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1                           BEFORE THE WASHINGTON STATE  
2                           UTILITIES AND TRANSPORTATION COMMISSION  
3 In the Matter of the Petition        )  
4 for Arbitration of an Amendment    ) Docket No. UT-043013  
5 to Interconnection Agreements of    )  
6    ) Volume V  
7 VERIZON NORTHWEST, INC.            ) Pages 208 to 359  
8    )  
9                           With    )  
10    )  
11 COMPETITIVE LOCAL EXCHANGE        )  
12 CARRIERS AND COMMERCIAL MOBILE     )  
13 RADIO SERVICE PROVIDERS IN         )  
14 WASHINGTON                            )  
15    )  
16 Pursuant to 47 U.S.C.               )  
17 Section 252(b) and the Triennial    )  
18 Review Order                         )  
19 \_\_\_\_\_)

11                           A hearing in the above matter was held on  
12 September 9, 2004, from 1:35 p.m to 6:20 p.m., at 1300  
13 South Evergreen Park Drive Southwest, Room 108, Olympia,  
14 Washington, before Administrative Law Judge ANN RENDAHL.

13                           The parties were present as follows:  
14                           MCI, INC., via bridge line by MICHEL SINGER  
15 NELSON, Attorney at Law, 707 - 17th Street, Suite 4200,  
16 Denver, Colorado 80202, Telephone (303) 390-6106, Fax  
17 (303) 390-6333, E-mail michel.singer nelson@mci.com.

16                           AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST,  
17 via bridge line by LETTY FRIESEN, Attorney at Law, 1875  
18 Lawrence Street, Suite 1575, Denver, Colorado 80202,  
19 Telephone (303) 298-6475, Fax (303) 298-6301, E-mail  
20 lsfriesen@att.com.

19                           VERIZON NORTHWEST, INC., by CHARLES H.  
20 CARRATHERS III, Attorney at Law, 600 Hidden Ridge,  
21 Irving, Texas 75015, Telephone (972) 718-2415, Fax  
22 (972) 718-0936, E-mail chuck.carrathers@verizon.com; and  
23 by JUDITH A. ENDEJAN, Attorney at Law, Graham & Dunn PC,  
24 2801 Alaskan Way, Suite 300, Seattle, Washington 98121,  
25 Telephone (206) 340-9694, Fax (206) 340-9599, E-Mail  
jendejan@grahamdunn.com.;

24 Joan E. Kinn, CCR, RPR  
25 Court Reporter

1                   and via bridge line by ANDREW  
2                   G. MCBRIDE, Attorney at Law, Wiley Rein & Fielding LLP,  
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4                   Telephone (202) 719-7135, Fax (202) 719-7049, E-mail  
5                   amcbride@wrf.com; and via bridge line by RANDAL S.  
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7                   York, New York 10036, Telephone (212) 395-1752, Fax  
8                   (212) 597-2975, E-mail randal.s.milch@verizon.com; and  
9                   via bridge line by MICHAEL D. LOWE, Attorney at Law,  
10                   1550 North Courthouse Road, Arlington, Virginia 22209,  
11                   Telephone (703) 351-3103, Fax (703) 351-3655, E-mail  
12                   michael.d.lowe@verizon.com.

13                   ADVANCED TELECOM AND UNICOM, via bridge line  
14                   by BROOKS E. HARLOW, Attorney at Law, Miller Nash LLP,  
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16                   Telephone (206) 622-8484, Fax (206) 622-7485, E-mail  
17                   brooks.harlow@millernash.com; and via bridge line by  
18                   HEATHER T. HENDRICKSON, Attorney at Law, Kelley, Drye &  
19                   Warren, LLP, 1200 - 19th Street Northwest, Washington,  
20                   D.C. 20036, Telephone (202) 887-1257, Fax (202)  
21                   955-9792, E-mail hhendrickson@kelleydrye.com.

22                   INTEGRA TELECOM, INC., via bridge line by  
23                   KAREN JOHNSON and HARRY N. MALONE, Attorneys at Law,  
24                   Swidler Berlin Shereff Friedman, LLP, 3000 K Street  
25                   Northwest, Suite 300, Washington, D.C. 20007, Telephone  
                 (202) 424-7877, Fax (202) 424-7643, E-mail  
                 ewkirsch@swidlaw.com and hnmalone@swidlaw.com

                 COVAD COMMUNICATIONS COMPANY, via bridge line  
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                 line by WILLIAM E. HENDRICKS, III, Attorney at Law,  
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                 97031, Telephone (541) 387-9439, Fax (541) 387-9753,  
                 E-mail tre.e.hendricks.iii@mail.sprint.com.

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1 P R O C E E D I N G S

2 JUDGE RENDAHL: Good afternoon, I'm Ann  
3 Rendahl, the Administrative Law Judge and Arbitrator  
4 presiding over this proceeding. We're here before the  
5 Washington Utilities and Transportation Commission this  
6 afternoon, Thursday, September 9th, 2004, for a hearing  
7 in Docket Number UT-043013, which is captioned In The  
8 Matter of the Petition for Arbitration of an Amendment  
9 to Interconnection Agreements of Verizon Northwest, Inc.  
10 with Competitive Local Exchange Carriers and Commercial  
11 Mobile Radio Service Providers in Washington pursuant to  
12 47 U.S.C., Sections 252(b) and the Triennial Review  
13 Order.

14 So to add confusion for this afternoon we  
15 changed bridge lines for this hearing and the Pacificorp  
16 rate case hearing. Is there anyone calling in on the  
17 bridge line who needs to listen in on the Pacificorp  
18 rate case hearing?

19 Okay, I appreciate that all of you are either  
20 here in Olympia or on the bridge line on such short  
21 notice. By short notice, yesterday via E-mail and also  
22 being sent to you through the regular mail for your  
23 records, the Commission convened this hearing in the  
24 nature of a preliminary hearing to determine the balance  
25 of harms presented by the motion for enforcement filed

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1 by a number of CLECs on August 31st, 2004.

2 The focus of this hearing is Verizon's  
3 conversion of its circuit switch in Mount Vernon,  
4 Washington to a packet switch, which is planned to go  
5 forward tomorrow, September 10th, 2004.

6 Before we go any farther, I would like to  
7 take appearances from the parties, beginning with  
8 Verizon. If you have already made an appearance in this  
9 docket, please state your name and the party or parties  
10 you represent. If you are making an initial appearance,  
11 you will need to state your full name, the party you  
12 represent, your address, telephone number, fax number,  
13 and E-mail address. Your E-mail address will allow us  
14 to add you to our courtesy E-mail listing for this  
15 docket.

16 So let's begin with Verizon, Mr. Carrathers.

17 MR. CARRATHERS: Yes, good afternoon, thank  
18 you, Your Honor. I'm Charles Carrathers,  
19 C-A-R-R-A-T-H-E-R-S, Vice President and General Counsel  
20 of Verizon Northwest. My business address is 600 Hidden  
21 Ridge, Post Office Box 152092, Irving, Texas 75015-2092.  
22 My phone number is (972) 718-2415, my fax (972)  
23 718-0936, and my E-mail address chuck.carrathers, again  
24 C-A-R-R-A-T-H-E-R-S, @verizon.com.

25 And with me today as local counsel is Judy

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1 Endejan, and she can introduce herself.

2 MS. ENDEJAN: Thank you.

3 Yes, appearing today with Mr. Carrathers for  
4 Verizon is Judy Endejan with Graham and Dunn PC, Pier  
5 70, 2801 Alaskan Way, Seattle, Washington 98121-1128,  
6 telephone number is (206) 340-9694, fax is (206)  
7 340-9599, E-mail is jendejan@grahamdunn.com.

8 JUDGE RENDAHL: All right.

9 And on the bridge line, Mr. McBride.

10 MR. MCBRIDE: Your Honor, that's Andrew  
11 McBride, and it's Andrew G. McBride, M-C capital  
12 B-R-I-D-E, I'm with the law firm of Wiley, W-I-L-E-Y,  
13 Rein, R-E-I-N, and Fielding LLP. My business address is  
14 1776, 1-7-7-6, K Street Northwest, N--W-. , Washington,  
15 D.C. 20006. My work telephone is area code (202)  
16 719-7135, my facsimile number is area code (202)  
17 719-7049, my E-mail address is amcbride@wrf.com, and I  
18 am outside counsel representing Verizon Northwest.

19 JUDGE RENDAHL: Thank you very much.

20 MR. MCBRIDE: Thank you, Your Honor.

21 JUDGE RENDAHL: Mr. Milch.

22 MR. MILCH: Your Honor, my name is Randal  
23 R-A-N-D-A-L, S. Milch, M-I-L-C-H. My business address  
24 is 1095 Avenue of the Americas, New York, New York  
25 10036. My telephone number is (212) 395-1752, fax is

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1 (212) 597-2975, and my E-mail address is  
2 randal.s.milch@verizon.com.

3 JUDGE RENDAHL: Thank you, Mr. Milch.  
4 And Mr. Lowe.

5 MR. LOWE: Your Honor, my name is Michael,  
6 M-I-C-H-A-E-L, D. Lowe, L-O-W-E. My business address is  
7 Verizon Communications, 1550 North Courthouse Road in  
8 Arlington, Virginia 22209, and my phone number is (703)  
9 351-3103, fax is (703) 351-3655, E-mail is  
10 michael.d.lowe@verizon.com.

11 JUDGE RENDAHL: Thank you very much.  
12 Let's begin now with AT&T, Ms. Friesen.  
13 Ms. Friesen, are you there?

14 MS. FRIESEN: Yes, Your Honor, I'm sorry, can  
15 you hear me?

16 JUDGE RENDAHL: Yes.

17 MS. FRIESEN: Good afternoon, this is Letty  
18 Friesen on behalf of AT&T Communications of the Pacific  
19 Northwest, Inc. I have already entered an appearance in  
20 this docket, so I will dispense with the E-mail address  
21 and address.

22 JUDGE RENDAHL: Thank you.  
23 For Advanced Telecom.

24 MR. WIGGER: Your Honor, this is Dan Wigger,  
25 W-I-G-G-E-R.



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1 JUDGE RENDAHL: And, Mr. Wigger, are you an  
2 attorney?

3 MR. WIGGER: No.

4 JUDGE RENDAHL: Okay, this is just for the  
5 attorneys stating an appearance. I'm sorry to create  
6 some confusion there.

7 MS. HENDRICKSON: Your Honor, this is Heather  
8 Hendrickson from Kelley, Drye & Warren representing  
9 Advanced Telecom, Inc. and UNICOM in this proceeding, I  
10 have already made an appearance.

11 JUDGE RENDAHL: Well, we didn't take that  
12 formally on the record, but yes. I mean prior to today,  
13 yes, you have stated an appearance.

14 Anyone else for Advanced Telecom and UNICOM?

15 MR. HARLOW: Yes, Your Honor, this is Brooks  
16 Harlow and David Rice, I have entered our addresses on  
17 the record already.

18 JUDGE RENDAHL: All right, thank you.

19 And for Covad?

20 MS. FRAME: Yes, Your Honor, this is Karen,  
21 K-A-R-E-N, Frame, F-R-A-M-E, and I believe I have  
22 already made an appearance.

23 JUDGE RENDAHL: Okay, I think you're on a  
24 cell phone and you're cutting out, so you have stated an  
25 appearance in the record, so is there anything else you

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1 wish to add?

2 All right, for MCI?

3 MS. SINGER NELSON: Thank you, Your Honor,  
4 Michel Singer Nelson appearing on behalf of MCI.

5 JUDGE RENDAHL: And for Integra?

6 MS. JOHNSON: Karen Johnson is here for  
7 Integra, and also Harry Malone is on the line for us,  
8 Your Honor.

9 JUDGE RENDAHL: Okay.

10 And, Mr. Malone, I don't believe you have  
11 stated an appearance.

12 MR. MALONE: No.

13 JUDGE RENDAHL: So if you could make a full  
14 appearance, we would appreciate it.

15 MR. MALONE: Sure. My name is Harry N.  
16 Malone, I'm with Swidler Berlin Shereff Friedman, and  
17 that is Swidler, S-W-I-D-L-E-R, Berlin, B-E-R-L-I-N,  
18 Shereff, S-H-E-R-R-E-F, Friedman, I'm sorry, that's  
19 R-E-F-F, S-H-E-R-E-F-F, Friedman F-R-I-E-D-M-A-N, at  
20 3000 K Street Northwest, Washington, D.C. 20007. My  
21 phone number is (202) 424-7705, fax number (202)  
22 424-7645, and my E-mail is hnmalone@swidlaw.com.

23 JUDGE RENDAHL: Thank you.

24 MS. FRAME: Your Honor, this is Karen Frame,  
25 I think I was dropped from my phone. Were you able to

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1 take my appearance?

2 JUDGE RENDAHL: Yes, I was.

3 MS. FRAME: Thank you.

4 JUDGE RENDAHL: All right, and for Sprint?

5 MR. HENDRICKS: This is Tre Hendricks on  
6 behalf of Sprint, and I have made an appearance prior to  
7 this date in this docket.

8 JUDGE RENDAHL: All right, thank you.

9 Is there anyone else on the bridge line for  
10 the Verizon hearing that I have not taken an appearance  
11 for, an attorney who I have not taken an appearance for?

12 All right, is there anyone on the bridge line  
13 for the Pacificorp rate case?

14 All right, thank you very much for going  
15 through that long list of folks who are interested in  
16 what's happening today.

17 I understand from communications from the  
18 CLEC community yesterday that the CLECs do not request  
19 in this proceeding that the Commission stop or prevent  
20 the planned switch conversion from going forward; is  
21 that correct?

22 MS. SINGER NELSON: Your Honor, this is  
23 Michel Singer on behalf of MCI, that is correct.

24 JUDGE RENDAHL: All right. So the Commission  
25 is presented with a motion for enforcement that

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1 essentially raises issues of pricing and whether the  
2 switch conversion would result in any effect to CLEC  
3 customers, and these are the narrow issues that the  
4 Commission wishes to pursue and inquire into at this  
5 hearing this afternoon.

6 Now before we go any farther, has there been  
7 any discussion of settlement of these issues between the  
8 parties in the short period of time since Tuesday?

9 MS. HENDRICKSON: Your Honor, this is Heather  
10 Hendrickson, to my knowledge there has not been.

11 JUDGE RENDAHL: All right.

12 In the notice issued yesterday, the  
13 Commission notified the parties that it sought testimony  
14 from parties who are operating out of the switch and  
15 would give priority to testimony from those witnesses,  
16 so I would like to move quickly to the testimony phase  
17 of this hearing, but we need to do a little bit of  
18 organizing before we do that.

19 I have heard now from MCI that they plan to  
20 present one primary witness, Ms. Sherry Lichtenberg, and  
21 as possible rebuttal witnesses Mr. Kevin Seivert and I  
22 am assuming Mr. Haltom is also a possible rebuttal  
23 witness, Ms. Singer Nelson?

24 MS. SINGER NELSON: Yes, Your Honor, actually  
25 if we do present a rebuttal witness, it would be Jeff

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1 Haltom rather than Kevin.

2 JUDGE RENDAHL: All right, and so Mr. Seivert  
3 is here primarily to answer questions if need be?

4 MS. SINGER NELSON: Yes.

5 JUDGE RENDAHL: All right.

6 And that Mr. Daughtry of UNICOM is here as a  
7 primary witness and that Mr. Wigger is a possible  
8 rebuttal witness; is that correct?

9 MS. HENDRICKSON: Your Honor, this is Heather  
10 Hendrickson, Michael Daughtry is a primary witness for  
11 UNICOM, Dan Wigger is a potential rebuttal witness for  
12 Advanced Telecom, Inc.

13 JUDGE RENDAHL: All right, thank you very  
14 much.

15 And I also understand now is Mr. O'Neill also  
16 a potential rebuttal witness?

17 MS. HENDRICKSON: He's a potential witness,  
18 Your Honor, yes.

19 MR. CARRATHERS: For whom?

20 JUDGE RENDAHL: For Advanced Telecom.

21 And I understand that Ms. Kathleen McLean is  
22 on the line for Verizon.

23 And who is Mr. Gaigle with?

24 MR. CARRATHERS: He is with Verizon. He is a  
25 potential witness. Again, not really knowing what the

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1 full scope of the hearing would be, we tried to have  
2 people on the line that can address issues, but we will  
3 put on Ms. McLean.

4 JUDGE RENDAHL: All right.

5 And now, Ms. Friesen, Mr. Coombs is also on  
6 the line for AT&T. Is it your intent to offer  
7 Mr. Coombs as a witness?

8 MS. FRIESEN: Yes, Your Honor, he is our  
9 primary witness and a rebuttal witness if necessary.

10 JUDGE RENDAHL: All right. So at this point  
11 we have a witness for MCI, a witness for UNICOM, a  
12 witness for AT&T, and then a witness for Verizon and  
13 then potential witnesses as needed. And I guess I would  
14 propose that we go in that order, that we take  
15 Ms. Lichtenberg, then we take Mr. Daughtry, then we take  
16 Mr. Coombs if necessary.

17 I understand, Ms. Friesen, that AT&T is not  
18 providing service out of the switch; is that correct?

19 MS. FRIESEN: That's correct, Your Honor, but  
20 we do have personal knowledge of this particular issue  
21 in another state, it's identical.

22 JUDGE RENDAHL: All right, well, if necessary  
23 we may take Mr. Coombs' testimony and if we have time.

24 MR. CARRATHERS: Your Honor, Chuck Carrathers  
25 for Verizon, I would like an opportunity to object if

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1 they intend to offer Mr. Coombs. We can address it at  
2 the right time, but I did want to let you know I would  
3 like that opportunity, thank you.

4 JUDGE RENDAHL: Okay, and then we'll take  
5 Ms. McLean, and then we'll take such rebuttal witnesses  
6 as necessary to address any issues that arise.

7 It's also my intent to try to conclude this  
8 hearing by 5:00 today. Again, the issues are narrow, I  
9 would like to keep them narrow, and I'm requesting that  
10 all parties be efficient in their questioning of their  
11 witnesses and in their cross-examination and also that  
12 the witnesses be efficient in their responses, in  
13 particular to cross, and that you answer the question  
14 yes or no and if need be then explain your answer  
15 instead of using an extensive amount of time in your  
16 answer before you answer the yes or no question.

17 Is there anything else we need to address  
18 before we start hearing from Ms. Lichtenberg?

19 MR. CARRATHERS: Yes, Your Honor, again  
20 Charles Carrathers from Verizon. I would like to make a  
21 preliminary statement, I will keep it brief, not more  
22 than a minute or two, on Verizon's position on this  
23 hearing and perhaps some of the procedural issues that  
24 might come up just to make sure everyone has an  
25 understanding of Verizon's position before we begin.

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1                   Very briefly, Your Honor, I know that we  
2     objected to this proceeding and sought reconsideration  
3     in an E-mail to you that was rejected, but let me just  
4     reiterate that again for the record, we do object to it.  
5     As a threshold matter, the CLECs' motion, as you  
6     explained in your opening comments, the purpose is to  
7     look at the allegations of harm raised by the CLECs'  
8     motion. Well, the CLECs' motion does not even allege  
9     irreparable harm, immediate harm, imminent danger to the  
10    public health, safety, or welfare, no allegation is made  
11    in the CLEC motion. In short, there is no allegation of  
12    any type of harm that would require this kind of  
13    emergency adjudicative proceeding.

14                   Second, of course we didn't learn who all the  
15    witnesses were until just a few minutes ago as they gave  
16    their names. There has been no written testimony, there  
17    has been no proffer of witness qualification, no  
18    opportunity of prehearing discovery, in short a lack of  
19    due process, all of which as we explained at the  
20    conference I believe on Tuesday is a result of the  
21    CLECs' delay in making this particular filing. And  
22    again, we understand that we made this objection and  
23    Your Honor rejected it, but I did want to preserve that  
24    for the record.

25                   But third and most importantly, the question



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1 really is what is the nature of this hearing, and it  
2 appears to be something akin to a potential preliminary  
3 injunction TRO type of hearing, and the Commission can't  
4 award relief to CLECs unless the CLECs prove in addition  
5 to everything else a likelihood of success on the merits  
6 of their claim. They filed a motion, we filed today,  
7 Your Honor, just minutes ago and about ten days before  
8 we believe we're required to file under the procedural  
9 rules a response to the CLEC motion that addresses every  
10 one of their arguments and explains why we are permitted  
11 to do what we're going to do under both our  
12 interconnection agreements, the TRO, the FCC Interim  
13 Rules, USTA II, and any other legal order. And again,  
14 I'm not going to argue those merits here, the point  
15 being is that this Commission can not grant any kind of  
16 emergency temporary relief without considering the  
17 merits of the legal arguments and whether the CLECs have  
18 shown a likelihood of success on the merits, and we  
19 don't believe they have.

