, I guess we propose that we will do a

01343

1 takeback on this to try and tighten up the language and
2 maybe get rid of B. So we will take it on ourselves to
3 see if we can't come up with something that is
4 acceptable to you.

5 MS. GARVIN: We agree.

6 MR. FREEBERG: That would be fine.

7 7.2.2.8.13, quite a few changes to this section. This
8 is a section which talks about low utilization again;
9 proposes that if there is utilization below 60 percent
10 for a period greater than three consecutive months that
11 there could be some downsizing or reducing of the
12 number of members within the trunk group. I think the
13 changes mostly soften what was a more harsh piece in
14 the previous SGAT, and hopefully, we could agree with
15 it.

16 MS. HOPFENBECK: Tom, could I ask you to walk
17 through the change that was made as a result of Oregon,
18 or did you just do that and I just missed it?

19 MR. FREEBERG: Pardon me. That's coming
20 around. The only change was as we calculated this
21 60-percent utilization or otherwise that we would agree
22 to exclude ancillary trunk groups, mass calling trunk
23 groups, 911 trunk groups, that kind of thing so that we
24 would not artificially lower the look of the
25 utilization.

01344

1 JUDGE RENDAHL: Just for the record, this
2 will be Exhibit 370.

3 MR. FREEBERG: I think that was AT&T's
4 suggestion, if I'm not mistaken.

5 MR. WILSON: That was our suggestion. I
6 think we did have a short discussion in Oregon about
7 tandem trunks, especially for a CLEC that has been in
8 business for a few years providing overflow routing
9 capability, and I just wondered what percent
10 utilization do you feel a tandem trunk should have and,
11 of course, this begs the question a little bit about
12 what does 60 percent mean? I could see in the busy
13 hour, perhaps tandem trunks should hit 60 percent, but
14 certainly not on average.

15 MR. FREEBERG: Here's the way this works: A
16 trunk group needs to be sized at some finite size, and
17 as providers, we need to simply pick a number and say,
18 "We think this is how large this group should be."
19 Only in hindsight will we know if we are right. Only
20 when we start to put traffic on that trunk will we know
21 how close we came to making a good guess. So the
22 calculation can be made based on a busy-hour average
23 across the month, and a reasonable blocking rate can be
24 applied, and a calculation can be made for the amount
25 of traffic which was actually handled by a trunk group.

01345

1 In a month gone by, what would have been the right size
2 trunk group if you had been fortunate enough to be the
3 Monday-morning quarterback? That's what you are really
4 doing here is you are saying, "Now I know exactly how
5 much traffic that thing handled, and I know if I would
6 have had this many trunks, I would have had no problem
7 blocking, and I find that number of trunks is somewhere
8 below the number I've actually got in service.

9 So if that number, which in hindsight was
10 actually the number that would be required, is
11 compared to the number of trunks in service, that
12 becomes that utilization ratio. Does that make sense?

13 MR. WILSON: Yes. I understand the logic and
14 the reason that Qwest has for wanting to do this. We
15 have changed this considerably from where it started
16 out so that, for instance, we can submit to Qwest the
17 reason for maintaining the excess capacity, which
18 considerably softens this issue and problems that could
19 have arisen if there was a hard and fast mandate,
20 because CLEC, as we've discussed, may have marketing
21 plans that have been delayed, maybe even by Qwest,
22 because of other trunking issues that our business has
23 pent-up demand that may show up quickly where we would
24 need the trunking and that the historical utilization
25 may change fairly rapidly.

01346

1 I think with the changes that have been added
2 here, I think maybe we are okay. I would like to hear
3 what Dayna reflects on this coming from another region.

4 MS. HOPFENBECK: Before Dayna speaks, I just
5 wanted to ask Tom, there was a suggestion made in
6 Oregon which I thought you were all right with. This
7 is actually where we had wanted to insert CCS capacity
8 on an average peak busy hour business day basis each
9 month.

10 MR. FREEBERG: I'd have to look and see where
11 that makes sense, and I'm sorry if I missed that. It
12 might come after the word "utilized" in the first line,
13 something like some language there based on a monthly
14 average busy hour, something like that in there right
15 after the word "utilize"?

16 MS. HOPFENBECK: If a trunk group is
17 consistently utilized at less than --

18 MS. GARVIN: Could we say on a 60-percent
19 average busy hour each month?

20 MR. FREEBERG: I don't think that would be
21 quite accurate. I was thinking about behind the word
22 "utilized," based on a monthly average busy hour?

23 MS. GARVIN: But you are not amenable to six
24 months? Network planning is much easier for us to look
25 at a six-month time interval because it's much more

01347

1 accurate than three months because depending on whether
2 or not we could have a marketing drive, one month and
3 not anything the next month. We would like to have six
4 months to perform an average rating.

5 MR. FREEBERG: Do you understand in the
6 middle of that section there is a sentence that says,
7 "All you really need to do is just give us a reason"?

8 MR. DITTEMORE: Dave Dittimore, telecom
9 staff. Can I offer, perhaps, language? "If a trunk
10 group is consistently utilized at busy hour at less
11 than 60 percent of rated capacity each month," then we
12 are getting to the terms you are trying to get at, I
13 think.

14 MR. FREEBERG: I would be okay with that
15 phrasing.

16 MS. GARVIN: I would be too.

17 JUDGE RENDAHL: Could somebody repeat that
18 for the record?

19 MR. DITTEMORE: "If a trunk group is
20 consistently utilized at busy hour at less than 60
21 percent of rated capacity." Some words could be
22 changed to clean that up, but that's the thought.

23 MS. GARVIN: That's fine.

24 MR. FREEBERG: That's fine.

25 JUDGE RENDAHL: Thank you, Dave. With that,

01348

1 is there any additional discussion for this Section
2 7.2.2.8.13? Hearing nothing, I'm assuming that that's
3 agreement with that additional language.

4 MR. FREEBERG: Once again, you are going to
5 like 7.2.2.8.14. Hear again, with some language which
6 parties felt strongly shouldn't be appear, and so it's
7 been struck from the SGAT, having to do with
8 utilization once again.

9 I'm expecting no problem there, so we will
10 move on to 7.2.2.8.16. This section of the SGAT has to
11 do with extraordinary circumstances, special
12 construction charges that may apply. You can see the
13 word "shall" has been changed to the word "may," and as
14 you flip to the next page, some language has been
15 added. The language says that when Qwest claims
16 extraordinary circumstances, it must apply to the
17 Commission for proposal of such charges by showing the
18 CLEC alone is the sole cause of such construction. If
19 the Commission approves such charges, Qwest and the
20 CLEC will share the cost in proportion to the overall
21 capacity and the root involved.

22 I think that's the meatier change to this
23 thing, and again, this is language which I believe was
24 proposed by an intervenor and Qwest is accepting here.

25 JUDGE RENDAHL: Any objections or comments?

01349

1 MR. WILSON: There were some questions in
2 Oregon. If the CLEC is having to pay for the facility,
3 who owns the facility? So we get into all kinds of
4 ownership rights, I would think, and I think the
5 language has been changed so that the onus would be on
6 Qwest to add the proper control over the decision, but
7 I don't think we've ever heard about what happens with
8 ownership.

9 MR. FREEBERG: Ken is right. We did talk
10 about this in Oregon. Over the past week, I did bring
11 this back to staff here inside of Qwest, and I think we
12 are still working our way through that. There were a
13 couple of possible analogies here, and we in Oregon, I
14 think, talked about each of these and couldn't quite
15 settle on what was maybe the best model to follow.

16 One of the models is one you might call the
17 retail-plain-old-telephone-service model where a party
18 has requested retail telephone service, let's say, on
19 an island. They've built a home on an island and that
20 he would like telephone service there and that a
21 provider might feel obligated to provide facilities out
22 to this island, maybe a submarine cable, could be an
23 expensive undertaking, and in many tariffs, I think
24 there is an opportunity for the provider to collect a
25 special construction charge associated with that.

01350

1 Again, the retail customer willing to pay that. In
2 that case, we believe there is no transfer of
3 ownership, and so the thinking here is that there would
4 be no transfer of ownership here either.

5 The other circumstance that we wondered about
6 was one that had to do with adjacent collocation, and
7 while I'm no expert on the subject, I heard in Oregon
8 thinking that a CLEC constructs an enclosure of some
9 kind, potentially out in the parking lot of a central
10 office building where, for example, there is no space
11 left within the building, and in that case, ownership
12 would, in fact, be the CLEC's, and despite the fact
13 that it is on Qwest real estate, for example. So I
14 think we've still got this one kind of up in the air.
15 I don't have any resolution to it, really. It could go
16 either way, I think.

17 JUDGE RENDAHL: So is it safe to say that
18 this is a Qwest takeback at this point to still discuss
19 the ownership issue?

20 MR. FREEBERG: I think it is, yes.

21 MR. WILSON: We had one small suggestion for
22 a language change that you might consider as well. In
23 the last sentence there that was changed that's
24 underlined, it says, "If the Commission approves such
25 charges..." If I read on, "Qwest and CLEC will share

01351

1 costs in proportion to..." and then we wanted to add
2 the words, "each party's use of..." and then continue
3 on with, "the overall capacity of route involved." It
4 just clarifies how you are measuring.

5 At first glance, you might think that some
6 ownership rights could be on proportional use, but the
7 problem here is that the use of facilities, unlike a
8 building, would change over time, so that makes it more
9 difficult, I think.

10 MR. FREEBERG: I think that change is an
11 improvement. I would be happy to incorporate that new
12 language; that is, the words, "each party's use of"
13 after the word "to" in the final sentence of the new
14 portion. Did I get that right?

15 MR. WILSON: Yes, thank you.

16 MS. HOPFENBECK: I had a question about
17 another suggestion that was discussed in Oregon about
18 whether this was considered by Qwest. I thought we had
19 talked about adding language to this provision that
20 indicated that this would not apply to fund expansion
21 of capacity of normal routes, and I thought that
22 actually was an agreed-to change.

23 MR. FREEBERG: I think you are right. I
24 think I missed that.

25 MR. WILSON: The language that I have now

01352

1 that I've been reminded was at the beginning of the
2 paragraph where it says, "interconnection facilities,"
3 I thought we were going to add "to a CLEC switch," and
4 then it would be "provided" instead of "provide." The
5 issue here just for the Commission is CLECs felt this
6 issue is probably pertinent if a CLEC is building a
7 switch somewhere in the hinterlands where no capacity
8 or little capacity was available in the past, but if
9 you are talking about major routes between Qwest
10 switches, it should not be an issue for CLECs to help
11 fund that sort of facility expansion.

12 MR. FREEBERG: Ken, if we added what Ann
13 suggested, language about this necessarily not being an
14 augment of an existing route, would that cover the
15 issue, do you believe?

16 MR. WILSON: Maybe I'm not sure what the
17 difference is.

18 MR. FREEBERG: What I'm saying is if we added
19 a sentence like Ann suggested, could we avoid adding
20 the new language in the first sentence?

21 MR. WILSON: Could someone remind me what the
22 suggestion was?

23 MS. HOPFENBECK: Something like,
24 "Construction charges shall not be assessed in the case
25 that there is an augment to an existing route."

01353

1 MR. FREEBERG: I'd be okay with that
2 language.

3 MS. GARVIN: I would like to clarify. You
4 mentioned two different seeming scenarios here. In
5 this particular case, I was reading this as far as
6 special construction being necessary to get to a
7 customer, and I'm a facilities based provider, and I
8 want to get to a customer and there isn't enough
9 facilities. Is this not what it is? You mentioned
10 this was to go to the switch.

11 MR. FREEBERG: By the way, this has never
12 happened. That is, these charges have never been
13 applied to any party to my knowledge, but let me tell
14 you what you may say, So what is Qwest trying to
15 protect itself from. The example I gave in Oregon, for
16 what it's worth and I know you weren't there, I think
17 could be something like this. I think there is the
18 possibility that the new carrier could focus on a
19 certain market segment and could be handling some sort
20 of primarily inbound traffic, and I can think of all
21 sorts of possibilities, and they might say, "I am going
22 to move out of the Metro because I'm finding that the
23 labor market is drying up and I need help. So I'm
24 going to move my operation out to the middle of an
25 Indian reservation where there is a ready labor market.

01354

1 What I know is because this traffic is primarily
2 inbound and that Qwest will be responsible for building
3 my facilities out here, I ought to get the heck out
4 there," and Qwest might find itself presented with some
5 extraordinary kinds of charges and investments in
6 getting. So I think this is to try and look out for
7 that kind of a situation; though again, I don't know
8 that that's happened yet.

9 MR. WILSON: I think with the language that
10 Ann added, you seem to understand where to put that.

11 MR. FREEBERG: I was thinking at the end.

12 MR. WILSON: At the end of the entire --

13 MR. FREEBERG: Yes.

14 MR. WILSON: Can you read what you have?

15 MR. FREEBERG: "Special construction charges
16 should not apply in the event that construction is an
17 augment of an existing route."

18 MR. WILSON: Maybe if you say "shall not"
19 instead of "should not." I'm being advised by the
20 attorney.

21 MR. FREEBERG: That would be fine.

22 MR. WILSON: I think AT&T would be okay with
23 this language as we now understand it, although, still
24 hold in abeyance that if this ever happens, there is
25 still the issue of ownership rights which we might

01355

1 assert.

2 MR. FREEBERG: Okay.

3 JUDGE RENDAHL: So the only remaining issue,
4 and that's a takeback issue for Qwest, I understand, is
5 on ownership for this section; is that correct?

6 MR. FREEBERG: Yes.

7 JUDGE RENDAHL: Thank you. I think there is
8 a request to repeat the phrase at the end of .16 just
9 for the record.

10 MR. FREEBERG: "Special construction charges
11 shall not apply in the event that construction is an
12 augment of an existing route."

