

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

IN THE MATTER OF THE PETITION OF DIECA COMMUNICATIONS, INC., D/B/A COVAD COMMUNICATIONS COMPANY, FOR ARBITRATION TO RESOLVE ISSUES RELATING TO AN INTERCONNECTION AGREEMENT WITH QWEST CORPORATION))))))))	Docket No. UT-043045
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DIRECT TESTIMONY OF

MIKE ZULEVIC

FILED ON BEHALF OF

COVAD COMMUNICATIONS COMPANY

July 15, 2004

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I. QUALIFICATIONS

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Q. MR. ZULEVIC, PLEASE IDENTIFY YOURSELF FOR THE COMMISSION.

A. My name is Michael Zulevic and I am currently employed as a consultant by Covad Communications Company (“Covad”). Until July 12, 2004, I was employed by Covad Communications as the Director of External Affairs for the Qwest region. My business address is 22801 Entwhistle Road E., Buckley, Washington 98321.

Q. MR. ZULEVIC, PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR JOB RESPONSIBILITIES AND EXPERIENCE.

A: Covad has retained me as a consultant to complete the work associated with the renegotiation of Covad’s Interconnection Agreement with Qwest Communications. While employed by Covad Communications as Director of External Affairs, I was responsible for resolving business issues between Covad and its vendor, Qwest. My responsibilities included driving resolution on operational, OSS, and billing problems, and negotiating with Qwest so that Covad can pursue meaningful business opportunities in this market. I worked with Qwest to resolve operational, OSS, and billing issues on a business-to-business level, in the change management process, at industry workshops, and in interconnection agreement negotiations. In working on these issues, I interfaced with internal Covad groups dedicated to provisioning Covad service, including services using stand-alone loops (2-wire analog and non-loaded loops and T-1 loops), line shared loops, and line split loops.

1 In my position immediately preceding this role, my responsibilities
2 included the deployment of Covad's line sharing equipment across the country.
3 I was responsible for the architecture negotiations over the first-ever line sharing
4 agreement with U S WEST (or any ILEC, for that matter) in the country. During
5 the architecture negotiations, I helped to design the network architecture that is
6 now in place. I have also been involved with the network design negotiations with
7 other ILECs, including BellSouth, Verizon, Sprint, and SBC.

8 Prior to joining Covad, I was employed by U S WEST (now Qwest) for 30
9 years, most recently as Manager, Depreciation and Analysis for the last few years I
10 was employed by US WEST. Prior to that, I worked in Network and Technology
11 Services ("NTS") for several years, providing technical support to U S WEST
12 interconnection negotiation and implementation teams. While working in these
13 two capacities, I provided testimony on technical issues in support of arbitration
14 cases and/or cost dockets in Minnesota, Iowa, Montana, Washington, Oregon,
15 Arizona, New Mexico, Nebraska, Utah, Wyoming, and Idaho. Prior to joining the
16 NTS group, I was responsible for providing technical support for the U S WEST
17 capital recovery program in the areas of switching, transport, and loop. I also
18 worked as a Central Office Technician and Central Office Supervisor at
19 U S WEST.

20 In addition to the extensive experience described above, I also have worked
21 as a Switch and Transport Fundamental Planning Engineer, where I represented
22 Fundamental Planning as a member of the ONA/Collocation Technical Team;
23 Circuit Administration Trunk Engineer, specializing in switched access services;
24

1 and Custom Network Design and Implementation Engineer working with the
2 design and implementation of private networks for major customers.

3 **II. INTRODUCTION: PURPOSE AND SUMMARY OF TESTIMONY**

4 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A: The purpose of this testimony is to describe three issues that were not resolved
6 during Covad's many hours of negotiations with Qwest. I note, however, that
7 there are additional issues that were not resolved between the parties. Those issues
8 will be addressed in the testimony of Megan Doberneck.

9 The three issues I address in my testimony are issues that are critical to
10 Covad's ability to compete in Washington State. These three issues are as follows:

11 1) Is Covad entitled to efficient collocation space assignment practices
12 from Qwest?