20 In any event, Your Honor, in any event we  
21 think that this hearing since it's going forward should  
22 address one issue really, and that is, is there an  
23 immediate threat of disconnection because of this  
24 transition. Are end users going to lose their telephone  
25 service, not be able to call 911 or whatever, when we

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1 make this conversion. And if the answer to that  
2 question is no, then we submit all other issues such as  
3 what's the right pricing, how should Verizon provision  
4 the service to the CLECs, et cetera, et cetera, all of  
5 those issues are inappropriate to be considered in this  
6 kind of emergency hearing especially given the due  
7 process problems I raised earlier.

8           And I guess finally on that same point, as I  
9 mentioned, AT&T, as it admits, doesn't have any circuits  
10 out on the switch. I understand also that there's  
11 representatives from Integra and Sprint, other CLECs who  
12 are not parties to this motion, my expectation is  
13 they're here to listen, but I would like clarification  
14 on that, exactly who is going to be cross examining or  
15 able to cross examine what witnesses and in what order.

16           So those are my preliminary statement, thank  
17 you for indulging me.

18           JUDGE RENDAHL: I appreciate that, that does  
19 address one of those administrative issues that normally  
20 are taken up when we have much more time before a  
21 hearing to organize ourselves, so I guess I would go  
22 through the list and ask which parties intend to  
23 actively participate in the hearing in terms of cross  
24 examining witnesses or who is here just to listen.

25           So I will start, Ms. Friesen, I'm assuming

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1 you intend to fully participate in the hearing?

2 MS. FRIESEN: Yes, I do.

3 JUDGE RENDAHL: Ms. Frame?

4 MS. FRAME: No, Your Honor, we're not going  
5 to be fully participating.

6 JUDGE RENDAHL: Thank you.

7 I'm assuming that ATI and UNICOM will be  
8 fully participating?

9 MR. HARLOW: Yes, Your Honor.

10 JUDGE RENDAHL: Was that Mr. Harlow?

11 MR. HARLOW: Yes, Your Honor.

12 JUDGE RENDAHL: All right.

13 And I'm sorry, I meant to add at the outset,  
14 for those of you on the bridge line, if I haven't asked  
15 you directly a question identifying who you are, if you  
16 can identify yourself for the court reporter.

17 Ms. Singer Nelson, MCI I'm sure will be fully  
18 participating?

19 MS. SINGER NELSON: Yes, we are.

20 JUDGE RENDAHL: Ms. Johnson for Integra?

21 MS. JOHNSON: Integra is listening, Your  
22 Honor, no participation.

23 JUDGE RENDAHL: All right.

24 And Mr. Malone?

25 MS. JOHNSON: I believe he will be listening

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1 also, Your Honor.

2 JUDGE RENDAHL: All right.

3 And Mr. Hendricks?

4 MR. HENDRICKS: We don't plan to participate.

5 JUDGE RENDAHL: All right.

6 And who will be taking the primary role for  
7 Verizon? I'm assuming, Mr. Carrathers and Ms. Endejan,  
8 you will be actively participating and the other  
9 attorneys are listening in.

10 MR. CARRATHERS: That's correct, Your Honor,  
11 although I may ask your indulgence if I need to consult  
12 with some other attorneys who are very familiar in some  
13 of the subject matters. But yes, I will be taking the  
14 principal lead.

15 JUDGE RENDAHL: All right. And so I think  
16 that answers your question. I think your only issue may  
17 be with Ms. Friesen of AT&T, and we'll address that as  
18 the issue arises.

19 MR. CARRATHERS: Thank you.

20 JUDGE RENDAHL: Is there anything else we  
21 need to address before we start with Ms. Lichtenberg's  
22 testimony?

23 MS. SINGER NELSON: Your Honor, the only  
24 other issue, this is Michel Singer Nelson, the only  
25 other kind of administrative issue that I wanted to

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1 address is exhibits. I do intend to introduce one  
2 exhibit, and that is simply the letter that was attached  
3 to the motion.

4 JUDGE RENDAHL: All right, and I do have a  
5 copy of that with me today, and I can mark that. Let me  
6 make sure that what I have is exactly what you wish to  
7 offer. What I have attached to the motion as Exhibit A  
8 to the motion is a June 8th, 2004, notice of network  
9 change from Verizon that is two pages long, but there is  
10 also what is called Attachment 1, other UNE-P impacted  
11 switch sites. Is that a part of the exhibit that you're  
12 referencing?

13 MS. SINGER NELSON: Yes, it is, Your Honor.

14 JUDGE RENDAHL: And that was attached to the  
15 notice that Verizon issued?

16 MS. SINGER NELSON: Yes.

17 JUDGE RENDAHL: All right.

18 MS. SINGER NELSON: Yes, it's referenced in  
19 the letter.

20 JUDGE RENDAHL: All right, then I have that  
21 copy. I'm sure -- Mr. Carrathers and Ms. Endejan, do  
22 you have a copy of --

23 MR. CARRATHERS: Yes, Your Honor, I have a  
24 copy of that letter that was attached to the petition.  
25 I would ask my witness and potential witness whether

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1 they have a copy of it in front of them. This is the  
2 June 8th, 2004, Verizon notice of network change given  
3 for Washington, the state of Washington. It consists of  
4 two pages plus a one page attachment entitled Attachment  
5 1, other UNE-P impacted switch sites, so it's 3 pages in  
6 total. Kathleen, do you have that?

7 MS. MCLEAN: Yes, I do.

8 JUDGE RENDAHL: And, Mr. Gaigle, do you have  
9 a copy of that?

10 MR. GAIGLE: We're printing one out right  
11 now, thank you.

12 JUDGE RENDAHL: All right, thank you.

13 MS. SINGER NELSON: Your Honor, we usually do  
14 mark exhibits at the prehearing conference before trial  
15 begins, but I wanted --

16 JUDGE RENDAHL: I think we'll dispense with  
17 that today so we can move forward.

18 MS. SINGER NELSON: Okay, should I just ask  
19 it to be marked as MCI Exhibit 1 then since I'm going to  
20 be introducing it through Ms. Lichtenberg.

21 JUDGE RENDAHL: Yes.

22 MR. CARRATHERS: Your Honor, we too have an  
23 exhibit, I don't know if you're going to inquire of  
24 every party if they're going to propose an exhibit.  
25 Ours is a little trickier.

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1                   JUDGE RENDAHL: Well, why don't we go off the  
2 record for a moment and spend a few minutes talking  
3 through this just to get these out of the way, so we  
4 will be off the record.

5                   (Discussion off the record.)

6                   JUDGE RENDAHL: While we were off the record  
7 we had some discussion concerning exhibits. MCI marked  
8 an exhibit as Exhibit 1 which is Verizon's notice dated  
9 June 8th 2004. Verizon offered as Exhibit 5 and it has  
10 been marked as such a June 11th, 2004, letter from  
11 Mr. Ivan Seidenberg, S-E-I-D-E-N-B-E-R-G, to the FCC's  
12 Chairman Powell, as well as what's been marked as  
13 Exhibit 6, a confidential exhibit or highly confidential  
14 exhibit which describes a number of individual CLEC  
15 information concerning the switch and activity in  
16 Washington, and that's as far as I'm going to describe  
17 it at this point. None of these exhibits have been  
18 admitted, they have been marked.

19                   And at this point we're going to start with  
20 the testimony of Ms. Sherry Lichtenberg. Please go  
21 ahead, Ms. Singer Nelson.

22                   MS. SINGER NELSON: Thank you, Judge, I'm  
23 going to call Sherry Lichtenberg to the stand.

24                   Ms. Lichtenberg, state your name, your  
25 address, job title for the record, and why don't you

0231

1 spell your last name.

2 MS. LICHTENBERG: Yes, this is Sherry  
3 Lichtenberg, last name is spelled L-I-C-H-T as in Tom  
4 E-N-B as in boy E-R-G. I am the Senior Manager for  
5 Operational Support Services Interfaces and Facilities  
6 Development for MCI on the U.S. sales and service side  
7 of the house.

8 JUDGE RENDAHL: All right.

9 MS. LICHTENBERG: My business address is 1133  
10 - 19th Street Northwest, Washington, D.C. 20036.

11 MS. SINGER NELSON: Thank you. And, Sherry,  
12 what are your job responsibilities briefly?

13 JUDGE RENDAHL: Ms. Singer Nelson, before you  
14 go any farther, I think I would like to swear in the  
15 witness.

16 MS. SINGER NELSON: Oh, that's a good idea.

17 JUDGE RENDAHL: All right, Ms. Lichtenberg.

18 MS. LICHTENBERG: Yes, Your Honor.

19 JUDGE RENDAHL: Would you raise your right  
20 hand, please.

21 (Witness Sherry Lichtenberg was sworn.)

22 JUDGE RENDAHL: Okay, please go ahead,  
23 Ms. Singer Nelson.

24 MS. SINGER NELSON: Thank you.

25



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1 Whereupon,

2 SHERRY LICHTENBERG,

3 having been first duly sworn, was called as a witness

4 herein and was examined and testified as follows:

5

6 DIRECT EXAMINATION

7 BY MS. SINGER NELSON:

8 Q. Ms. Lichtenberg, just briefly describe your  
9 job responsibilities.

10 A. Yes, my responsibilities are primarily the  
11 management of MCI local services for the consumer and  
12 small business side of the market, including our UNE-P  
13 entry across the country and developing the process as  
14 necessary to service and support customers on both UNE-P  
15 and UNE loop products.

16 Q. Thank you.

17 Ms. Lichtenberg, do you have what's been  
18 marked as MCI Exhibit 1 in front of you?

19 A. Yes, I do.

20 Q. Would you please identify that for the  
21 record?

22 A. Yes, it is a letter from Verizon dated June  
23 8, 2004, notice of network change, replacement of  
24 DMS-100 with Nortel Succession platform in Mount Vernon,  
25 Washington.

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1 Q. Have you seen that letter before?

2 A. Yes, I did receive this letter as part of a  
3 Verizon change management and industry letter mailer.

4 Q. Did MCI receive this letter from Verizon  
5 directly?

6 A. The letter was received as part of a standard  
7 industry mailing from Verizon to the CLECs that do  
8 business in this footprint.

9 MS. SINGER NELSON: Your Honor, I would like  
10 to move for admission of MCI Exhibit Number 1 for the  
11 record.

12 JUDGE RENDAHL: Is there any objection to  
13 admitting what's been marked as Exhibit Number 1?

14 Mr. Carrathers?

15 MR. CARRATHERS: No objection.

16 JUDGE RENDAHL: All right, the exhibit will  
17 be admitted.

18 BY MS. SINGER NELSON:

19 Q. So does this letter, MCI Exhibit 1, notify  
20 MCI that Verizon replaced its existing Mount Vernon  
21 class 5 Nortel DMS-100 switch, Nortel Succession packet  
22 switch?

23 A. Yes, it does.

24 Q. Please go to page 2 of the letter.

25 A. Yes.

0234

1 Q. Under the heading unbundled switching, I  
2 would like you to focus on the third paragraph that  
3 begins with, if you have unbundled local circuit  
4 switching. Do you see that?

5 A. Yes, I do.

6 Q. Are you familiar with that paragraph of the  
7 letter?

8 A. Yes, I have read that paragraph of the letter  
9 a number of times.

10 Q. Briefly could you summarize that for us?

11 A. Yes, Verizon states that CLECs have actually  
12 I guess three options on the date that this provision  
13 goes into effect. They are to change our customers to  
14 resale by submitting resale local service requests or to  
15 disconnect those customers, take away their service and  
16 let them go someplace else or simply allow Verizon to  
17 make that change to the customer by apparently doing  
18 nothing. And I take it that that means that Verizon  
19 will leave the lines in service, continue to provide  
20 them, and simply start charging us for some sort of an  
21 unidentified resale product.

22 Q. Is that the paragraph in this notice that's  
23 the most disconcerting to MCI?

24 A. Yes, it is disconcerting to MCI because it  
25 will have an impact on our existing customers and more

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1 directly on customers who might be considering coming to  
2 a competitive carrier.

3 Q. Does MCI currently have customers served out  
4 of the Mount Vernon switch?

5 A. Yes, MCI does, and MCI is actively marketing  
6 in the territory served by the switch.

7 Q. Being sensitive to the confidential nature of  
8 the numbers, could you give an estimate or somehow  
9 describe the number of customers that MCI has?

10 A. Yes, it is a small number, it is a three  
11 digit number, somewhere north of 100, and I want to  
12 state that MCI only started selling in this specific  
13 area of Washington in the Verizon West footprint at the  
14 beginning of 2004.

15 Q. Are these business or residential customers?

16 A. These are a combination of small business and  
17 residential customers, primarily residential.

18 Q. Does MCI serve those customers by purchasing  
19 Verizon's UNE-P product?

20 A. Yes, MCI sells only UNE-P in the Verizon  
21 Washington footprint.

22 Q. So MCI currently does not provide services to  
23 end users using Verizon's total service resale product?

24 A. That is correct. MCI does not provide any  
25 total services resale in the Verizon footprint in

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1 Washington and to my knowledge has not done so in the  
2 past.

3 Q. Would you please describe in detail how MCI  
4 and its end user customers will be harmed by Verizon's  
5 conversion of UNE-P customers in Mount Vernon?

6 A. Yes, the primary harm to customers is that  
7 clearly given the differential in cost between UNE-P and  
8 resale, MCI will have to presumably raise the prices on  
9 those customers, we will have to stop selling all  
10 together to new customers since we do not -- would not  
11 have a way to place the order since our ordering is done  
12 via electronic data interchange, EDI. And in addition,  
13 because Verizon has not provided details on how those  
14 current customers will be -- how we will make changes to  
15 their accounts, whether we will have to make those  
16 changes using the resale OSS, we do not know how we will  
17 be able to manage those customers. I think that the  
18 simplest thing to say is that presumably the customers  
19 will begin to attrite away, and there will be no  
20 additional competition.

21 Q. Can you explain in a little bit more detail  
22 the point about us not being able to add customers  
23 through the total services resale product.

24 A. Yes. MCI as I said uses EDI to address  
25 customers, to sell and to manage. We do not have the

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1 capability today to place an EDI order for total  
2 services resale. That would require us to build a new  
3 OSS interface, and we certainly wouldn't be able to  
4 build that interface for a single central office, nor  
5 would we be able to really sell to customers by looking  
6 at which specific central office they were in and  
7 tailoring that product on a central office by central  
8 office basis. We sell The Neighborhood today, which is  
9 a product that has a standard set of features and  
10 functionality. And frankly, I don't know whether we  
11 would be able to sell that at all once we were -- if we  
12 were ever forced to do resale. We do not have a resale  
13 ordering capability.

14 Q. And would that inability or would that lack  
15 of a resale capability also affect our existing customer  
16 base?

17 A. Yes, it's my understanding from my knowledge  
18 of operational support systems that we would presumably  
19 if we were making any changes to these customers, for  
20 instance sending an order to add or delete a feature,  
21 that we would need to do that following the resale  
22 business rule. Since we do not have a resale business  
23 rule operational support engine, we would not be able to  
24 make those modifications. We sell and service our  
25 customers electronically using EDI, and while we do have

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1 access to what has been referred to as the WISE,  
2 W-I-S-E, GUI, G-U-I, system, that is not something that  
3 MCI could use in its overall sales process for new  
4 customers and the support of existing customers. It  
5 would -- it just doesn't work for us. So customers  
6 would not -- we would immediately be limiting the  
7 ability of a customer to choose a competitive provider.

8 Q. As a lay person, not as a lawyer, what action  
9 would you recommend that the Commission take here to  
10 prevent the harm that you described to MCI and its  
11 customers?

12 A. It appears to me from the information that  
13 Verizon provided in its letter and from contact that  
14 Verizon has apparently made today with MCI to ask -- to  
15 query us about what we plan to do with these customers,  
16 it appears that Verizon does not have to disconnect  
17 them, that the only issue Verizon is talking about is  
18 raising the price. We believe that we could work with  
19 Verizon to understand why it is that Verizon can not  
20 provide UNE loop, UNE platform here, whether this is a  
21 technical issue that needs to be worked through in our  
22 operational support systems working groups and change  
23 management. This is plain old telephone service, so I  
24 can't understand if there is some -- I don't see a  
25 technical limitation in providing this product.

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1                   I think this Commission to the extent that  
2 they want to keep competitive telecommunications service  
3 active in Washington and in this particular area needs  
4 to instruct Verizon to allow us to continue ordering  
5 UNE-P, and if Verizon does have some sort of technical  
6 issue with providing UNE-P, to work through the standard  
7 change management process to work with CLECs to resolve  
8 that issue.

9           Q.     Thank you.

10                   Ms. Lichtenberg, is there anything more you  
11 would like to add that would be helpful to the  
12 Commission in deciding whether to order Verizon to  
13 continue to provide UNE-P to CLECs in the central  
14 office?

15           A.     I think it's very important that this  
16 Commission look at the issue of does it want to have  
17 continued competition. MCI will not, as I said, be able  
18 to sell any new customers should we be forced to move to  
19 resale. We are not prepared to make those changes, and  
20 I don't know how long we can support our existing  
21 customers.

22                   MS. SINGER NELSON: Thank you.

23                   Your Honor, Ms. Lichtenberg is available for  
24 cross.

25                   JUDGE RENDAHL: Okay, thank you.



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1 Mr. Carrathers.

2 MR. CARRATHERS: Thank you, Your Honor,  
3 excuse me a moment.

4

5 C R O S S - E X A M I N A T I O N

6 BY MR. CARRATHERS:

7 Q. Good afternoon, Ms. Lichtenberg.

8 A. Good afternoon, Mr. Carrathers.

9 Q. Is it your testimony that MCI will only offer  
10 local telephone service in Washington state if it's  
11 through UNE-P?

12 A. Yes.

13 Q. So this issue of MCI not wanting to do resale  
14 is an issue that exists regardless of this packet switch  
15 issue before us today; isn't that true?

16 A. I'm not sure I understand your question. MCI  
17 is in the business of selling UNE platform service and  
18 in some states UNE loop service. We do not sell resale;  
19 that is correct.

20 Q. Thank you.

21 So MCI's inability to provide service via  
22 resale is a business decision on MCI's part; is that not  
23 true?

24 A. Yes, and -- wait, and I need to explain that  
25 it is not financially sound for a company to provide a

0241

1 service for which it can not make enough money to  
2 support it, and MCI made the decision some time ago that  
3 it will only provide UNE-P service, and where it can it  
4 will provide UNE loop service.

5 Q. Okay, so to be clear, it is technically  
6 possible for MCI to provide service via resale, but it  
7 has made a business decision not to do so, correct?

8 A. Not exactly. MCI does not have an interface  
9 that would allow us to provide resale service.  
10 Therefore, should MCI be forced to do so or should MCI  
11 make a different business decision, MCI would need to do  
12 system development that would take several months and  
13 that would cost a significant amount of money. So MCI  
14 technically at this moment is not capable of providing  
15 resale service.

16 Q. Well, Ms. Lichtenberg, has MCI provided  
17 resale service in any other state?

18 A. Prior to the year 2000, MCI provided some  
19 resale service in four states in the country, including  
20 the Verizon territory in California. That service  
21 suffered from significant problems with the then GTE  
22 operational support systems interfaces, it created  
23 significant problems for customers, and MCI discontinued  
24 that service in the year 2000 and discontinued all of  
25 our ordering services. It was not EDI, it was a

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1 different kind of resale platform. We did for a short  
2 time man -- allow customers who were on that platform to  
3 stay on it. They have now I believe attrited away 100%.

4 Q. Ms. Lichtenberg, is it your testimony that  
5 MCI does not today or has not placed orders in  
6 Washington with Verizon using our Web GUI or WISE  
7 system?

8 A. It is my understanding that MCI's USS sales  
9 and service, the small business and residential part of  
10 MCI, has not placed orders in Washington using your WISE  
11 GUI. I am not aware of any, and I have checked with my  
12 sales offices to confirm that as late as this morning.

13 Q. Well, your answer, correct me, says to your  
14 knowledge they don't use the WISE system to place small  
15 business and retail orders. Do you know whether they  
16 use the WISE system to place any other kinds of orders?

17 A. I am not aware of any --

18 MS. SINGER NELSON: Just a second,  
19 Ms. Lichtenberg, it's hard to object when we're all on  
20 the phone, but, Ms. Lichtenberg, if you could pause for  
21 a second.

22 Mr. Carrathers, I think you just misquoted  
23 Ms. Lichtenberg. She actually talked about small  
24 business and residential customers and not small  
25 business and retail customers. I want -- I'm sure --

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1 that sounded inadvertent, but I wanted to point that  
2 out.

3 MR. CARRATHERS: Okay, well, thank you, let's  
4 clarify.

5 BY MR. CARRATHERS:

6 Q. As I understand your testimony,  
7 Ms. Lichtenberg, you stated that MCI has never used  
8 Verizon's WISE system to place orders for small business  
9 or residential customers in Washington; is that true?