13 7.2.2.9.2, the section has been struck
14 because it is effectively a duplicate of an earlier
15 section that we already discussed, and that section was
16 7.2.2.1.2.1. If that's okay, I'll go to the next
17 section. 7.2.2.9.3 has changed quite a bit. This is a
18 section which has to do with the need to arrange
19 separate trunk groups rather than trunk groups which
20 handle different kinds of traffic. What you can see
21 here is that formerly there were Sections A through F,
22 each one describing a different kind of traffic. There
23 also was a second sentence which was a "for example,"
24 and we felt like the "for example" language really
25 didn't need to be here, didn't really help clarify

01356

1 things. You can see that what we have done here with A
2 through F is we have kept, actually, Sections C, D, E,
3 and F, and we've renamed them A, B, C, and D. So we
4 have retained the integrity of separate trunk groups
5 for directory assistance for 911, for operator
6 services, and for mass calling.

7 Then below that, you can see there are two
8 new sections, and I think there is a handout coming
9 around which effectively corrects some typographical
10 errors in the SGAT that was attached to my rebuttal,
11 and I believe what's been handed out -- this will be
12 425 -- adds a comma, changes an "inter" to "intra,"
13 strikes the word "and" where it is grammatically
14 unnecessary. However, these last two sections beyond
15 the typographical errors make clear that Qwest is
16 sanctioning or agreeing to the use of what AT&T is
17 characterizing in its testimony as "little percent
18 local usage" or PLU. As AT&T describes it, I believe,
19 little PLU has to do with the combining of intraLATA
20 one-plus calls with local calls, those dialed without a
21 one, and the agreement that the parties will bill each
22 other based on a PLU factor. So that combining of
23 traffic and that factoring using a PLU are sanctioned
24 at 7.2.2.9.3.1.

25 7.2.2.9.3.2 tries to make clear that Qwest

01357

1 does not agree to big PLU, as AT&T as characterized it.
2 Big PLU would combine interLATA one-plus calls in the
3 same trunk group with local traffic, and 7.2.2.9.3.2
4 calls for those types of traffic to be kept on separate
5 trunk groups.

6 MR. WILSON: AT&T is close, I think, on the
7 7.2.2.9.3.1 paragraph. I think we still have a
8 dispute, which is one of the original disputes, I
9 think, in interconnection on the ability to combine any
10 type of traffic, including toll traffic, on a trunk,
11 and Qwest has certainly taken the first step in
12 efficiency in allowing interconnection at the access
13 tandem interLATA trunks.

14 We feel that it is prudent to go the final
15 step and allow the combination of traffic, which is
16 currently precluded by 7.2.2.9.3.2. This is an issue
17 that we have disputed since, I think, the first
18 arbitration. We have been given this ability in many
19 states in the Qwest region. There is no technical
20 reason for not doing that. We understand how to do the
21 percent local use, how Qwest has obviously set up
22 billing arrangements to accommodate this in other
23 states, etcetera. So we think it makes sense for
24 Washington to allow that combination as well. So we
25 will probably be at impasse on the last paragraph.

01358

1 I believe we have one suggestion on the
2 previous paragraph, the 3.1 paragraph in that in the
3 last sentence where it says essentially that we will
4 provide each month percent local-use factors. In
5 situations where there is not much traffic, we are
6 wondering if quarterly true-up isn't probably more
7 pragmatic rather than passing the information every
8 month. Just a thought you might take back, because
9 some of these are pretty low usage. A lot of times, we
10 are adding these trunks simply to take return calls
11 from Qwest to us in areas where we may have a single
12 customer, and you may be talking about very low volumes
13 for some period of time.

14 MR. FREEBERG: I would be happy to take that
15 one back, and I'm optimistic.

16 MS. YOUNG: Exchange access I'm assuming
17 is equivalent to Feature Group C; is that what we are
18 talking about here? Where it says, exchange access
19 intraLATA carried solely by local exchange carriers, is
20 that Feature Group C traffic?

21 MR. FREEBERG: I would say the two are not
22 interchangeable, Feature Group C and exchange access.
23 The thinking here is that exchange access is here as it
24 says in parenthesis: IntraLATA toll, and I know we had
25 a discussion about this in Oregon as well where we here

01359

1 said, "carried solely by local exchange carriers."

2 So the thought here is we are talking about a
3 call that a retail customer dials one-plus and that two
4 of us as local exchange carriers are making this call
5 happen. There is no third party interexchange carrier
6 involved, and that is what we are calling exchange
7 access here.

8 MS. YOUNG: Would that not always use the
9 existing Feature Group C network though, or am I
10 missing something?

11 MR. FREEBERG: I guess I'm not sure.

12 MR. WILSON: Further, I know we did have this
13 discussion a bit in Oregon, but I think we puzzled over
14 the examples a little bit even after discussion,
15 especially given the fact at some point in time, both
16 AT&T, for example, will both be local carriers and
17 long-distance carriers, so then the example becomes a
18 little clouded.

19 MR. FREEBERG: For what its worth, Qwest does
20 not intend for exchange access to mean anything
21 different than I think its intended to mean in the Act
22 or in the orders.

23 MR. FREEBERG: I think to move on --

24 MS. GARVIN: I guess I get confused. I
25 thought exchange access is defined by the FCC as

01360

1 switched access. So to me, when I look an exchange
2 access, it could be interLATA toll. So a toll to me,
3 when you say interLATA toll is more of a toll traffic.
4 It's carried within the LATA. So I've never really
5 called intraLATA toll exchange access. I've called
6 interLATA services exchange access.

7 MR. FREEBERG: So maybe what's true is and my
8 thought here in the SGAT, when the SGAT is talking
9 about interLATA toll and it's using the phrase
10 "switched access" rather than the phrase "exchange
11 access."

12 MS. GARVIN: Maybe we need to define
13 "exchange access".

14 MR. MENEZES: I just opened up the Act.
15 Exchange access is defined in the Act: "The term
16 "exchange access" means the offering of access to
17 telephone exchange services or facilities for the
18 purpose of the origination or termination of telephone
19 toll services." So there is no distinction there
20 between intraLATA and interLATA. It's just toll.

21 JUDGE RENDAHL: Do we need to take a break?

22 MR. FREEBERG: What if we at this point
23 strike the word "exchange access" and retain that
24 language which is within the parenthesis behind
25 exchange access; would that work?

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1 MR. MENEZES: You might want to think about
2 it, Tom, because your definition section defines
3 exchange access to be a certain thing. It doesn't
4 track with the Act, but maybe it tracks with your usage
5 in the SGAT.

6 MR. FREEBERG: Mitch, I think that's a good
7 idea to really go back and look at wherever this phrase
8 comes up throughout the section. I think that's a wise
9 thought.

10 MS. HOPFENBECK: I will also offer the
11 suggestion that it probably is not a good idea to
12 define "exchange access" for purposes of this SGAT in a
13 way that is different from the Act because it leads to
14 so much confusion.

15 MR. FREEBERG: I agree with you.

16 JUDGE RENDAHL: So for purposes of this
17 section, and we are talking about 7.2.2.9.2.1, there
18 are, I understand an impasse issue, I guess a Qwest
19 takeback on the quarterly reporting and on 7.2.2.9.3.2,
20 there is an impasse issue for AT&T, and then Qwest has
21 agreed to do a takeback on the definition of "exchange
22 access" generally throughout the SGAT. Is that a
23 correct summary of where we are on 9.3?

24 MR. FREEBERG: I think so.

25 JUDGE RENDAHL: This is a good time to take a

01362

1 15-minute break, and I will start right at quarter
2 after three.

3 (Recess.)

4 JUDGE RENDAHL: While we were off the record,
5 there was some discussion among the parties about
6 trying to finish up interconnection today by going
7 until 6:00, and in consultation with the court
8 reporter, we are willing to try it, but we are going to
9 take another break at quarter to five and see how she's
10 doing and if her hands are about ready to fall off and
11 see if we can do it. So my suggestion is that if it's
12 clear to the parties before you even open up your mouth
13 that there is an impasse, it might be best addressed in
14 brief to best use our time. So let's go ahead. I
15 think we were about to get to 7.2.2.9.4; is that
16 correct?

17 MR. FREEBERG: Yes, and one minor change
18 changes the word "of" to "for." I think it is not
19 controversial, and I will go right past that and go on
20 to 7.2.2.9.6, if that's okay, and there is a handout
21 coming around, and it would be number...

22 JUDGE RENDAHL: 426.

23 MR. WILSON: Tom, while that's coming around,
24 I note that 7.2.2.9.5 discusses SS-7 trunks. Would
25 this be a place where we would add for MF trunks?

01363

1 MR. FREEBERG: I appreciate your pointing
2 that out, and I do have that as a takeback, and if you
3 think that's a good fit for it, I'll look at putting
4 that in there.

5 MR. WILSON: It could maybe be a Point C.

6 MR. FREEBERG: Thanks. 7.2.2.9.6 is maybe
7 the most important change to this section of the SGAT
8 here based on our September 18th announcement where we
9 publicly agreed to exchange traffic at the access
10 tandem. If you will remember previously, end-office
11 routing was necessary. Direct routing was necessary
12 for interconnection when a specific pair of Qwest
13 end-offices, no local traffic was routed by a local
14 tandem, and I think you might remember that from our
15 discussions about reciprocal compensation.

16 Now, local traffic from those kinds of
17 end-offices can be exchanged at the access tandem, and
18 at 7.2.2.9.6, the details of how that might happen are
19 laid out. You can see that we struck the previous
20 Section 7.2.2.9.6 and have added a fairly large amount
21 of new language. And I'll just walk you through that
22 here briefly if I can.

23 The first part of it makes clear that the
24 exchange of local traffic at the access tandem is
25 allowed by the SGAT when end-offices -- we are saying

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1 with the exception described below, the parties will
2 terminate their service at local tandems or end-office
3 switches, and at the beginning of 7.2.2.9.6.1, we say
4 "in the complete absence of a local tandem serving a
5 particular end-office," and I think we had that
6 discussion before, well, what does that mean exactly?
7 Again, back to the thinking that says for a given
8 end-office, if it does not have a trunk group carrying
9 local traffic to a local tandem, it falls into this
10 category, if you will. So it is trying to pick up the
11 exchange of traffic to end-offices which didn't have a
12 group flowing via a local tandem.

13 As you read on here it talks about the
14 different kinds of traffic that Qwest considers to be
15 local, and I think as you get down into Section A, you
16 see some language that says -- the assumption is that
17 we are still going to put in a direct trunk group when
18 the traffic hits this effectively 1-T carrier system's
19 worth of traffic in the busy hours. If you look at 426
20 which was handed out, we struck a sentence which AT&T
21 encouraged was duplicative of other language that we've
22 talked about already in the SGAT hoping that the
23 striking of that sentence might resolve some of the
24 kind of discussion we had there in Oregon. You will
25 also see as you go down to B that we again name the

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1 kinds of traffic which are appropriate on a local
2 interconnection trunk group making the point that other
3 kinds of traffic belong in other kinds of trunk groups
4 or separate trunk groups. We talked about the need to
5 use SS-7 signaling, and again, the thinking here is
6 that tandem certainly will always have SS-7.

7 At D, we address a situation where we say,
8 what if the access tandem is at or near exhaust and
9 propose that there might need to be direct trunking in
10 the case that a tandem has no capacity, and finally at
11 E, which again shows up on Exhibit 426, I think it was
12 at ELI's request we added a paragraph here saying that
13 if the local tandem is at or forecasted to be at
14 exhaust that interconnection at the access tandem can
15 be arranged. So I think if there is some reaction to
16 those things, that would be great. That's kind of the
17 new and I think real important language changes here.

18 MS. GARVIN: I just would like to make the
19 same suggestion that we had in the past, and
20 7.2.2.9.6.1-A, if we could take out "dedicated" and
21 leave it as "direct," and in B, I do have a question as
22 to why does a trunk group have to be a two-way trunk
23 group? Could we provide one-way trunking?

24 MR. FREEBERG: Yes. Let me track with you
25 just to make sure there is no misunderstanding. We

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1 will strike the word "dedicated" in A, and we will use
2 the word "direct," and we will drop the parens and so
3 forth, and then in B where it says "two-way," we will
4 strike "two-way." Is that what you are looking for?

5 MS. GARVIN: Yes. I do have a clarification
6 question as well. If we choose to go to the access
7 tandem, since it's at our prerogative as to where we
8 go, then your section that you've added here for E
9 would only be if we wanted to interconnect with the
10 local tandem at exhaust?

11 MR. FREEBERG: Let's be clear. We are trying
12 to cover an awful lot of contingencies here. I'll
13 admit it's a lot to try to cover, but up in 7.2.2.9.6
14 at the very top, what we are saying is that the
15 7.2.2.9.6.1 applies when the traffic that's being
16 exchanged is not traffic that could be picked up at a
17 local tandem. In other words, the traffic just picked
18 up at a local tandem would stay as it's always been in
19 Qwest's SGAT, but for those end-offices that didn't
20 have trunk groups to a local tandem, that traffic could
21 be exchanged at the access tandem.

22 MS. GARVIN: I believe WorldCom would have a
23 problem with that only because we would perceive that
24 based on the fact we could choose the technologically
25 feasible place of interconnection, if we chose to go to

01367

1 the access tandem, we would prefer to go there first as
2 opposed to the local tandem, specifically if that
3 access tandem serves all the end-offices in that LATA.

4 MR. MENEZES: AT&T, as you know from other
5 workshops, agrees that the Qwest legal obligation under
6 the Act is to provide interconnection at any
7 technically feasible point of the CLEC's choosing, and
8 this is really a limitation on that obligation.

