

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

**IN THE MATTER OF A COMPLAINT BY
THE JOINT CLECs AGAINST THE JOINT
APPLICANTS REGARDING OSS FOR
MAINTENANCE AND REPAIR**

Docket No. UT-111254

DIRECT TESTIMONY

OF MICHAEL HUNSUCKER

QWEST CORPORATION D/B/A CENTURYLINK QC

OCTOBER 14, 2011

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1

I. IDENTIFICATION OF WITNESS

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Michael R. Hunsucker. My business address is 100 CenturyLink Drive,
4 Monroe Louisiana, 71203.

5 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

6 A. I am currently employed by CenturyLink as Vice President of Wholesale Services and
7 Support.

8 **Q. WHAT ARE YOUR RESPONSIBILITIES AS VICE PRESIDENT OF**
9 **WHOLESALE SERVICES AND SUPPORT?**

10 A. I am responsible for the management of interconnection and commercial agreements,
11 revenue assurance, reciprocal compensation and access expense, CLEC account
12 management and sales, service reporting and penalty performance, and escalated carrier
13 disputes and settlements for the Wholesale organization.

14 **Q. WHAT POSITIONS DID YOU HOLD BEFORE BECOMING THE VICE**
15 **PRESIDENT OF WHOLESALE SERVICES AND SUPPORT?**

16 A. I was previously employed by CenturyLink as the Director of CLEC Management. I was
17 named to the position in April 2008 in legacy Embarq and continued in that capacity until
18 the CenturyTel/Embarq merger. I was Embarq's State Executive for Texas (2002 –
19 2008) and Tennessee (2007- 2008). As State Executive, I managed Embarq's relationship
20 with public utility commissions and state legislatures. I also managed Embarq's public

1 affairs activities in the two states. Prior to being named to that position, I was Director-
2 Policy for Sprint Corporation from 1992 until 2002. As Director-Policy, I developed
3 regulatory and legislative policy for the corporation and provided written and oral
4 testimony before state regulatory commissions for Sprint and its operating subsidiaries
5 including its incumbent local exchange carriers (ILECs), and interexchange/competitive
6 local exchange carrier (CLEC). Prior to being named Director-Policy, I held a variety of
7 management positions with Sprint and its predecessor companies, primarily dealing with
8 regulatory matters. I began my telecommunications career in 1979.

9 **Q. HAVE YOU TESTIFIED BEFORE ANY STATE REGULATORY AGENCY?**

10 A. Yes. I have testified before regulatory agencies in Florida, North Carolina, South
11 Carolina, Tennessee, Virginia, Pennsylvania, Ohio, Illinois, Maryland, Nebraska,
12 Georgia, Texas, Nevada, Oregon, Washington, Arizona, Colorado, Utah and Minnesota.

13 **Q. DID YOU TESTIFY ON BEHALF OF CENTURYLINK IN MERGER**
14 **PROCEEDINGS BEFORE STATE REGULATORY AGENCIES?**

15 A. Yes. I testified before the Commissions in Oregon, Washington, Arizona, Colorado,
16 Utah and Minnesota.

17 **Q. DID YOU PARTICIPATE DIRECTLY IN THE NEGOTIATIONS THAT LED TO**
18 **THE MERGER SETTLEMENTS THAT ARE AT ISSUE IN THIS CASE?**

19 A. Yes, I did.

1 **II. PURPOSE OF TESTIMONY**

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

3 A. The purpose of my testimony is to respond to the issues raised by the Joint CLECs and
4 Interveners in this case, and to present facts to demonstrate that CenturyLink is not in
5 violation of its merger agreements as the Joint CLECs allege.