10 A. The only -- yes, with one potential  
11 exception. Sometimes when the EDI system goes down or a  
12 customer is having a specific problem, we may clear a  
13 trouble by using -- by doing a GUI order because it will  
14 move more rapidly. Our normal sale process where we  
15 sell to customers is a fully EDI based system.

16 Q. I understand. Now my follow-up question that  
17 I tried to ask before is, do you know whether MCI has  
18 placed orders for services other than small business or  
19 residential using Verizon's GUI, Web GUI process?

20 A. I am -- I do not believe that we have used  
21 the WISE GUI to place orders for local services for any  
22 of our entities.

23 Q. Thank you.

24 Now at the top of your direct testimony you  
25 were discussing the letter that's been marked as Exhibit

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1 1.

2 A. Yes.

3 Q. And you were focusing on Paragraph 3  
4 explaining the choices you believe Verizon gave you and  
5 said that MCI was very concerned and indeed you read  
6 that paragraph a number of times, remember that?

7 A. Yes.

8 Q. When MCI got that notice dated June 8th, did  
9 it contact Verizon?

10 A. I can not speak for our carrier management  
11 team to answer that. I believe that we did ask  
12 questions in some -- in one of the forums, but I must  
13 tell you that I don't have that answer.

14 Q. Do you know whether MCI, anyone at MCI looked  
15 at that and thought of whether they could provide  
16 services in a resale environment and at least analyze  
17 the issues associated with that?

18 A. We certainly did do that. Indeed I did that  
19 specifically and met with a number of folks about that.

20 Q. And when did you do that?

21 A. We did that upon receipt of the letter.

22 Q. And so you did that analysis and I guess  
23 concluded that there was no way you could support resale  
24 in that circumstance, but you didn't notify Verizon of  
25 that or the Commission, correct?

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1           A.     I believe we had some general -- that there  
2     have been general discussions with Verizon from the  
3     CLECs organization, the CLEC group that is represented  
4     here today.

5           Q.     Well, do you know for sure?

6           A.     No, I can't answer that for sure.

7           MR. CARRATHERS:   Bear with me just a moment,  
8     Your Honor, I need to check my notes here.

9           JUDGE RENDAHL:   That's all right.

10     BY MR. CARRATHERS:

11          Q.     Ms. Lichtenberg, you said the primary harm is  
12     the cost differential between UNE-P and resale; is that  
13     true?

14          A.     No, the primary harm is that we will not be  
15     able to sell to new customers and that there will be a  
16     duress of competition in this area of Washington.

17          Q.     And you will not be able to sell to new  
18     customers because you don't want to provide service on a  
19     resale basis?

20          A.     Because MCI is not technically able to use  
21     our current EDI interface, which we use throughout the  
22     state of Washington and throughout the entire Verizon  
23     GTE territory where we sell to place orders.  We don't  
24     have special ordering groups that can focus on one  
25     central office at a time.  So the harm to customers is

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1 primarily that there will be no new customers coming to  
2 MCI or able to come to MCI once -- if this were to go  
3 into effect.

4 Q. You also mentioned I believe that you're  
5 willing to talk to Verizon and work on potential  
6 technical issues involving UNE-P in a packet switch  
7 environment. Did I remember that correctly?

8 A. Yes, it's my understanding from my technical  
9 experience and talking with my own technical folks that  
10 in a soft switch environment such as the one that  
11 Verizon is proposing, there is no problem -- that  
12 customers are still provided plain old telephone service  
13 and are provided that telephone service in exactly the  
14 same way.

15 Q. Well, Ms. Lichtenberg, do you have  
16 independent knowledge of that, are you testifying as to  
17 a fact that UNE-P can be provided over a packet switch?

18 A. My understanding from reading the packet  
19 switch specifications and from my knowledge of  
20 telecommunications, I have 22 years in the business and  
21 was on the switch development, on several switch  
22 development teams at AT&T, is that the packet switch  
23 allows the connections of lines to trunks to provide  
24 switching, plain old narrow band telephone service. So  
25 clearly -- and Verizon has not explained in this letter

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1 any technical implications, I am not aware that there  
2 are any limitations.

3 Q. Ms. Lichtenberg, you mentioned that MCI uses  
4 EDI today for UNE-P, correct?

5 A. That is correct.

6 Q. And it's your testimony that that EDI  
7 platform can not be used for resale out of the Mount  
8 Vernon switch?

9 A. Today MCI can not send the service pages  
10 required under the OBF, ordering and billing forum,  
11 requirement to order resale. In addition, MCI has not  
12 analyzed the product that we would have to develop to  
13 provide a resale offering that would be equivalent to  
14 what our customers -- what we sell our customers today.

15 Q. Thank you.

16 The last --

17 A. So that is the complete answer.

18 Q. Thank you.

19 Last question, Ms. Lichtenberg, do you know  
20 how many user ID's MCI currently has for Verizon for  
21 using our WISE or Web GUI system?

22 A. I understand we have a significant number. I  
23 don't have the number. It should be noted that the WISE  
24 system is used for us to look at customer service  
25 records, to in some cases report trouble, and to do



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1 various other tasks that do not involve the ordering of  
2 service.

3 MR. CARRATHERS: Thank you.

4 Your Honor, if I can just consult with my  
5 colleague for a moment, Ms. Endejan.

6 JUDGE RENDAHL: Please go ahead.

7 MR. CARRATHERS: Thank you.

8 JUDGE RENDAHL: Let's be off the record for a  
9 moment.

10 (Discussion off the record.)

11 JUDGE RENDAHL: So you don't have any further  
12 questions, Mr. Carrathers?

13 MR. CARRATHERS: No, Your Honor.

14 JUDGE RENDAHL: All right.

15 Ms. Lichtenberg, I do have a few questions  
16 for you.

17 THE WITNESS: Yes, Your Honor.

18

19 E X A M I N A T I O N

20 BY JUDGE RENDAHL:

21 Q. In response to questions from Ms. Singer  
22 Nelson, you stated that MCI doesn't use total service  
23 resale in the Washington, in the Verizon Washington  
24 footprint. Am I characterizing your testimony  
25 correctly?

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1 A. Yes, you are.

2 Q. Does Verizon use any resale product in the  
3 Verizon Washington footprint?

4 A. When I say -- the answer is no, Your Honor.  
5 I believe total services resale is the proper name for  
6 the resale offering that Verizon makes.

7 Q. All right, thank you.

8 In discussing what's been referred to as the  
9 WISE GUI system, can you explain to me why this system  
10 would not work for MCI in ordering new customers for the  
11 total resale product?

12 A. Yes, I would be glad to. One of the tenets,  
13 if you will, of competition is that the competitive  
14 carrier be able to place orders with the same rapidity  
15 and ease that the incumbent carrier can do so. A GUI is  
16 equivalent to dialing up to the Internet. It is not  
17 connected to either MCI's billing system or MCI's  
18 customer records system. So we would need to place an  
19 order, filling out forms that take quite a bit of time  
20 to complete, maybe 15 minutes for each order. We would  
21 then need to reenter all of that information into our  
22 own system. We would have to track that information  
23 through the GUI and then again reenter it into our own  
24 system.

25 We use EDI because we can -- our sales

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1 representatives sit at a sales console where they talk  
2 to the customer in real time, in real time create an  
3 order for that customer, which is then formatted and  
4 edited and tested to make sure that it will meet all of  
5 Verizon's edits and sent electronically to Verizon in  
6 real time. In addition, we receive notification back,  
7 the firm order confirmation, the provisioning completion  
8 notification, through that same EDI interface. And it  
9 automatically uploads our billing systems and our  
10 customer record keeping systems. So it keeps everything  
11 in sync, and it means that customers are not double  
12 billed and that we know where they are in each step of  
13 the provisioning process.

14 In addition, we use the same process across  
15 the United States, across Verizon's footprint, we sell  
16 in Verizon's entire footprint, and so we don't have to  
17 do special training or special identification to try to  
18 figure out if a customer would be in this one Verizon  
19 switch in Washington.

20 Q. Okay. So just so that I'm sure as to MCI's  
21 situation at this switch, what particular products are  
22 affected by this conversion?

23 A. MCI sells in this switch a small business  
24 product and a residential product called The  
25 Neighborhood. The business product has a slightly

0251

1 different name. It provides a combination of local and  
2 long distance services and a set of features including  
3 voice mail and other features to customers. So it is  
4 our key product offering, and we sell it here in this  
5 specific switch.

6 Q. And it's a UNE-P based, U-N-E-P, based  
7 product?

8 A. That is correct.

9 Q. So it doesn't involve unbundled switching,  
10 but you provide the UNE-L loop?

11 A. No, it does provide -- the neighborhood is  
12 unbundled local switching from Verizon. It is the UNE-P  
13 based product.

14 Q. All right, but you're also leasing the loop  
15 from Verizon?

16 A. Yes, UNE-P is a combination of unbundled  
17 switching, the loop, the features of the switch, and  
18 shared transport.

19 Q. I understand that, I'm just trying to  
20 determine whether you are providing your own loop or  
21 just leasing the switching, and I think you have  
22 answered that question.

23 A. We are not providing our own loop.

24 Q. Thank you.

25 Does MCI use any line sharing or line

0252

1 splitting product out of this switch?

2 A. I did not have a chance to talk to my folks  
3 to see whether we have line splitting or line sharing.  
4 We can certainly respond to that shortly.

5 Q. All right. And what would be the difference  
6 in cost per line to MCI due to the conversion? In a  
7 sense, what is the cost differential between the UNE-P  
8 per line and the resale option per line?

9 A. I am actually MCI's technical and operational  
10 support systems person, so I do not -- I can not tell  
11 you in detail what that is. I have talked to my  
12 business analysis folks today, and our price that -- the  
13 cost to MCI would be increased in upwards of \$10 given  
14 what we think is the resale discount, but we have not  
15 looked at what resale product one could buy to replace  
16 what we offer customers today. And Verizon,  
17 interestingly enough, has not told us what new pricing  
18 they intend to charge, how that pricing will be shown on  
19 our bill, and what resale product they would be charging  
20 us for.

21 Q. All right, thank you.

22 Do you know if the resale option that Verizon  
23 is offering allows you to provide the exact same service  
24 to your customers as you currently provide?

25 A. I do not know.

0253

1           Q.     Do you know or does MCI believe that there  
2 will be any loss of service to their customers simply  
3 because of the switch conversion itself?  And I don't  
4 mean because of the ordering issues you have identified  
5 or the management issues you have identified, but simply  
6 because of the conversion itself.  Are you aware if  
7 there is any effect of the customers tomorrow because of  
8 the conversion?

9           A.     I have looked at Verizon's letters, both the  
10 one we have just received today and the initial letter,  
11 I have a number of questions from Verizon that I was to  
12 have responded to in order to be certain that these  
13 existing customers would not lose service because of the  
14 actual conversion.  I know that Verizon has changed out  
15 central offices in the past, so I know they have a  
16 process for doing that.  The major problem is there will  
17 be no new MCI customers.

18                         (Recess taken.)

19           JUDGE RENDAHL:  We took a ten minute break,  
20 and I still have a couple of questions for  
21 Ms. Lichtenberg, and then I will be done.

22 BY JUDGE RENDAHL:

23           Q.     Ms. Lichtenberg, you have discussed in your  
24 testimony and in cross-examination a fair amount about  
25 what MCI would need to do with its EDI system for the

0254

1 purpose of ordering. I have some questions about the  
2 billing process.

3 A. Yes, Your Honor.

4 Q. Are you familiar with MCI's billing process  
5 for local service?

6 A. Yes, I am.

7 Q. All right. So, and I'm just going to use  
8 hypothetically, if MCI were to use the WISE GUI system,  
9 and I'm not, you know, discussing the merits pro and con  
10 of using it, but if MCI were to use the WISE GUI system  
11 to order the resale product that Verizon is proposing  
12 due to the conversion, what changes to MCI's billing  
13 system would be required to accommodate this change in  
14 product?

15 A. That's an excellent question, Your Honor.  
16 The first we would have to do is to create a special  
17 team, if you will, that would take the information that  
18 came back from the WISE GUI and would create internal  
19 MCI orders that would upload to our billing and customer  
20 support systems. I'm not even sure how that would be  
21 done, we would have to create a new internal software  
22 interface. We would need to develop and probably tariff  
23 a new product for customers, and that would require us  
24 to change our billing system to bill those customers  
25 properly. In addition, we would have a great deal of

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1 manual work to do to track the status of customers to  
2 assure that if a customer left us that that customer  
3 would not be double billed, that we would manually go  
4 back in and make changes to the billing system. My  
5 concern also, because Verizon has not told us how they  
6 will bill us for resale, is that resale billing, that is  
7 the wholesale billing, will not come across in the  
8 current format which is referred to as CABS, C-A-B-S,  
9 billing. It could very well be billed out of a  
10 different system.

11 Q. All right, I'm going to interrupt you, did  
12 you say C as in cat, A as in airplane, B as in boy, and  
13 then S as in Sam?

14 A. Yes, I did, as in taxi.

15 Yes, that system --

16 Q. I think we missed something, so the last  
17 letter is T as in taxi or --

18 A. No, I'm sorry, I was making a joke, albeit a  
19 poor joke.

20 It's C as in cat, A as in apple, B as in Boy,  
21 S as in sharing. That is the carrier access billing  
22 system.

23 Q. Thank you, I missed your joke.

24 A. It wasn't a very good one. It's late in the  
25 day here in Washington.



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1                   That is the system that is used today to bill  
2 UNEs. I am not sure what system we would receive our  
3 wholesale bills from Verizon in. Again, in Verizon's  
4 latest letter, they don't appear to explain that. And  
5 we will -- would have to therefore look at a new process  
6 to audit the bill to make sure that we were billed  
7 correctly. So there would be a great deal of work.

8           Q.     All right.

9                   Does MCI have any local interconnection  
10 trunking to the Mount Vernon switch?

11          A.     I am not a -- expert, and I did not --

12          Q.     I'm sorry, Ms. Lichtenberg, can you repeat  
13 your answer and maybe speak directly into the handset.

14          A.     I'm sorry.

15                   I believe we do have some direct trunking,  
16 and I believe that we either had issued the order as  
17 necessary to change that trunking or installed  
18 additional trunks, but I have not received confirmation  
19 on that from our trunking folks.

20          Q.     Okay. So am I understanding you that the  
21 most immediate concerns that MCI has at this point is  
22 both the increase in price that it believes it might be  
23 faced with and the fact that its systems can not  
24 efficiently process orders and billing for the new  
25 product?

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1           A.     We have -- I would rearrange the priorities.  
2     We are concerned that we will not be able to support our  
3     customers, we will need to presumably raise the prices  
4     on those customers, and we will not be able to win any  
5     new customers.

6           JUDGE RENDAHL:   Okay, thank you, I have no  
7     further questions.

8           Is there any redirect, Ms. Singer Nelson?

9           MS. SINGER NELSON:   Your Honor, just one  
10    question.

11

12           R E D I R E C T   E X A M I N A T I O N

13    BY MS. SINGER NELSON:

14           Q.     Ms. Lichtenberg, when Judge Rendahl was  
15    asking you about the trunking.

16           A.     Yes.

17           Q.     Were you referring to, going back to the June  
18    8th letter, Exhibit 1, were you referring to the trunk  
19    rearrangements that are described on page 1 of that  
20    letter under the heading trunk rearrangements?

21           A.     Yes, those are the interconnection trunks to  
22    interconnect this switch to our other switching  
23    platforms to carry like long distance traffic and things  
24    like that.

25           Q.     So that doesn't have anything to do with the

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1 unbundled switching portion of Verizon's letter?

2 A. That is correct, it has nothing to do with  
3 the current local arrangement that we have to serve  
4 local customers. It is how this switch fits in to the  
5 overall switching network.

6 MS. SINGER NELSON: All right, thank you, I  
7 have nothing further.

8 JUDGE RENDAHL: Mr. Carrathers, any recross?

9 MR. CARRATHERS: No, Your Honor.

10 JUDGE RENDAHL: All right, well, thank you,  
11 Ms. Lichtenberg, I very much appreciate your staying  
12 late. You can stay on the line if you wish.

13 I believe our next witness is Mr. Daughtry  
14 with UNICOM.

15 MR. HARLOW: That's correct, Your Honor, this  
16 is Brooks Harlow.

17 JUDGE RENDAHL: Would you like to ask the  
18 witness his name and address, please.

19 MR. HARLOW: Certainly.

20 Good afternoon, Mr. Daughtry, would you  
21 please state your name and address for the record.

22 MR. DAUGHTRY: Michael Edward Daughtry, 389  
23 Southwest Scalehouse Court, Suite 100, Bend, Oregon  
24 97702, phone number (541) 388-8711, fax number (541)  
25 322-1811, E-mail address mike@uci.net.

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1                   MR. HARLOW: The witness is ready to be  
2 sworn, Your Honor.

3                   JUDGE RENDAHL: Thank you.

4                   Mr. Daughtry, would you raise your right  
5 hand, please.

6                   (Witness Michael E. Daughtry was sworn.)

7                   JUDGE RENDAHL: Okay, please go ahead,  
8 Mr. Harlow.

9                   MR. HARLOW: Thank you, Your Honor.

10

11 Whereupon,

12                                   MICHAEL E. DAUGHTRY,  
13 having been first duly sworn, was called as a witness  
14 herein and was examined and testified as follows:

15

16                                   D I R E C T   E X A M I N A T I O N

17 BY MR. HARLOW:

18           Q.    Mr. Daughtry, would you please state your job  
19 title and a brief description of your responsibilities.

20           A.    I am Vice President of Operations for UNICOM  
21 I am responsible for the network, the switches, and  
22 feature groups, contracting with long haul carriers.

23           Q.    Mr. Daughtry, do you have any advanced  
24 degrees?

25           A.    I am a non-practicing CPA, I have an MBA from

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1 the University of Oregon, and I am certified to work on  
2 plats for Siemen Stromberg-Carlson DCO-CS.

3 JUDGE RENDAHL: That's Siemen what?

4 THE WITNESS: Siemen Stromberg-Carlson  
5 DCO-CS.

6 BY MR. HARLOW:

7 Q. Is that a switch, Mr. Daughtry?

8 A. That is a switch.

9 Q. Thank you.

10 Did you hear the testimony of Ms. Lichtenberg  
11 on behalf of MCI?

12 A. I did.

13 Q. Are you familiar with the issues that she  
14 discussed regarding Verizon and Mount Vernon?

15 A. I am.

16 Q. Did UNICOM get a similar notice from Verizon  
17 as MCI did?

18 A. We did.

19 Q. Does UNICOM have any customers that it serves  
20 using UNE-P out of Verizon's Mount Vernon DMS-100  
21 switch?

22 A. We do.

23 Q. Does UNICOM have a physical presence in Mount  
24 Vernon?

25 A. We have an office and employees.

0261

1 Q. Would you please describe briefly your office  
2 and its function and the function of your employees  
3 there?

4 A. It's a sales and customer service office. We  
5 have sales people and customer service.

6 Q. What is your understanding of what's going to  
7 happen to your Verizon UNE-P lines in the Mount Vernon  
8 area after Verizon completes its switch conversion?

9 A. They will be converted to resale  
10 automatically.

11 Q. Has Verizon's switch conversion had any  
12 impact on your company to date?

13 A. It has. We submitted a UNE-P LSR, local  
14 service request, I think it was day before yesterday,  
15 and it was rejected.

16 Q. And did Verizon say why it was rejected?

17 A. It was rejected because they're no longer  
18 providing UNE-P in the Mount Vernon area.

19 Q. With regard to the customer for whom UNICOM  
20 placed the order with Verizon, do you plan to serve that  
21 customer?

22 A. No.

23 Q. Why not?

24 A. It would create a loss.

25 Q. Could you elaborate on the financial aspects

0262

1 of serving that customer in a resale environment  
2 compared to a UNE-P environment?

3 A. Certainly. Our revenue per line in a UNE-P  
4 environment is roughly \$39 a line, our cost in a UNE-P  
5 environment is roughly \$18 for a gross profit of \$21.  
6 In a resale environment our gross revenue per line is  
7 roughly \$26, our cost is roughly \$27, for a net loss of  
8 \$1.

9 Q. Is UNICOM willing or able to sustain  
10 losses --

11 A. No.

12 Q. -- for taking on new customers in Mount  
13 Vernon?

14 A. Absolutely not.

15 Q. Let's focus now on your existing customers,  
16 UNICOM's existing customers in Mount Vernon, what will  
17 happen to them if Verizon moves ahead with switching you  
18 to resale?

19 A. The customers that are not on term plans,  
20 we'll increase the price to them. The customers that  
21 are on term plans, once the term plans expire, we will  
22 increase the cost to them. I would anticipate that a  
23 good number of those customers, if not all, would depart  
24 our platform.

25 Q. Why is it you would expect them to depart

0263

1 your platform as you increased the prices?