13 2) Should Qwest provide regeneration between CLEC collocations, and
14 can Qwest charge Covad for regeneration costs resulting from inefficient
design or placement of collocation facilities by Qwest?

15 3) Should Qwest allow a single Local Service Request (LSR) to be
submitted for migration line split or loop split services?

16 **Q. PLEASE DESCRIBE YOUR INVOLVEMENT IN THE NEGOTIATION OF**
17 **THE NEW INTERCONNECTION AGREEMENT WITH QWEST.**

18 A. I served as lead negotiator for Covad during the entirety of our negotiations with
19 Qwest regarding our new interconnection agreement for the State of Washington.
20 In my capacity as lead negotiator for Covad, I served as our primary point of
21 contact for Qwest for all issues and discussions around the negotiations, and also
22 was responsible for identifying and pulling together the necessary Covad internal
23 resources to negotiate efficiently, effectively, and in good faith with Qwest.

24

1 **Q. PROVIDE A SUMMARY OF THE NEGOTIATIONS.**

2 A. Since initially requesting negotiations with Qwest on January 31, 2003, Covad and
3 Qwest have engaged in weekly, and at times twice a week, negotiations in an
4 effort to arrive at a new interconnection agreement to replace the original
5 agreement which has been in place since 1999. The majority of the negotiation
6 sessions have been conducted via teleconference, however both negotiation teams
7 did meet "face-to-face" on one occasion at the Covad Denver office. Additionally,
8 some individual "face-to-face" meetings between subject matter experts did occur
9 in an effort to move specific issues closer to resolution.

10 The original list of some 72 issues has now been reduced to less than ten
11 (10), and both Covad and Qwest continue to meet, as necessary, in an attempt to
12 resolve the remaining issues prior to the hearing in this arbitration. Many issues
13 critical to the Covad business plan have been resolved. However, the two parties
14 have been unable to arrive at agreement on other issues.

15 Covad believes that both parties conducted negotiations in the spirit of
16 mutual respect, and attempted in good faith to resolve every issue possible without
17 having to resort to arbitration. The following issues were not negotiated to
18 resolution and must therefore be submitted for arbitrated resolution.

19 **III. ARBITRATION ISSUES**

20 **ISSUE 4: EFFICIENT COLLOCATION PRACTICES: IS COVAD ENTITLED**
21 **TO EFFICIENT COLLOCATION SPACE ASSIGNMENT PRACTICES**
FROM QWEST?

22 **Q. PLEASE PROVIDE SOME BACKGROUND FOR THE EFFICIENT**
23 **COLLOCATION PRACTICES ISSUE.**

24 **A.** Covad has proposed provisions that delineate Qwest's responsibilities to provide

1 efficient collocation space assignment to Covad. In addition, the proposed
2 provisions deny Qwest the right to recover collocation expenses that result from
3 Qwest's inefficiency. Qwest opposes these proposals.

4 A commitment to maintain efficient collocation planning practices is
5 necessary to send proper economic signals to Qwest as it plans for the future use of
6 space within its central offices. At a minimum, the IA should not allow Qwest the
7 opportunity to raise the costs of facilities-based market entry by assigning Covad
8 collocation space that unnecessarily inflates costs.

9 **Q. WHY IS THE EFFICIENCY ISSUE RAISED ONLY IN CONNECTION**
10 **WITH CAGELESS PHYSICAL COLLOCATION?**

11 A. Covad is concerned with all aspects of efficient use of Qwest's central office space,
12 but cageless physical collocation was originally developed by Covad and Qwest to
13 maximize the efficiency of available collocation space and at the same time,
14 reduce the cost to Qwest in preparing the space. The resulting savings were to be
15 passed along to Covad in the form of lower rates.