9 I want to just follow with a couple of
10 questions, if I could. I think, Tom, you would
11 acknowledge that Qwest's local tandems do not cover all
12 the end-offices, and let's just take an example of a
13 LATA. Say you have two local tandems and a LATA and
14 Qwest's local tandems will not cover every end-office
15 in the LATA, so by this provision, CLEC would have to
16 go to the local tandem first, and then when that CLEC
17 wanted to reach the end-offices that are not connected
18 to the local tandem, we also would have to connect to
19 the access tandems that are in the LATA; is that right?

20 MR. FREEBERG: Yes, that's right. However,
21 this is much more efficient, I would think you would
22 agree, than going to each end-office individually.

23 MR. MENEZES: Clearly, yes, and that would
24 not be our choice. Our choice would be and what is
25 most efficient would be to go to the access tandem and

01368

1 be able to reach all of the end-offices in the LATA as
2 opposed to having to go to each local tandem and then
3 each access tandem as well and have multiple and
4 redundant interconnections, and so that's one of the
5 problems.

6 The basic premise is that there is a legal
7 obligation that's not properly reflected in this
8 provision. I think Qwest has come forward and is doing
9 more than it was doing a few months ago under this
10 agreement, but the legal obligation stands, and if
11 that's not going to be reflected here, we will be at
12 impasse on that.

13 MR. FREEBERG: I won't restate what's in my
14 written testimony either, but the thinking is that
15 Qwest has gone beyond its obligation here in offering
16 this new language in the SGAT. It is allowing
17 interconnection at the access tandem. It's allowing it
18 at the local tandem, and it's allowing it at the
19 end-office; that it has met its obligation and gone
20 beyond what is required; that there is no duplicity or
21 redundancy here in having potentially to establish a
22 trunk group between a CLEC switch and Qwest's local
23 tandem in addition to a trunk group between the CLEC
24 switch and Qwest's access tandem. Again, thinking that
25 is much more efficient than potentially having to

01369

1 establish a trunk group to all the end-offices that
2 need to be served. So you are right, I think we've got
3 to go to impasse.

4 MR. MENEZES: Would you acknowledge that
5 interconnection at the access tandem is technically
6 feasible?

7 MR. FREEBERG: Yes, and I think at
8 7.2.2.9.6.1 we are making that clear.

9 MR. MENEZES: Thank you.

10 MR. FREEBERG: 7.2.2.9.7 is a section which
11 talked about exchange of traffic within a local calling
12 area. We struck that section. Expecting no problem
13 with that, I'll go on to 7.2.2.9.9, which I expect we
14 are going to call Exhibit 427.

15 JUDGE RENDAHL: That would be right.

16 MR. FREEBERG: This section of the SGAT has
17 to do with the exchange of traffic in a host remote
18 cluster, and in reciprocal compensation discussions as
19 well as in our now interconnection and trunking
20 discussions, we have come back to this matter once
21 again, and as you will see on this newest bit of
22 language that's being handed out now on 427, we've
23 amended the 7.2.2.9.9 language not only to strike the
24 word "local" in front of the word "tandem" but to add a
25 rephrasing of the last sentence. So instead of having

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1 said, "The CLEC may not deliver traffic directly to the
2 remote end-office switch," we've instead reworded that
3 sentence to say, "The CLEC may deliver traffic directly
4 to the remote end-office switch only to the extent
5 Qwest has arranged similar trunking for itself."

6 I've done some research here in Washington,
7 and I have not found a trunk group like that anywhere
8 in the state. In other venues, parties have proposed
9 that they were aware of trunking like this that existed
10 in other states, and I'm continuing to look into that,
11 but to try to move this one forward, I was hoping we
12 might be able to settle on this kind of language.

13 MR. WILSON: I think Qwest has added the
14 language we had requested, and we are okay with this
15 issue. There are issues on the transport between the
16 host and remote, but that's a reciprocal compensation
17 issue, so I think the language in this paragraph is now
18 fine.

19 JUDGE RENDAHL: Any other parties have
20 comments?

21 MS. GARVIN: We agree with AT&T.

22 MS. HOLIFIELD: I hate to be a stickler on
23 this, but it seems to me you admit here from your very
24 language that it's technically feasible. So isn't this
25 just chipping away again at the technically feasible

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1 qualifications in the law? Why shouldn't it be that we
2 can just basically flat out a CLEC can interconnect
3 with you wherever it's technically feasible, and why do
4 we go through these things that are just chipping away
5 at these rights?

6 MR. FREEBERG: In reciprocal compensation
7 workshops on this subject, we discussed at some length
8 the nature of a remote switch, and we did that because
9 the SGAT calls for reciprocal compensation charges
10 here, which are a little bit, I'll just say, unusual.
11 That is, that as a call would flow into a host remote
12 cluster from a CLEC, our argument is that most
13 typically that the incoming call to the cluster is
14 switched on the trunk side of the switch at the host
15 and on the line side at the remote. Because of that,
16 there is only one switching charge that applies even
17 though the call is passed through to switches. The
18 charging like that is, we think, appropriate because
19 that is how those switches are typically built. That
20 is, they are very typically line modules only in the
21 remote switch without any trunk module there.

22 What we are doing here, I think, is saying
23 when a trunk module gets added, it is a fundamental
24 change to the nature of that switch, and in our
25 providing access there is really going beyond simply

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1 providing access but changing the nature of the access
2 point itself. I would like it we could settle on this
3 language as being that which would call for this
4 interconnection here when it's a nondiscriminatory
5 approach.

6 MS. HOLIFIELD: Would you agree that there
7 may be some instances where reciprocal compensation is
8 not the agreement between the two parties?

9 MR. FREEBERG: When reciprocal compensation
10 is, in fact, bill and keep?

11 MS. HOLIFIELD: Yes.

12 MR. FREEBERG: Yes.

13 MS. HOLIFIELD: So I guess I go back to my
14 statement. It seems to me that if you need to deal
15 with that, deal with it in the reciprocal compensation,
16 but don't limit the rights a CLEC may have for
17 interconnection. Long and short of it, I think we are
18 at impasse on this, Your Honor.

19 MR. CATTANACH: I don't think we are
20 conceding your legal premise, but if we are at impasse,
21 we are at impasse.

22 MS. HOLIFIELD: My legal premise being that
23 you have an obligation to interconnect --

24 MR. CATTANACH: Obviously, that's the
25 statement of the law. What you get in a host room is

01373

1 technical feasibility under the circumstances, I'm not
2 sure. We are not going to make that concession.

3 MS. HOLIFIELD: That's fine. I certainly
4 will take back your language to my people, but at this
5 point, I don't have anywhere to go.

6 JUDGE RENDAHL: Is it also fair to say that
7 all other parties are at impasse on this issue?

8 MS. HOLIFIELD: I'm probably the only one out
9 here.

10 JUDGE RENDAHL: Is it a McLeod issue?

11 MS. HOLIFIELD: I believe it may be, and it
12 could be that the client will be satisfied with this.
13 I'm very willing to take it back.

14 MR. FREEBERG: Thanks. Let's go to then
15 7.2.2.10.2.1. In fact, I think we can talk about this
16 entire Section 7.2.2.10.2 kind off all at once. This
17 has with testing associated with putting
18 interconnection trunks in service. A little bit of
19 minor language change at the front, striking the word
20 "terminating." Making sure that the acceptance testing
21 that's talked about in 10.2.1 is the same testing
22 that's talked about at 7.2.2.10.1. That's important,
23 because at 7.2.2.10.1, we make clear that these tests
24 are performed at no additional charge, so trying to be
25 clear that there is no charge associated with this

01374

1 testing.

2 Some new language added at the end of
3 7.2.2.10.2.1 to be a little broader than the specific
4 tests mentioned, the 100 type, 102 type, 105 type, 107
5 type, and 108 type, and then at 7.2.2.10.3, a bit of
6 new language which clarifies that repair testing is
7 done at no additional charge.

8 JUDGE RENDAHL: The document that was handed
9 out was the revision to 7.2.2.10.2.2, and that's been
10 marked as Exhibit 428.

11 MR. FREEBERG: Thank you, and I think it was
12 McLeod's suggestion that we revise 7.2.2.10.2.2
13 striking the word "the" in favor of the words "this
14 type of."

15 JUDGE RENDAHL: Are we talking about Section
16 7.2.2.10 generally?

17 MR. FREEBERG: I was, yes.

18 JUDGE RENDAHL: Any comments from the parties
19 on this section.

20 MR. WILSON: We are okay with the language
21 here.

22 JUDGE RENDAHL: With the entire Section
23 7.2.2.10?

24 MR. WILSON: Yes.

25 JUDGE RENDAHL: It appears there is agreement

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1 on that section as a whole.

2 MR. FREEBERG: We'll move then to 7.3.1.2.1.

3 This section comes back to a subject we've already
4 discussed a little bit before. It talks about
5 collocation and it talks about the EICT, the expand
6 interconnection channel termination. I felt that we
7 really had not defined this term very well maybe
8 anywhere in the SGAT, so I added some of this language
9 to be clear, again, that what it was that we were
10 actually talking about, where did it go from and to,
11 again, trying to make that more clear, trying to make
12 clear the fact that a party could self-provision this,
13 and again, I think that the provision is further
14 described again under "direction connection" in Section
15 8. We will probably come back to that again with
16 respect to collocation.

17 JUDGE RENDAHL: Which section are you
18 referring to again?

19 MR. FREEBERG: 7.3.1.2.1.

20 MS. GARVIN: Tom, I need to ask a question
21 for my edification. In collocation when we've talked
22 about this in other regions, we call it a
23 cross-connect. In collocation when we want to
24 interconnect our facilities to the potter to your
25 facilities, it's generally a cross-connect, and is that

01376

1 what we mean by the EICT?

2 MR. FREEBERG: I think that would be under
3 owning what we mean by EICT. What we mean by EICT is
4 that portion of the facility between the collocated
5 equipment and Qwest's equipment located elsewhere
6 within the building. So the thought is this is
7 effectively a piece of cable that provides a path,
8 potentially, between different floors of a building,
9 and there is some mention here that there could be a
10 signal repeater or regeneration associated with this
11 as well.

12 MR. WILSON: AT&T doesn't have any problem
13 with this language. I think there is still an
14 outstanding dispute as to whether or not this should be
15 part of reciprocal compensation rather than a separate
16 charge. In our mind, it's either transport to the
17 switch or part of termination costs, and it should not
18 be a separate charge.

19 MS. GARVIN: What I was trying to get to was
20 something I need you to explain to me, the type here
21 ITP and the differentiation. I gather it's something
22 to do with additional equipment you are putting on with
23 the EICT, and the reason I ask that is if I'm
24 connecting to dedicated transport as my facility, I
25 don't see the difference and the need for an EICT

01377

1 versus an ITP. To me, both are the same thing.

2 MR. FREEBERG: This question has come up
3 before and I'd be happy to talk through it again, and I
4 don't disagree with you that they are very, very
5 similar. So let me try to contrast them, and let me
6 tell you that we are taking into consideration the
7 possibility of eliminating one or the other due to the
8 fact that we seem to have to repeatedly explain this.
9 So I'm going to give it one more shot and then I'm
10 going to tell you we are talking about eliminating one
11 or the other, but here's the thinking, just so you
12 don't think we've lost our minds completely here.

13 EICT was an element that I think arose in the
14 context of collocation even prior to the Telecom Act.
15 As we said before, it is a piece of cable which may or
16 may not be associated with repeater or regeneration
17 on LECs, and from our standpoint, it is a bundled
18 element. That is, it is associated with the bundled
19 service that is local interconnection, and again, in
20 trying to maintain the separation between the provision
21 of interconnection and the provision of unbundled
22 elements, the interconnection tie pair was created. So
23 in order to reach an unbundled element from a
24 collocation space, a party would use an interconnection
25 tie pair.

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1 The interconnection tie pair was different
2 from the EICT in that it did not include regeneration
3 unless a party specifically said it needed or wanted
4 regeneration. Then regeneration could be ordered and
5 provided, a la carte, if you will, so it is completely
6 unbundled. There is no assumption of bundling;
7 whereas, in the case of the EICT, there is some
8 assumption of the bundling of the wire and the
9 electronics. So again, EICT ordered with
10 interconnection, ITP ordered with unbundled elements,
11 and no interexchange ability between the two.

12 MR. WILSON: I see Dayna shaking her head,
13 because this is probably kind of foreign if you come
14 from another region. I just think of this as part of
15 the screwy nature of the product concept that we are
16 dealing with Qwest on these interconnection field
17 facilities. That's the way I think of it.

18 JUDGE RENDAHL: With no judgment in that
19 comment at all.

20 MS. ANDERL: I was going to ask, does that
21 make it okay then?

22 MR. WILSON: We've been discussing this for
23 years, and we were pleased to see that the whole
24 section is no longer called LIS trunking, which we take
25 our small victories where we can get them.

01379

1 MS. ANDERSON: I have a comment on behalf of
2 XO. We don't have any issues with the language in
3 7.3.1.2 as it's written, other than the fact that we
4 certainly don't believe that this is an exhaustive list
5 of collocation charges that should be subject to
6 reciprocal compensation for interconnection purposes.

7 In my testimony filed in this proceeding,
8 which is Exhibit 325, we've listed a number of elements
9 that we think should be included that come right from
10 Qwest collocation service offering, in addition to the
11 EICT charge, and those elements include cable racking,
12 multiflexing, DS-1 and DS-3 terminations, and
13 interconnection tie pairs, and I think that the gist of
14 the dispute here is that we believe Qwest should accept
15 its proportional share of the cost of our facilities
16 that are actually used, not just the minimum facilities
17 Qwest should be used for interconnection.

18 JUDGE RENDAHL: Is there any response on
19 that?

20 MR. FREEBERG: Again, I think this is a
21 subject we delved into pretty deeply within the
22 reciprocal compensation discussion. I can talk more
23 about what that was before; although, I don't think I
24 have anything new to offer.