2 A. Because we would be roughly at -- we would no  
3 longer be able to have customer service or sales up  
4 there, we would have to service those customers out of  
5 either our Portland office or our Bend office. And  
6 without customer service, without a local presence and  
7 with higher pricing, I don't believe we would be an  
8 attractive alternative to Verizon.

9 Q. You kind of hinted at this but please  
10 clarify, would anything happen with your office if  
11 Verizon imposed these pricing increases by converting  
12 you to resale?

13 A. We would close it, because we could no longer  
14 afford it, lay off the people that work there.

15 Q. I want you to assume hypothetically that the  
16 Commission would allow Verizon to proceed with its  
17 proposal to discontinue UNE-P in Mount Vernon, but at  
18 some point down the road through Commission order or  
19 federal action the situation changed and you were again  
20 allowed to purchase UNE-P services in Mount Vernon, what  
21 would happen with regard to your presumably closed Mount  
22 Vernon office?

23 A. We would not open it, because there's a  
24 significant cost to open up a new territory, and once  
25 you have abandoned that territory and abandoned the



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1 people that worked for you and abandoned the office in  
2 an area like Mount Vernon, rural areas, when businesses  
3 leave that area, you are not looked upon as being  
4 dedicated to that area, so the customer base, it's  
5 almost impossible to develop a customer base in any  
6 short term.

7 Q. Could you please summarize for the Judge and  
8 for the record the immediate and short-term impact that  
9 you perceive to customers in Mount Vernon?

10 A. Could you say that again, because somebody  
11 came on the line.

12 Q. I will start over.

13 Could you please summarize for the record and  
14 the Administrative Law Judge what you perceive as the  
15 immediate and short-term impacts on UNICOM, your  
16 customers, and competition generally in Mount Vernon if  
17 the Commission does not order Verizon to continue to  
18 provide UNE-P in the interim while this Commission  
19 concludes this docket?

20 A. We would cease taking new customers, we would  
21 increase prices on our customer base, and as time went  
22 by the people that are under term plans we would  
23 increase the price to them, there would be -- in essence  
24 we would abandon the area.

25 MR. HARLOW: Your Honor, I have no further

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1 questions for Mr. Daughtry, he's available for cross.

2 JUDGE RENDAHL: Thank you.

3 Mr. Carrathers.

4 MR. CARRATHERS: Thank you.

5

6 C R O S S - E X A M I N A T I O N

7 BY MR. CARRATHERS:

8 Q. Good afternoon, Mr. Daughtry.

9 A. Good afternoon.

10 Q. Couple of questions. First, you explained  
11 that your company UNICOM does have UNE-P lines currently  
12 out of the Mount Vernon switch, correct?

13 A. Yes.

14 Q. Following up on MCI's lead, could you give  
15 us, give an indication of the number of UNE-P lines  
16 without stating that number specifically?

17 MR. HARLOW: Subject to, this is Mr. Harlow,  
18 subject to Mr. Daughtry's confirming, I don't believe we  
19 consider that a confidential number.

20 MR. CARRATHERS: All right, thank you.

21 BY MR. CARRATHERS:

22 Q. Mr. Daughtry, if that's true, how many UNE-P  
23 lines does your company have served out of Mount Vernon?

24 A. Out of all the offices that home off of Mount  
25 Vernon, we have in excess of 200 as last fiber.

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1 Q. I'm sorry, when you say all of the offices  
2 that home out, are you saying you have 200, you yourself  
3 have 200 UNE-P lines in Mount Vernon?

4 A. Out of all the offices that home off of Mount  
5 Vernon, Burlington, Sedro Woolley, Mount Vernon.

6 Q. And how many of those UNE-P lines would be  
7 converted to resale?

8 A. I believe all of them.

9 Q. And, Mr. Daughtry, do you have lines now out  
10 of the Mount Vernon switch that you purchased via  
11 resale, not UNE-P?

12 A. Yes, we do.

13 Q. And in making those orders for resale, do you  
14 use Verizon's Web GUI interface?

15 A. That is the interface that we use.

16 Q. Thank you.

17 As I understand your testimony, you explain  
18 that basically you make money with UNE-P, but if you're  
19 forced to go to resale you'll lose money, is that about  
20 right?

21 A. I think that's concise.

22 Q. So is your testimony, setting aside the  
23 packet switch issue, you just don't see resale as a  
24 viable competitive option in Washington for your  
25 company?

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1 A. That is correct.

2 Q. Do you know that the Washington Commission  
3 sets the resale avoided cost discount rate?

4 A. Yes.

5 Q. Has your company ever participated in a  
6 avoided cost discount proceeding before the Commission?

7 A. No.

8 Q. Has your company ever sought recently, asked  
9 the Commission to look at or change the resale rate?

10 A. No.

11 Q. When you got Verizon's notice in June dated  
12 June 8th, did you contact Verizon?

13 A. No.

14 Q. Did Verizon send you another notice dated  
15 July 20th that reminded you and other carriers of the  
16 June 8th notice and the need to act?

17 A. I do not know. It's certainly possible.  
18 They did send me one dated June 7th.

19 Q. Okay, thank you.

20 Mr. Daughtry, is it technically possible for  
21 you, for your company to serve those UNE-P lines in a  
22 resale capacity if they are converted?

23 A. Yes.

24 MR. CARRATHERS: Thank you.

25 Those are all the questions I have, Your

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1 Honor.

2 JUDGE RENDAHL: Thank you.

3

4 E X A M I N A T I O N

5 BY JUDGE RENDAHL:

6 Q. Mr. Daughtry, I have a few questions for you  
7 like I did for Ms. Lichtenberg. Again, what products  
8 that UNICOM provides out of the Mount Vernon switch are  
9 affected by the conversion?

10 A. The unbundled network element platform.

11 Q. So UNE-P?

12 A. Yes.

13 Q. Does UNICOM provide any line sharing or line  
14 splitting products out of the switch?

15 A. No.

16 Q. So in a sense, the cost differential to the  
17 company as you have stated is a difference between a  
18 profit of \$21 a line for UNE-P versus a loss of \$1 for  
19 resale?

20 A. Yes.

21 Q. On a technological basis, just technically,  
22 does the resale option that Verizon is offering, would  
23 that provide your customers with the same service as  
24 they currently provide to you, in a sense are the  
25 customers going to see any difference in that service

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1 aside from the cost to you and the billing and the  
2 ordering process issues?

3 A. If you're asking technically does the  
4 customer see any difference between UNE-P and resale,  
5 the answer is no.

6 Q. All right. So does UNICOM believe that as a  
7 result of the conversion it will lose any customers just  
8 as a result of the physical switch conversion?

9 A. No.

10 Q. So the issue would be the loss of customers  
11 due to pricing?

12 A. Yes.

13 Q. And so having heard the testimony of  
14 Ms. Lichtenberg, for UNICOM, do you have any of the same  
15 ordering and billing software issues?

16 A. No, we use the Web WISE GUI. It costs a  
17 great deal of money to develop an EDI interface, I have  
18 heard in the millions of dollars. We're a small company  
19 and do not have the order volume the EDI interface is  
20 necessary for.

21 Q. So for UNICOM this is purely a pricing issue?

22 A. It is a financial issue.

23 JUDGE RENDAHL: Okay, thank you, I have  
24 nothing further.

25 Mr. Harlow, do you have any redirect?

0270

1 MR. HARLOW: Just briefly, Your Honor.

2

3 R E D I R E C T E X A M I N A T I O N

4 BY MR. HARLOW:

5 Q. Mr. Daughtry, you indicated on the response  
6 to Mr. Carrathers that UNICOM does have some resold  
7 lines in the Mount Vernon area. Could you explain why  
8 that is and quantify it?

9 A. There's a number of reasons. Foremost is  
10 Verizon in a UNE-P environment does not allow you to  
11 provide UNE-P if a customer has voice mail or what they  
12 call advanced intelligent network services. So if the  
13 customer requires those or demands those, the only way  
14 you can provide that is in a resale environment, you can  
15 not provide them UNE-P. And then sometimes sales people  
16 are stupid.

17 Q. Thank you.

18 At the end of the Judge's questions, you  
19 agreed that this was purely a pricing issue for UNICOM;  
20 do you recall that?

21 A. Yes.

22 Q. Although it may be purely a pricing issue --  
23 well, let me ask it this way.

24 Are you seeking to prevent Verizon from ever  
25 converting, in this motion I should say, are you seeking

0271

1 to prevent Verizon indefinitely from converting your  
2 UNE-P to resale or simply until the Commission makes a  
3 final determination in this docket on UNE-P generally as  
4 well as on whether the Verizon packet switch from  
5 providing UNE-P in Mount Vernon specifically?

6 MR. CARRATHERS: Objection, Your Honor, that  
7 goes beyond the scope of cross-examination, and I'm not  
8 sure it's relevant either.

9 JUDGE RENDAHL: I will have to ask you to  
10 repeat your question, Mr. Harlow.

11 MR. HARLOW: Perhaps the court reporter can  
12 read it back because I'm not sure I can recapture it  
13 exactly.

14 (Record read as requested.)

15 JUDGE RENDAHL: Well, I will agree it doesn't  
16 build on the cross, and I think it's an issue,  
17 Mr. Harlow, that I'm going to be asking the attorneys to  
18 summarize very briefly when we're done, and I think it's  
19 an issue you can argue.

20 MR. HARLOW: If we do have an opportunity for  
21 a brief closing, I think that would be a good opportune  
22 time to cover it then.

23 JUDGE RENDAHL: All right.

24 MR. HARLOW: I will withdraw the question.

25 JUDGE RENDAHL: Thank you.



0272

1 MR. HARLOW: Thank you, Mr. Daughtry.

2 THE WITNESS: Thank you.

3 JUDGE RENDAHL: Mr. Daughtry, I just have a  
4 couple more quick questions.

5 THE WITNESS: Certainly.

6

7 E X A M I N A T I O N

8 BY JUDGE RENDAHL:

9 Q. Has Verizon informed you of the level of  
10 resale discount it will offer?

11 A. Say that again?

12 Q. Has Verizon told you or informed you of the  
13 level of resale discount it will offer? In other words,  
14 has Verizon been clear as to what the resale charge it  
15 will -- as to what it will charge for the resale?

16 A. I believe that's set by the Commission, it's  
17 retail less the and I think it's 10.1% or something like  
18 that, their retail, tariff retail rate less the discount  
19 that the Commission has ordered.

20 Q. All right. But have you received any  
21 communications from Verizon other than the June 8th  
22 letter indicating the charges to you for the resale  
23 option?

24 A. I do not believe they have specified the  
25 percentage. I believe they have specified that it will

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1 go from UNE-P to resale.

2 Q. All right. And has Verizon stated to UNICOM  
3 or in any letter to CLECs any costs in support of its  
4 resale proposal?

5 A. No.

6 JUDGE RENDAHL: All right, thank you, that's  
7 all I have.

8 THE WITNESS: Thank you.

9 JUDGE RENDAHL: Mr. Harlow or Mr. Carrathers,  
10 do you have anything further for this witness?

11 MR. CARRATHERS: Just one follow-up question  
12 based on your most recent questions, Judge Rendahl.

13

14 R E C R O S S - E X A M I N A T I O N

15 BY MR. CARRATHERS:

16 Q. Mr. Daughtry, as you would acknowledge,  
17 you're purchasing resale today from Verizon, right?

18 A. That is correct.

19 Q. And that is subject to the Commission  
20 approved resale rate that Verizon is required to charge  
21 through its interconnection agreement and Commission  
22 order; is that correct?

23 A. That is correct.

24 Q. And it's your understanding that that is the  
25 resale rate that would obviously apply here?

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1 A. Absolutely.

2 MR. CARRATHERS: Thank you.

3 No questions, Your Honor.

4 MR. HARLOW: Nothing further, Your Honor.

5 JUDGE RENDAHL: All right, well, thank you,

6 Mr. Daughtry for appearing. As I stated to

7 Ms. Lichtenberg, you may stay on the line and continue

8 listening, or you may -- you are done, and you are

9 released if you wish to be released.

10 Let's move on to our next witness, who I

11 believe at this point the next primary witness we have

12 is Mr. Coombs from AT&T. So, Ms. Friesen, at this point

13 I guess we would need to have you make an offer of why

14 Mr. Coombs' testimony is necessary in this proceeding.

15 MS. FRIESEN: Actually, Your Honor, after

16 hearing the other witnesses and in the interests of

17 preserving time, AT&T will not offer Mr. Coombs as I

18 think his testimony would be largely repetitive of much

19 of what you have heard.

20 Now while I understand that this hearing is

21 focused primarily on the impact of customers, AT&T would

22 like to remind everyone that we believe and we shouldn't

23 lose sight of the fact that Verizon's discontinuance of

24 UNE-P in the Mount Vernon central office is a violation

25 of our interconnection agreement and the Commission's

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1 Order Number 5 to maintain the status quo.

2 JUDGE RENDAHL: All right, well, I --

3 MS. FRIESEN: So with that, I will not offer  
4 Mr. Coombs, and thank you for giving me the opportunity  
5 to argue it anyway.

6 JUDGE RENDAHL: All right, well, I will give  
7 parties an opportunity to make some brief closing  
8 statements, and so if you wish to renew your arguments  
9 at the end, you may do so.

10 At this time, I think our next witness would  
11 be Ms. McLean for Verizon unless I'm missing something  
12 from my list.

13 MS. MCLEAN: Thank you, Your Honor.

14 JUDGE RENDAHL: Mr. Carrathers, if you would  
15 like to go through the preliminaries with Ms. McLean,  
16 and then I will swear in the witness.

17 MR. CARRATHERS: Certainly, thank you.

18 Ms. McLean, can you hear me?

19 MS. MCLEAN: Yes, I can.

20 MR. CARRATHERS: Can you please state your  
21 name, business address, and position.

22 MS. MCLEAN: My name is Kathleen McLean, my  
23 business address is 1095 Avenue of the Americas, New  
24 York, New York 10036. I am the Senior Vice President of  
25 Customer Relationships and Systems Management for the

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1 wholesale markets group at Verizon.

2 MR. CARRATHERS: Would you care to swear in  
3 the witness at this time, Your Honor?

4 JUDGE RENDAHL: I would.

5 Ms. McLean, would you raise your right hand,  
6 please.

7 (Witness Kathleen McLean was sworn.)

8 JUDGE RENDAHL: Okay, please go ahead,  
9 Mr. Carrathers.

10 MR. CARRATHERS: Thank you.

11

12 Whereupon,

13 KATHLEEN MCLEAN,  
14 having been first duly sworn, was called as a witness  
15 herein and was examined and testified as follows:

16

17 D I R E C T E X A M I N A T I O N

18 BY MR. CARRATHERS:

19 Q. Mc. McLean, please describe your education,  
20 work experience, and current job responsibilities.

21 A. I have an undergraduate degree from  
22 Georgetown University, I do graduate work at George  
23 Washington University. I have over 22 years of  
24 experience as an information technology professional.  
25 Before joining Verizon, I was vice president for an

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1 international software consulting firm. Before assuming  
2 my current position, I was Senior Vice President in  
3 Verizon's Information Technology Group responsible for  
4 the development of wholesale systems. I was the  
5 principal OSS witness in the various state and federal  
6 proceedings concerning Verizon's 271 application. And  
7 in my current responsibilities, I have customer  
8 education, documentation, communication, exception  
9 handling as it relates to the wholesale interfaces we  
10 provide for our carrier customers as well as system  
11 administration, system requirements to IT for wholesale  
12 system requirements.

13 Q. Thank you. And have you testified in other  
14 regulatory proceedings?

15 A. Yes, I have.

16 Q. Please briefly summarize those.

17 A. I testified in the 271 proceedings in each of  
18 Verizon's former Bell Atlantic states except for New  
19 York, so that's Maine to Virginia except for New York.

20 Q. Thank you.

21 Could you please summarize the major points  
22 of your testimony this afternoon.

23 A. Sure, I would love to. The main points of my  
24 testimony are first that Verizon has taken proactive  
25 steps to preserve the service of the approximately 350

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1 UNE-P accounts served in the Mount Vernon switch during  
2 the conversion from the circuit switch to the packet  
3 switch. The customers will be served using resale  
4 services after the conversion. There are currently  
5 approximately the same number of resale and UNE-P  
6 accounts served out of the Mount Vernon switch, and  
7 there are thousands of lines on both resale and UNE-P in  
8 Verizon's territories throughout Washington state.  
9 Resale has been available to carriers since before  
10 introduction of the Telecom Act and certainly is a  
11 mature product line well supported in our wholesale  
12 systems processes and customer documentation.

13           We provide two electronic interfaces as you  
14 have heard here for ordering, a Web based tool called  
15 WISE and electronic data interchange also known as EDI.  
16 Both of these interfaces can be used and are used to  
17 support both resale and UNE-P ordering. For the  
18 carriers present here today and serving customers using  
19 Verizon's wholesale services, two have resale lines in  
20 service in Mount Vernon and all five use both of the  
21 electronic interfaces common to both resale and UNE-P.

22           Q.     Thank you for that summary, Ms. McLean. Now  
23 let's turn to the specific issues raised today.

24                     First, if a CLEC who has a UNE-P arrangement  
25 in Mount Vernon fails to take any action in response to

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1 our notice, what will happen to those lines and the end  
2 user customers?

3 A. Verizon has undertaken to write the  
4 conversion orders as indicated in the letter to migrate  
5 the customers from UNE-P to the equivalent resale  
6 service.

7 Q. So will any CLEC customer be disconnected as  
8 a result of this conversion?

9 A. It is our intention that they will not be  
10 disconnected, and this is part, as you heard  
11 Ms. Lichtenberg testify, Verizon does switch conversions  
12 and switchouts, and these orders are part of the overall  
13 process that will be cared for similar to the resale  
14 customers that are being moved from the circuit switch  
15 to the packet switch and the retail customers that are  
16 being moved from the circuit switch to the packet  
17 switch.

18 Q. Thank you.

19 Now turning to MCI's testimony, did you hear  
20 Ms. Lichtenberg talk about the fact that her company can  
21 not place orders for resale because it does not have the  
22 proper systems in place; do you recall that discussion?

23 A. Yes, I do recall that.

24 Q. And she discussed in some detail the fact  
25 that MCI currently uses EDI, electronic data



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1 interchange, for UNE-P orders and that MCI does not use  
2 our WISE GUI interface, if you will, in Washington or  
3 elsewhere. Do you recall that?

4 A. I do recall that.

5 Q. Could you please comment on that testimony?

6 A. Well, yes. While it is true that the  
7 predominant interface that MCI uses in Washington state  
8 to place platform orders is EDI, they actually have  
9 submitted north of 700 LSRs using the WISE interface in  
10 Washington. Currently the same interfaces, the WISE and  
11 EDI interfaces, that serve Washington serve the other  
12 former GTE territories, and MCI does use WISE in other  
13 west states to place resale orders.

14 Q. And can you please describe the relationship  
15 or commonality between EDI system for UNE-P and say EDI  
16 for resale?

17 A. It is the same set of systems and interfaces.  
18 What Ms. Lichtenberg did indicate is the one difference  
19 between an LSR, local service request, for platform and  
20 a local service request for resale is one form. Both  
21 have the local service request form, both have the end  
22 user form, both have the direct releasing form. But  
23 when you're completing an order for a platform customer,  
24 you complete a port service form, and when you complete  
25 an LSR for resale, you complete a resale service form.

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1 So there is one form, if you will, in the deck that's  
2 different between the two.

3 Q. In your opinion, what would a CLEC have to do  
4 in order to handle resale orders out of our Mount Vernon  
5 switch?

6 A. I should add that the fields populated on the  
7 two forms are essentially the same fields between the  
8 port form and the resale service form. There are a few  
9 additional fields that are required on the UNE-P forms  
10 that are not required on the resale forms.

11 So what would be required would be to through  
12 customer end user representative education on using the  
13 WISE, which is a graphical user interface that we  
14 provide, and as the UNICOM witness testified, that's the  
15 interface they use, they would have to train their  
16 representatives to fill out the resale service forms  
17 instead of the port service form. But for all intents  
18 and purposes, all the other features that she described  
19 of entering and statusing are the same between platform  
20 and resale.

21 Now if they wanted to do mass market high  
22 volume using EDI, they would have to amend their EDI  
23 interface to handle that form.

24 Q. Okay. Now MCI indicated that Verizon can  
25 easily or should be required to in essence offer UNE-P

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1 from the Mount Vernon packet switch as it has done with  
2 circuit switches. Do you believe that can be done  
3 easily?

4 A. It's not a circumstance that Verizon has  
5 prepared for, so in order to determine whether we could  
6 do that and when we could do that and how we would do  
7 that, we would have to undertake in a similar software  
8 development and process development process that  
9 Ms. Lichtenberg described would happen in her  
10 organization, we would have to do the same things. We  
11 would have to assemble the SME teams to do the analysis  
12 for each of the impacted operational support systems, do  
13 the design development, testing, implementation for  
14 those changes, and we have not begun, even begun that  
15 process.