16 **Q. HOW DOES CAGELESS PHYSICAL COLLOCATION MAXIMIZE THE**
17 **EFFICIENCY OF AVAILABLE COLLOCATION SPACE?**

18 A. The most common cageless physical collocation arrangements consist of two bay
19 arrangements. This is much different than the typical 100 square foot cage
20 required by many collocators. By only requiring space for two standard bays, a
21 cageless physical collocation arrangement can be placed, in most cases, in an
22 existing central office equipment lineup, and in many cases, right next to Qwest
23 equipment.

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Q. HOW DOES USING EXISTING LINEUP SPACE PROVIDE FOR MORE EFFICIENT USE OF EXISTING SPACE?

A. When an equipment lineup is already established, there is usually no need to build new space, ladder racking (used to support transmission and power cables), AC power receptacles, DC BDFBs (power distribution fuse bays) or HVAC (Heating, Ventilation and Air Conditioning) as this infrastructure is already in place. A proportional amount of the cost for this existing infrastructure will be recovered by Qwest from the CLEC but the cost will be much less than it would be had the entire infrastructure been built new.

Q. ARE THERE OTHER EFFICIENCIES GAINED IN THE USE OF CAGELESS PHYSICAL COLLOCATION?

A. Yes. One of the most important is having competitive choices by customers. Had cageless physical collocation not been available, along with the requirement in our original negotiated interconnection agreement requiring efficient use of collocation space, Covad would likely have been precluded from, or delayed in collocating in many central offices, due to a lack of space for caged physical collocation.

Q. DO THE EFFICIENCIES OF USING SPACE IN AN EXISTING LINEUP HAVE AN IMPACT ON CLEC TIME TO MARKET?

A. Yes. When using space where the infrastructure is already in place, the cageless physical collocation arrangement can be completed in a much shorter time by both Qwest and the CLEC. These efficiencies, in large part, made it possible for Qwest to offer a 45-day interval for this type of collocation.

1 **Q. IF CAGELESS COLLOCATION IS ALREADY THE MOST EFFICIENT**
2 **FORM OF COLLOCATION, WHY DOES COVAD WANT TO INCLUDE**
3 **AN EFFICIENCY REQUIREMENT IN THE IA?**

4 A. Unfortunately, Qwest has made the choice, on numerous occasions, to build out
5 new space rather than use available space in existing lineups, or space where the
6 needed infrastructure is already in place. For example, in the Seattle Lakeview
7 office in Washington, Qwest decided to build a separate collocation area apart
8 from the Qwest equipment areas that already had existing infrastructure. This
9 clearly was a choice that did not reflect efficiencies, and served only to increase
10 CLEC costs.

11 **Q. HOW HAS THIS IMPACTED COVAD?**

12 A. The initial impact has often resulted in a delay in obtaining the completed
13 collocation space. The residual impact, now that individual element costs have
14 replaced the flat rate pricing originally negotiated by Covad, is higher collocation
15 costs.

16 **Q. PLEASE EXPLAIN.**

17 A. When Qwest builds out new collocation areas, assumptions are made for cost
18 recovery purposes, that a specific number of collocators will make use of the space
19 being prepared. If the assumption is 3 collocators, the cost is divided by three to
20 develop the non-recurring and recurring costs to be passed along to the CLECs. I
21 have seen many new collocation spaces built by Qwest that were large enough to
22 accommodate as many as 15 to 20 collocators. So when the costs are only spread
23 among 3 CLECs, the rates for collocation rate elements become extremely high.
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Q. HOW HAS QWEST'S PRACTICE OF BUILDING NEW COLLOCATION SPACE IMPACTED THE AVAILABILITY OF CENTRAL OFFICE COLLOCATION SPACE IN THE QWEST REGION?

A. Building new collocation space, rather than making use of space with existing infrastructure, has contributed to a glut of available collocation space in the Qwest region. Although this problem was also impacted by the bursting of the technology bubble, it would not have been nearly as significant had Qwest made a more serious attempt to make more efficient use of existing space. There are always going to be some isolated cases where building new collocation space is the more efficient choice, but this should not be the default practice.