25 JUDGE RENDAHL: I think it's clearly on the

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1 record from before, unless, Ms. Anderson, you think you
2 need to delve into it a little more here.

3 MS. ANDERSON: I don't see the need to do
4 that, no.

5 MR. KOPTA: I will just note that this was
6 one of the issues that was pending before the
7 Commission for resolution following the first workshop
8 and is stated in the revised draft order. The staff
9 proposed that the Commission adopt the requirement that
10 there be additional information presented on this
11 topic, and that's what Ms. Anderson's testimony
12 intended to do. As well, it's going to be an issue in
13 the cost docket UT-003013. So I will agree that I
14 think the parties' positions are fairly well sketched
15 out from the first workshop as well as in
16 Ms. Anderson's testimony, and it probably wouldn't make
17 a whole lot of sense to retread that same ground.

18 JUDGE RENDAHL: I appreciate your testimony
19 on the issue, Ms. Anderson, and I was just
20 understanding from Mr. Freeberg's perspective whether
21 he felt the need to reiterate what he said before. So
22 I think there is a sufficient amount of information in
23 the record right now. We may delve back into it in a
24 follow-up workshop if, in fact, there are questions
25 that need to be delved into. Ms. Hopfenbeck, I haven't

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1 forgotten you. You had a question?

2 MS. HOPFENBECK: Actually, I would have said
3 exactly what Ms. Anderson just said. I just wanted to
4 clarify that WorldCom also would reserve the issue that
5 is outstanding that these facilities -- it is our view
6 that these facilities, the EICT among them, but they
7 include the list that Ms. Anderson has just identified
8 are interconnection facilities and should be priced not
9 as collocation facilities but as interconnection
10 facilities under Subject 2, the ruling on proportional
11 use.

12 JUDGE RENDAHL: Is there anything additional
13 that either WorldCom or any other party wishes to put
14 on the record at this point, other than what's in
15 additional testimony filed in this workshop and what's
16 been said here?

17 MR. MENEZES: I would just like to follow up
18 on the comment by Mr. Wilson. The designation by Qwest
19 of product and use of product terms in the SGAT and in
20 practice has been problematic. It's generated
21 requirements by Qwest that interconnection agreements
22 be amended, when in many cases, we don't believe that
23 is necessary. We don't need a lengthy discussion of
24 it. I want to get that point on the record, and we
25 would expect to brief the topic when it comes up.

01382

1 JUDGE RENDAHL: Is that an expectation that
2 all the parties have on this issues, that it is an
3 impasse that will be going to briefing?

4 MR. FREEBERG: I would think, yes.

5 JUDGE RENDAHL: Unless, Mr. Freeberg, or
6 others, there is additional information you think would
7 be beneficial to myself and the staff and the
8 Commission at this point, the floor is yours on this
9 issue.

10 MR. FREEBERG: I think I'm repeating myself,
11 but I'll say it one more time. I believe that it is in
12 the best interest of both parties for interconnection
13 to be provided as though it were a service. I think
14 it's healthy for employees inside of Qwest to think of
15 it as a wholesale service. I think an employee
16 approximate when it knows it is provisioning a service
17 or repairing a service is furthering the goals of the
18 company, and the employees are very even-handed, I
19 think, about recognizing they are delivering a service.

20 If, on the other hand, it's not a service,
21 and Qwest employees understand they are somehow feeling
22 some less than respectable obligation that has to be
23 made available and that potentially they are part of
24 some money-losing section of Qwest, that it doesn't
25 help either party. That in the end, in the long run,

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1 what Qwest needs to do is develop a thriving wholesale
2 business, one which doesn't lose money but in fact
3 generates income and one which delivers services. I
4 think that's in the best interest, again, of all
5 parties essentially in the long run.

6 JUDGE RENDAHL: Any additional comment and
7 then we will move on to the next issue? Hearing
8 nothing, let's move on to the next section, and I will
9 consider this an impasse issue at this point and look
10 forward to your briefs.

11 MR. FREEBERG: I think a minor language
12 addition at 7.3.2.1.2, simply adding the words "or
13 access" in front of the word "tandem," again, to be
14 more clear that either kind of tandem would work fine.
15 Expecting no problem with that, I would move to Section
16 7.3.4.1.3. I take that back. I can go even further, I
17 believe. Let's make that 7.3.4.2.2. At 7.3.4.2.2,
18 there was a bit of language change there, the striking
19 of the word "local" in front of the word "tandem,"
20 striking out the language that talked about the
21 inability to measure a distance and believing that,
22 again, that was language which wasn't helpful, wasn't
23 necessary, so we struck it.

24 JUDGE RENDAHL: Any comments? Hearing
25 nothing, it looks like that is an agreement section.

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1 MS. HOPFENBECK: There is still an
2 outstanding impasse issue at 7.3.4.2.1, also has been
3 preserved in the course of discussions in Workshop 1.
4 Specifically again, this provision raises the whole
5 question about the definition of the tandem switch and
6 the appropriate rate to be paid by Qwest to the CLEC
7 when the CLEC switch is operating as a tandem.

8 JUDGE RENDAHL: Thank you.

9 MR. MENEZES: Also in 7.3.4.2.1, I think the
10 word "local" at the end of the first line was struck in
11 previous drafts.

12 MR. FREEBERG: You are right, so we've missed
13 the striking of the word "local." Thank you, Mitch.
14 That should be struck. From Qwest's point of view, I
15 acknowledge the point that Ann made about our
16 reciprocal compensation workshop.

17 If we drop down to 7.3.4.2.3, we are back
18 here to the discussion about hosts and remotes and
19 clusters. We are now, of course, in the reciprocal
20 compensation section of the SGAT, so we are kind of
21 revisiting the question, and what we have done here is
22 made clear that this is a reciprocal matter. That is,
23 to the extent a CLEC has a host remote cluster, and it
24 identifies the host and remote in something like the
25 NECA-4 Tariff that Qwest would expect to pay reciprocal

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1 compensation on traffic handled in a CLEC cluster much
2 as it would charge if it handled the same kind of call
3 on a terminating basis.

4 MS. YOUNG: Would you be willing to insert V
5 and H before "mileage"?

6 MR. FREEBERG: Yes, we could insert that.
7 Let's move now to 7.3.4.2.4. 7.3.4.2.4 and the .1
8 paragraph beneath it talk about the handling of
9 unqueried calls. This again was a subject we talked
10 about a little bit in our reciprocal compensation
11 workshops, in fact, to some extent. It came up again
12 in WorldCom's testimony here under Checklist Item 1,
13 and in the case of an unqueried call, it is customary
14 for the N minus one carrier to do a database query
15 before it sends the call on for completion. The
16 customary handling of this kind of a call I believe
17 says that if the N minus one carrier fails to do a
18 query like that, then the Nth carrier will do the
19 query, and there will be a charge assessed from the Nth
20 carrier on the N minus one carrier.

21 The new language at 7.3.4.2.4.1 is associated
22 with this unqueried call handling. It was formerly
23 numbered 7.3.9, and it is simply been renumbered and
24 moved within the SGAT to this place so that parties
25 appreciate that 7.3.4.2.4.1 is associated with

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1 unqueried call handling and not something else.

2 MS. HOPFENBECK: I think in Oregon, WorldCom
3 said that we think this is okay, but it's still really
4 under takeback to get back to you in terms of whether
5 this satisfies our concerns, and I just haven't gotten
6 an answer on that yet.

7 MR. FREEBERG: Okay. Then I think we could
8 go to 7.3.5.1 --

9 JUDGE RENDAHL: So is there agreement on
10 that, or is there a takeback?

11 MS. HOPFENBECK: It's not a takeback for any
12 changes. It's just a takeback to come back with a yea
13 or nay on this for WorldCom.

14 JUDGE RENDAHL: Otherwise, other parties are
15 okay? Okay.

16 MR. FREEBERG: Exhibit 429 is coming around,
17 and it has to do with Section 7.3.5.1. Some new
18 language has been added at the front end of this
19 paragraph, and the new language says, "unless
20 cancellation is mutually agreed to by both parties."
21 This was language proposed by ELI in the Oregon
22 workshop, and if we can get agreement here, we will add
23 that.

24 MR. KOPTA: What about "Washington" instead
25 of "Oregon" on the third line?

01387

1 MR. FREEBERG: That would be a good thing.

2 MS. HOPFENBECK: We should probably insert
3 the word "upon" between "agreed" and "by."

4 MR. FREEBERG: "To" is what I was thinking.
5 We'll add the word "to." We will correct the word
6 "Oregon" to "Washington."

7 JUDGE RENDAHL: With those changes, is there
8 agreement on this section? It appears there is. Thank
9 you. That would be the revision to Section 7.3.5.1,
10 Exhibit 429.

11 MR. KOPTA: One other minor thing. In
12 Exhibit 429, you refer to it as the "Oregon Access
13 Service Catalog," and in your attached exhibit to your
14 testimony, it's "Washington Access Service Tariff."
15 Should we say "tariff" instead of "catalog" as well?

16 MR. FREEBERG: I think the new language
17 underlined in the exhibit belongs at the front of the
18 material which was TRF-35, the exhibit to my rebuttal,
19 and that would be the correct wording; would you agree?

20 MR. KOPTA: That's what my assumption is. I
21 just wanted to clarify that.

22 MR. FREEBERG: That's the way it should be.
23 I think a minor matter in the next section at 7.3.5.2,
24 we've simply struck the word "Qwest." The thinking
25 here, by the way, is that when there is a reason for

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1 expedite, we expect that you will work up the chain of
2 management through executives and so forth; that we
3 might do something similar if, in fact, we thought we
4 were facing a dire situation in the processing of the
5 LIS trunk order, and I think not a critical change.
6 Hopefully, one you would be okay with.

7 JUDGE RENDAHL: Any comments on that section?
8 Hearing nothing, there appears to be agreement.

9 MR. FREEBERG: The next section was just
10 handed out to be and it would be Exhibit --

11 JUDGE RENDAHL: -- 430.

12 MR. FREEBERG: May have gone overboard making
13 this an exhibit. The suggestion is that we strike this
14 section. We had a discussion in Oregon where ELI
15 pointed up, and it was the first time I had ever seen
16 it, that potentially, this language conflicted with
17 language at 7.3.1 and 7.2.1.1. Again, this is a matter
18 that involves toll traffic, not local traffic, so we
19 think it's not related to the satisfaction of the
20 checklist, but as we discussed when we discussed those
21 sections earlier today, there is a difference of
22 opinion on this matter, one which may resolve probably
23 in another docket.

24 MR. WILSON: Tom, did you want to reserve for
25 future use the number? Otherwise, you have to renumber

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1 the rest of the paragraph.

2 MR. FREEBERG: You are absolutely right. We
3 should do that.

4 MS. GARVIN: Can I go back to 7.3.1? Upon
5 rereading it, don't we have a similar situation where
6 you caught that in 7.3.1 about using?

7 MR. FREEBERG: Yes, we do. It's a dispute in
8 the reciprocal compensation workshop, Workshop 1.

9 MS. GARVIN: So that's for switched access
10 tariffs?

11 MR. FREEBERG: Yes. The use of Qwest's rates
12 as a surrogate, yes.

13 JUDGE RENDAHL: So there is no disagreement
14 to striking this?

15 MS. GARVIN: No.

16 MR. FREEBERG: I think we can move on to
17 7.3.8. 7.3.8 addresses a problem we as carriers deal
18 with and that is one where we receive a call to be
19 terminated and the call lacks a calling party number.
20 In other words, we don't know the identity of the
21 originating caller. What we've proposed to do here are
22 a couple of things, and these things were discussed, I
23 think again, in a reciprocal compensation workshop, but
24 they came up in WorldCom's testimony again, and so I'm
25 hopeful we will resolve this again by WorldCom simply

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1 conferring that this handling is okay.

2 We struck the sentence which says, "since
3 Qwest is a transit provider for many carriers," trying
4 to acknowledge that a CLEC might certainly be a transit
5 provider, and then I think it further went on to try to
6 say that as a transit provider, you should be
7 responsible for an amount of an OCP and traffic that
8 doesn't exceed five percent of the total. We've agreed
9 in other cases to some language which said that we will
10 demonstrate that, and, in fact, we've looked at other
11 data here in Washington over a several-month period
12 which would say that very typically on aggregate
13 statewide, the amount of traffic is staying below five
14 percent in usual business that we are now conducting.
15 So hopefully, WorldCom, can you take this one back
16 also?

17 MS. HOPFENBECK: Yes, this is a takeback.

18 JUDGE RENDAHL: To determine whether it's
19 acceptable or not?

20 MS. HOPFENBECK: Yes.

21 MR. FREEBERG: The next section, 7.3.9, we
22 mentioned before it has changed its number. It's now
23 become 7.3.4.2.4.1, and we've already talked about it.

24 We, however, have put a new bit of language
25 in here at 7.3.9 and on this percent local usage

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1 factoring. Once again here, we are trying to sanction
2 the use of percent local usage factoring for the party
3 who would like to combine traffic. I had some
4 discussion with WorldCom on the break where they were
5 making a good point, I think, about the difference
6 between a party who would like to use percent local
7 usage factoring and a party who, in fact, has
8 individual call detail such that it doesn't need -- it
9 can literally develop a factor every month, or it is
10 literally operating off of individual call detail. So
11 I understood WorldCom might be proposing some new
12 language potentially for this section as well as for
13 the previous section where PLU came up once before.

14 MS. HOPFENBECK: The purpose of that new
15 language would be to make it clear that there is an
16 option to receive the PLU factor or not, depending on
17 whether or not both parties are capable of billing on
18 terminating records.

19 MR. FREEBERG: Effectively, we could combine
20 traffic types and operate without a PLU, and you will
21 describe that. Good, thanks.