16 Q. Well, give us a feel for what kind of process  
17 that is, how many people are affected, how long does it  
18 take, any experience or guesstimates on what it might  
19 cost financially to do that?

20 A. Well, Verizon runs a continuous software  
21 development --

22 MR. HARLOW: Excuse me, Your Honor.

23 A. We do a major --

24 JUDGE RENDAHL: Excuse me, Ms. McLean.

25 MR. HARLOW: Your Honor, I would object to

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1 giving any guesstimates. Sounds like the question calls  
2 for speculation.

3 JUDGE RENDAHL: Can you rephrase your  
4 question, Mr. Carrathers.

5 MR. CARRATHERS: Certainly.

6 BY MR. CARRATHERS:

7 Q. Any idea on the cost associated with that  
8 kind of process and conversion?

9 A. Based on similar experience for similar  
10 projects, it would be many months and six figures to  
11 millions depending on when we did the analysis which  
12 systems were impacted in which manner.

13 Now, you know, I would candle that against  
14 the fact that in place today existing today are  
15 interfaces and processes and procedures that are well  
16 documented, the information is available on our Web  
17 site, product descriptions and pricing in our tariffs,  
18 and on the Web site we have trainings, we have order  
19 samples, et cetera for resale. So the infrastructure is  
20 already there in place for carriers to order resale  
21 today.

22 Q. Ms. McLean, do CLECs today order resale  
23 service from us in Washington state?

24 A. Yes, they do.

25 Q. And without identifying how many carriers or

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1 the numbers specifically, do you have an idea on just  
2 generally the number of resold lines in service?

3 A. It's my understanding is there's  
4 approximately 6,000 resale lines in service in the  
5 Verizon territories in Washington state.

6 Q. And carriers generally use either our EDI  
7 system as you described or our Web based interfaces or a  
8 combination of both?

9 A. That's correct, in Washington state  
10 principally using the WISE interface with the exception  
11 of MCI.

12 Q. And to be clear --

13 A. Who uses WISE, but their principal interface  
14 is EDI.

15 Q. Okay. So MCI does use the WISE interface in  
16 Washington, and do you know whether MCI uses that  
17 interface in other states?

18 A. They do.

19 Q. Okay.

20 A. And I could add I know Ms. Lichtenberg was  
21 not certain of the status of their resale lines in other  
22 states, but they do still have resale lines that they  
23 are serving in other states using the WISE interface.

24 Q. Now turning to that, I believe  
25 Ms. Lichtenberg made a comment about some possible

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1 disconnects in California. Could you please clarify  
2 what has happened or not happened in California?

3 A. California is a state where MCI does have  
4 resale lines in service.

5 MS. SINGER NELSON: Your Honor, this is  
6 Michel Singer Nelson on behalf of MCI. I object to the  
7 witness testifying as to what MCI does and doesn't have.  
8 This witness does not have the foundation necessary to  
9 make those statements and representations. MCI has a  
10 witness on the phone who has testified about the facts  
11 relating to MCI's provision of services throughout the  
12 country including Washington, and I would ask the  
13 Commission prohibit the witness from testifying relating  
14 to MCI's business.

15 THE WITNESS: I could restate my answer in  
16 terms of the local service requests received from  
17 Verizon.

18 JUDGE RENDAHL: Well, I think we need a  
19 rephrasing of the question maybe to begin with.

20 THE WITNESS: Okay.

21 JUDGE RENDAHL: To establish some foundation  
22 maybe as to knowledge, if, in fact, this witness does  
23 have the knowledge.

24 BY MR. CARRATHERS:

25 Q. Ms. McLean, what do Verizon's records show

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1 with respect to resold lines provided to MCI in  
2 California and whether any such lines have been  
3 disconnected?

4 A. I am aware of local service requests that  
5 Verizon has received from MCI in California over the  
6 WISE interface to perform changes to existing accounts,  
7 to actually migrate a few new accounts, to suspend  
8 service, to restore service, and to disconnect service.

9 Q. Thank you.

10 And do you know, if this conversion takes  
11 place in Mount Vernon, to your knowledge will any  
12 services provided to end users including features be  
13 affected?

14 A. No. As a matter of fact, in writing the  
15 service orders on behalf of the CLECs, what we did was  
16 map the features and services they receive on UNE-P to  
17 their resale equivalent and write the service orders to  
18 do that migration on their behalf. And so there is a  
19 ISOC to ISOC mapping, if you will, from UNE-P to resale,  
20 ISOC being the service order code representing the  
21 products and services, the individual products and  
22 services on an account.

23 Q. Now you have discussed why Verizon can not  
24 provide UNE-P in the packet switch environment, let me  
25 ask you this. Can Verizon provide resold lines but

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1 somehow change its billing system so that those lines  
2 are billed as UNE-P lines?

3 A. When the lines are converted to resale, they  
4 will be converted in the billing and provisioning  
5 systems. So they will appear in the systems and be  
6 treated as resale lines after that conversion. We don't  
7 currently have the capability to treat them in some  
8 hybrid state or one off state for, you know, that they  
9 used to be UNE-P and now they're resale. Once the  
10 conversion is done, they will appear in the billing  
11 system as resale lines and will be billed as such.

12 Q. Thank you.

13 Now a handful of remaining questions based on  
14 other witnesses' statements this morning. The MCI  
15 witness, Ms. Lichtenberg, talked about Verizon's June  
16 8th notice. Do you recall that?

17 A. Yes, I do.

18 Q. Do you know whether Verizon sent out another  
19 notice reminding CLECs of what was taking place and the  
20 need to take action?

21 A. Yes, we did, we sent a follow-up letter on  
22 July 20th basically again reminding them of the letter  
23 that we had sent and asking them if they wanted to do  
24 the conversion, to submit the LSRs for completion before  
25 August 27th.



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1 MR. CARRATHERS: Thank you.

2 Your Honor, what I would like at this time is  
3 if we can just have this late filed exhibit, we can fax  
4 that letter. All the CLECs got it, but we would like to  
5 make it a part of the record.

6 JUDGE RENDAHL: That's fine with me. It  
7 would be marked as Exhibit 4, and that's a July 20th  
8 letter.

9 MR. CARRATHERS: That's correct.

10 JUDGE RENDAHL: From Verizon to CLECs  
11 regarding the Mount Vernon switch conversion.

12 MR. CARRATHERS: Correct, sort of a follow up  
13 to the June notice that the CLECs have marked as Exhibit  
14 1.

15 JUDGE RENDAHL: Thank you.

16 MR. CARRATHERS: Or MCI rather.

17 BY MR. CARRATHERS:

18 Q. Ms. McLean, do you recall a UNICOM witness  
19 was describing how many UNE-P lines they have on the  
20 Mount Vernon switch?

21 A. Yes.

22 Q. And I believe the number was 200?

23 A. Or so.

24 Q. Or so. Do you remember that?

25 A. Yes.

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1 Q. How many UNE-P circuits does UNICOM actually  
2 have? And again, my understanding is UNICOM agrees to  
3 treat this as non-confidential, so unless I'm asking my  
4 witness to state that for the record.

5 A. Well, when we wrote the conversion orders, we  
6 actually counted the number of what we call billing  
7 telephone numbers, which is synonymous with an account,  
8 and there are say it's a double digit south of 50 UNE-P  
9 for UNICOM in Mount Vernon and about half that many  
10 resale UNICOM BTNs or accounts served out of the Mount  
11 Vernon switch.

12 Q. Thank you.

13 A. So I believe the UNICOM witness was speaking  
14 about working telephone numbers or WTNs, and I don't  
15 have the crosswalk of the BTNs to WTNs.

16 MR. CARRATHERS: Thank you very much.

17 Your Honor, if I may ask your indulgence,  
18 could we take just a 15 minute break. I've got to go  
19 through my notes and make sure I'm done with all of my  
20 direct examination, but I would like to take a little  
21 break if I could and go through my notes on everything  
22 the CLECs have said just in case I may have missed  
23 something.

24 JUDGE RENDAHL: I think that's fine.

25 MR. CARRATHERS: Thank you.

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1 JUDGE RENDAHL: We will be back on the record  
2 at 10 after 4:00, let's be off the record.

3 (Recess taken.)

4 JUDGE RENDAHL: Mr. Carrathers, you were  
5 reviewing your notes, is there anything further you  
6 have?

7 MR. CARRATHERS: Thank you, yes, just a  
8 couple final questions.

9 First, I will make sure my witness is on the  
10 line.

11 THE WITNESS: Yes, I'm here.

12 MR. CARRATHERS: Thank you.

13 BY MR. CARRATHERS:

14 Q. Ms. McLean, the MCI witness, Ms. Lichtenberg,  
15 made statements about the amount of work to MCI's  
16 billing systems that would be needed to accommodate  
17 resale. Do you recall that discussion?

18 A. Yes, I do.

19 Q. Could you please respond?

20 A. I just wanted to point out again that the  
21 billing system that produces Washington bills from  
22 Verizon to MCI is the same billing system that produces  
23 bills in other former GTE states, including  
24 California --

25 JUDGE RENDAHL: I'm sorry, I think your

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1 answer after California was probably cut off.

2 THE WITNESS: Okay.

3 A. And given that in our records WorldCom has  
4 resale lines and service in California, we generate  
5 resale bills to them in California. So whatever  
6 systems, processes, and people review those resale bills  
7 in California would be the same process, format, et  
8 cetera that we would provide to them for Washington  
9 resale bills.

10 BY MR. CARRATHERS:

11 Q. Thank you.

12 Next, there's been a lot of discussion about  
13 our ordering systems, including the WISE system or GUI  
14 system, and I think it might be helpful, just take a  
15 moment and explain to the Judge really what that system  
16 is, the WISE system, how it operates, how it can be  
17 used, accessed through the Internet, et cetera.

18 A. Okay. The CLECs choose the way they connect  
19 to Verizon. So they can choose to lease a direct  
20 connect line to Verizon, they can choose to come through  
21 the Internet, and they can choose to come through the  
22 Internet on a dedicated line. Essentially what the rep,  
23 their customer service reps are doing is they're sitting  
24 at a PC at their location accessing Verizon's OSS,  
25 Verizon's data center directly.

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1                   And WISE is a series of graphical forms. It  
2 is an application that you log on to, and you indicate  
3 to the system that you want to place a new order. It  
4 will ask you the type of order, and it will present you  
5 with a form. You type in the information into the form,  
6 and you submit that. It does return you edit messages  
7 if you have completed fields incorrectly, so you get  
8 feedback from the system. And when you have properly  
9 formed an order, that order is submitted to Verizon's  
10 downstream OSS.

11                   In WISE you can also status those orders. So  
12 you would get your confirmation, you heard about  
13 confirmations. Once the order has been accepted into  
14 the service order processors, we generate a notifier  
15 called a confirmation. That notifier is also a form  
16 containing information, and it's presented back to the  
17 customer on the WISE interface as is the provisioning  
18 completion notice once the customer is put in service.  
19 So it has tabs, it has navigation, just like any  
20 Internet site that you would use or any kind of on line  
21 form that you may be accustomed to entering.

22           Q.       Ms. McLean, how long does training take to  
23 understand that system, the CLEC training take so they  
24 can understand the system and use it?

25                   MS. FRIESEN: Your Honor, this is Letty

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1 Friesen, I would like to object to this line of  
2 questioning. The issue is not what the GUI interface  
3 does in its capabilities. The issue is that  
4 transferring us to a GUI interface when we're on an EDI  
5 system causes problems downstream for the CLECs in their  
6 systems. That's the issue. This testimony is going  
7 really far afield and probably burning more time than we  
8 have for this hearing, so I object to it.

9 MR. CARRATHERS: Your Honor, if I may  
10 respond, I think it goes to the issue in the case. MCI  
11 -- well, first of all, that was an objection raised by  
12 AT&T, and I will raise my objection that this isn't  
13 AT&T's witness, AT&T admittedly doesn't have any  
14 circuits on the Mount Vernon switch, so I object to its  
15 participation. As a threshold matter, I don't believe  
16 she's got standing to raise an objection to my question.

17 MS. FRIESEN: Your Honor, as far as I  
18 understand, I have not been precluded from being a party  
19 in this docket nor a party to the motion.

20 JUDGE RENDAHL: No, you haven't, and I'm  
21 going to allow the question because it goes to an issue  
22 I was inquiring about as well for other witnesses. So I  
23 think we may burn more time arguing about it, so I'm  
24 going to allow the witness to answer.

25 A. Okay, so we have training courses that are

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1 several hours in duration, and materials are provided on  
2 the Web site. So even after the instruction has  
3 completed, the customer service reps can rerun that  
4 training session, if you will, from their own PC at any  
5 time. We call that technology WebX technology. So they  
6 have the ability to rerun any aspect of that training  
7 that they would like.

8 We also provide on line ordering examples,  
9 which are the forms prepopulated, if you will, with  
10 sample information based on different order scenarios,  
11 whether for example it's migration, a new connect, a  
12 change of feature, a PIC change, a disconnect, et  
13 cetera, we provide those examples. So really the  
14 information to get familiar with the tool is I would say  
15 would be a few hours. And by the way, MCI has several  
16 thousand already trained WISE users, as does AT&T.

17 MS. SINGER NELSON: Your Honor, once again  
18 this witness continues to make representations about  
19 what MCI has and doesn't have, and I object to her  
20 making those statements. She has no foundation to --

21 THE WITNESS: I do have the foundation  
22 because --

23 JUDGE RENDAHL: Excuse me, Ms. McLean, the  
24 objection is being made. You will get an opportunity  
25 after counsel responds and if I allow a response.

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1 THE WITNESS: I understand.

2 MS. SINGER NELSON: And, Your Honor, again,  
3 this witness has no foundation for her testimony, and I  
4 ask that her testimony be stricken.

5 JUDGE RENDAHL: Mr. Carrathers.

6 MR. CARRATHERS: Your Honor, I can simply ask  
7 the witness what her foundation is for explaining what  
8 MCI and AT&T do and do not have based on her experience  
9 in working with these carriers and overseeing the  
10 wholesale markets group whose responsibility it is to  
11 work with them.

12 MS. FRIESEN: Your Honor, for the record,  
13 AT&T objects to Verizon testifying about any wholesale  
14 information. It's garnered from AT&T, it's a  
15 business-to-business relationship that it has not  
16 previously cleared for testimony in a public forum.

17 MR. CARRATHERS: Your Honor, may I respond to  
18 that?

19 JUDGE RENDAHL: Very briefly, and I think  
20 we'll just move on after this, but I will hear your  
21 response.

22 MR. CARRATHERS: The MCI witness testified of  
23 all the problems associated with using Verizon's WISE  
24 system. I think we're entitled to rebut that and  
25 explain (a) there's no problem with using our WISE



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1 system, and (b) they know how or should know how to use  
2 it. I think that's directly relevant.

3 JUDGE RENDAHL: Okay, I think there's been  
4 sufficient testimony in the record that MCI does use the  
5 system for certain circumstances, and I don't know that  
6 we need to beat that horse anymore, and so I will allow  
7 you to inquire as to the nature of the GUI system versus  
8 EDI, but let's refrain from referencing any more to the  
9 specific CLECs.

10 MR. CARRATHERS: Thank you, Your Honor, I  
11 appreciate that.

12 BY MR. CARRATHERS:

13 Q. Ms. McLean, with that instruction in mind,  
14 could you please complete your discussion of our WISE  
15 GUI system, if you have it.

16 A. So for an individual customer service rep to  
17 be able to use the system, they do have to be an  
18 authorized user to the system, so they have to obtain a  
19 user ID, they set their own password, and they obtain a  
20 digital certificate. And I can say because Verizon has  
21 to provide that secure access that several thousand  
22 customer service reps in our customer communities have  
23 that access.

24 Q. Thank you, Ms. McLean.

25 And finally, if you could please compare

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1 based on your experience and knowledge with what CLECs  
2 would have to do to support our resale product with what  
3 Verizon would have to do to provide UNE-P over packet  
4 switching, assuming that were feasible.

5 A. Yes, it would be my opinion that they are  
6 substantially orders of magnitude different efforts.  
7 So, for example, we heard the UNICOM witness say they  
8 already use the WISE GUI, and they use it to order both  
9 resale and UNE-P. We heard WorldCom represent that they  
10 in some circumstances use the WISE GUI, but they would  
11 have to do some development to their EDI system, which  
12 consists of adding a form which contains fields that are  
13 a subset actually of the fields that are contained in  
14 the form they already use.

15 So that would be in my opinion a small  
16 incremental software development effort contrasted to  
17 the software development that Verizon would have to  
18 undertake, which is to build a capability end to end  
19 from preordering through ordering, provisioning,  
20 maintenance, and repair and billing, to provide a  
21 capability that we have not provided in our OSS, which I  
22 would estimate would take us of the magnitude of several  
23 months, hundreds of people involved, and would cost us  
24 hundreds of thousands to millions of dollars.

25 MR. CARRATHERS: Thank you, Ms. McLean.

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1 I will proffer the witness for  
2 cross-examination, Your Honor.

3 JUDGE RENDAHL: All right.

4 First, Ms. Singer Nelson.

5 MS. SINGER NELSON: Thank you, Judge.

6

7 C R O S S - E X A M I N A T I O N

8 BY MS. SINGER NELSON:

9 Q. Would you please testify as to how many  
10 access lines are served out of the Mount Vernon switch?

11 A. Both a combination of Verizon retails and  
12 CLEC lines is approximately 50,000 lines, of which  
13 approximately 700 working telephone numbers are CLECs  
14 UNE-P type WTNs.

15 Q. And how many of those lines are Verizon end  
16 user customers?

17 A. The overwhelmingly vast majority, thousands,  
18 approximately 50,000 minus 732 UNE-P and several hundred  
19 resale, so approximately 49,000 of the 50,000.

20 Q. Will Verizon continue to provide voice  
21 services to those 49,000 customers out of the new Mount  
22 Vernon packet switch?

23 A. Verizon will continue to provide voice  
24 services to all 50,000 of those customers out of the  
25 packet switch.

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1 Q. Will Verizon provide voice only service to  
2 its own customers out of that switch?

3 MR. CARRATHERS: Objection, Your Honor,  
4 what's the relevance of this question?

5 JUDGE RENDAHL: Ms. Singer Nelson.

6 MS. SINGER NELSON: The relevance of the  
7 question, it goes to the issue of discrimination.

8 MR. CARRATHERS: Your Honor, I thought the  
9 issues that were -- the issues in this proceeding had to  
10 do with the immediate harm for CLEC disconnect and the  
11 pricing issue. I'm not quite sure how this general  
12 discrimination issue raised by MCI fits in here, it  
13 doesn't.

14 MS. SINGER NELSON: The immediate harm is  
15 that the CLEC customers will be discriminated against in  
16 the conversion of the CLEC customers from UNE-P to  
17 resale to the extent that Verizon end user customers are  
18 not affected in the same way.

19 JUDGE RENDAHL: I'm going to sustain the  
20 objection, because we are looking at the immediate, the  
21 focus that I addressed at the beginning, which is, is  
22 there any customer affecting issue for CLECs and what is  
23 the pricing effect.

24 MS. SINGER NELSON: Your Honor, this is a  
25 customer affecting issue. The harm to the CLECs is the

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1 harm that's been described by Ms. Lichtenberg and  
2 UNICOM's witness, and my question is basically asking  
3 whether or not Verizon's customers will experience those  
4 same harms. So it does go directly to the issue of the  
5 harm that will be experienced by CLECs, because as the  
6 witnesses have testified, we will lose customers as a  
7 result of this change if prices go up and they are not  
8 able to obtain the same kinds of features that they were  
9 able to obtain as UNE-P customers.

10 JUDGE RENDAHL: Well, maybe you can rephrase  
11 your question to address those issues as opposed to the  
12 way you phrased the question.

13 MR. CARRATHERS: May I briefly respond  
14 though, Your Honor. First, the rationale given for the  
15 question is unrelated to the question. The  
16 characterization that their witnesses claim, well, you  
17 might not have all the features available, no witness  
18 has stated that the features won't be available, they  
19 said they don't know. So if counsel for the CLEC is  
20 trying to put on their direct case in cross-examination,  
21 I think that's inappropriate.

22 JUDGE RENDAHL: Well, I'm going to sustain  
23 the objection to the question that was asked. And,  
24 Ms. Singer Nelson, if you would like to ask the question  
25 that you explained in your support for the question, I

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1 think that's a fair question to ask.

2 MS. SINGER NELSON: Thank you.

3 BY MS. SINGER NELSON:

4 Q. Will Verizon end user customers that are  
5 served out of the Mount Vernon switch experience a price  
6 increase because of the switch replacement?

7 A. Well, I'm not a pricing witness, but I don't  
8 believe Verizon has an intention of changing its  
9 pricing, but I don't have firsthand knowledge of that.  
10 I will say that the process of moving the resale UNE-P  
11 and retail customers off the circuit switch to the  
12 packet switch is one process, and they're all handled  
13 together. So as it goes to the service they had before  
14 and the service they had after, from the end customers'  
15 perspective of service it will look the same.