6
7 **III. CENTURYLINK'S UNDERSTANDING OF THE SETTLEMENT**
8 **AGREEMENTS.**

9 **Q. RELATIVE TO THE ISSUES IN DISPUTE IN THIS CASE, WHAT IS YOUR**
10 **UNDERSTANDING OF THE REQUIREMENTS OF THE MERGER**
11 **SETTLEMENT AGREEMENTS BETWEEN QWEST, CENTURYLINK AND**
12 **THE CLECS WITH REGARD TO OSS?**

13 A. My understanding is primarily based on the words of the documents, but is also informed
14 by my participation in the merger dockets and the settlement negotiations. The words of
15 the agreements are straightforward. The terms of the merger settlements with regard to
16 Operational Support Systems (“OSS”) are that the merged company will not “retire or
17 replace” any Legacy Qwest OSS with a Legacy CenturyLink OSS, and will continue to
18 “use and offer to wholesale customers the legacy Qwest ... (OSS)...”¹ during a 30-
19 month settlement period.

¹ Washington Integra Merger Settlement Section 12.

1 Relative to this dispute, Qwest/CenturyLink will continue to “use and offer” MEDIACC
2 throughout the entire 30-month settlement period in precisely the same way it was used
3 and offered beforehand. MEDIACC will not be “retire[d] or replace[d]” until after the
4 settlement period has expired and all the procedures in the Integra settlement have been
5 followed.

6 **Q. THE CLECS CLAIM CENTURYLINK UNDERSTOOD THAT THE TERMS OF**
7 **THE SETTLEMENT WERE INTENDED TO FREEZE ALL OSS FOR 30**
8 **MONTHS.² IS THIS A REASONABLE INTERPRETATION OF THE**
9 **SETTLEMENT AGREEMENT?**

10 A. No. No language of the Integra settlement requires an OSS “freeze” or “moratorium,”
11 and given the context of the merger litigation and our settlement negotiations it makes no
12 sense to add such words to the agreement now. What I heard from Integra and other
13 CLECs who adopted the Integra settlement was that they were concerned about the
14 merged company replacing legacy Qwest systems with legacy CenturyLink systems, and
15 they were not seeking a “freeze” or “moratorium” on legacy Qwest OSS development.
16 During the settlement negotiations, I never heard anyone from Integra or any of the other
17 parties request that Qwest/CenturyLink be prohibited from introducing new OSS if the
18 existing OSS continued to be available.

19 Interpreting the Integra settlement as a “freeze” or a prohibition against all changes to
20 legacy Qwest OSS not only goes beyond our negotiations and the language of the

² See for example Joint CLEC Complaint at paragraphs 19 through 21.

1 agreement, such an interpretation also does not make any sense for either the CLECs or
2 Qwest/CenturyLink. Any business, including Qwest/CenturyLink, must continually deal
3 with change from many perspectives including technological change, implementation of
4 new service offerings for wholesale customers, supplier and vendor changes, and the like.
5 Freezing *all* OSS changes would frustrate the company's ability to adjust to changing
6 conditions.

7 **Q. IS THE CLECS' CLAIM THAT THE MERGER SETTLEMENTS PROHIBIT**
8 **ALL OSS CHANGES CONSISTENT WITH THE RETENTION OF THE CMP AS**
9 **NEGOTIATED IN THE MERGER SETTLEMENTS?**

10 A. No, it is not consistent. While the merger settlements contain provisions that require the
11 continued use of Legacy Qwest OSS for 30 months, they also require the continuation of
12 the Change Management Process ("CMP") for an even longer period. As the name
13 implies, the CMP exists to deal with change. If the CLECs thought they had created a
14 circumstance in which no change could or would take place, there would have been no
15 need to maintain the change management process that they so strongly advocated to
16 retain. The fact that they put such emphasis on the need to retain a change management
17 process made it clear to me that in fact they did expect changes to take place during the
18 30 month period. The basic tenet of the CLEC positions in the merger proceeding was
19 the continuation of "status quo". Thus the continuation of the CMP process does allow
20 for changes so long as such changes are made consistent with the guidelines outlined in
21 the CMP and pre-existing systems continue to be available until the settlement period
22 expires and the agreed-upon procedures are completed. In addition, it should be noted