22 JUDGE RENDAHL: So the decision is that Qwest
23 will take this back and modify language, or WorldCom
24 will do this?

25 MS. GARVIN: WorldCom is going to go back and

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1 double-check on this issue because we do combine
2 traffic on trunk groups today. Our local trunk groups
3 consist of toll and local. We don't combine meet point
4 at the present time, but we don't have to provide PLU's
5 because when we bill, we bill off of terminating
6 records. We ask that we get the terminating records
7 from the RBOC, and if that's the case, we don't need a
8 PLU because we can have actual billing based on call ed
9 and calling number.

10 JUDGE RENDAHL: Is that the case for every
11 CLEC or just WorldCom?

12 MS. GARVIN: That's just WorldCom. I can
13 only speak for us. What we wanted to include here, if
14 that's the case, I don't necessarily want PLU to be the
15 only way we handle this kind of traffic. So we will
16 propose some language back.

17 MR. WILSON: AT&T will take this back to see
18 if we actually need a PLU. My understanding was that
19 we originally started with that because Qwest needed
20 it, but if Qwest no longer needs it, maybe we don't
21 need to do it either.

22 MR. FREEBERG: That would be great. Because
23 I think Qwest's position right now is it's willing to
24 operate in either mode, and if that's not necessary,
25 that would be good.

01393

1 JUDGE RENDAHL: So this will be a joint AT&T/
2 WorldCom/Qwest takeback to evaluate it? Sounds good.

3 MR. FREEBERG: The next section is 7.4.1.
4 Some language is struck there. The thinking was that
5 this language was not entirely consistent with the
6 language used on an ASR, so rather than try to
7 straighten it out, we simply struck it. I think we
8 agreed to this language in Oregon.

9 JUDGE RENDAHL: Any objections? That's an
10 agreement.

11 MR. FREEBERG: At 7.4.2, the subject of the
12 routing supplemental form wire line is discussed, and
13 the language in here changes this portion of the SGAT
14 to make the supplying of that form an optional thing
15 for a CLEC. In other words, not necessary or required
16 that a CLEC provide that form but optional. Again, a
17 party might want to do that to be doubly certain
18 traffic is routed along a path that it is very specific
19 about. To the extent it doesn't provide that form,
20 Qwest will do its best to route the traffic as
21 intended. Just softening it up to make that a form
22 optional, striking the word "local" in front of the
23 word "tandem."

24 JUDGE RENDAHL: Any concerns with that
25 section as a whole?

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1 MS. GARVIN: I'd just like to ask one
2 question. I know that when I've been dealing with the
3 numbering organization, as CLECs, we have to fill out
4 the numbering forms. When we establish NXX, we have to
5 fill out a series of forms with the LERG. When we do
6 want to change routing, we also have to go back into
7 the guidelines and policies within -- in the past, the
8 numbering association has a series of forms that we
9 must fill out that have been sort of okayed by industry
10 standard. So is your form here that's on the Web part
11 of this industry standard that's already part and
12 parcel to the numbering policies and guidelines?

13 MR. FREEBERG: I would say this form is in
14 addition to those.

15 MR. WILSON: It's a separate form, and we
16 raised it as an issue because it was adding additional
17 delay to getting trunks in some cases, and now it's
18 optional.

19 MS. GARVIN: My question was going to be with
20 all the forms that are already existing and available,
21 I'm wondering why -- which was probably your question.

22 MR. WILSON: Yes.

23 JUDGE RENDAHL: So there is no disagreement
24 with this change?

25 MR. WILSON: That's correct.

01395

1 MR. FREEBERG: 7.4.3, striking the reference
2 to "interLCA facilities" in a couple of places, and I
3 think correcting a typographical error, changing DS-1
4 to DS-0. I think it's pretty straightforward.

5 MS. HOPFENBECK: This is a very important
6 change. I have to go back to 7.3.8 and just note that
7 signaling only has one L.

8 MR. FREEBERG: 7.4.4.

9 JUDGE RENDAHL: So there is no objection to
10 7.4.3, I take it? 7.4.4.

11 MR. FREEBERG: Intervenors propose here that
12 we add the language that says that in a joint planning
13 meeting, we will get agreement and commitment that both
14 parties can implement the proposed plan. Comments of
15 intervenors encouraging Qwest to be better prepared as
16 they go into these meetings and being in a position to
17 walk away from the meeting with a good commitment, and
18 I think respondent to that in my written testimony
19 added the language here in the SGAT. Also struck the
20 word "local" in front of the word "tandem" in a couple
21 of places in this section.

22 JUDGE RENDAHL: Any objections to this
23 language?

24 MR. WILSON: No objection.

25 MR. FREEBERG: 7.4.5 restating potentially a

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1 section that's been talked about before. In fact, I
2 think we've gone to impasse over this when we talked
3 about the section here referenced, that being Section
4 7.2.2.9.6.1, so this comes back to this same point
5 again, I think, about needing to establish trunking
6 both to a local tandem and potentially to an access
7 tandem, our expecting that that's a reasonable thing of
8 the parties disagreeing.

9 MS. GARVIN: Upon rereading 7.4.4 in the last
10 sentence that says, "A party requesting a tandem
11 interconnection will provide its best estimate of the
12 traffic distribution to each end-office subtending the
13 tandem." In the case of two-way trunking, it would
14 seem to me that both parties would have to work
15 together to determine the appropriate estimates of the
16 traffic, because I can't estimate your traffic.

17 MR. FREEBERG: I would agree with you. I
18 think that in these sessions, especially if we are
19 talking about two-way trunking, it needs to be a
20 two-way street. Qwest comes into these sessions
21 providing the kind of data which it has in its icon
22 database. The kind of data there is a count of lines
23 working at an end-office, a split of those lines
24 between residential lines and business lines. This
25 kind of data might be helpful in trying to work towards

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1 this kind of an estimate, so I agree with you. I do
2 think in coming up with an estimate, it is a two-way
3 street.

4 MS. GARVIN: Can we change it then to "both
5 parties," or "the parties"?

6 JUDGE RENDAHL: So it would read, "The
7 parties requesting tandem interconnection will provide
8 their best estimates"?

9 MS. HOPFENBECK: Actually, I don't think you
10 need the terms "requesting tandem interconnection,"
11 because this provision is dealing with a joint planning
12 meeting, so it would be the participants in that joint
13 planning meeting, and I think it's just fair to have it
14 read, "The parties will provide their best estimates of
15 the traffic distribution."

16 JUDGE RENDAHL: Thank you. Are all parties
17 here okay with that change?

18 MR. FREEBERG: Qwest is okay with that
19 change.

20 MR. WILSON: I believe we then had been
21 discussing 7.4.5, and that issue is disputed as was the
22 companion issue which is referenced in 7.4.5, so I
23 think we are both at impasse probably.

24 JUDGE RENDAHL: Any additional comments on
25 this section? Then I'll put it as an impasse issue.

01398

1 MR. FREEBERG: I think we have an Exhibit 431
2 being handed out.

3 JUDGE RENDAHL: Which section does this refer
4 to?

5 MR. FREEBERG: It regards Section 7.4.7.
6 This section of the SGAT had some new language in the
7 version that went out with my rebuttal saying that the
8 IRRG was not a legally binding contract, a matter that
9 came up again in intervenors' testimony. In what is
10 being handed out, we've revised that language, struck
11 that additional language in favor of language which
12 would match that which is in the definitional section
13 of the SGAT at 4.26. At 4.26, the phrase we've used
14 there is that Qwest agrees that a CLEC shall not be
15 held to the requirements of the IRRG. From Qwest's
16 point of view, either approach to this would be fine.

17 JUDGE RENDAHL: Any comments?

18 MR. WILSON: AT&T feels this version is
19 better. I think we don't have a real problem with this
20 language now. I think there are still concerns
21 regarding changes that Qwest may make from time to time
22 in the IRRG that the CLECs feel impact the operations
23 of either interconnection, or in this instance it would
24 be for interconnection, and to the extent that they do
25 impact interconnection, there may be problems that come

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1 up in the future with potential conflicts between the
2 IRRG and the SGAT or interconnection agreements.

3 MS. GARVIN: What are the intervals for
4 installing trunks? In other regions, there are some
5 standard intervals that are used for trunk installation
6 so we can use them as a guideline. Our concern from a
7 WorldCom perspective is if they are contained in
8 another document that has to be referred to, they can
9 be changed at the will of the RBOC, so we would prefer
10 to have those intervals delineated for us in the SGAT
11 or in a contract so that the people who are
12 implementing the contract or the SGAT would know what
13 those intervals are. Do you have any set intervals for
14 trunks and for augments of trunk groups?

15 MR. FREEBERG: Yes, and those intervals are
16 not in the SGAT but are instead in the IRRG, and I
17 believe that Qwest would understand its obligation to
18 either provide nondiscriminatory service rather than to
19 be trying to hit some set benchmark, which I know has
20 been the case in some other regions where -- in fact, I
21 think Texas for example chose literally a number of
22 days -- I think it was 20 -- and said these kinds of
23 interconnection trunking orders should be provided in
24 20 days. I don't know that that's happened or a
25 similar kind of benchmark has been established here, so

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1 again, Qwest understands its obligation to be
2 nondiscrimination.

3 I think that the nondiscrimination test is
4 one which is met in hindsight. Again, it will be based
5 on how good a job Qwest did in the past month at
6 providing service in a comparative nondiscriminatory
7 way. It seems to me the IRRG intervals might need to
8 be shortened, for example, if Qwest was failing to meet
9 the nondiscrimination test in hindsight. It might have
10 to improve its intervals in the IRRG in order to more
11 consistently meet the nondiscrimination test after the
12 fact. So there is some nonlinkage here which I think
13 is appropriate, and that's the reason why the intervals
14 are there in the IRRG but not here in the SGAT.

15 JUDGE RENDAHL: Any other comments?

16 MS. GARVIN: Tom, I guess I didn't
17 understand. You said there is a linkage between the
18 two, and because there is a linkage, it should not be
19 in the SGAT? It should only be in the IRRG?

20 MR. FREEBERG: Right, that the IRRG might
21 need to change in order to hit the nondiscrimination
22 test.

23 MS. GARVIN: Is there the possibility that
24 the CLEC communities can have an opportunity to work
25 with you on any changes that occur in the IRRG? I

01401

1 think our concern would be any unilateral changes you
2 may make without the input of the rest of us since we
3 are the ones who will be impacted by the dates and
4 intervals for the installation of those trunks.

5 MR. FREEBERG: I think that was Ken's point.
6 If I understood Ken Wilson's point, he favors some kind
7 of process that would more formally allow your input.
8 Each CLEC is served by an account team. Those account
9 teams tend to provide service and to listen to
10 wholesale customers. In fact, we do take input that
11 there are lots of examples of our having taken input,
12 and I think this session today is another good example
13 of our listening and taking input. So I think that
14 although we don't have a problem that exists, that
15 would be my opinion, and we will certainly try to take
16 input and take care as changes might be made to the
17 IRRG.

18 MS. HOPFENBECK: How are the CLECs notified
19 of changes that are made to the IRRG, or are the CLECs
20 just expected to continually monitor the Qwest Web
21 site?

22 MR. FREEBERG: I would expect that account
23 teams would be communicating those things in addition
24 to just expecting you might notice a change on our Web
25 Site.

01402

1 MR. WILSON: That's kind of been one of our
2 large problems. It's a fairly lengthy document. Short
3 of monitoring a thousand pages of material all the
4 time, it's hard to know. As far as the installation
5 intervals -- this has been a hotly debated topic for
6 quite a while -- I would note that the PIDs will
7 eventually be attached to the SGAT. That is my
8 understanding, at least, and to the extent that the ROC
9 deems it necessary to establish set intervals for
10 interconnection trunks, I guess we would get those.
11 And in absence of that, I guess eventually both the
12 state and the FCC will look at the intervals for
13 interconnection trunks and see if they meet parity, and
14 I'm sure there will be some discussion as to whether
15 parity is sufficient to get CLECs in business in an
16 appropriate time. Because I would like to say that
17 it's one thing to have trunks which are kind of the
18 backbone of your existence provision, say, in three
19 months. It's another thing if you are simply
20 augmenting large trunk groups that are already existent
21 and take three months. I think there might be some
22 interesting discussions on parity, eventually.

23 MS. GARVIN: Tom, I appreciate the fact that
24 there is a belief that the account teams will notify us
25 in advance of any changes that are going to occur in

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1 the IRRG. I do have to admit that from our
2 perspective, there are some times we don't get
3 notification, and I hear through the grapevine that
4 something has changed.

5 The critical issue for us in many cases,
6 especially when it's on network builds -- there is two
7 issues. One being that we would like to make sure we
8 are aware of all changes as soon as those changes
9 occur, but more importantly, we would like to have
10 input upon making those changes so that we are not
11 surprised when the change does occur. So I would
12 rather have the account team talk to us about the fact
13 that you may be working towards changing the intervals
14 and coming to us to ask for input before we get some
15 kind of notification when we do that that change has
16 occurred.

17 MR. FREEBERG: I think that's a fair request,
18 and I'd like to think that's happening; that, in fact,
19 as changes are being made in the IRRG, it's very often
20 the result of input that Qwest has received from
21 wholesale customers, and that's really the genesis of
22 the change. So I don't think it would be fair to say
23 that all the changes are somehow advantageous only to
24 Qwest. I think they are a mix of the two, and I like
25 to think we are taking input all the time.

01404

1 MS. HOPFENBECK: I'm just going to note for
2 the record at this point, we are going to consider
3 performance data later in this proceeding, but this is
4 a very important issue, particularly in Washington for
5 WorldCom, and I'm hoping that the present practice of
6 Qwest differs from the past practice with respect to
7 provisioning interconnection trunks, but this
8 Commission is aware, because of the provisioning
9 complaint that WorldCom filed against U S West related
10 to a time much before this time, of the problems that
11 have existed in the past, and it's just this is a
12 touchy issue, and we need to look at it very carefully.
13 It's going to be very important that service intervals
14 and due dates are, in fact, nondiscriminatory and that
15 we show that.