16 Q. Are you aware of any price increases that  
17 would affect Verizon end user customers because of the  
18 switch from a circuit switch to a packet switch?

19 A. It's outside of my area of responsibility to  
20 know anything frankly about retail pricing, and so I  
21 can't testify to that.

22 Q. Will there be any billing changes that will  
23 affect Verizon end user customers because of the switch  
24 replacement?

25 A. I don't represent the retail line of

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1 business.

2 Q. So is that a no?

3 A. I don't know.

4 Q. Are you saying you don't know?

5 Excuse me?

6 JUDGE RENDAHL: I heard her say she did not  
7 know.

8 MS. SINGER NELSON: Oh, I didn't hear that.

9 A. Yes, I said I did not know. I don't  
10 represent the retail line of business. I have no  
11 knowledge of what they're doing with billing and pricing  
12 to retail customers.

13 BY MS. SINGER NELSON:

14 Q. Will the availability of features be affected  
15 by the switch replacement, the availability of features  
16 to Verizon's own end user customers be affected by the  
17 switch replacement to your knowledge?

18 A. They will be the same for both.

19 Q. What do you mean both?

20 A. The wholesale and retail customers that were  
21 served with a feature set on the circuit switch will be  
22 served with the same feature set on the packet switch.

23 And as I described, we offered in those letters for  
24 CLECs to do that crosswalk from UNE-P to resale if they  
25 wanted to, and failing that, Verizon did it on their

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1    behalf.  So we have walked the same switch features  
2    available under UNE-P to the same switch features  
3    available under resale.  So again, from an end customer  
4    perspective, they will not see any service difference  
5    after the conversion.

6           Q.     Now to the extent that new customers are  
7    added by CLECs through a resale product in this switch,  
8    will the same features and functionalities of the switch  
9    be available to the resale customers as are currently  
10   available to UNE-P customers served out of that switch?

11          A.     For the customers in service at the Mount  
12   Vernon switch, we have done that cross mapping.  We  
13   found no features currently used by UNE-P customers in  
14   Mount Vernon that we could not map to resale features.  
15   So I don't expect there would be any difference if the  
16   new customers in look like the existing customers.  But  
17   it's a hypothetical, and that's the extent to which I  
18   can answer that question.

19          Q.     Does Verizon offer to CLECs the same features  
20   in its resale product as it offered to CLECs through the  
21   UNE-P product?

22          A.     The features that are available on resale are  
23   enumerated on our Web site and in our tariffs, and  
24   actually we have a nice application that we call SCORE  
25   where you could go in and enter in your CLEC ID and the



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1 NPA-NXX for the switch, and it will pull up for you a  
2 nice enumeration of all the features, both UNE and  
3 resale, that are available for you at that switch.

4 Q. Ma'am, excuse me, but you're not answering my  
5 question.

6 A. I'm trying to answer it.

7 Q. Are they the same?

8 A. I can answer for the ones that we looked at  
9 to effect the conversion, and I answered that.

10 Q. That's not my question.

11 JUDGE RENDAHL: Okay, can you restate your  
12 question.

13 Q. My question is, are the same features  
14 available through the resale product as are currently  
15 available through the UNE-P product? Simple question.

16 A. Yes, and I have said yes. So, for example,  
17 features such as call forwarding, call waiting,  
18 three-way calling, caller ID, those are features that  
19 are available on UNE-P that are also available on  
20 resale.

21 Q. And the list of features available on each  
22 product is exactly the same, that's what you're saying?

23 A. That's not what I said. I said for the ones  
24 that I looked at, we were able to map every UNE-P  
25 feature to every resale feature.

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1                   JUDGE RENDAHL: But I think that was not the  
2 question that was asked.

3                   MS. SINGER NELSON: Exactly.

4           A.       There are thousands of features available,  
5 thousands of products offered, and I have not done the  
6 analysis on a side by side of every conceivable UNE-P  
7 feature to see if there is a retail corollary. I looked  
8 at these customers, and we did find them.

9 BY MS. SINGER NELSON:

10          Q.       So then it is possible that there are UNE-P  
11 features that will not be available to resale customers?

12          A.       I don't know that.

13                  MS. SINGER NELSON: I'm just looking through  
14 my notes.

15 BY MS. SINGER NELSON:

16          Q.       I'm going to turn to the subject of Verizon's  
17 rejection of UNE-P orders out of the Mount Vernon  
18 switch. Is it true that Verizon has rejected UNE-P  
19 orders that its received since August 27th from CLECs  
20 relating to the Mount Vernon switch?

21          A.       Yes, a very small number.

22          Q.       And what is the explanation for that?

23          A.       We're in a quiesce period as we indicated in  
24 the letter where we basically attempt to quiesce the  
25 change to the accounts in service so that we can ensure

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1 that the service they have on the circuit switch is the  
2 same service they have when we cut over to the packet  
3 switch, so there comes a point in time when you have to  
4 stop making changes to those lines. We have a similar  
5 quiesce period on the retail ordering side.

6 Q. What does your reject notice actually say to  
7 the CLEC customer who orders UNE-P out of that switch  
8 today?

9 A. I don't have it in front of me, but I believe  
10 it says something to the effect of product not  
11 available.

12 Q. Did you provide CLECs with detailed  
13 information on your reject process through the change  
14 management program, and specifically I'm asking about  
15 the rejects of the UNE-P orders out of the Mount Vernon  
16 switch?

17 A. The information about the conversion of the  
18 Mount Vernon switch was provided through what we call  
19 our industry letter notification process and through the  
20 interconnection agreement contact process, so there were  
21 two paths. Change management is a term of art generally  
22 referred to OSS change management when we're making  
23 changes to the interfaces, not product related changes.  
24 And the only change to the interface is an error code  
25 for product not available, and that was communicated

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1 through change management.

2 Q. Why has Verizon chosen to start rejecting  
3 UNE-P orders now before the actual switch replacement  
4 has taken place?

5 A. As I just testified, Verizon actually had to  
6 take an inventory of the UNE-P accounts in service, and  
7 Verizon had to do the mapping of the services from UNE-P  
8 to resale and prepare those service orders, and those  
9 service orders now are waiting to be processed and will  
10 be processed as part of the conversion. Similarly, the  
11 retail lines need to be taken down from the circuit  
12 switch and brought up on the packet switch, so it's a  
13 very similar process that's being conducted for both the  
14 wholesale customers and the retail customers.

15 Q. Is Verizon technically incapable right now of  
16 processing the UNE-P orders out of that -- in the Mount  
17 Vernon area?

18 A. There's basically a, once the LSR is  
19 submitted, there's a due date associated with the  
20 provision of that service, and as we expressed in the  
21 letter, we asked that the LSR's be submitted by such a  
22 time that whatever the service they were requesting  
23 could be provisioned before 8-27, which is when Verizon  
24 began its process of writing the conversion orders.

25 Q. Okay, again, that didn't answer my --

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1           A.     If we had let them in, it would have  
2     jeopardized our ability to keep the wholesale records in  
3     sync between what is in place in the current circuit  
4     switch and what would be provisioned in the packet  
5     switch and for example could cause call routing  
6     confusion.

7           Q.     All right.

8           A.     So in the interests of preserving --

9           Q.     Excuse me, but my --

10           JUDGE RENDAHL:  Ms. McLean, if you can first  
11     answer yes or no to the question and then explain it,  
12     that will also move things along.  I understand it's  
13     late in the day for all of us, but that would be very  
14     helpful.

15           Q.     So could you answer yes or no to my question,  
16     is Verizon today technically incapable of processing  
17     UNE-P orders for the Mount Vernon service area?

18           A.     As of this moment, yes, because the cutover  
19     is set for tomorrow.

20           Q.     You're technically incapable of doing it, or  
21     is that an OSS issue?

22           A.     I don't know how to answer that.

23           Q.     Is there a difference between being able to  
24     provide a service from a technical standpoint versus  
25     through OSS systems?

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1                   MR. CARRATHERS: Your Honor, I need to object  
2 at this point. The witness has answered the question  
3 several times and has explained I think quite clearly  
4 that they had to put this quiescence period in place, if  
5 you will, to ensure that the transition went smoothly.  
6 I think she's answered that question a couple of times.

7                   JUDGE RENDAHL: Well, Ms. Singer Nelson, if  
8 you can be clear as to whether you're talking about the  
9 quiescence period or the going forward after conversion,  
10 I think if you clarify your question in that way it  
11 might help.

12                   MS. SINGER NELSON: Well, the question is  
13 really directed to the fact that they're rejecting  
14 orders today, and I was just trying to understand  
15 whether or not they could technically provide the  
16 service to the CLEC customers today.

17                   JUDGE RENDAHL: I think that question --  
18 well, why don't you try asking that question, but I  
19 think it's been answered.

20                   MS. SINGER NELSON: I thought that's the  
21 question that I answered, or that I asked.

22                   JUDGE RENDAHL: Well, let's try it again.

23                   MS. SINGER NELSON: All right.

24 BY MS. SINGER NELSON:

25 Q. To be clear, I understand you have testified

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1 that Verizon has stopped processing UNE-P orders from  
2 CLECs as of August 27th; isn't that correct?

3 A. That's correct.

4 Q. Is it true that Verizon can not technically  
5 provide UNE-P services to CLECs today?

6 A. We are providing UNE-P service to CLECs today  
7 off that circuit switch. What we are doing is rejecting  
8 orders for new service to be provisioned, because we are  
9 in the process of converting from one to the other in a  
10 method to preserve the service of the in-service  
11 customers.

12 Q. Can Verizon technically provide service to  
13 new UNE-P customers in the Mount Vernon area today?

14 A. No.

15 Q. And why is that?

16 A. Because we have to accept the order, we have  
17 to schedule the order, we have to assign facilities, and  
18 all of that process would not be completed before the  
19 switch was converted, so you would be doing an advance  
20 work against a switch that will not be in service when  
21 the order is set to be due. So essentially if we had  
22 taken that order, that order would jep back, it would be  
23 in jeopardy, meaning it could not be completed, so it  
24 would have given you a false confirmation that the  
25 service would be provisioned.

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1 Q. Now let's go back to your testimony relating  
2 to the MCI vision of or use of the Verizon WISE system;  
3 do you recall that testimony?

4 A. Yes, I do.

5 Q. MCI is not ordering services through the WISE  
6 system today; isn't that right?

7 A. That's not right. I have several hundred  
8 local service requests received from MCI via the Web GUI  
9 in Washington state so far in 2004.

10 Q. Are those related to local number  
11 portability?

12 A. No, they're not, they're related to  
13 migrations, new connects, disconnects, and change  
14 activity.

15 Q. But those are not orders for --

16 A. For UNE platform.

17 Q. -- UNE platform?

18 A. Yes, they are.

19 MS. SINGER NELSON: Your Honor, I would like  
20 to issue a records request to get the PONs for all of  
21 those orders that the witness is referring to in her  
22 testimony.

23 JUDGE RENDAHL: That's Record Requisition  
24 Number 1, and your request is for the PONs, P-O-N-S?

25 MS. SINGER NELSON: P-O-N-S.



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1                   JUDGE RENDAHL: For each of the WISE GUI  
2 orders, UNE-P orders, that Ms. McLean mentioned; is that  
3 your request?

4                   MS. SINGER NELSON: Yes.

5                   JUDGE RENDAHL: All right, that would be  
6 Record Requisition Number 1.

7 BY MS. SINGER NELSON:

8           Q.       With regard to your testimony concerning the  
9 billing system --

10                  JUDGE RENDAHL: I'm sorry, let's be off the  
11 record for a moment.

12                  (Discussion off the record.)

13                  (Recess taken.)

14                  JUDGE RENDAHL: Ms. Singer Nelson, I believe  
15 you had just made a records requisition, and did you  
16 have any further cross for the witness?

17                  MS. SINGER NELSON: Yes, I just have a couple  
18 more questions about three different areas, Judge, but I  
19 will be brief.

20 BY MS. SINGER NELSON:

21           Q.       Now are the -- going back to the 700 orders  
22 that you have been referring to in your testimony, just  
23 to be clear you say those relate to UNE-P customers;  
24 isn't that right?

25           A.       Yes.

0313

1 Q. And so those 700 orders are not for resale?

2 A. That's right, in Washington state the 700  
3 local service requests that I referred to are for UNE  
4 platform.

5 Q. And that really goes to the next question I  
6 was going to ask, that 700 orders also is not specific  
7 to this switch but instead is across the whole state of  
8 Washington?

9 A. Yes.

10 Q. Isn't it true that the WISE system can not be  
11 directly interfaced to the MCI system like the EDI  
12 system can?

13 A. That's a hypothetical question about whether  
14 or not MCI could choose to do a desktop migration of  
15 information from one of their OSS, from information  
16 that's actually displayed on a PC in one of their  
17 business offices, you could do that. Once the  
18 information is returned on the WISE screen, technically  
19 a programmer could capture the fields off that  
20 application and act upon them.

21 Q. What are the differences between the WISE  
22 system and the EDI system that MCI has currently and  
23 interfaces with Verizon with currently?

24 A. Well, broadly speaking, EDI is what we call  
25 an application to application interface where we --

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1 there's an industry standard specification. You heard  
2 Ms. Lichtenberg refer to OBF, the ordering and billing  
3 forum, which sets the general form field specifications.  
4 And then each carrier trading partner takes those  
5 industry standard rules and adopts them for use with  
6 respect to their OSS.

7           So both MCI and Verizon have built to that  
8 industry standard specification, and I will comment  
9 further MCI has further built to Verizon's specific  
10 business rules on that interface. The rules about the  
11 fields that are populated and the rules for populating  
12 those fields are the same whether they're populated on  
13 EDI or Web GUI. What is different is that EDI is a file  
14 exchange without a human interface. It's just a file  
15 exchange between two computers. So on your end of the  
16 interface on EDI, you have a system, you have an  
17 application that's populating that file, and then that  
18 file is being transmitted to Verizon, whereas with WISE  
19 a human being is typing the information into a message,  
20 if you will, and that message is being transmitted to  
21 Verizon's OSS.

22           Q.     Thank you.

23           Now I will move to my second to last area of  
24 questioning, and that has to do with billing. Will the  
25 bill generated by Verizon to CLECs for the resale

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1 product be processed through CRIS billing or CABS  
2 billing?

3 A. Well, actually in the former GTE region, the  
4 retail billing system is called CBSS, not CRIS. CRIS is  
5 the former Bell Atlantic billing system that people may  
6 be familiar with. And as it relates to CABS, what  
7 Ms. Lichtenberg referred to is a billing output  
8 specification, which again as a term of art is called  
9 CABS BOS BDT, BOS output -- billing output specification  
10 bill data tape. So independent of the underlying  
11 billing system that Verizon actually processes the  
12 charges in, it provides the output, the bill output, in  
13 that BOS BDT format, so regardless of whether it comes  
14 from the CBSS system or the CABS system.

15 Q. Will the resale bill to the CLECs be the same  
16 as the UNE-P bills currently are? Will they look the  
17 same, will they have the same format, will they contain  
18 the same kind of information?

19 A. Generally speaking, yes. There are obviously  
20 some differences, but generally speaking, yes.

21 Q. Explain the differences, please.

22 A. Well, the differences are obviously in the  
23 type of records that are populated in the specification  
24 and the actual products and services that are populated  
25 on them. But as I mentioned, they both can be provided

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1 in the BOS BDT format, which again is an industry  
2 standard format. It's a file specification, it's a very  
3 complex file specification but a file specification for  
4 the exchange of billing information between carriers  
5 electronically. Carriers can also elect to receive a  
6 paper bill.

7 Q. But in summary, the bills aren't identical,  
8 they're not the same?

9 A. They're not identical, that is true.

10 Q. And then finally, I know we went round and  
11 round on this and I want the record to be clear about  
12 the context of your response.

13 A. I'm sorry, I can't hear if a question is  
14 being asked.

15 Q. Isn't it true that the switch lines for your  
16 new Mount Vernon switch can technically support UNE-P  
17 because the lines, the hardware, et cetera, are the same  
18 as in resale?

19 A. I'm not the switch witness, so I can't  
20 testify to what the capability of the switch is.

21 Q. So your testimony this afternoon has not gone  
22 to the issue of whether or not the Mount Vernon packet  
23 switch can technically provide UNE-P?

24 A. It's gone to the issue of all of the OSS  
25 processing that begins with accepting an order and

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1 processing that order through the service order  
2 processors, the provisioning systems, and the billing  
3 systems.

4 Q. Okay, so --

5 A. So it has not been about any technical  
6 configuration of the packet switch. But when we talk  
7 about technically being able to do something, it assumes  
8 and it encompasses both the methods, procedures, people,  
9 and processes that put a service into service and then  
10 maintain it once it's in service.

11 Q. So your testimony does not go to the actual  
12 capability of the packet switch, just to be clear?

13 A. That's correct.

14 Q. So isn't it true then that Verizon has made  
15 an operational support systems choice to support your  
16 UNE-P position? And when I refer to a UNE-P position,  
17 I'm referring to your decision to discontinue the  
18 offering of UNE-P to CLECs in the Mount Vernon switch.

19 A. I'm sorry, I didn't understand what the  
20 question was.

21 Q. To your knowledge, Verizon's decision to  
22 discontinue the offering of UNE-P through the Mount  
23 Vernon packet switch was an OSS choice?

24 A. Actually, I think Verizon's decision about  
25 offering unbundled switching is articulated in the

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1 series of letters that we distributed as industry  
2 notification and through the ICA contact list that we  
3 previously referenced.

4 Q. Do you have Exhibit 1 in front of you?

5 A. I'm getting it.

6 Yes, I do.

7 Q. Under the unbundled switching section, it  
8 looks like Verizon is using the Triennial Review Order  
9 for its reasoning for discontinuing the provisioning of  
10 unbundled switching out of Mount Vernon.

11 A. I'm reading the letter, if you could give me  
12 a moment, please.

13 You know, short of reading it into the  
14 record, although it does mention the TRO, it also says:

15 Under the rules adopted in the Triennial  
16 Review Order as under prior FCC rules,  
17 et cetera.

18 MS. SINGER NELSON: Thank you.

19 Your Honor, I have no further questions.

20 JUDGE RENDAHL: All right.

21 I will ask at this time if there is any other  
22 attorney who is wishing to cross examine this witness.

23 MR. HARLOW: This is Mr. Harlow, Your Honor,  
24 and yes, I do plan some cross.

25 JUDGE RENDAHL: And about how much cross do

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1 you have?

2 MR. HARLOW: Boy, it's hard to say, because  
3 I'm getting into an area that I just don't know exactly  
4 what the witness is going to say, maybe 15 to 30  
5 minutes.

6 JUDGE RENDAHL: Well, let's get going, and  
7 let's see if we can finish up.

8 Before you get going, I will ask if anybody  
9 has planned to call any of their rebuttal witnesses.

10 MR. HARLOW: Your Honor, this is Mr. Harlow,  
11 and it depends in part on the cross I'm about to do.

12 MS. FRIESEN: Your Honor, this is Letty  
13 Friesen, to the extent we have time, I too would like to  
14 ask a few questions of this witness.

15 JUDGE RENDAHL: Okay, well, we will address  
16 that in a minute.

17 Ms. Singer Nelson, do you plan to call any of  
18 your rebuttal witnesses?

19 MS. SINGER NELSON: I wouldn't call either  
20 Kevin or Jeff at this point, but I may recall  
21 Ms. Lichtenberg, but that's real tentative.

22 JUDGE RENDAHL: All right, I'm just trying to  
23 get a sense of how much longer we're going to go for all  
24 of you in different time zones and those of us here as  
25 well as the court reporter.



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1 All right, well, let's go ahead with you,  
2 Mr. Harlow, and see if you can make it short.

3 MR. HARLOW: Okay.

4 JUDGE RENDAHL: And I guess before you go  
5 forward, Ms. McLean, if you can answer yes or no and  
6 then state your answer, that might move things along as  
7 well.

8 Go ahead, Mr. Harlow.

9 MR. HARLOW: That helps a lot, the questions  
10 are only half the equation.

11

12 C R O S S - E X A M I N A T I O N

13 BY MR. HARLOW:

14 Q. Ms. McLean, my name is Brooks Harlow, I'm  
15 representing UNICOM and Advanced Telecom or ATI, and I  
16 want to follow up, and this is related very closely to  
17 the last few questions by Ms. Singer Nelson with regard  
18 to the issue you raised again at the end of your  
19 testimony on direct, which is how the bills get  
20 generated in today's environment for UNE-P and how they  
21 would get generated at least in Mount Vernon after the  
22 switch conversion. So are you with me so far?

23 A. Yes.

24 Q. Okay. Let's just take a -- just kind of stay  
25 in today's environment, let's look at your existing

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1 UNE-P CLEC customers in Mount Vernon. You indicated  
2 that the billing system to bill the CLECs for those  
3 customers is shared among several states; is that  
4 correct?