1 that the CMP is not a unilateral forum that only allows the Merged Company to make
2 changes; in fact, it allows the CLECs the opportunity to submit changes that they feel are
3 important from their perspective. If the Commission were to take the CLEC position in
4 this proceeding to its logical extreme and impose an OSS “freeze,” no changes could be
5 made to any OSS system, even through the CMP process. This would place the company
6 in an untenable position of not being able to provide quality service to its wholesale
7 customers as neither CLEC proposed changes nor company proposed changes could be
8 made to existing OSS systems. This is why I suggest above that the Commission not add
9 words to the Integra settlement such as “freeze” or “moratorium.”

10 **Q. WOULD THE MERGED COMPANY HAVE AGREED TO ANY OF THE**
11 **SETTLEMENT AGREEMENTS IF IT PRECLUDED ALL CHANGES TO ALL**
12 **OSS FOR 30 MONTHS?**

13 A. Certainly not. That would have been totally unreasonable, and would not have made
14 good business sense. What I believed was a reasonable or acceptable request, and that
15 was agreed to in the settlements, was to continue to “use and offer” to the CLECs
16 existing OSS systems and to not replace any Legacy Qwest OSS with a Legacy
17 CenturyLink OSS for 30 months.

18 **Q. BASED ON YOUR UNDERSTANDING OF THE SETTLEMENT AGREEMENTS**
19 **YOU NEGOTIATED, DO YOU BELIEVE THAT THE DEVELOPMENT OF**
20 **MTG VIOLATES THESE AGREEMENTS?**

1 A. No, I do not. MTG is a new Legacy Qwest system. It is being made available in addition
2 to the Legacy Qwest systems existing at the time the merger closed. It is being made
3 available to the CLECs as an optional alternative to an existing Legacy Qwest system,
4 MEDIACC, which is also available. The CLECs are not required to switch to MTG. As
5 agreed to in the merger settlements, CenturyLink intends to continue to “use and offer”
6 MEDIACC for at least 30 months after the merger close date. In addition, the company
7 will follow all the required steps outlined in the settlement agreements, when and if, the
8 company decides to “retire or replace” any OSS system.

9 **Q. SHOULD CENTURYLINK DECIDE TO USE MTG FOR CUSTOMERS IN THE**
10 **LEGACY CENTURYTEL OR LEGACY EMBARQ TERRITORIES, WOULD**
11 **THAT BE A VIOLATION OF THE SETTLEMENTS AGREEMENTS?**

12 A. No. There is absolutely nothing in the merger settlements that addresses changes to
13 Legacy CenturyLink OSS so there can be no question that MTG can be developed and
14 used in Legacy CenturyLink at anytime. But let’s be clear, there is nothing in the terms
15 of the merger settlements that precludes the creation of new, additional systems, whether
16 for Legacy Qwest OSS or Legacy CenturyLink OSS. The company would not have
17 agreed to limit the creation of new systems as doing so would ignore changing business
18 needs, technological advances, and the ability of the company to address the future
19 business needs of our wholesale customers.

20

1 **IV. CENTURYLINK HAS NOT VIOLATED THE SETTLEMENT AGREEMENTS**

2 **Q. DO YOU BELIEVE THAT CENTURYLINK HAS VIOLATED THE MERGER**
3 **SETTLEMENT AGREEMENTS?**

4 A. No, I do not. CenturyLink has not replaced any Legacy Qwest OSS with a Legacy
5 CenturyLink OSS (or any other OSS), and will do so only in a manner that is in
6 accordance with the merger settlements.