16 MR. FREEBERG: There are a couple of pieces
17 of hopeful data. One is that if you look at the
18 network interconnection trunk blocking results here in
19 Washington, they are almost nonexistent. While it's
20 not necessarily the case, if, in fact, facilities were
21 at a premium -- there was a shortage of facilities --
22 you might expect blocking would be elevated; make
23 sense? Not enough trunks potentially blocking
24 problems. We don't see them here in year 2000.

25 Another thing, for what it's worth, is I took

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1 a look at the number of trunks here in Washington,
2 local trunks in September of 2000 and found that here
3 in Washington, about 118 thousand trunks in service at
4 that time, interconnection trunks. Just for what it's
5 worth, the number of comparable noninterconnection
6 trunks here in Washington, 143 thousand. There are
7 almost as many interconnection trunks here in
8 Washington now as there are noninterconnection trunks.

9 JUDGE RENDAHL: So is it safe to say at this
10 point that there is impasse on this particular section,
11 or is this a takeback for anyone?

12 MS. HOPFENBECK: I would like to suggest that
13 Qwest has a takeback to consider whether they should
14 include language that would provide an affirmative
15 obligation to notify the CLECs of changes in the IRRG.
16 I would also like to suggest that this issue cannot be
17 completely closed. This is one of those issues that
18 must be resolved subject to the evaluation of
19 performance data at a later date to insure that the
20 service intervals and due dates that are provided there
21 and that Qwest is meeting are at parity and not
22 discriminatory.

23 JUDGE RENDAHL: Is that something Qwest would
24 agree with?

25 MR. FREEBERG: Yes. Qwest will take that

01406

1 back.

2 JUDGE RENDAHL: Let's move on to the next

3 issue.

4 MR. FREEBERG: 7.4.8, I think we are
5 numbering this 432. This section has to do with the
6 canceling of orders, trying to help a provider party to
7 know what to do when the ordering party is not
8 responding to closing the order out, if you will. So
9 there has been some language changes here trying to
10 clarify that it wouldn't be simply the CLEC that might
11 cancel an order; that potentially, Qwest might be doing
12 the ordering.

13 An intervenor proposed that we strike the
14 word "original" in front of the word "service date" in
15 a couple of places since the service date might be
16 supplemented, and it would be the supplemented date
17 which would be the appropriate one here. Another
18 intervenor proposed the new language in the Subsection
19 A here that says, "unless mutually agreed to by the
20 parties," and so that language was added. I think the
21 language just above A, it tries to make clear it is the
22 provider here who has these options, where previously,
23 we were at CLEC. We were at a party, and I think we
24 intend for this to be the provider who can do either A
25 or B.

01407

1 MS. GARVIN: Tom, a quick question though.
2 I'm confused a little bit about supplement. Can you
3 explain to me what you meant by supplement and how it
4 would apply?

5 MR. FREEBERG: The thinking here is that when
6 an order is originally submitted that there is a due
7 date, a service date that's on the order that for one
8 reason or another for maybe a host of different
9 reasons, either party might say, Let's change this due
10 date. Let's give it a different due date, and that due
11 date could be either earlier than the original due date
12 or potentially later, but that these cancellation
13 provisions should apply to the supplemented date, not
14 the original one. Did I answer your question?

15 MS. GARVIN: Let me give you a real-life
16 experience for WorldCom. In many cases where we are
17 putting in a brand-new switch, we are putting in new
18 interconnection facilities with the RBOC, and we go
19 through joint planning to define how many
20 interconnection facilities are required, but as we go
21 through the actual installation of the switch, things
22 come up, so we cannot meet, perhaps, because of the
23 switch vendor or issues related to the actual turn-up
24 of the switch the original due date, so we need to sup
25 it. Are you saying here that you won't accept a

01408

1 supplement and that we must cancel the order and
2 reissue, or can we sup the order out to an extended
3 period of time to coincide with the build of our switch
4 and deployment of that interconnection facility?

5 MR. FREEBERG: I'm intending the latter
6 rather than the former.

7 MS. GARVIN: So in essence, 7.4.8.A will
8 cover that? Is that what, "unless mutually agreed to
9 by the parties," would encompass?

10 MR. FREEBERG: The thinking here is this
11 entire section is a situation where the provider has
12 arranged its end of this trunk group, and the other
13 party is not responding, and the order is hanging, and
14 there has really been no supplementing. There has been
15 no communication in the order. Again, is kind of in
16 the twilight zone and that the opportunity would be
17 here that if 30 days passed the supplemented due date
18 or the original due date, but the due date which is
19 appropriate for the order has come and gone that
20 potentially the order could be canceled or that
21 potentially, the building might commence.

22 MS. GARVIN: I believe my issue is that I
23 don't want to have to start the clock all over again,
24 and if there is an implication that we cancel an order
25 and then we issue a new due date, essentially starts

01409

1 the build all over again. That's very problematic to
2 my company if we are in the midst of putting in the new
3 switch.

4 MR. FREEBERG: I don't think the intention
5 here is to preclude you from supping the order once,
6 twice, three times, four times, five times, six times,
7 seven times. If you choose to supplement it that way,
8 I don't think this precludes you from that.

9 MS. HOPFENBECK: So the idea is that by
10 substituting the word "service" for "original," so long
11 as there is an active service date, which a sup would
12 accomplish --

13 MR. FREEBERG: The current date, yes.

14 MS. HOPFENBECK: -- this provision doesn't
15 get triggered. These options don't get triggered.

16 MR. FREEBERG: Only if 30 days go by and you
17 don't sup the order and we don't know what to do, it
18 gives us some recourse.

19 MS. HOLIFIELD: Can I just ask a clarifying
20 question, and I think this comes from all the editing.
21 A party may cancel an order at any time prior to
22 notification -- I'm reading 7.4.8, and I just think we
23 need some clarification. A party may cancel an order
24 at any time prior to notification that service is
25 available. I'm assuming there that you really mean the

01410

1 ordering party.

2 MR. FREEBERG: Yes.

3 MS. HOLIFIELD: Then if the ordering party is
4 unable to accept service within 30 calendar days, the
5 providing party has the following options; is that
6 correct?

7 MR. FREEBERG: I think that would be another
8 way to say the same thing, yes.

9 MS. HOLIFIELD: I would prefer you say it
10 that way, because as this reads, if I order something,
11 Qwest could just cancel.

12 JUDGE RENDAHL: So you would prefer this to
13 read --

14 MS. HOLIFIELD: "The ordering party may
15 cancel an order at any time prior to notification," and
16 then "if the ordering party is unable to accept," and
17 go on from there.

18 JUDGE RENDAHL: Do you also want it to say
19 "the providing party" or is "provider" acceptable?

20 MS. HOLIFIELD: "Provider" is fine with me.
21 I just thought it would read better.

22 MR. FREEBERG: Qwest accepts those changes.

23 MR. WILSON: I have one additional suggestion
24 for change. It currently says within 30 calendar days
25 after the service date. I would propose it say after

01411

1 the service date or the commitment date, whichever is
2 later, because what I've been seeing lately is that
3 Qwest is putting very lengthy commitment dates on the
4 orders, like 90 days, and then they deliver in 40 days.
5 So the CLEC may have an expectation that it was 90 days
6 and planned for that, and then it's delivered early,
7 and you could hit this 30 days before the commitment
8 date.

9 So coming up with lots of negative numbers.
10 It's very strange. Lots of negative numbers on meeting
11 commitments, and I won't go farther than that, but I
12 think that would solve this problem. My issue that
13 since Qwest is beating its commitment dates and it may
14 cause the CLEC to have scheduling problems that I don't
15 see why Qwest should have a problem with the later of
16 the service date or the commitment date.

17 MR. FREEBERG: My only concern is not that
18 any of us in this room would misunderstand what that
19 means but that someone else might read that and not
20 know what that meant. What is commitment date?

21 MR. WILSON: The last FOC due date -- I don't
22 know what you want to call that date. It's the date
23 that you're providing to the CLEC on the last FOC. I
24 don't know what you want. In this context, I don't
25 care what you call it. I just think we need something

01412

1 in there. We can argue in other sessions about what
2 that FOC date means, and I'm sure we will, but here,
3 I'm just -- whatever that date is, the problem is it's
4 turning out to be much later than the service date in
5 some cases.

6 JUDGE RENDAHL: Is that something that Qwest
7 is willing to take back?

8 MR. FREEBERG: I'm going to have to. I can't
9 on my feet think of a real clear way to describe that.
10 I think I understand the question from Ken's point.

11 JUDGE RENDAHL: Aside from this issue that
12 Mr. Wilson just raised and, Mr. Freeberg, you've agreed
13 to take back, it appears that there is otherwise
14 agreement on this section; is that correct? It appears
15 to be. What I'd like to do right now is take a
16 10-minute break until 5:00 and check in with the court
17 reporter and see how she's doing, so we will be off the
18 record

19 (Recess.)

20 JUDGE RENDAHL: While we were off the record,
21 I mentioned that we had not admitted any of
22 Mr. Freeberg's additional exhibits. Those begin at
23 No. 363, go through 370, and then pick up again at 425,
24 and the last one we marked is 432. Are there any
25 objections to any of those exhibits being admitted?

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1 Hearing nothing, they will be admitted.

2 Also, because I hadn't done so before, I
3 wanted to thank Ms. Anderson for bringing the bagels
4 and cream cheese for everyone today. I think it was
5 really appreciated. Now, let's keep going, and we are
6 going to move through this quickly and see if we can
7 get it done.

8 MR. FREEBERG: 7.5.1, the very last sentence
9 of this section was talked about by intervenors in
10 their testimony. It has to do with the handling of
11 phone-to-phone voice interexchange traffic transmitted
12 over a carrier's packet switch network using protocols
13 such as TCP/IP, transmission control protocol/Internet
14 protocol.

15 The position of Qwest was, I think, probably
16 fully described in what was Exhibit 48 to my rebuttal.
17 It is, I think, also known as Exhibit 362. This again
18 is, as it mentions there, determination being limited
19 to whether switched access charges should apply to
20 phone-to-phone voice traffic handled over a packet
21 switch network, and again, I think within that exhibit,
22 it's Qwest's position that regardless of the technology
23 that's used, a provision of interexchange services
24 without payment of access charges is improper, and I
25 expect we've probably got impasse on this matter.

01414

1 MR. WILSON: Where to start. AT&T doesn't
2 think this belongs here in an SGAT for local service,
3 number one. Number two, we don't believe that the FCC
4 has ruled that this traffic should be counted as
5 long-distance traffic, and third, you can't measure it.
6 I know of no way that anyone is using to determine in
7 an Internet bit stream what is phone-to-phone voice
8 traffic versus what is regular Internet traffic. I
9 don't believe this is technologically feasible at this
10 time to measure. So for those three reasons, AT&T
11 doesn't think this belongs here.

12 JUDGE RENDAHL: You would agree that this is
13 an impasse issue?

14 MS. FRIESEN: I have one additional issue I'd
15 like to bring up, and that is to say that Qwest is
16 putting a brief of theirs from a proceeding in another
17 state into this record as an exhibit of Mr. Freeberg's
18 testimony. I would ask that we be allowed to put the
19 other side's positions into this proceeding as well,
20 their closing briefs as well.

21 JUDGE RENDAHL: How many are we talking?

22 MS. FRIESEN: One.

23 JUDGE RENDAHL: I think that would be
24 acceptable. Is that something you will provide
25 tomorrow?

01415

1 MS. FRIESEN: I can't provide it tomorrow,
2 but I will have it copied and distributed to the
3 parties by the close of the workshop.

4 JUDGE RENDAHL: Thank you. So I'll mark this
5 as impasse, and let's move on.

6 MR. FREEBERG: 7.5.4, this, by the way, is
7 within a larger section which regards, again, jointly
8 provided switched access service. The change within
9 this section made this provisioning of individual call
10 records one that would apply to either party. That is,
11 whoever is the provider of the record might assess a
12 charge for the record to the extent that they again
13 provided those records. So we are simply changing this
14 to apply back and forth rather than simply Qwest
15 applying a charge to the CLEC.

16 JUDGE RENDAHL: So this is now a reciprocal
17 charge?

18 MR. FREEBERG: Yes.

19 JUDGE RENDAHL: Is there any objection to
20 this section?

21 MS. GARVIN: I'd just like to ask you, Tom,
22 why is there now a charge when there has not been a
23 charge in the past, the derivation of the rate itself?

24 MR. FREEBERG: The thinking here again, I
25 believe, is that we've got a range of parties with whom

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1 we might be exchanging these kinds of records. That in
2 general, the exchange of records is not fifty-fifty, so
3 thinking that the charge is a reasonable one to cover
4 costs, and I think that whether or not this has been
5 applied in the past, it varies from party to party.

6 JUDGE RENDAHL: Is there anything additional
7 on this issue, or is this simply an impasse issue?

8 MS. GARVIN: It's a takeback at the moment
9 for WorldCom.

10 MS. HOPFENBECK: To determine whether we are
11 okay with this or not.

12 JUDGE RENDAHL: To determine whether this is
13 acceptable or not to WorldCom, and is this the same for
14 AT&T, or is AT&T at impasse on this?

15 MR. WILSON: I think we've always thought
16 that the parties would spend more figuring out who owed
17 who than you would in trading money for it. I don't
18 think we particularly think it needs to be here. I'm
19 not sure if we think it's worth the time briefing it
20 even, but I think if WorldCom takes it back, we will go
21 with whatever they decide.

