

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**IN THE MATTER OF THE CONTINUED )  
COSTING AND PRICING OF UNBUNDLED)  
ELEMENTS, TRANSPORT AND ) Docket No. UT-003013  
TERMINATION, AND RESALE ) *Part A*  
FOR QWEST CORPORATION )**

**REBUTTAL TESTIMONY**

**OF**

**BARBARA J. BROHL**

**ON BEHALF OF**

**QWEST CORPORATION**

**August 4, 2000**

1

**I.IDENTIFICATION OF WITNESS**

2

**Q1PLEASE STATE YOUR NAME, EMPLOYER, POSITION, AND BUSINESS**

3

**ADDRESS.**

4

A1 My name is Barbara J. Brohl. I am employed by Qwest Corporation (formerly known

5

as U S WEST) as a Director in the Information Technologies Wholesale Systems

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Regulatory Support Group. My business address is 1999 Broadway, 10<sup>th</sup> Floor, Denver,

7

Colorado 80202.

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**Q1HAVE YOU TESTIFIED BEFORE THIS COMMISSION BEFORE?**

9

A1 Yes.

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**II.PURPOSE OF TESTIMONY**

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**A. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

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A1 The purpose of my testimony is to rebut the response testimony of Rex Knowles<sup>1</sup>, Roy

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Lathrop<sup>2</sup> and Richard Cabe.<sup>3</sup> All three witnesses make invalid assumptions and

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<sup>1</sup> *In the Matter of The Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, WUTC Docket No. UT-003013 (Part A Response Testimony of Rex Knowles on Behalf of Nextlink Washington Inc., Filed July 21, 2000.).*

<sup>2</sup> *In the Matter of The Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, WUTC Docket No. UT-003013 (Part A Response Testimony of Roy Lathrop on Behalf of Worldcom, Inc., Filed July 21, 2000.).*

<sup>3</sup> *In the Matter of The Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, WUTC Docket No. UT-003013 (Part A Response Testimony of Richard Cabe On Behalf of Rhythms Links Inc. and Covad Communications Company, Filed July 21, 2000.).*

1 misrepresent certain facts regarding Qwest's Operational Support Systems (OSS)  
2 expenditures. These matters need clarification for the record.

3 **III.REBUTTAL**

4 **Q1THE INTERVENORS SUGGEST<sup>4</sup> THAT QWEST BENEFITS FROM THE**  
5 **SYSTEMS CHANGES IT MADE**

6 **IN RESPONSE TO THE MANDATE OF THE FCC REQUIRING ILECS TO OPEN**  
7 **THEIR OSS TO CLECS<sup>5</sup>. ARE THE INTERVENORS CORRECT?**

8 A1 No. As I have stated several times, none of the systems development work would have  
9 been done were it not for the FCC mandate. For additional details, please refer to my  
10 testimony and exhibits filed on January 31, 2000. Also please see my response  
11 testimony, filed July 21, 2000, the same day that the witnesses' response testimony was  
12 filed.

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<sup>4</sup> See for example *Response Testimony of Rex Knowles* at page 5, *Response Testimony of Richard Cabe* at page 20, and *Response Testimony of Roy Lathrop* at page 24.

<sup>5</sup> See *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98, and *In the Matter of Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, CC Docket No. 95-185, ¶ 516 (rel. Aug. 8, 1996), (FCC First Report and Order).

**1 Q1MR. LATHROP SUGGESTS THAT THIS COMMISSION WAS WRONG TO**  
**2 ALLOW QWEST TO RECOVER THE COST OF THESE MANDATED OSS**  
**3 CHANGES FROM CLECS.<sup>6</sup> IS HE CORRECT?**

**4** A1 No. Again, please refer to my response testimony filed on July 21, 2000, the same day  
**5** that Mr. Lathrop's response testimony was filed. As I have stated on several occasions,  
**6** this right is established by the Telecommunications Act itself, and is endorsed by the  
**7** FCC. This Commission was correct when it determined that Qwest should be allowed  
**8** to recover its OSS systems development costs.