Q. WHY IS THE EFFICIENCY CONCEPT FOCUSED SOLELY ON QWEST?

A. Because Qwest controls all CO planning, it is the appropriate focus of efficiency requirements. In other words, because Qwest's CO planning and decision-making translates directly into how long it will take to provision CO space for a CLEC and how much that CLEC will have to pay, then Qwest should be bound by efficiency requirements. By injecting an efficiency requirement into the IA with respect to Qwest's provisioning of cageless collocation space, Qwest will be required to look at existing CO floor plans, and to plan and engineer collocation space in an efficient manner that will keep its own time and costs (and by extension the CLEC's costs and time to market) to a minimum.

Q. IS COVAD ARGUING THAT QWEST TAKE INTO ACCOUNT ALL POSSIBILITIES BY INSISTING ON AN EFFICIENCY REQUIREMENT?

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A. No, and I don't know how Qwest could possibly think that. All Covad is advocating, when arguing that the efficiency language be included in the IA, is that when a collocation application comes in, Qwest look at its existing floor plan and to make allocation and placement decisions that reflect the maximum efficiencies possible. Covad in no way is advocating any disruption of the first come, first served concept to which it has already agreed in the soon-to-be-effective interconnection agreement.

Q. DOES QWEST PLAN FOR FUTURE USE OF CENTRAL OFFICE SPACE BASED UPON THE RECEIPT OF COLLOCATION APPLICATIONS?

A. No. Qwest allocates available space based upon the receipt of applications on a first come, first served policy. Future planning is done using the Collocation Forecasts that must be provided several times a year by the CLEC community. This information is combined with Qwest's internal floor space requirements to develop an efficient and cost effective plan for future use of central office space. Covad's proposal does not disrupt or in any way change Qwest's current processes; rather it ensures that, as applications come in, the most efficient use of time and materials is applied for each of those applications.

Q. IS EFFICIENT USE OF THE NETWORK A NEW INDUSTRY CONCEPT BEING PROPOSED FOR THE FIRST TIME BY COVAD IN THIS NEGOTIATION?

A. No. Every telecommunications engineering position I've ever held has stressed efficient use of all network elements. As a trunking engineer, the type of trunk group used, quantity of trunks in each group and the routing over the groups were

1 all determined based upon network efficiency concepts. There is no reason
2 whatsoever for the same concept not to apply to providing collocation space. This
3 concept has also been heavily promoted by regulatory bodies in granting
4 Alternative Forms of Regulation, or AFORs, that reward ILECs for their
5 efficiencies.

6 **Q. ARE THERE OTHER EXAMPLES WHERE EFFICIENCIES ARE**
7 **ENCOURAGED?**

8 A. Yes. The following sections of the Qwest SGAT promote the concept of network
9 efficiencies:

10 8.2.3.4 Qwest will design the floor space in *the most efficient*
11 *manner possible* within each Premise that will constitute CLEC's
12 leased space.

13 8.2.1.23 Qwest *shall design and engineer the most efficient*
14 *route and cable racking* for the connection between CLEC's
15 equipment in its collocated spaces to the collocated equipment of
16 another CLEC located in the same Qwest Premises; or to CLEC's
17 own contiguous and non-contiguous Collocation space. *The most*
18 *efficient route* generally will be over existing cable racking, to the
19 extent Technically Feasible, but to determine *the most efficient*
20 *route and cable racking*, Qwest shall consider all information
21 provided by CLEC in the Application form, including but not
22 limited to, distance limitations of the facilities CLEC intends to use
23 for the connection.

24 9.2.2.9.3.3 The Parties agree that they will work together, in
good faith, to implement cooperative testing procedures *that are*
efficient and effective.