22 JUDGE RENDAHL: Any other parties? Okay.
23 Then that will be a WorldCom takeback and we will see
24 where it goes.

25 MR. FREEBERG: There is a similar matter now

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1 at 7.6.3. I say it's similar. It's not the same.
2 This matter has to do with transit records, so while
3 jointly provided switched access records are records of
4 one-plus dialed calls, transit records are typically
5 not one-plus calls. They are calls that are relayed
6 across a local carrier's network.

7 In this case, the party who terminates the
8 call would expect to be paid some reciprocal
9 compensation from the party who originated the call in
10 addition to potentially the party who transited it.
11 There are three parties involved in a transit call, so
12 once again, to the extent that a party wants transit
13 records, and it might not, but to the extent it wanted
14 records, again, this language has simply been changed
15 to be a reciprocal one. That is, to the extent Qwest
16 is looking for records, it would expect to need to pay
17 at the same rate it charges.

18 MS. GARVIN: In this scenario, what you are
19 saying is you would be willing to provide us the
20 records so that we can then bill the party that is
21 transiting? There is a customer in an independent
22 territory who is transiting a call through you, Qwest,
23 to us, WorldCom. Aren't they paying you transit?

24 MR. FREEBERG: Yes. The thinking is if you
25 were the terminating carrier that you might want Qwest,

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1 assuming Qwest was the transiting carrier, to give you
2 a record of that call so you could bill the originating
3 carrier. You might not want that from Qwest, in which
4 case this wouldn't apply, but if you did, it would.

5 MS. GARVIN: I would like to take this back
6 as well to our people.

7 MS. YOUNG: I just want to ask a question.
8 In the event that that transiting record is an
9 intraLATA Feature Group C, so LEC intraLATA toll call,
10 would not that record be provided if the CLEC was
11 participating in what is known as the data distribution
12 center in Washington so they would not have to rely on
13 Qwest to provide them that transiting record?

14 MR. FREEBERG: You may be entirely accurate,
15 but the answer I have is, I'm not sure. I don't know.
16 You may be very much on target.

17 MR. DITTEMORE: Staff comment, not all
18 carriers in the state belong to data distribution
19 centers.

20 MS. YOUNG: I understand that, but assuming
21 they were participating, they could get it that way.

22 MR. FREEBERG: Makes sense to me.

23 JUDGE RENDAHL: So aside from the WorldCom
24 takeback on Section 7.6.3, Mr. Freeberg, is that
25 something that you were just discussing with Sprint

01419

1 that you need to take back and consider, or are you
2 requesting any language changes, Ms. Young, as a part
3 of that.

4 MS. YOUNG: No. I think it's okay. I think
5 the way it's presented here is if you want to get it
6 that way, fine. If you've got another way to get it,
7 fine.

8 MR. FREEBERG: That's the way Qwest looks at
9 it. I think there is no dispute. We are going to move
10 quickly now to three matters in Section 4.

11 JUDGE RENDAHL: Before you move on to that,
12 we need to change exhibits. Which is Section 4.

13 MR. FREEBERG: Section 4 is Exhibit 42 to my
14 rebuttal. We have numbered it 356.

15 JUDGE RENDAHL: So 356 is the mini SGAT for
16 Section 4.

17 MR. FREEBERG: Right, and if you will go to
18 Section 4.11.2, at that section, there is a little bit
19 of new language which is triggered by Qwest's
20 willingness to exchange local traffic at the toll
21 tandem, and the word "typically" was added behind the
22 word "access tandems," making clear that it's not
23 exclusive of the case but that access tandems have
24 typically provided connections for -- and toll traffic,
25 jointly provided switched access and so forth.

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1 So the word "typically" was added, and then a
2 sentence at the end was added which says that CLECs may
3 also utilize the Qwest access tandem. This last
4 sentence is new. It says, "CLECs may also utilize a
5 Qwest access tandem for the exchange of local traffic
6 in accordance with Section 7.2.2.9.6.1."

7 MR. WILSON: On the addition of the last
8 sentence, AT&T would be happy if the sentence ended
9 after the words "local traffic." I think this will be
10 an impasse because of the referral to Section
11 7.2.2.9.6.1, which is a disputed section, given the
12 restrictions on the interconnection at the access
13 tandem. I would like to point out that there is a
14 dispute in reciprocal compensation regarding some of
15 the first sentences in this definition, but we don't
16 need to dwell on those here.

17 MS. HOPFENBECK: WorldCom echoes both of
18 those concerns.

19 MR. FREEBERG: Qwest is willing to take back
20 AT&T's suggestion that it will drop the language, "in
21 accordance with Section 7.2.2.9.6.1."

22 MS. GARVIN: Not to add fuel to the fire
23 here, but WorldCom also would like to add under
24 end-office switch "packet switches," and that's
25 predicated on some of the advanced services language

01421

1 from the FCC, so we would like to add packet switch.

2 MR. WILSON: As a separate paragraph, you

3 mean?

4 JUDGE RENDAHL: That would be adding to

5 4.11.1?

6 MS. GARVIN: We'll come back with some
7 language for you, Tom, but I need to put that on the
8 record that we would like to add that in.

9 JUDGE RENDAHL: So there is a Qwest takeback
10 on the issue in Section 4.11.2, the last sentence, and
11 a WorldCom takeback on Section 4.11.1 to add "packet
12 switch."

13 MR. FREEBERG: I notice, by the way, that in
14 my exhibit here at 4.13, I have Oregon when that isn't
15 what I intended. I intended that to be Washington.
16 We'll be sure we've got that right. More
17 substantially, I think I would go to Section 4.26.
18 We've talked about this already, I think, to some
19 extent. This is the language which says, "Qwest agrees
20 CLEC shall not be held to the requirements of the
21 IRRG."

22 MR. WILSON: I think as far as a definition,
23 AT&T doesn't have a problem with this. I think we
24 addressed our problems earlier with respect to the
25 IRRG.

01422

1 JUDGE RENDAHL: Any issues the parties have
2 with this definition? Then that will be agreement.

3 MR. FREEBERG: Finally, in Section 4.33, some
4 new language there triggered by Qwest's willingness to
5 exchange local traffic at the access tandem, striking
6 the word "or" in front of "local tandem" and putting it
7 back and adding "or access tandem as provided for in
8 Section 7.2.2.9.6.1."

9 MR. WILSON: Again, AT&T would like to see
10 the sentence ended after the words "access tandem" and
11 not include the final clause.

12 MR. FREEBERG: I'll take that one back just
13 as I did the other section.

14 MS. GARVIN: Can I also ask why it's only
15 limited to the purpose of completing calls from CLECs
16 end-user customers to Qwest's end-user customers? Is
17 it also used to the opposite as well for year customers
18 to call our customers?

19 MR. FREEBERG: No, it's really not. We think
20 of this as a terminating capability that we are
21 providing you. Now, you could potentially have
22 something similar, which would be what the terms of
23 your willingness to provide the termination of traffic
24 we send to you, but here where we are describing LIS --
25 we say to a Qwest employee, LIS is a terminating

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1 service from Qwest's perspective.

2 MS. GARVIN: Can you refer you back to 7.1.1
3 again where it says "LIS options." This section
4 describes the interconnection of Qwest's network and a
5 CLEC's own network for the purpose of exchanging
6 traffic. "Exchange" to me is a two-way street.

7 MR. FREEBERG: Right, and I see the section
8 and I agree. I think that it is. That is, this
9 section does describe the exchange of traffic going
10 both ways, but when I first heard someone say this to
11 me where they said, "Tom, LIS is all about how Qwest
12 will handle incoming traffic." From a reciprocal
13 compensation point of view, you only owe us when we
14 terminate a call for you. You don't owe us when we
15 send you a call, so the thinking is the service that we
16 are providing is one that you would pay for when the
17 call comes into us. Does that make sense?

18 MS. GARVIN: No. Again, I have to ask, local
19 interconnection facilities to me is an underlying
20 transport medium. It's basically -- it really is
21 ambivalent to what's been transported over it, and
22 essentially, the trunks, which are two-way are going to
23 be used if we choose to do that to pass traffic between
24 ourselves, so I don't quite understand how local
25 interconnection service and the underlying facilities

01424

1 is only terminating.

2 MR. FREEBERG: From our standpoint, if we
3 send you a call, so from our standpoint it's
4 originating, we will owe you. You won't owe us.

5 MS. GARVIN: I guess my question really is
6 residing in the fact that this is not speaking to
7 recomp in this particular section. It's describing the
8 local interconnection service and the facilities
9 themselves. Therefore, my concern is that -- the
10 definition itself being terminating is problematic if,
11 indeed, the facilities are to be used jointly to
12 exchange traffic.

13 MR. FREEBERG: Maybe we can take this in
14 underneath the umbrella of the thinking around this
15 being a service and the briefing that we were going to
16 do there. Maybe it falls beneath that as to whether
17 this is appropriate for us to think about in this way.

18 MS. GARVIN: Let me ask you the question: If
19 we are talking about a mid-span, what are we putting in
20 there to interconnect my switch with your location for
21 termination? What is that facility going to be called,
22 just a mid-span?

23 MR. FREEBERG: I think we would call it a LIS
24 mid-span.

25 MR. WILSON: But I think to the point here

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1 that in that situation, the span is carrying traffic
2 both directions, not just terminating traffic, and that
3 it's your trunk at that point, not a one-way service,
4 and I think this is kind of endemic of the problems
5 that make us uncomfortable about this whole service
6 issue with respect to LIS; that it treats us as a
7 retail customer instead of a carrier, and Qwest has had
8 carrier relations with other companies, such as other
9 ILECs like GTE, for a long, long time, and that was not
10 a service. You just traded traffic, and I think this
11 is just kind of another place where this is showing up.

12 JUDGE RENDAHL: So is it safe to say Qwest
13 has agreed to take back the issue of the ending
14 sentence after "access tandem," but as to the issue
15 that WorldCom has raised and AT&T has discussed as well
16 that there is an impasse issue involved in this section
17 as well?

18 MS. HOPFENBECK: Yes. I want to ask a
19 question of Mr. Freeberg just to bring out what
20 underlies this product definition. Is it true that
21 Qwest's need to define local interconnection as a
22 service really grows out of its -- or is driven by its
23 systems which can only bill us for local
24 interconnection if it is defined as a product to be
25 recognized by its OSS; is that the problem?

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1 MR. FREEBERG: No, I don't think so. Once
2 again, I think that provision of this service means
3 that with any service, we are going to collect some
4 revenue. The revenue we are going to collect is for
5 the traffic we terminate. For the traffic that we
6 originate, it is going to be an expense to us, and it
7 is going to be a drain on the finances of the company,
8 if you will. So for what it's worth, I think it's
9 described this way so that people think of the service
10 as a wholesale service that generates revenue, again,
11 when traffic is terminated. I don't think it's gotten
12 here because of systems requirement. However, I do
13 think that Qwest has, again, mirrored switched access
14 in many ways at a very different price, but has
15 mirrored many of the kinds of terms, much of the
16 ordering process and so forth because it felt both
17 parties were familiar with those things that would help
18 interconnection get established sooner, faster.

19 MS. GARVIN: I'd just like to kind of build
20 off of what Ken was saying. I think that WorldCom's
21 point of view, and I believe it's by AT&T, is in the
22 case of interconnection and competitive local service,
23 we are really more the peer to you than a customer, and
24 as in the past with independents, the whole issue of
25 pooling was set into place so that you could each

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1 recover the cost of building joint facilities, and I
2 liken these interconnection facilities to pretty much
3 what has been done in the past with the independents,
4 and it allows you to recover your costs to terminate
5 calls, and it allows us to recover our costs to
6 terminate calls, which is really what reciprocal
7 compensation is based on.

8 So interconnection to me is not a service.
9 It's a technical way within which our network can
10 interconnect with our network so that people can
11 continue to place local calls between the networks. So
12 that's why I have a problem with you calling
13 interconnection a service. I believe it's something
14 that that's not a service. It's truly an
15 interconnection.

16 MR. FREEBERG: I'm about done. I have little
17 more to say other than I think it might be a healthy
18 thought for you to consider us customers of yours; that
19 we are, in fact, paying a lot to you to have you
20 terminate our calls, and that that might not be a poor
21 thought.

22 JUDGE RENDAHL: As I said, I'll consider that
23 there is one Qwest takeback on this, but otherwise, it
24 appears to be an impasse issue. Are there other SGAT
25 sections that we need to go through, Mr. Freeberg?

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1 MR. FREEBERG: From my standpoint, we've
2 covered all the SGAT sections. If we were going to
3 discuss those matters which are not directly related to
4 an SGAT section, this would be the time.

5 MS. FRIESEN: I just have two brief things
6 I'd like to quickly mention about the definitions to
7 mark them for the record. The first one is found in
8 Section 4.39 under the definition of "meet point
9 billing." AT&T would like stricken from that
10 definition the portion of the sentence that begins with
11 "including." Let me read the sentence to you, and I'll
12 mark for you why we would like to strike.

13 "Meet point billing, or MBP, or jointly
14 provided switched access refers to an arrangement
15 whereby two LECs (including an LEC and CLEC) jointly
16 provide switched access service." Right here is where
17 we would like to start the deletion, beginning with the
18 word "including phone-to-phone voice interexchange
19 traffic that is transmitted over a carrier's packet
20 switched network using protocols such as TCP/IP to an
21 interexchange carrier." We would like all of that
22 stricken from the definition for the reasons we've
23 already explained.

24 Then I'd like you to turn to Definition 4.57
25 on Page 8. It's a definition of switched access

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1 service, and in this definition we would like to strike
2 the portion that describes phone-to-phone IP telephony
3 from the definition for the reasons that we've already
4 elucidated.

5 JUDGE RENDAHL: Are those the two references
6 you had?

7 MS. FRIESEN: Yes, and to Mr. Freeberg's
8 point, we would just like to quickly go back to his
9 testimony that doesn't deal with SGAT provisions.