**9 Q1IN HIS SELF-DESCRIBED "4<sup>TH</sup> GENERAL PRINCIPLE OF COST**  
**10 RECOVERY," MR. KNOWLES STATES THAT CLECS PURCHASING UNES**  
**11 SHOULD NOT HAVE TO PAY FOR RESALE OSS SYSTEMS DEVELOPMENT**  
**12 COSTS.<sup>7</sup> DOES QWEST'S COST RECOVERY PROPOSAL MAKE UNE**  
**13 PURCHASERS PAY FOR RESALE SYSTEMS DEVELOPMENT?**

**14** A1 No. By order of this Commission<sup>8</sup>, Qwest moved the resale OSS systems development  
**15** charges to the Customer Transfer Charge. CLECs purchasing UNEs will not be assessed

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<sup>6</sup> *Response Testimony of Roy Lathrop* at page 24.

<sup>7</sup> *Response Testimony of Rex Knowles* at page 6, *Response Testimony of Roy Lathrop* at pages 21-22.

<sup>8</sup>*In the Matter of Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale*, WUTC Docket No. UT-960369, and *In the Matter of Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST*, WUTC Docket No. UT-960370, and *In the Matter of Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE Northwest Incorporated*, WUTC Docket No. UT-960371 ¶ 465 (rel. August 1999)(17<sup>th</sup> Supplemental Order: Interim Order Determining Prices; Notice of Prehearing Conference).

1 a charge for recovery of resale OSS systems development.

2 **Q1MR. KNOWLES AND MR. LATHROP STATE THAT ILECS SHOULD BE**  
3 **REQUIRED TO FILE UNE RATES FOR OSS COST RECOVERY BASED SOLELY**  
4 **ON FORWARD-LOOKING COSTS PER TELRIC RULES.<sup>9</sup> IS THIS**  
5 **APPROPRIATE?**

6 A1 No. Given the recent 8<sup>th</sup> Circuit Decision<sup>10</sup>, which Mr. Knowles made note of, this  
7 recommendation is not appropriate. The 8<sup>th</sup> Circuit determined that forward-looking  
8 costs should not be based on a fantasy network. Instead they should be based on the  
9 existing network. Given this decision, the costs presented by Qwest for OSS cost  
10 recovery are entirely appropriate to this proceeding, as they represent the cost of creation  
11 of the existing systems that Qwest has prepared for CLEC access to its OSS.

12 **Q1MR. LATHROP STATES THAT THE COSTS REPORTED BY QWEST**  
13 **SHOULD ONLY BE FOR FEATURES THAT HAVE BEEN ADDED TO ITS**  
14 **ORIGINAL SYSTEMS.<sup>11</sup> IS HE CORRECT?**

15 A1 Yes. And as I have stated several times in prior testimony and exhibits, Qwest is only  
16 seeking cost recovery for systems development changes made solely for CLECs.  
17 Qwest is not seeking to recover any costs for changes made to Qwest systems for

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<sup>9</sup> *Response Testimony of Rex Knowles* at Page 7.

<sup>10</sup> *Iowa Utilities Board v. FCC*, case no. 96-3321, 8<sup>th</sup> Circuit Court of Appeals, decided July 17, 2000.

<sup>11</sup> *Response Testimony of Roy Lathrop* at page 22.

1 Qwest's own use.

2 **Q1MR. CABE BELIEVES THAT OSS SYSTEMS DEVELOPMENT COSTS FOR**  
3 **LINE SHARING ARE DIFFERENT FROM GENERAL OSS DEVELOPMENT**  
4 **COSTS, AND THAT THIS COMMISSION'S APPROVAL OF OSS COST**  
5 **RECOVERY DOES NOT APPLY HERE.<sup>12</sup> IS HE CORRECT?**

6 A1 No. Systems Development costs to make OSS available to CLECs are the same kind of  
7 cost no matter what UNE they support. Systems development costs are incurred whether  
8 the OSS has to be opened to CLECs for the purpose of accessing shared loops,  
9 unbundled loops, or unbundled local switching. OSS cost recovery should not be  
10 confused with the pricing of a UNE such as Line Sharing. While pricing concerns may  
11 be different, OSS cost recovery concerns are the same. The FCC discussed this at length  
12 in the Line Sharing Order.