5 A. Yes.

6 Q. Physically where is that billing system  
7 located?

8 A. We have data centers in Tampa, Dallas, and  
9 California.

10 Q. And when you say --

11 A. We also have centers on the East Coast that  
12 house the former Bell Atlantic OSS, but as it goes to  
13 the former GTE OSS.

14 Q. Are all of these data centers involved in  
15 generating a single bill?

16 A. The bills are jurisdictionalized, the work is  
17 divided amongst the data centers. I don't know exactly  
18 which data center would produce the Washington bills.

19 Q. And is this billing system strictly a  
20 wholesale billing system, or does it also bill retail  
21 customers?

22 A. CBSS is a retail and wholesale billing  
23 system. CABS is a carrier access billing system, it  
24 bills special access, high cap, and UNE high cap.

25 Q. And I assume that to generate a bill, let's

0322

1 just take a hypothetical number of 360-555-1234, assume  
2 that's a CLEC line, okay, and to generate a bill in a  
3 given month for that, to generate a bill for that line  
4 if it were resale, I assume that the data processing  
5 system would look at the services on that line and do a  
6 comparison against a rate table for that particular  
7 central office in this particular state. Is that kind  
8 of how it works?

9 A. The wholesale bills are not generated on a  
10 line by line basis. They're generated on a carrier  
11 basis by class of service. So you would get a resale  
12 bill with all your resale lines and charges on that  
13 bill.

14 Q. Okay, so there would be a -- every time an  
15 order would be entered for a new resale line, you would  
16 add 1 to the tally of resold lines?

17 A. We actually keep an inventory of our billing  
18 records, customer service records we call them, in the  
19 billing system, and there's a service and equipment  
20 section on that record which is reflective of the  
21 products and services that have been ordered for that  
22 line.

23 Q. And how does the billing database get updated  
24 for say resold lines?

25 A. The process is generally the same process for

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1 retail, resale, and UNE-P, which is a service order is  
2 processed, and the service order processor edits are  
3 performed there, service order is distributed downstream  
4 to provisioning systems. Once the provisioning is  
5 completed, there's a trigger, if you will, tabbed to the  
6 billing system, and the billing system records are  
7 updated with the information on the service order.

8 Q. So in other words, when the service goes in,  
9 that's when the billing information is entered?

10 A. It's actually a two step process. You have  
11 the service goes in when provisioning is completed, and  
12 then there's a subsequent step to update the billing  
13 records.

14 Q. Okay. And does all this take place outside  
15 of the particular end office switch that's providing the  
16 service?

17 A. It all takes place in the billing system.

18 Q. Which is -- and that's a system outside of  
19 the switching system; is that correct?

20 A. That's correct.

21 Q. Okay. Similarly for a UNE-P line, does it  
22 work basically the same way --

23 A. Yes.

24 Q. -- except for different elements that are  
25 entered into the billing system?

0324

1           A.     Yes, and if I could just clarify, the switch  
2     itself has software in it, but the OSS that I'm  
3     describing surround the switch.

4           Q.     Okay, we're going to get to that.

5           A.     Okay.

6           Q.     Okay.  And in the case of Mount Vernon now,  
7     kind of moving forward, well, first of all, how does --  
8     in the case of something that's a flat rated charge like  
9     a loop or a line in the case of resale, what would cause  
10    a change in the billing system?  I assume it would be  
11    like a termination of service, a line is canceled or  
12    removed.

13          A.     What would cause a change to the billing  
14    record?

15          Q.     Yes.

16          A.     Any kind of service order activity that has a  
17    billing consequence.  So if you added a feature, the  
18    billing records would be updated.  If you removed a  
19    feature, the billing records would be updated.  If you  
20    disconnected a line, the billing records would be  
21    updated.  If you added an additional line to an existing  
22    account --

23                    JUDGE RENDAHL:  You will need to slow down,  
24    please.

25                    THE WITNESS:  Sorry.

0325

1           A.     Any type of service order activity against  
2 the account.

3 BY MR. HARLOW:

4           Q.     Okay, so if you left a line in place for 12  
5 months and you never changed it, there wouldn't be a  
6 monthly update to the billing system; is that right?

7           A.     That's right.

8           Q.     So then moving forward to the Mount Vernon  
9 situation, okay. You indicated that Verizon has made  
10 changes to the billing system or is about to make  
11 changes to the billing system as a result of the switch  
12 conversion. Am I understanding that right?

13          A.     We are changing the billing records for these  
14 accounts when we migrate them from UNE-P to resale.  
15 They will now be billed under your resaler operating  
16 company number and appear on your resale bill as opposed  
17 to on your UNE-P bill.

18          Q.     Was that done by a manual intervention, by  
19 people entering new data into the billing system?

20          A.     Verizon people wrote service orders, and then  
21 the service orders mechanically update the billing  
22 system.

23          Q.     Okay. And again, this all took place outside  
24 of both the old switch and the new switch in Mount  
25 Vernon; is that correct?

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1           A.     The service orders have been written, they're  
2     cued to execute, so they have not yet executed, the  
3     records have not yet been changed.  That's part of the  
4     cutover process.

5           Q.     All right.  Well, hypothetically speaking, if  
6     those orders were never executed, wouldn't your CLEC  
7     billing system continue to generate a UNE-P bill to the  
8     CLECs for those --

9           A.     The customers --

10          Q.     -- Mount Vernon lines?

11          A.     -- would be disconnected.

12                    JUDGE RENDAHL:  Excuse me, Ms. McLean, please  
13     don't interrupt the question.  And likewise, Mr. Harlow,  
14     please don't interrupt an answer.

15                    Can you finish your question, Mr. Harlow.

16                    MR. HARLOW:  I guess I better start again.

17     BY MR. HARLOW:

18          Q.     Hypothetically speaking, if those orders were  
19     never executed, in other words never entered into the  
20     billing system, wouldn't the billing system continue to  
21     generate a bill to the CLECs at UNE-P rates for those  
22     Mount Vernon UNE-P lines?

23          A.     Some lines would be disconnected if we didn't  
24     process those service orders, so the service orders  
25     affect the movement of the service from the old switch

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1 over to the new switch and update the billing records.

2 Q. All right, well, how does a line get  
3 disconnected, doesn't somebody have to enter an order,  
4 service order, to disconnect the line?

5 A. All of the lines in service on the circuit  
6 switch are effectively disconnected when we do the  
7 cutover, retail, resale, UNE-P, so they all have to be  
8 moved from one location to another. The difference for  
9 these UNE-P customers is they're also changing a type of  
10 service from UNE-P to resale.

11 Q. All right. So are two orders required then  
12 to facilitate the cut? Is there a service order  
13 required to migrate the service to the new switch as  
14 well as a billing order that Verizon is doing?

15 A. There are two orders, but one order  
16 disconnects the service, and the other new connects the  
17 new service to the new switch.

18 Q. All right, well, let me see if I understand  
19 it then. So what you're saying is that the orders are  
20 being processed, they're all being processed as a  
21 disconnect and a reconnect, in other words, tear it all  
22 down and rebuild it from scratch; is that the way  
23 Verizon is processing these?

24 A. Yes.

25 Q. Is Verizon processing its retail orders the



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1 same way?

2 A. In the orders that are in flight, that is  
3 what will happen. But for the -- to your earlier  
4 scenario where the orders are -- the lines are static,  
5 for both the resale and retail lines they will be done  
6 in a mass record update, because there is no billing  
7 change in both scenarios.

8 Q. Okay. Now I apologize for not knowing more  
9 about how your systems work, but I -- so I'm kind of  
10 asking you for a tutorial here. And I think we touched  
11 on it earlier, but when you put in an order for new  
12 service, you enter the service order and that gets  
13 processed to generate the actual provision of service.  
14 Is that part of the process?

15 A. Yes.

16 Q. And what about the billing entry, is that  
17 automated, or is that a separate part of the process  
18 that's done either at the same time or subsequent to the  
19 provision of the service?

20 A. It's automated, and it's triggered by the  
21 service order and actually by notification from the  
22 provisioning systems that the service has been put into  
23 service.

24 Q. All right, and the --

25 A. Billing records are updated after

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1 provisioning is completed.

2 Q. And the provisioning system again is separate  
3 and apart from the switch itself; is that right?

4 A. Yes, and it's also separate and apart from  
5 the billing system.

6 Q. Okay. Now the provisioning system that  
7 you're going to be using after the conversion, is that  
8 the same provisioning system that Verizon used before  
9 the conversion?

10 A. It's actually a family of systems, and they  
11 are the same systems, and the necessary records for the  
12 new switch have been billed in those systems. So  
13 there's actually information about the services on that  
14 line in at least three locations that we have just  
15 discussed, in the switch itself, in the provisioning  
16 systems and the same family of systems used to maintain  
17 those lines, and then also in the billing systems.

18 Q. Now is the provisioning done by ISOC?

19 A. I don't know.

20 Q. Is the billing entry done, is the billing  
21 done by ISOC?

22 A. Could you tell me the acronym you're using?

23 Q. Well, you said you could map all the ISOCs  
24 from one to another.

25 A. Okay.

0330

1 Q. Am I giving the wrong acronym for that?

2 A. Yes, that's a service order code. That's  
3 basically the individual ID that's associated with a  
4 feature. And the ISOCs are written onto the service  
5 order, and the ISOCs are used to update all the systems  
6 I just described, including the switch.

7 Q. Okay. Now since your provisioning system is  
8 the same one as you used before and it's serving other  
9 switches, I assume that now your provisioning system has  
10 to handle both packet switch provisioning as well as  
11 circuit switch provisioning; is that right?

12 A. Yes.

13 Q. And so the provisioning system then has to  
14 trigger both UNE-P billing and resale billing; is that  
15 correct?

16 A. And retail billing, they send a trigger back  
17 to the billing systems that provisioning has been  
18 completed.

19 Q. So then I assume Verizon must have somehow  
20 reprogrammed its provisioning system to now issue a  
21 different kind of billing?

22 A. Well, we have changed the provisioning  
23 system --

24 Q. For Mount Vernon lines than it does for other  
25 central offices?

0331

1           A.     We have updated the provisioning systems to  
2 reflect the presence of the packet switch and the  
3 capabilities of the packet switch and the feature set  
4 that's being supported by the packet switch.  And the  
5 trigger from provisioning back to billing to update  
6 billing records is not changed, and that's based on the  
7 information that's on the service order.  So once  
8 provisioning has been completed, it will trigger  
9 billing, and billing reads the service order and updates  
10 its records based on the information on the service  
11 order.

12          Q.     And there has been a change by Verizon to the  
13 provisioning system to reflect no UNE-P in the Mount  
14 Vernon switch; is that right?

15          A.     It's actually the absence of change, right,  
16 it's not proactive change.  So the packet switch has not  
17 been -- the OSS around the packet switch has not been  
18 prepared to provision UNE-P on that packet switch.

19          Q.     And that was again a corporate or policy  
20 decision by Verizon as to how to set up the system for  
21 the new packet switch?

22          A.     Yes.

23                 MR. HARLOW:  Okay, Your Honor, I think that's  
24 all I have.

25                 JUDGE RENDAHL:  All right.

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1 Ms. Friesen, how much do you have?

2 MS. FRIESEN: In light of Mr. Harlow's  
3 cross-examination, I don't have much at all, just a few  
4 questions.

5 JUDGE RENDAHL: Okay.

6 MR. CARRATHERS: Your Honor, Mr. Carrathers  
7 from Verizon, again we would object to AT&T's  
8 participation given the fact that they admittedly have  
9 no --

10 MS. FRIESEN: Mr. Carrathers, I can't hear  
11 you.

12 MR. CARRATHERS: Sorry, Ms. Friesen.  
13 Verizon objects to AT&T's participation in  
14 cross-examination and in this particular proceeding  
15 given that AT&T admittedly has no circuits in the Mount  
16 Vernon exchange, and given that AT&T on its own decided  
17 not to proffer a witness, we think it's inappropriate  
18 that AT&T be permitted to participate through  
19 cross-examination.

20 JUDGE RENDAHL: In other proceedings where  
21 parties have not offered witnesses, they have been  
22 allowed to cross examine witnesses, so I think it would  
23 be contrary to Commission policy at this point to  
24 prevent Ms. Friesen from asking questions.

25 So let's be brief, Ms. Friesen, and let's go

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1 forward.

2 MS. FRIESEN: Thank you, Your Honor.

3

4 C R O S S - E X A M I N A T I O N

5 BY MS. FRIESEN:

6 Q. Ms. McLean, good afternoon. Now I recognize  
7 you said you're not the switching witness, but you are  
8 familiar with the fact that Verizon has in the Mount  
9 Vernon central office something called a Nortel DMS-100  
10 switch; isn't that correct?

11 A. I'm familiar with that because the notice we  
12 sent out said that, but I have no firsthand knowledge of  
13 the switches in the office.

14 Q. Okay. Are you familiar at all with the fact  
15 that Nortel currently sells DMS-100 switches?

16 A. No, I'm not familiar with that.

17 Q. So if I were to ask you today why Verizon  
18 feels compelled to essentially decommission part of the  
19 DMS-100 in the Mount Vernon office, you wouldn't know  
20 the answer to that, would you?

21 A. That's correct.

22 Q. And is Verizon going to be providing a  
23 witness today that will have an answer to that question?

24 A. I think that's a question for Verizon  
25 counsel.

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1                   MR. CARRATHERS: Your Honor, Charles  
2 Carrathers for Verizon, my understanding is that's not  
3 part of the issue in this case.

4                   JUDGE RENDAHL: That is not an issue in this  
5 case, so I think in terms of the narrow issues that  
6 we're presented with this afternoon and this evening, I  
7 think that's not an issue we will be covering.

8                   MS. FRIESEN: Your Honor, one of the  
9 questions that the CLECs have been asking is whether or  
10 not Verizon can continue to provision UNE-P in the Mount  
11 Vernon central office, and I think that's germane to  
12 that particular question.

13                   JUDGE RENDAHL: Well, I --

14                   MS. FRIESEN: So might I ask for just a  
15 records requisition request? I think we heard yesterday  
16 or the day before their attorney attempting to explain  
17 some kind of an exhaust situation, could we get  
18 information on alleged exhaust?

19                   JUDGE RENDAHL: You know, at this point I'm  
20 going to deny the records requisition request for this  
21 afternoon's proceeding. The issues I'm looking at today  
22 are quite narrow. I think there's been enough on the  
23 record at least for now that Verizon apparently, and if  
24 it's not completely clear I intend to ask a few  
25 questions myself to see if this is clear, that Verizon

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1 has at least not prepared the operating systems to allow  
2 UNE-P to be provided as a service. So at least for now  
3 the way the conversion is set to go forward tomorrow, it  
4 does not sound as if UNE-P is an option. Now whether  
5 the switch is capable of providing UNE-P and a later  
6 change can be made is an issue for a more full  
7 evaluation of the merits of the motion.

8 MS. FRIESEN: Okay, thank you, Your Honor.

9 BY MS. FRIESEN:

10 Q. I just need to confirm, Ms. McLean, that  
11 Verizon's UNE-P or resale products today can be ordered  
12 by CLECs using either the EDI interface or your GUI  
13 interface; isn't that correct?

14 A. That's correct.

15 Q. And you testified earlier today in regard to  
16 sort of the wonders of Verizon's WISE GUI and what it  
17 does and how the order flows from a CLEC entering its  
18 order on the PC and sending it over to Verizon; isn't  
19 that correct?

20 A. Yes.

21 Q. And I think even the MCI witness agreed that  
22 it could, in fact, send an order over the GUI to  
23 Verizon; isn't that correct?

24 A. Yes.

25 Q. Okay. So the real issue here for the CLEC



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1 community is really on our end, that is to say to the  
2 extent that we can no longer use our EDI interface, the  
3 issue for us is a systems change that requires either  
4 some kind of modification to the EDI system or a dual  
5 entry problem or solution created by the CLEC; isn't  
6 that correct?

7 A. Well, in fact, that's how MCI has constructed  
8 their process, and there are some carriers who  
9 exclusively use WISE.

10 Q. I'm sorry, I don't understand that answer.  
11 The issue for the CLEC community, whether it's MCI or  
12 another CLEC that does not currently use the GUI system  
13 or in fact does use the GUI system, the issue in this  
14 proceeding is the issue on the CLECs' side of the  
15 equation, that is the CLECs' OSS systems, the CLEC has  
16 either got to modify its EDI systems somehow to  
17 accomplish moving all its customers to a resale platform  
18 in the Mount Vernon central office, or it's got to adopt  
19 a dual entry process if it uses your GUI. And by dual  
20 entry process, I mean it has to not only enter the order  
21 on the GUI and shoot it to Verizon, but it's got to now  
22 enter another order manually on its systems; isn't that  
23 correct?

24 MR. CARRATHERS: Your Honor, let me object to  
25 the way the question was presented. Ms. Friesen

0337

1 mentioned a couple of times the choices the CLEC  
2 community has is to do A or B. My understanding is that  
3 she represents AT&T and that as the evidence in this  
4 record indicates, there are plenty of members in the  
5 CLEC community that use either GUI or EDI or both, so if  
6 she could rephrase her question.

7 MS. FRIESEN: Your Honor, I respectfully  
8 disagree with counsel. His witness has testified ad  
9 nauseam what the different CLECs can do and how they can  
10 do it, and all I'm trying to establish is that the real  
11 issue in this proceeding is not that the GUI interface  
12 works to order resale but rather that the CLECs have to  
13 do certain things on their side of the equation. That's  
14 all I'm asking her. She has testified about what the  
15 CLECs have to do.

16 JUDGE RENDAHL: Okay, well, I guess I would  
17 ask you to rephrase it in the form of a question as  
18 opposed to a statement from the CLECs' perspective.

19 MS. FRIESEN: Okay.

20 BY MS. FRIESEN:

21 Q. You agreed with me that MCI said that it  
22 could use your GUI system to send an order to Verizon;  
23 am I correct?

24 A. Yes.

25 Q. For MCI or any other CLEC to do something

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1 with that order in the Mount Vernon switch or in the  
2 Mount Vernon CO now, they have one of two options. If  
3 the CLEC uses an EDI system, it will have to now modify  
4 its EDI system; isn't that correct?

5 A. There is no CLEC in the Mount Vernon switch  
6 that exclusively uses EDI.

7 Q. That wasn't my question.

8 If they use the EDI system --

9 A. So the answer is no, that's not correct.

10 Q. Why is that not correct?

11 A. Because they could use WISE.

12 Q. If they wanted to use their EDI system, would  
13 they have to modify it?

14 A. I don't know. I don't know what capabilities  
15 they have in their EDI system. The EDI --

16 Q. So is it --

17 A. -- specification data interface Verizon  
18 provides support both resale and UNE-P.

19 Q. So is it fair to say that you don't know what  
20 it would cost the CLECs or what kind of modification the  
21 CLEC would have to make if it chose to use its EDI  
22 system in the Mount Vernon central office once Verizon  
23 moves to the packet switch; isn't that correct?

24 A. I know on an order of magnitude, but I don't  
25 know precisely, that's correct.

0339

1 Q. When you say you know on an order of  
2 magnitude, are you suggesting that you do know?

3 A. No, I'm saying that from a data processing  
4 point of view, to make a system change to add a form to  
5 an existing interface is a change that's a smaller  
6 change than to change all OSS through all the domains  
7 that I described to be able to handle a new product or  
8 service. So just as two examples of the types of OSS  
9 changes we have discussed today, which one is relatively  
10 smaller and which one is relatively larger.

11 Q. Okay, when you say change a form, then you're  
12 telling this Commission that all that is required of a  
13 CLEC wishing to employ its EDI interface in the Mount  
14 Vernon field once the packet switch is in place is a  
15 form change; is that correct?

16 A. I am testifying -- I'm trying to be  
17 responsive to the question you asked me, which was what  
18 was my understanding of the changes to the EDI  
19 interface, and yes, to add a form. They may already  
20 have the form, however, I don't know if they already  
21 have the form.

22 Q. Okay, could you explain --

23 A. They may have to do nothing, I don't know.

24 Q. Could you explain that -- all right, explain  
25 what form it is that you're referencing.

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1           A.     As I testified earlier, the differences  
2 between UNE-P and resale boil down to essentially from a  
3 record format point of view a resale services form and a  
4 port services form. So when they are completing their  
5 EDI transaction to ship over to us, they would fill out  
6 the same information less a few fields in a resale  
7 service form that they currently put on a port service  
8 form.

9           Q.     Okay. So you're simply saying that one local  
10 service request for resale is different than a local  
11 service request for UNE-P, and that's your limited  
12 understanding of the changes necessary to an EDI system;  
13 is that correct?

14          A.     It's my understanding that the change is  
15 limited to that form.

16          Q.     Okay, that's the only change that you're  
17 aware of then; is that correct?

18          A.     Yes.

19          Q.     Okay. Now do you have any sense for what the  
20 CLECs would have to do in their systems to the extent  
21 that Verizon's resale retail product didn't match the  
22 CLECs' retail product in its systems once Verizon has  
23 made the conversion; do you have any idea what would be  
24 required on the CLEC end?