10 JUDGE RENDAHL: What was the exhibit
11 reference? This is Mr. Freeberg's rebuttal testimony?

12 MS. FRIESEN: Yes, Your Honor.

13 JUDGE RENDAHL: That would be Exhibit 348 for
14 reference. What page are you referring to?

15 MR. MENEZES: I'm going to go ahead and
16 address Mr. Freeberg. It's Page 5 of his testimony,
17 Exhibit 348. It begins on Line 8, there is a statement
18 there: "Qwest is legitimately concerned that AT&T's
19 proposal to transport AT&T's local traffic on Qwest's
20 toll/access transport network will strand capacity on
21 its local network and create capacity shortfalls on its
22 toll/access transport network," and it continues, "the
23 Washington LRN test described by AT&T is evidence that
24 this is true," and that refers to a footnote
25 referencing Mr. Boykin's testimony at Page 9.

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1 Mr. Boykin's testimony is Exhibit 301, and Tom, if I
2 could, I'm just going to summarize what that testimony
3 says, and it also referred to a letter that AT&T sent
4 to Qwest. If we need to go back and look at his
5 testimony, that's fine.

6 AT&T conducted a test in the State of
7 Washington. Its TCG subsidiary conducted this test and
8 was testing the routing of calls with a reduced number
9 of LRN's, local routing numbers, and we went from
10 something in excess of 10 down to about five LRN's, and
11 we did test calls, and the calls -- let me back up. We
12 did test calls. TCG has direct end-office trunking in
13 this testing as opposed to trunking to the access
14 tandem. I imagine they were trunked to the local
15 tandem or the access tandem, but the direct end-office
16 trunk groups were the ones that had been used to
17 complete these kind of calls. When we reduced the
18 number of LRN's and ran the test calls, the calls did
19 not complete over those end-office trunk groups.
20 Instead, they went through the access tandem over
21 intraLATA toll trunk groups and completed in that way,
22 and TCG saw blocking because this caused an increased
23 volume of traffic going over the intraLATA toll trunk
24 groups, and those weren't sized to accommodate that
25 traffic. It was intended to go over the direct

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1 end-office trunk groups.

2 Now, your statement that I read a moment ago
3 on Page 5 alludes to a problem with the Qwest
4 toll/access transport network, and the use of the
5 access transport network causing stranded capacity in
6 the local network, and I'm confused by that statement
7 because TCG was direct trunked with Qwest to Qwest
8 end-offices, and this didn't have to do with access
9 tandem interconnection, and when we reduced the LRN's,
10 the calls that Qwest routed, rather than going over the
11 end-office trunk groups, which Qwest wants us to use
12 when volumes exceed a certain level, they went over
13 intraLATA toll trunk groups.

14 So I guess I don't see that as an access
15 tandem interconnection problem. I see that as an LRN
16 routing problem from the Qwest network, and I would
17 like you to explain that to me because I'm not
18 appreciating what you stated in your testimony.

19 MR. FREEBERG: So at Page 5, Line 8, my
20 statement was that there could be a capacity shift,
21 which might leave one part of the network overloaded
22 and the other part underwhelmed. In other words, Qwest
23 is legitimately concerned that AT&T's proposal to
24 transport traffic, AT&T's local traffic on Qwest's
25 toll/access transport network, will strand capacity on

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1 its local network and create capacity shortfalls on its
2 toll/access transport network, so if I understand what
3 happened during that test is we sent local traffic via
4 the toll network, and we had a capacity problem; right?

5 MR. MENEZES: When you say "we," you mean
6 Qwest?

7 MR. FREEBERG: When we jointly were
8 interconnected and trying to reduce LRN's that there
9 was blocking neither of us wanted and that was the
10 heart of the problem. That blocking wouldn't have
11 happened if there had been more capacity at the access
12 tandem.

13 MR. WILSON: I think our puzzlement is that
14 we had end-office trunks, but the routing seems to
15 be -- there seems to be a mistake in Qwest's routing
16 that caused the calls to be sent over the tandem trunks
17 rather than the local trunks which did exist, so it
18 seemed to be a mistake or an error in the test rather
19 than a flaw in what we wanted to do.

20 MR. FREEBERG: I think that's not the case,
21 but let me ask a question first. That is, I don't
22 think it was a mistake. Are you concerned that the
23 direct end-office trunks were there but we didn't use
24 them?

25 MR. WILSON: Yes.

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1 MR. FREEBERG: So you are concerned about
2 having stranded capacity there.

3 MR. WILSON: No. You should have routed to
4 the direct trunks. I mean, we have been following your
5 new requirement that we can trunk to the access tandem,
6 but if we get above 512-CCS, then we have to directly
7 trunk to the end-office, and this is a situation like
8 that. We have both the tandem trunk to the access
9 tandem and the end-office trunks, but it seemed like in
10 your test to use the single LRN or reduced LRN's in
11 this case, the routing simply didn't fall in the right
12 path and that's why blocking occurred, not because of
13 some problem in the philosophy of how we wanted to
14 interconnect.

15 MR. FREEBERG: If we go to my Exhibit 37-C,
16 which I believe is also Tim Boykin's Exhibit 7 to his
17 testimony -- they are same letter, by the way, when we
18 each attached the same letter.

19 JUDGE RENDAHL: That is Exhibit 351-C. I
20 believe it's a confidential document, just to be aware.

21 MR. FREEBERG: Yes, I would agree. Let's go
22 to the second page of this letter. This letter, by the
23 way, happened in March of this year. And we are today
24 here in Washington, so if we go to that indented
25 paragraph which is numbered 1, we are talking about the

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1 non PLU states like Washington here, and what we are
2 saying here is local traffic will route from U S West
3 end-offices to our access tandem and over current
4 two-way LIS trunk groups to the AT&T switch. That is
5 how, in fact, the traffic was routed.

6 So from our standpoint, we didn't expect you
7 to be surprised that the traffic didn't flow this way.
8 You were; I appreciate you were, but we didn't expect
9 you to be.

10 MR. WILSON: I guess that's interesting.
11 When you set up a tandem trunk, you initially don't
12 have end-office trunks and then all the traffic would
13 flow through the tandem. When you then add end-office
14 trunks, you would expect most of the traffic to go on
15 the end-office trunks and some of the traffic to go to
16 the tandem, so this No. 2 would seem to cover the case
17 of the tandem overflow but should not have covered the
18 case of direct trunking.

19 If your solution to the single LRN per LATA
20 problem directs all of the traffic over the tandem
21 trunks, then it's not a good solution and you had
22 better start over, because that will violate your own
23 512-CCS restriction, and that's our puzzlement. We've
24 done everything we thought we should have, and the test
25 seems to have simply failed by directing too much

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1 traffic or all of the traffic over the tandem route.
2 MR. MENEZES: Let me just add, Tom, before
3 you respond. The day before the test, when we had more
4 LRN's, the calls were routing over the end-office trunk
5 groups. The day of the test when we reduced the number
6 of LRNs, they routed via the access tandem. So what I
7 want to be clear about is I don't see the problem in
8 that test being that we want to interconnect at the
9 access tandem. I see it as a problem with how Qwest
10 routes calls with a reduced number of LRN's, and that's
11 a distinction that I think is important and has been
12 lost at times, and I think it's clear that when you use
13 these multiples, it goes over the end-office trunk
14 group the minute you reduce it, not changing the
15 trunking in any way, it goes to the access tandem. So
16 this isn't an access interconnection issue, I don't
17 think. It's an LRN issue, and that's what we are
18 trying to ferret out.

19 MR. FREEBERG: Let's talk about why it went
20 the way it went, and I will agree with a couple of
21 things, but let me be real clear and specific. In a
22 particular case like this one that we tested, the 512
23 rule can apply. Although, to Ken's point, there can be
24 cases where we are going to need to break our own rule.
25 I don't disagree with that. But the kind of traffic

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1 which can flow over the direct trunk group is that
2 which is not associated with ported calls. So if we
3 are exchanging calls that are not associated with
4 ported telephone numbers, that can flow over that
5 direct group.

6 Furthermore, that direct group can handle
7 ported calls as long as the LRN looks to the switch as
8 though it is a local LRN. The wrinkle here is that
9 when we begin to reduce the number of LRN's, as we did
10 here, and a call originates. Let's say the call
11 originates with a Qwest retail customer, and it's
12 destined for the ported number of a CLEC, and the
13 retail Qwest customer picks up the phone, dials this
14 seven digit telephone number, for example, and when the
15 originating Qwest switch sees this call, it says, "This
16 is a ported call. I can't terminate this as though
17 it's just a line on this switch. It's a ported call.
18 I need to go to the database and again an LRN."

19 So the database is queried. The LRN is
20 return to the originating switch. The originating
21 switch looks at that LRN and says, "This is not a local
22 telephone number. This looks like a one-plus call to
23 me." This is to the switch. So the originating switch
24 wants to send that call to the access tandem, because
25 to the switch, this looks like a toll call. Make

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1 sense? Because it is carrying traffic between two
2 geographically separated local calling areas, but to
3 the billing system, as we know, if we looked at the
4 originating and terminating telephone numbers, it would
5 be a local call. To the switch, however, it looks like
6 a toll call. So the switch wants to send that call to
7 the access tandem rather than on that direct group.

8 I guess that in the final analysis here, I
9 think the point that's clear is you can't simply take
10 local traffic, throw it onto the toll network and say,
11 "There is already available capacity there. The toll
12 network can handle it. This is no big deal." We
13 shouldn't have to put in an extra capacity in the
14 access trunks that exist because they can incrementally
15 handle the local traffic. If you just throw it on,
16 there won't be a problem. What we found here is you
17 can't simply take the local traffic, throw it onto the
18 access network and think it will work. You have to add
19 capacity.

20 Furthermore, we are both concerned when we
21 send traffic across the access network and we leave the
22 local trunks underutilized. That's a bad thing for
23 both of us. So I guess I'm just thinking this is an
24 example of the fact that we can't simply say that
25 putting the local traffic onto the existing access

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1 network is something that can just happen without any
2 additional capacity. It should be a simple matter.

3 MR. WILSON: I believe I understand what
4 happened now. I still would say it's flawed in the way
5 you are doing your LRN. I would further say it sounds
6 like it has nothing to do with AT&T's desire to use the
7 access tandem in some circumstances. I would tell you
8 that this problem would have occurred whether or not
9 you had changed your language in the SGAT to allow
10 interconnection at the access tandem, because that
11 connectivity exists to AT&T regardless of this
12 language. We have huge trunks to you for long-distance
13 calls, and your LRN solution seems to be pumping some
14 calls out those trunks, and I would just say that you
15 had better find a way to fix this because this problem
16 will only get bigger unless we continue to use up too
17 many LRN's and go back to the old world.

18 Maybe in summary -- this kind of caps
19 something I've been sitting here thinking this
20 afternoon -- it may be time for Qwest to rethink its
21 distinction between local and access tandems. It may
22 be time to make them all tandems and beef up both sets
23 of trunk groups by combining them.

24 MR. FREEBERG: This rethinking is certainly
25 happening. There is no question about that, but I

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1 guess the point I would like to be clear on, if this
2 trunk group that took on the new ported number traffic
3 had been made large enough, if it had been big enough,
4 we might have considered this a successful test. That
5 is, there wouldn't have been the blocking which caused
6 us to go back to 10 LRN's and abandon our attempt to go
7 down to five. We might have considered the test
8 successful.

9 JUDGE RENDAHL: Is it fair to say this is an
10 issue that is either at impasse or that Qwest is
11 continuing to look at maybe as a takeback?

12 MR. FREEBERG: We certainly are willing to
13 look at it, take it back, talk more with AT&T about how
14 to route this, but again, this is an approach we
15 thought AT&T agreed with going back as far as March,
16 and I think we learned in September it wasn't okay with
17 them, so yes, we will go back and try to work on this
18 some more.

19 MS. GARVIN: Can I just clarify one thing you
20 said? I thought you said a ported number is handled as
21 a one-plus call and goes over your toll network; is
22 that correct?

23 MR. FREEBERG: Not always, sometimes. That
24 is, some ported calls may be seen by a switch as local,
25 and some ported calls may be seen by a switch as being

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1 associated with an LRN that's a long distance away from
2 it, and it's those latter calls that I think we've been
3 talking about here.

4 MS. GARVIN: But it would seem to me that if
5 you have interconnection at the tandem location that's
6 not considered to be toll trunking, the interconnection
7 that you have at the tandem for the use of local
8 services is local trunking. It's local
9 interconnection, and you might have some toll trunks
10 over it.

11 So to the extent that you are putting traffic
12 to an access tandem and you have determined that you
13 need direct end-office trunking based on 512-CCS,
14 wouldn't the routing based on the LRN be end-office
15 direct first overflow tandem when you define the LRN
16 routing, because it's a translation table in your
17 switch?

18 MR. FREEBERG: Once again, when the switch
19 sees that the call does not appear to it to be a local
20 call, it tends not to want to put it on that direct
21 route, so it sends it to the tandem and it puts it on a
22 combined group. I don't deny that it couldn't flow the
23 way that you describe, and I think that is effectively
24 the takeback here, but that the proposal was that it
25 wouldn't flow that way. That was the proposal in March

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1 which we thought there might be some agreement to,
2 learning now that we need to dig deeper.

3 JUDGE RENDAHL: I think at this point we are
4 exhausting the ability of our court report to continue,
5 so if there are any additional issues, Mr. Wilson in
6 your testimony or Mr. Freeberg in your rebuttal
7 testimony that we have not covered that are
8 interconnection issues, we can talk tomorrow morning
9 about dealing with those first thing depending on how
10 long they may take or addressing it on Friday, and we
11 will discuss that in the morning. At this point, we
12 will be off the record, and we will be reconvening
13 tomorrow morning in room 108 at 8:30.

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15 (Workshop convened at 6:00 p.m.)

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