21 **Q. WHY IS THIS AN IMPORTANT ISSUE FOR COVAD?**

22 A. Covad is Qwest's largest collocation customer. It is important to have a vendor
23 that regularly uses the most efficient practices in providing your products and
24 services as this should result in improved delivery intervals as well as reduced

1 cost. Being the largest collocation customer, Covad logically stands to benefit
2 most from these efficiencies. But due to the fact that Covad has no alternative to
3 Qwest for providing the needed collocation space, we find that we must do
4 everything possible to require Qwest to engage in efficient engineering and
5 construction practices. This includes having specific "efficiency" requirements in
6 our Interconnection Agreements to encourage the right behavior. This issue was
7 stressed heavily during the Qwest 271 workshops and has been a major topic of
8 discussion during the negotiations that resulted in this arbitration. Effective
9 competition cannot exist if Qwest is not required to develop an efficient network
10 capability for CLECs.

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12 **Q. HOW DO YOU KNOW QWEST'S EFFICIENT ENGINEERING AND**
13 **CONSTRUCTION PRACTICES WILL REDUCE COVAD'S TIME TO**
14 **MARKET AND ITS COSTS?**

15 A. I have been in this business for 36 years. It is a truism in this industry, as I
16 witnessed time and again in my various positions at Qwest and Covad, that
17 efficient engineering and construction practices reduce costs and decrease the time
18 it takes to provision space. For anyone to suggest otherwise is just nonsensical.
19 And because Qwest passes on the timing component and its costs to CLECs, it is
20 clear that efficiencies by Qwest "flow through" to Covad.

21 **ISSUE 5: REGENERATION: SHOULD QWEST PROVIDE REGENERATION**
22 **BETWEEN CLEC COLLOCATIONS, AND CAN QWEST CHARGE**
23 **COVAD FOR REGENERATION COSTS RESULTING FROM**
24 **INEFFICIENT DESIGN OR PLACEMENT OF COLLOCATION**
FACILITIES BY QWEST?

1 **Q. PLEASE PROVIDE SOME CONTEXT FOR THE REGENERATION**
2 **ISSUE.**

3 A. Regeneration is, quite simply, the reconstruction or “boosting” of a digital signal
4 so that it meets the ANSI standards for a particular type of loop or service. For
5 example, if by the time a DS1 digital signal travels from one collocation space to
6 another collocation space in the central office it does not meet the DS1 signal
7 requirements, then that DS1 signal must be boosted back to the appropriate level.
8 So, in a nutshell, the regeneration issue deals with the situation in which a boosting
9 of the signal is required in order to provision a high capacity circuit between two
10 collocation spaces (either a single CLEC’s two spaces or the collocation spaces of
11 two different CLECs) within a Qwest CO. Importantly, for purposes of my
12 testimony on this issue, the need for regeneration arises when the collocation
13 spaces are so far apart in the central office that the signal must be boosted – or
14 regenerated – so that it meets the applicable technical specifications when it
15 reaches the second collocation space.

16 **Q. WHY SHOULD QWEST BE REQUIRED TO PROVIDE REGENERATION**
17 **AT NO CHARGE IN THIS CIRCUMSTANCE?**

18 A. Ultimately, the requirement is driven by FCC rules and regulations. Because I am
19 not a lawyer, I do not discuss the legal issues, but will provide a summary of
20 Covad’s view on this issue.

21 Qwest controls central office space and determines how to allocate space to
22 itself and collocators within the central office. Presumably, since Qwest makes
23 these decisions, if regeneration is required, it is a result of a Qwest decision.
24

1 Qwest, however, cannot make these allocation and placement decisions in any old
2 way. The FCC's rules do not permit Qwest to engineer its central office
3 collocation arrangements in a way that artificially increases a CLEC's costs. That
4 is, if Qwest engineers CO space in a fashion that increases a CLEC's costs,
5 without any concomitant technical or cost benefit to itself, then Qwest is in
6 violation of the FCC's collocation rules which require that Qwest use the most
7 efficient collocation space allocation arrangements possible. So, for example, the
8 FCC has made clear that ILECs "may not require competitors to use an
9 intermediate interconnection arrangement in lieu of a direct connection to the
10 incumbent's network if technically feasible, because such intermediate points of
11 interconnection simply increase collocation costs without a concomitant benefit to
12 incumbents."¹ Nor is Qwest permitted to "utilize unreasonable segregation
13 requirements to impose unnecessary additional costs on competitors."²