25          A.     I'm sorry, I don't understand how that

0341

1 question is different from the question I just answered.

2 Q. I'm talking about retail products to end  
3 users; do you understand that?

4 A. Oh, okay.

5 Q. Okay.

6 A. So the CLEC's retail products that it's  
7 selling to its end users?

8 Q. Correct.

9 A. I have no knowledge of what systems the CLECs  
10 have in place to support that.

11 Q. So you have no knowledge of what's necessary  
12 or if there is anything necessary for a CLEC to try and  
13 match whatever retail product Verizon has established  
14 for resale to the CLEC customer, actually through the  
15 CLEC to the CLEC customer, what would be required on the  
16 other end of the CLEC side, right?

17 Do you understand --

18 A. Right.

19 Q. -- my question? Okay.

20 JUDGE RENDAHL: I believe the answer was yes,  
21 you understand the question?

22 THE WITNESS: I understand the question, and  
23 I concurred that I don't know, not knowing what retail  
24 systems they're using, what changes would be required to  
25 those retail systems, if in fact any changes would be

0342

1 required if they're already supporting resales.

2 JUDGE RENDAHL: Okay.

3 THE WITNESS: Getting products and services  
4 from Verizon on a resale basis.

5 JUDGE RENDAHL: Thank you.

6 THE WITNESS: I don't know how their systems  
7 are configured.

8 BY MS. FRIESEN:

9 Q. So let me just ask you this one last  
10 question. If a company, for example MCI, decides that  
11 -- MCI simply does not communicate with Verizon.  
12 Tomorrow Verizon will have already attempted I guess to  
13 match up those MCI customers' current service on UNE-P  
14 with something that MCI sells on a retail basis for  
15 resale to MCI. Is that correct, it will just do it on  
16 its own without consult with MCI?

17 A. No, that's not correct. We have no  
18 visibility to what products and services they have  
19 actually sold to their own customer. We only know the  
20 products and services they have purchased from us on a  
21 UNE-P basis, and those are the products and services  
22 that we have mapped to a resale equivalent.

23 Q. So then is it fair to say that those  
24 customers tomorrow may lose some features and functions  
25 that you're not aware of; isn't that correct?

0343

1           A.     I am not aware of that.  I don't expect that  
2 to happen, and that's what we're trying to avoid.

3           Q.     Is it possible that that can happen?

4           A.     It is possible, and I think that if MCI had a  
5 concern about that or other carriers, that's why we gave  
6 them three months advance notice so they could do the  
7 mapping themselves.  So they could have sent in those  
8 migration LSRs as described in the letter.  But we have  
9 made best efforts, and we believe that we have done a  
10 good job there and that that's not going to happen.

11          Q.     And when you say you believe you have made  
12 best efforts, are you personally involved in negotiating  
13 with MCI or any of the CLECs in preparing for this  
14 switch swap?

15          A.     The people who have communicated to the  
16 carriers on the ICA communication work in my  
17 organization.  The people who have done the product  
18 communication do not work in my organization.  But the  
19 people who are outreaching to the CLECs now on a  
20 customer support basis do work in my organization.  So I  
21 personally have not outreached, but the people who have  
22 work in my organization.

23          Q.     Well, let me make sure I understand that.  If  
24 AT&T sent a letter to Verizon attempting to work with  
25 Verizon on this proposed switch swap, would it be one of



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1 your people that responded to AT&T, or would it be  
2 somebody else?

3 A. To the best of my knowledge, we have not  
4 received a letter.

5 Q. Okay. Have you received a letter from any of  
6 the carriers attempting to negotiate and work with you?

7 A. No.

8 Q. Would another entity, would another  
9 department or another organization have received those  
10 letters to your knowledge?

11 A. Not to my knowledge. They could have  
12 contacted their account representative. Some account  
13 representatives are in my organization, some are in the  
14 sales and marketing organization, but those people would  
15 have brought those requests to my organization to effect  
16 the transition.

17 MS. FRIESEN: Okay, thank you, Ms. McLean.

18 Your Honor, I have nothing further.

19 JUDGE RENDAHL: Thank you, Ms. Friesen.

20 Let's be off the record for a moment.

21 (Discussion off the record.)

22 JUDGE RENDAHL: While we were off the record,  
23 I was confirming with other parties as to whether they  
24 planned on calling any rebuttal witnesses. It does not  
25 appear at this point that MCI, UNICOM, ATI, or Verizon

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1 plans to call rebuttal witnesses, although we are  
2 waiting to hear definitively from Mr. Harlow.

3 So, Ms. McLean, thank you, I realize it's now  
4 9:00 your time, and I appreciate your bearing with us as  
5 well.

6

7 E X A M I N A T I O N

8 BY JUDGE RENDAHL:

9 Q. So based on the discussion you have had both  
10 with Mr. Carrathers and Ms. Singer Nelson, Mr. Harlow,  
11 and Ms. Friesen, am I correct in understanding that  
12 after the conversion Verizon would not accept UNE-P  
13 orders at the Mount Vernon switch?

14 A. Yes.

15 Q. And that's because the OSS systems that  
16 surround the switch have not been programmed to accept  
17 such orders; is that correct?

18 A. Yes.

19 Q. And that you're not aware as to whether the  
20 switch is capable of providing UNE-P service; is that  
21 correct?

22 A. That's correct.

23 Q. Now is the infrastructure in place in other  
24 switches in Verizon's territory in Washington to place  
25 orders for UNE-P?

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1 A. Circuit switches, yes.

2 Q. Okay, bear with me, I'm looking through my  
3 notes to see what other questions I have here.

4 Along the lines of the questions that  
5 Mr. Harlow asked about the billing system, and I will  
6 not go into the same detail that he did, but I'm going  
7 to pick up from what he asked, for the Mount Vernon  
8 switch, a CLEC would place an order for resale, that  
9 service order once it is processed and a confirmation is  
10 given -- let me just -- let me start over again.

11 Does the billing -- does the -- I understand  
12 that the -- okay.

13 Is it once the service order is provisioned  
14 or once the service order is processed and a  
15 confirmation is given that the billing change is made?

16 A. Once the service is provisioned. So the  
17 process is the order is accepted, and that's when you  
18 get the confirmation, meaning it's passed all of the  
19 edits and the service order processor. And then on the  
20 due date it's distributed downstream to the provisioning  
21 systems, the order is provisioned, and that same service  
22 order then travels to the billing system and the billing  
23 system is updated.

24 Q. Thank you.

25 So is it correct to say that UNE-P lines need

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1 to be changed to resale in the billing OSS or the  
2 billing process at the switch conversion or that the  
3 lines will be disconnected?

4 A. They need to be actually changed in all three  
5 locations, in the switch itself, in the provisioning  
6 systems, and in the billing systems. We attempt to keep  
7 all those records in sync.

8 Q. Can changes to the billing system be made  
9 later to reflect a different rate?

10 A. Yes.

11 Q. All right, I have a few questions about the  
12 Mount Vernon area and ordering. Do you know how many  
13 UNE-P orders are completed in an average month in the  
14 Mount Vernon switch?

15 A. I don't have that information readily  
16 available. I only have the current in service, so over  
17 the period of time that the carriers have been competing  
18 in Washington what it's accumulated to.

19 Q. Do you know how many wholesale bills are  
20 produced per month for the Mount Vernon region, is it  
21 one per CLEC, or is it --

22 A. One per CLEC per type of service, so each  
23 CLEC would get a resale bill and a UNE-P bill.

24 Q. And is that by switch?

25 A. No.

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1 Q. So it's by CLEC, period?

2 A. I believe it's by CLEC by state by type of  
3 service, subject to check. Now, of course, when I say  
4 that, CLECs can have former legal entities, which is why  
5 I hesitate when we say a CLEC. So, for example, MCI  
6 could get a WorldCom bill, an MCI bill, I'm not certain.

7 Q. Can CLEC bills be manually updated to change  
8 the pricing?

9 A. No, they -- I mean let me clarify that. The  
10 bill itself, the rendering of the bill is an electronic  
11 process. There is a process, a well established process  
12 between Verizon and carriers, where carriers can dispute  
13 charges that appear on the bill or claim, they put in a  
14 claim to our billing organization, and there may be a  
15 subsequent credit to the bill that is processed manually  
16 so to speak to offset an incorrect charge that may have  
17 occurred on the bill. So the base line billing, the  
18 month in, month out billing, is an electronic process,  
19 but there can be manual adjustments made after the fact  
20 which would appear on a subsequent bill but not to that  
21 bill itself.

22 JUDGE RENDAHL: All right, I don't believe I  
23 have any other questions.

24 Mr. Carrathers, do you have any redirect?

25 MR. CARRATHERS: No, Your Honor.

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1                   JUDGE RENDAHL: All right. As I said, I very  
2 much appreciate all of you coming today in person as  
3 well as calling and staying here for, let's see if my  
4 math is correct, four and a half hours to do this. I  
5 believe the information is critical for the Commission  
6 in determining the issues raised in the motion and  
7 understanding that the CLECs don't seek to prevent the  
8 switch conversion from going forward.

9                   Now the Commission is faced with the fact  
10 that it has entered a status quo order in this case, and  
11 there are interconnection agreements in effect, and at  
12 this time I'm not attempting to determine the legal  
13 determination, but to, given the motion, determine on  
14 the balance of harms what to do before a full  
15 examination of the law and the merits in this case.

16                   And given the fact that the Commission has  
17 entered a status quo order and the fact that it looks  
18 like at least as far as the pricing and financial impact  
19 to the CLECs is significant and then therefore can be  
20 customer affecting, in the short term until a separate  
21 proceeding is established, the Commission will in a  
22 sense interpret the motion to be a petition for  
23 enforcement and will establish a separate proceeding  
24 under the Commission's Rules, WAC 480-07 I believe it's  
25 650, where a petition for enforcement is filed whereby

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1 this issue and the merits can be resolved in a short  
2 period of time.

3           But given the status quo order, Verizon  
4 should not increase the price for the service it's  
5 providing to the CLECs. So in a sense, it may call this  
6 service resale, it does not sound like that seamlessly  
7 to the consumer it's anything different than what they  
8 are receiving. So Verizon must somehow find a way to  
9 charge the CLECs the UNE rate at least in the short  
10 term. And I don't believe -- I believe the Commission's  
11 Rules provide for a very short-term process, and I'm  
12 going to look them up right now. It is 480-07-650.

13           What I would like the CLECs to do is to  
14 within a week from today revise the motion in the form  
15 of a petition for enforcement that follows the terms of  
16 the rule, and then allow Verizon to respond to that  
17 petition as required. And the Commission will endeavor  
18 to hold a hearing, it says a notice of prehearing within  
19 five business days after the petition is filed, and --

20           MR. HARLOW: Your Honor, this is Mr. Harlow.

21           JUDGE RENDAHL: Yes.

22           MR. HARLOW: Would you waive the ten day  
23 notice requirement that would otherwise apply under Rule  
24 650?

25           JUDGE RENDAHL: The ten day notice meaning

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1 the party has to provide ten days notice of the  
2 petition?

3 MR. HARLOW: Yes, to the other party.

4 MS. SINGER NELSON: Prior to filing the  
5 petition.

6 JUDGE RENDAHL: Yes.

7 And then I believe the Commission has to  
8 serve a decision within 75 days of the date the petition  
9 was filed. The Commission would endeavor to conduct  
10 this proceeding quickly to determine the merits, because  
11 the merits involve not only the status quo order but the  
12 interconnection agreements and the Triennial Review  
13 Order. I understand the CLECs have also raised the  
14 issue of the Interim Order, but again as I stated at the  
15 prehearing conference, I'm not sure this Commission has  
16 the authority to enforce the FCC's order in that  
17 respect, but that is also an issue to be determined.

18 So at this point I will issue a written order  
19 reflecting what I have stated on the record today. If  
20 CLECs order service, new service through the Mount  
21 Vernon switch, while it may appear as a resale order in  
22 order to be processed, the pricing is at the UNE pricing  
23 under the interconnection agreements until this matter  
24 has been resolved in the next proceeding. And I  
25 understand the difficulties on both sides in the billing



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1 and ordering system, but I think if the parties can also  
2 work to work that out in the most feasible manner, it  
3 may involve billing and as Ms. McLean stated objections  
4 by the CLECs and then having a manual bill being  
5 reordered, that may be the way to do it in the short  
6 term.

7 But again, this is short term, and the issue  
8 of access to mass market switching is also at issue  
9 across this country, and no one knows at this point what  
10 the resolution of that will be. So again, I believe  
11 this is a short-term issue, and I appreciate all of you  
12 coming and appearing to help this Commission get through  
13 this I believe very difficult issue between the parties.

14 MR. CARRATHERS: Your Honor, Mr. Carrathers  
15 for Verizon. I'm in the unenviable position of asking  
16 you to reconsider a decision you just rendered, but may  
17 I have not more than five minutes to give you Verizon's  
18 position? And the reason for it is, I know this is a  
19 difficult time and it's been a difficult day, but you  
20 start out saying, look, I understand CLECs have filed  
21 this petition or motion rather setting forth all their  
22 arguments, I know we have not looked at the merits of  
23 the case, and then but the Commission has a stand still  
24 order, and so because of that stand still order, that's  
25 part of the reason why you're ordering as you do now.

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1                   I just want to know, we address the stand  
2 still order in the paper that we filed today, and just  
3 let me take a minute on that order. You will recall  
4 when the Commission issued its stand still order,  
5 Verizon asked it to reconsider, asked the full  
6 Commission after you entered the order, right? And a  
7 couple of CLECs filed a clarification -- sought a  
8 clarification in response to our request for recon on  
9 this very issue. They said, well, wait a minute, you  
10 know, clarify that your order says Verizon can't do what  
11 it said it's going to do in the packet switch at Mount  
12 Vernon pursuant to its June 8th notice. And the  
13 Commission said no, the Commission said, you're raising  
14 a new issue, and if it is, you've got to go file a  
15 separate petition.

16                   So quite simply, Your Honor, I think the  
17 Commission itself has already recognized that Order  
18 Number 5 which addressed the UNEs that were subject to  
19 the USTA II order didn't address packet switching, and  
20 therefore that stand still order is completely  
21 inapplicable to this situation, and so for that reason I  
22 would urge Your Honor, and I realize again it's a silly  
23 position for me to seek recall on an order you just  
24 issued, but if you could just read our pleading on the  
25 merits, not just for the reason I just described, but as

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1 I indicated at the top of this meeting today, I think as  
2 a matter of law the Commission and the finder of fact  
3 and you have to consider the merits before awarding what  
4 is in essence a TRO.

5 I mean what's interesting about this  
6 proceeding, and I understand, you know, it's been forced  
7 upon us by, at least Verizon's position, the CLECs' late  
8 filing, what exactly is the law we're applying to this  
9 hearing. If it is a request for injunctive relief,  
10 where's the likelihood of success on the merits, an  
11 essential component that's not been addressed. If it's  
12 a request for emergency adjudicative relief under a  
13 statute or rule, where is the imminent harm to the  
14 public health, safety, and welfare?

15 I think what would come out of this today,  
16 and as Your Honor hit it right on the head, it's a money  
17 issue. Money issues, I mean if there's anything that's  
18 settled in the law of injunctive relief, it's that money  
19 is not a reason for granting this kind of injunctive  
20 relief in this kind of emergency hearing.

21 So again, I will get off my horse now, I have  
22 explained just, you know, one of the fundamental points  
23 we would like to make, and Verizon will be filing an  
24 appropriate pleading addressing those issues and others.  
25 But again, I ask you if you could please, and I

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1 understand we're all in a difficult position and you in  
2 particular, if you can please consider what I have said  
3 and will say in a subsequent filing.

4 Thank you.

5 JUDGE RENDAHL: All right. As to your  
6 interpretation that the Commission has already ruled on  
7 this on the merits in its order, I would state that what  
8 the Commission said was that the CLECs did not bring  
9 this forward properly procedurally and was not ruling on  
10 the issue of whether packet switching is a UNE or  
11 whatever you were discussing because my brain is now  
12 full of cotton, and I think it was purely a procedural  
13 decision on that point.

14 And I will take into consideration, I didn't  
15 mean to say that I wasn't going to consider before I  
16 prepared the order tomorrow, the pleading that Verizon  
17 has filed in conjunction with the motion for  
18 enforcement, and I will take into consideration your off  
19 the cuff motion for reconsideration as I'm writing my  
20 order.

21 But even with the late filing that the CLECs  
22 have made, the Commission has issued its status quo  
23 order, and Verizon had committed not to make changes to  
24 UNE-P before at least November 11th, and that was in the  
25 Exhibit 5, which I don't know whether that's been

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1 offered or not, but it's been prevalent across the  
2 universe these days along with other RBOC letters. And  
3 without ruling on the issue of interpretation of the TRO  
4 and that packet switching issue, which I believe should  
5 be resolved in the proceeding that I -- the next  
6 proceeding that I have discussed, at least in terms of  
7 how Verizon has presented itself and what the Commission  
8 has requested at least in this proceeding, I believe  
9 that it's important to go forward as I have stated  
10 orally.

11 But I will review what Verizon has filed, and  
12 I will consider what you have just stated in your  
13 petition for reconsideration.

14 MR. CARRATHERS: Thank you, Your Honor. And  
15 at the risk of incurring sanctions, when you read our  
16 brief, we attached the letter that Mr. Seidenberg sent  
17 to Chairman Powell, and something the CLECs neglected to  
18 point out, look at the very last paragraph where we  
19 explain that we're going to deploy these new  
20 technologies including these kind of packet switchings  
21 because the Commission has held them subject to  
22 unbundling. And again, we discuss this in our papers as  
23 to why that commitment, contrary to what the CLECs  
24 state, specifically excludes precisely the kind of  
25 things we're talking about here. And again, that

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1 underscores I think our need to carefully look at the  
2 pleadings. So again, I will, at the risk of sanctions,  
3 shut up now. Thank you.

4 JUDGE RENDAHL: All right.

5 And in terms of wrapping up the proceeding,  
6 you had offered as a late filed exhibit, Exhibit 4. Did  
7 you intend to offer that?

8 MR. CARRATHERS: Yes. That is the July 20th  
9 letter, correct, and we will get that filed as soon as  
10 possible.

11 JUDGE RENDAHL: Is there any objection to  
12 admitting the July 20th follow-up letter?

13 MR. HARLOW: No, Your Honor.

14 MS. FRIESEN: As long as I get a copy, no,  
15 Your Honor.

16 JUDGE RENDAHL: All right, I assume that  
17 Verizon will be providing copies to parties in this  
18 proceeding.

19 MR. CARRATHERS: Correct.

20 JUDGE RENDAHL: All right.

21 And did you intend to offer what's been  
22 marked as Exhibit 5, which is the July 11th letter from  
23 Mr. Seidenberg?

24 MR. CARRATHERS: Yes, Your Honor.

25 JUDGE RENDAHL: And is there any objection to

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1 admitting that?

2 MR. HARLOW: No, Your Honor.

3 MS. FRIESEN: No, Your Honor.

4 JUDGE RENDAHL: All right.

5 And as far as the confidential or highly  
6 confidential Exhibit 6, do you see any need to offer  
7 that exhibit?

8 MR. CARRATHERS: No, Your Honor.

9 JUDGE RENDAHL: All right, then that exhibit  
10 will be withdrawn.

11 With that, I think we are done today unless  
12 there's anything further anyone has.

13 The only remaining question is if any party  
14 wishes to order a copy of the transcript of this  
15 afternoon's proceeding.

16 MS. FRIESEN: Yes, AT&T does.

17 MS. SINGER NELSON: Your Honor, MCI would  
18 like to also.

19 But I do have one more question, just a  
20 clarification, and your written order will probably  
21 explain this a little bit, but what we're concerned  
22 about immediately is the rejection of the UNE-P orders  
23 that is already occurring. So I know you already  
24 addressed the pricing issue, but is there a part of your  
25 order that goes to Verizon's rejection of the UNE-P

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1 orders?

2 JUDGE RENDAHL: Well, at this point  
3 understanding that the packet switch is only programmed  
4 to accept resale orders, in the interim I would suggest  
5 that the parties order resale in a sense with the  
6 features that they would request with UNE-P, and my  
7 understanding is it's very likely that would be  
8 processed with no problem in the sense the end user  
9 customer is not going to notice the difference and that  
10 the price will be the UNE-P price.

11 MS. SINGER NELSON: Thank you, Your Honor.

12 JUDGE RENDAHL: Does that work?

13 MS. SINGER NELSON: Yes, that makes sense.

14 JUDGE RENDAHL: All right.

15 So with that, I think we are adjourned, and  
16 thank you very much, and I understand it's a lot of  
17 effort on everyone's part, so we will be adjourned for  
18 the day, thank you very much.

19 (Hearing adjourned at 6:20 p.m.)

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