7 **Q. WHY DID QWEST/CENTURYLINK NOT APPROACH REGULATORS FOR**
8 **RELIEF FROM THE MERGER COMMITMENTS?**

9 A. As Qwest/CenturyLink is in compliance and still intends to comply with the merger
10 settlements, it is not necessary to request relief. Should the need arise (and there is no
11 reason to speculate now about what circumstances might trigger such a need),
12 Qwest/CenturyLink will seek appropriate relief. With respect to the planned replacement
13 of MEDIACC in 2013, Qwest/CenturyLink will notify regulators and other stakeholders
14 of changes in a manner that is consistent with the merger settlements.³

15 **Q. DID YOU KNOW ABOUT THE MTG PROJECT WHEN THE INTEGRA AND**
16 **WASHINGTON MERGER SETTLEMENT AGREEMENTS WERE**
17 **NEGOTIATED AND SIGNED?**

18 A. No. Based on my recollection, I became aware of this issue when the CLECs raised the
19 issue of the retirement of MEDIACC during the Arizona merger hearing on December
20 20, 2010. Although there had been several planning meetings in preparation for the

³ See Exhibit RA-7 'External Schedule'.

1 numerous merger proceedings, I do not recall this project being discussed in those
2 meetings. Likewise, at that time and until the merger closing on April 1, 2011, legacy
3 Qwest and legacy CenturyLink were required under federal law to operate as separate
4 businesses and as such, I did not have full visibility into all of the legacy Qwest
5 wholesale business plans and operations.

6 **Q. IF YOU HAD KNOWN ABOUT THE MTG PROJECT, WOULD YOU HAVE**
7 **PROCEEDED WITH THE MERGER SETTLEMENT AGREEMENTS?**

8 A. I believe so, as there is nothing in the settlement agreement that prohibits the
9 development (and optional availability) of a new system. The piece of the original MTG
10 project that needed clarification is that MEDIACC would not be replaced for 30 months.
11 Following the close of the merger and at the request of the CLECs, CenturyLink removed
12 any confusion and confirmed its commitment to the merger settlements. The CLECs were
13 notified through CMP that: 1) the CR to retire MEDIACC was being withdrawn, 2)
14 MEDIACC would continue to be used and offered to CLECs and 3) a new
15 implementation schedule was published clearly demonstrating that both of these changes
16 were being made.

17 **Q. DO YOU BELIEVE YOU DID SUFFICIENT DUE DILIGENCE TO PREPARE**
18 **FOR THE NEGOTIATIONS THAT LED TO THE MERGER SETTLEMENT**
19 **AGREEMENTS?**

20 A. Yes, but this argument is a red herring. It was not necessary for me or CenturyLink to
21 investigate whether Qwest/CenturyLink might consider adding an optional repair

1 interface while still using and offering existing systems, or to investigate which systems
2 might experience a force majeure event, in order to enter into the Integra Settlement.
3 Moreover, even the possibility of seeking force majeure relief from settlement
4 commitments or commission orders misses the issue. The settlements we negotiated
5 allows for the implementation of MTG provided we continue to “use and offer”
6 MEDIACC and do not “replace or retire” it until the 30-month settlement period expires.
7 The CLECs’ argument that the MTG project was not discussed or disclosed is a
8 distraction from the plain language of the agreement. What is important at this point of
9 time is that CenturyLink has been very diligent in clearing up any misstatements or
10 confusion and is committed to honoring the settlement agreements in their entirety. As I
11 have stated repeatedly, CenturyLink will continue to “use and offer” the legacy Qwest
12 OSS systems for the required 30 months and fully understands its obligations in regards
13 to the retirement and replacement of MEDIACC at some point in the future.

14
15 **V. CONCERNS RAISED BY THE CLECS IN THE MERGER PROCEEDINGS**

16 **Q. WHAT IS YOUR UNDERSTANDING OF THE TERM “INTEGRATION” AS IT**
17 **WAS USED IN THE INTEGRA SETTLEMENT?**

18 A. Throughout the negotiations and state regulatory proceedings, it was my understanding
19 that integration referred to the activities that would take place as the result of synergies
20 realized by the parties to the merger, CenturyLink and Qwest. With regard to OSS, this
21 meant those situations where the companies each had systems performing the same

1 functions, and for each instance, one company's system would be chosen to perform
2 those functions for the merged company.