13 Incumbent LECs use OSS systems that carry out pre-ordering, ordering,  
14 service provisioning, billing, repair and maintenance functions for their  
15 current products and services. Although the OSS systems vary among  
16 incumbent LECs, they share a common functionality. Competitive LECs  
17 exchange information with incumbent LECs through Electronic Exchange of  
18 Data gateways, Web GUIs, or via paper fax transmissions. There is no  
19 dispute either that incumbent LECs will need to modify their OSS systems  
20 somewhat in order to implement line sharing, or that they will incur costs in  
21 doing so.<sup>13</sup>

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<sup>12</sup> *Response Testimony of Richard Cabe* at pages 19-21.

<sup>13</sup> *In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98 and , ¶ 142 (rel. Dec. 9, 1999), (*FCC Third Report and Order on Docket No. 98-147 and Fourth Report*

1 We find that incumbent LECs should recover in their line  
2 sharing charges those reasonable incremental costs of OSS  
3 modification that are caused by the obligation to provide line  
4 sharing as an unbundled network element<sup>14</sup>

5 Mr. Cabe's Argument that OSS Cost Recovery for Line Sharing is a different issue  
6 is therefore incorrect. Mr. Cabe again asserts his belief that OSS changes made for  
7 Line Sharing benefit Qwest's retail customers, so they should bear the costs for these  
8 changes along with CLECs. Once again, Qwest would not have made these changes  
9 were it not for the mandate of the FCC to provide Line Sharing. As I have stated in  
10 prior testimony in this docket, Qwest does not line share with itself, nor does Qwest  
11 require the system modifications necessary to make line sharing available to CLECs.

12 **Q1MR. CABE BELIEVES THAT QWEST HAS ONLY PROVIDED HIGH LEVEL**  
13 **INFORMATION REGARDING THE SCOPE OF WORK THAT MUST BE**  
14 **UNDERTAKEN TO CHANGE QWEST'S OSS FOR LINE SHARING.<sup>15</sup> IS THIS**  
15 **ACCURATE?**

16 A1 No. Qwest has provided a great deal of information regarding the changes required to  
17 it's OSS to make line sharing available to CLECs. In my Supplemental Direct  
18 Testimony, filed May 19, 2000, I attached six exhibits providing abundant detail

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*and Order on Docket No. 96-98), ("Line Sharing Order").*

<sup>14</sup> Line Sharing Order ¶ 144.

<sup>15</sup> *Response Testimony of Richard Cabe* at Page 24.

1 regarding the OSS work that would have to be done to provide line sharing.<sup>16</sup> In fact  
2 much of the information that was filed was available to Rhythms and Covad prior to  
3 commencement of this docket.<sup>17</sup> Contrary to Mr. Cabe's assertions, Qwest has been as  
4 forthcoming as possible, and has provided all detail available regarding the complexity  
5 of OSS changes necessary to make line sharing available to data CLECs.

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7 **Q1DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A1 Yes.

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<sup>16</sup> See Exhibits BJB-10 through BJB-15 filed May 19, 2000.

<sup>17</sup> Five Rhythms and four Covad employees participated in the line sharing negotiations that resulted in the Interim Line Sharing Agreement, filed in this docket as Exhibit BJB-15. Participants in the negotiations received all communications, including meeting minutes and system documentation, even when they were not present at meetings. The documentation included the Gap Analysis, filed in this docket as exhibit BJB-10, which identified the systems impacted by line sharing, and the changes needed to implement line sharing on these systems.