14 What this says to me is that Qwest is not entitled to force a "take it or leave
15 it" cross-connect architecture on Covad (i.e., the connection between two of
16 Covad's collocation spaces in a CO or a connection between a Covad collocation
17 space and the collocation space of another CLEC), but instead must provide an
18 appropriate and efficient (both from an engineering and economic perspective)
19 cross-connection architecture. Inefficiency in design is exactly what the FCC
20 rules prohibit, and Qwest is required to offer the lowest cost, most technically
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24 ¹ *In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC
Docket No. 98-147, FCC 99-48 (1999), ¶ 42.

² *Id.*

1 efficient cross-connect architecture possible. And that is precisely what Covad's
2 proposed language would do.

3
4 **Q. CAN YOU PROVIDE AN EXAMPLE OF WHAT YOU MEAN?**

5 A. Sure. At the Minneapolis Downtown Central Office, the partner CLEC Covad was
6 required to use for much of our transport was collocated on the 4th floor. Upon
7 applying for our collocation space, I was shown space on the 5th floor, even though
8 space was still available on the 4th floor where Covad's partner was collocated.
9 When I asked to be collocated on the 4th floor so that Covad would be able to
10 connect to its partner's collocation more efficiently, Qwest denied my request
11 stating that it had been decided that all future collocations would be on the 5th
12 floor. No other explanation was offered. The DS3 transport circuits between the
13 Covad collocation and our partner's collocation all required regeneration.
14 Although Covad has since replaced these circuits with Qwest UNE transport
15 circuits, should the need ever arise again to use transport circuits provided by a
16 CLEC partner collocated on the 4th floor, regeneration would again be required. It
17 is Qwest's position that the CLEC should assume the costs associated with
18 purchasing transport circuits from their tariff which would significantly increase
19 our cost of providing competitive service. This is a totally unreasonable
20 expectation based upon Qwest's inefficient use of central office space. If Qwest
21 had no other options with respect to providing collocation space, which resulted in
22 the need to provide regeneration between collocation arrangements, then it may be
23 appropriate for Qwest to charge CLECs for regeneration. However, from my
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1 observations in handling most of the collocation build outs for Covad in the Qwest
2 region, this situation would be the exception rather than the rule.
3

4 **Q. DO YOU HAVE SIMILAR CONCERNS WITH CENTRAL OFFICES IN**
5 **WASHINGTON STATE?**

6 A. Yes. A similar situation may develop in the Seattle Main Central Office. When
7 significant collocation began shortly after the passage of the Telecommunications
8 Act of 1996, Qwest declared they had no collocation space in the Main Central
9 Office and eventually had to build out collocation space in the adjacent building to
10 allow CLECs access to customers served by the Main Wire Center. Much of this
11 newly created space has been exhausted. Should space become available in the
12 actual Main building that could be used for collocation, the distance would surely
13 require regeneration for DS1 and DS3 circuits between the buildings. According
14 to Qwest position in this arbitration, CLEC to CLEC ties between these locations,
15 would need to be ordered and provisioned as "finished services" rather than tie
16 cables between collocation spaces provided for under wholesale collocation.
17

18 **Q. YOU STATED THAT QWEST'S POSITION IN THIS ARBITRATION IS**
19 **THAT CLEC TO CLEC TIES REQUIRING REGENERATION MUST BE**
20 **ORDERED AS A FINISHED SERVICE FROM THE TARIFF. DID**
21 **QWEST TAKE THIS POSITION DURING NEGOTIATIONS PRIOR TO**
22 **FILING FOR ARBITRATION?**

1 A. No. In fact, Qwest never once mentioned during the months and months of
2 negotiations that CLEC to CLEC regeneration was only ordered and provided as a
3 finished service. Qwest only made its position with the prefiled Direct Testimony
4 of Qwest witness Michael Norman in the Colorado Arbitration (Page 9, Line 1).
5 Until this time, it was my belief that the dispute involved whether or not Covad
6 would be required to pay the SGAT/TELRIC based rates for regeneration. Covad
7 does not believe Covad should have to pay for CLEC to CLEC regeneration at
8 TELRIC rates, and having to order "finished services" is totally unrealistic.

