

**BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

In the Matter of the Investigation Into)	
)	DOCKET NO. UT-003022
U S WEST COMMUNICATIONS, INC.'s)	
)	
Compliance with Section 271 of the)	
Telecommunications Act of 1996.)	
_____)	
In the Matter of)	
)	DOCKET NO. UT-003040
U S WEST COMMUNICATIONS, INC.'s)	
)	
Statement of Generally Available Terms)	
Pursuant to Section 252(f) of the)	
Telecommunications Act of 1996.)	

**AT&T'S RESPONSE TO QWEST'S APRIL 11, 2002
FILINGS DEMONSTRATING COMPLIANCE WITH THE
COMMISSION'S 28TH SUPPLEMENTAL ORDER**

AT&T Communications of the Pacific Northwest, Inc. and AT&T Local Services on behalf of TCG Seattle and Oregon (collectively, "AT&T") hereby file their Response to various filings submitted by Qwest to comply with the Commission's 28th Supplemental Order.

**I. SUPPLEMENTAL REPORT OF QWEST CORPORATION
REGARDING SECTION 272**

A. Qwest's Supplemental Report Does Not Provide Sufficient Information to Demonstrate Compliance With Section 272.

The Commission required Qwest to "provide the Commission . . . detailed information concerning the merger of LCI into QCC to allow the Commission to assess the impact of the merger on QCC." 28th Supp. Order ¶ 272. On or about April 10, 2002, Qwest provided its Supplemental Report of Qwest Corporation Regarding Section 272

(“Supplemental Report”) in which Qwest provided additional information about that merger. The Supplemental Report, however, raises as many questions as it answers.

Qwest states that “[i]n February 2001, QCC entered into an Agreement of Merger with LCI, pursuant to which LCI, a direct subsidiary of QCC, would be merged into QCC.” Supplemental Report at 2. “QCC consummated this merger on December 31, 2001, in accordance with the terms of the merger agreement. A total of approximately 2,300 LCI employees transferred from LCI to QCC.” *Id.* at 3. The merger, according to Qwest, had no financial impact other than to avoid duplicative operations, “particularly because LCI’s financial results were already consolidated with those of QCC prior to the merger.” *Id.*

This information fails to address the Commission’s and AT&T’s concerns with respect to the relationship between LCI, QCC, and the BOC. LCI apparently was a QCC subsidiary, providing the same or similar services as QCC, long before the date on which Qwest officially designated QCC as the Section 272 affiliate until the merger was completed at the end of December 2001. Yet, virtually none of Qwest’s Section 272 documentation – including the testimony and other evidence that Qwest has filed in this proceeding – even references LCI, much less documents transactions between LCI and QCC or the BOC. Qwest contends that “virtually all of Section 272 and the FCC’s associated rules relate to transactions or other relationships between QCC and the BOC, not between QCC and its non-BOC affiliates.” *Id.* LCI, however, was indistinguishable as a practical, if not legal, matter from QCC, particularly in light of the pending merger. Qwest’s failure to document transactions with LCI deprives the Commission and the parties with any ability to determine whether QCC and the BOC conducted transactions

with or through LCI that would have been precluded (or at least reported) if those transactions had been conducted directly between QCC and the BOC.

Even Qwest seems to have been sufficiently aware of the potential issues arising from this triangular relationship to have provided advice “to QCC designed to ensure that any services provided to QCC by LCI employees prior to the merger complied with Section 272.” *Id.* Qwest, however, has provided no documentation to demonstrate that any such services did comply with Section 272 or that any transactions between the BOC and LCI complied with Section 272. Nor does Qwest explain why the 2,300 LCI employees did not receive Section 272 compliance training until after they became QCC employees (as late as January 2002), *id.* at 4 & n.7, if Qwest was concerned in June 2001 that “any services provided to QCC by LCI employees prior to the merger complied with Section 272.” Qwest also has provided no documentation on the extent to which these employees were loaned to, or transferred between, QCC or the BOC.

The additional information that Qwest provided in its Supplemental Report demonstrates only that Qwest should have disclosed transactions between LCI and QCC or the BOC but failed to do so. The Commission, therefore, should require such disclosure, as well as a review of the transactions to ensure that Qwest did not use LCI to bypass the requirements of Section 272.

II. QWEST'S MEMORANDUM REGARDING REMOTE DEPLOYMENT OF DSL

In its Memorandum, Qwest represents that its remote deployment of DSL satisfies all three of the FCC’s requirements set forth in the Line Sharing Order. Qwest provides no factual evidence to support these statements and was not required to do so. AT&T has

no way to verify or dispute the accuracy of Qwest's representations at this time.

However, AT&T reserves the right to contest Qwest's representation in the future.

**III. QWEST'S STATUS REPORT RE AUTOMATION OF THE
SUBLOOP ORDERING PROCESS**

AT&T understands that Qwest intends to file an additional status report on this matter reflecting the parties' agreement on this issue. To the extent that Qwest's status report complies with the parties' agreement, AT&T may have no further comment on this issue, but reserves the right to file additional Comments if necessary.

Respectfully submitted on May 6, 2002.

**AT&T COMMUNICATIONS OF THE
PACIFIC NORTHWEST, INC. AND
AT&T LOCAL SERVICES ON
BEHALF OF TCG SEATTLE
AND TCG OREGON**

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