3 **Q. WHAT IS YOUR UNDERSTANDING OF THE MAIN ISSUE RAISED BY THE**
4 **CLECS WITH REGARD TO THE INTEGRATION OF SYSTEMS DURING THE**
5 **MERGER PROCEEDINGS?**

6 A. Throughout the negotiations and state regulatory proceedings, it was my understanding
7 that the CLECs were concerned that Legacy CenturyLink systems would be used in place
8 of Legacy Qwest systems. The CLECs operating and litigating in legacy Qwest states
9 expressed a marked preference for the continuation of the Legacy Qwest systems.
10 However, as I stated on several occasions, CenturyLink serves customers in non-Qwest
11 states and the potential impact of any system selection must take into account their needs
12 and requirements, not just the needs of the CLECs operating in the legacy Qwest markets.

13 **Q. ON WHAT DO YOU BASE THIS UNDERSTANDING?**

14 A. First I base this on my direct participation in the negotiations that took place with the
15 CLECs and which led to the settlement agreements that the CLECs now claim
16 CenturyLink has violated.

17 **Q. DO YOU BASE YOUR UNDERSTANDING OF THE CLECS CONCERNS ON**
18 **ANYTHING ELSE?**

19 A. Yes. I also base this understanding on the testimony submitted by the CLECs in the
20 merger proceedings. On several occasions the CLECs testified that they had more faith
21 in the quality of the Legacy Qwest OSS because they had been subjected to thorough

1 testing in the OSS process. For example, Mr. Ankum stated in merger testimony before
2 this commission:

3 Though CenturyLink has put CLECs on notice to expect changes, it has provided
4 no detail about what will change, when it will change or how CenturyLink will
5 determine which is the “best system” to use. This is particularly problematic when
6 it comes to OSS because only Qwest’s existing systems (*i.e.*, not CenturyLink’s
7 existing OSS) have been tested under a Section 271 review.⁴

8
9 **Q. THE JOINT CLECS CLAIM NOW THAT THEY WERE CONCERNED ABOUT**
10 **ANY REPLACEMENT OF LEGACY QWEST OSS, NOT JUST THE**
11 **REPLACEMENT OF LEGACY QWEST OSS WITH LEGACY CENTURYLINK**
12 **OSS.⁵ IS THE JOINT CLECS’ PRESENT POSITION CONSISTENT WITH**
13 **REPRESENTATIONS MADE DURING THE MERGER PROCEEDINGS?**

14 A. No. For example, in a footnote to the testimony above, Mr. Ankum stated further:

15 If CenturyLink is truly concerned about the “wholesale customer perspective,”
16 then CenturyLink will not replace Qwest’s existing OSS post-transaction. As
17 evidenced by the CLEC proposed conditions, it is clearly the CLECs’ perspective
18 that Qwest’s existing OSS is preferable to existing CenturyLink OSS.⁶

19

⁴ See Docket No. UT-100820, Washington Answer Testimony of August Ankum at page 50-51.

⁵ See Joint CLEC Complaint at paragraph 22.

⁶ See Docket No. UT-100820, Washington Answer Testimony of August Ankum at footnote 83.

- 1 **VI. CONCLUSION**
- 2 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**
- 3 A. My testimony explains CenturyLink’s understanding of the terms of the merger
4 settlement agreements, specifically with regard to OSS commitments. My testimony is
5 based on my direct participation in the negotiations of those settlements and on the
6 testimony of the CLECs in the merger proceedings. The proposed implementation of
7 MTG, with the continued availability of MEDIACC for 30 months, does not represent a
8 violation of the merger agreements as claimed by the Joint CLECs.
- 9 **Q. DO YOU BELIEVE THAT CENTURYLINK HAS ACTED IN GOOD FAITH**
10 **AND IN ACCORDANCE WITH THE TERMS OF THE SETTLEMENT**
11 **AGREEMENTS?**
- 12 A. Yes I do.
- 13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
- 14 A. Yes, it does.