9 **Q. ARE THERE SITUATIONS OTHER THAN CLEC TO CLEC CROSS-**
10 **CONNECTIONS WHERE QWEST PROVIDES CENTRAL OFFICE**
11 **REGENERATION?**

12 A. Yes. Qwest also provides regeneration, where it is required by ANSI standards,
13 for interconnection to Qwest's unbundled network elements. For instance, if
14 Covad were to order a dedicated transport circuit between two Qwest central
15 offices, and regeneration were required between Qwest's frame and Covad's
16 collocation in one of the central offices, Qwest currently provides that
17 regeneration.

18 **Q. WHAT DOES QWEST CHARGE FOR THAT REGENERATION?**

19 A. While Qwest was previously authorized, in its Section 271 proceedings, to charge
20 for such regeneration *at TELRIC rates*, and rates were set for wholesale
21 regeneration, Qwest has chosen not to charge for regeneration between its
22 equipment and CLEC equipment. Recently, it has proposed to delete the charge
23 entirely from its wholesale rate schedule, at least in Colorado, stating that it does
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1 not plan to charge for this service in the future. I have attached a copy of Qwest's
2 Colorado proposal as Exhibit No. MZ-2 to my testimony. The fundamental point
3 of Covad's request in this arbitration is that both forms of regeneration should be
4 priced and treated the same: if Qwest will not charge for it in the context of
5 providing access to network elements (required by the Act and FCC rules), it also
6 should not charge for it in the context of providing CLEC to CLEC cross-
7 connections, which are also required by the Act and FCC rules. There is no
8 justification for treating the two situations differently, and there is certainly no
9 justification for the retail pricing of CLEC to CLEC regeneration that Qwest is
10 now proposing.

11 **Q. HAS QWEST ALWAYS MAINTAINED THAT CLEC TO CLEC**
12 **REGENERATION WAS ONLY AVAILABLE AS A FINISHED SERVICE?**

13 A. No. Until recently, Qwest's policy was to offer regeneration as an option, when
14 necessary, to its wholesale CLEC to CLEC cross-connection product, known as
15 COCC-X. In fact, the specific issue of whether Qwest would perform regeneration
16 for CLEC to CLEC cross-connections as part of its wholesale offerings has been
17 discussed in the Change Management Process (CMP) on two separate occasions.
18 On both occasions, Qwest clarified that it would perform regeneration functions as
19 part of providing its COCC-X product. In fact, in its latest statements in the CMP,
20 Qwest clarified that it was changing the ordering system for the COCC-X product
21 to place sole responsibility for determining whether ANSI standards required
22 regeneration on Qwest, rather than the CLECs. Previously, CLECs were required
23 to determine whether their requested design required regeneration, and enter the
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1 appropriate Network Channel Interface (NCI) codes in their order for the cross-
2 connection. Qwest explained in its response to concerns over changes to its
3 technical publications that under the new system, this effort is not necessary. See
4 Exhibit No. MZ-3. I have attached Qwest's statements regarding the COCC-X
5 product in the CMP to my testimony as Exhibit No. MZ-4. These statements
6 clearly set forth Qwest's policy, at least its policy prior to its arbitration
7 proceedings with Covad, that Qwest would perform all cross connection functions,
8 including regeneration, as part of providing its COCC-X product.
9

10 **Q. PLEASE ELABORATE ON WHY COVAD'S PROPOSAL MAKES SENSE.**

11 A. At its most basic, Covad's proposed language makes sense because it creates a
12 clear requirement in the interconnection agreement that Qwest comply with its
13 obligations under FCC rules. Covad's proposed language further ensures, to the
14 extent possible, that Qwest has an incentive to use efficient collocation practices.
15 Just like the efficient collocation practices issue I discuss above, I firmly believe
16 that this language should be approved by the Commission because it confirms that
17 Qwest should operate efficiently and in a fashion that does not disadvantage
18 CLECs without some concomitant technical or cost benefit to Qwest.

19 **Q. IS THERE ANYTHING IN ANY OF THE DOCUMENTATION**
20 **AVAILABLE TO CLECS THAT WOULD SUGGEST THAT CLEC TO**
21 **CLEC REGENERATION IS ONLY AVAILABLE AS A FINISHED**
22 **SERVICE?**

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1 A. Not at all. To the contrary, the documentation very clearly demonstrates that, until
2 the Colorado arbitration, Qwest very clearly was providing CLEC to CLEC
3 regeneration as a UNE.

4 **ISSUE 7: SINGLE LSR: SHOULD QWEST ALLOW A SINGLE LOCAL**
5 **SERVICE REQUEST (“LSR”) TO BE SUBMITTED FOR MIGRATION**
6 **LINE SPLIT OR LOOP SPLIT SERVICES?**

6 **Q. PLEASE PROVIDE SOME CONTEXT FOR THE SINGLE LOCAL**
7 **SERVICE REQUEST (LSR) ISSUE.**

8 A. Covad seeks the ability to order both voice and data services using a single LSR,
9 rather than having to submit an individual LSR to establish the voice service, and
10 then a second LSR to add the data. Having to submit separate LSRs adds both cost
11 and time to the CLEC provisioning process. At one time, Qwest also needed to
12 first establish the voice service for its retail customers prior to adding Qwest DSL
13 to their line. About a year ago, Qwest made the necessary changes to its OSS to
14 allow the provisioning of both services together, using a single service order for
15 both new customers and customers migrating from alternative arrangements or
16 alternative providers. This delay placed Covad at a competitive disadvantage for
17 an unreasonable period of time. Although Qwest will now allow both the voice and
18 data LSRs to be submitted at the same time, and Qwest has agreed to link them
19 together for provisioning purposes, the multiple LSR process is subject to failure
20 as manual intervention is required.

21 **Q. DESCRIBE WHY QWEST’S LINE SPLITTING PROCESSES**
22 **GENERALLY ARE INADEQUATE AND DISCRIMINATORY.**

23 A. Before a data CLEC can submit a UNE-P line splitting order with Qwest (i.e., the
24 addition of data to the UNE-P), the corresponding voice order must also be

1 submitted to Qwest. Unlike Qwest's Retail arm, competitors cannot bundle voice
2 and data easily via line splitting because two (2) orders must be submitted, rather
3 than simply one (1) order as Qwest does. Qwest's Retail arm, on the other hand,
4 takes one order to manage the entire process.

5 **Q. ARE QWEST'S LOOP SPLITTING PROCESSES AND OSS ANY**
6 **BETTER?**

7 **A.** No. Just like UNE-P line splitting, the corresponding voice order must also be
8 submitted separately to Qwest. Again, unlike Qwest's Retail arm, competitors
9 cannot bundle voice and data easily via loop splitting because two (2) orders must
10 be submitted, rather than simply one (1) order as Qwest does. Qwest's Retail arm,
11 on the other hand, uses one order to manage the entire process. Again, it is
12 imperative that Qwest be required to correct these ordering and provisioning
13 problems to allow CLECs to order loop splitting via a single order that provisions
14 the voice and data simultaneously. CLECs must have this capability in order to
15 compete successfully with Qwest in providing service to residential customers.

16 **Q. DO THESE PROBLEMS APPLY TO BOTH NEW AND MIGRATION**
17 **ORDERS?**

18 **A.** With the IMA 15.0 released in April 2004, this issue was resolved for new orders.
19 For migration orders, however, the problem still exists. A migration – or
20 conversion – order is where an existing customer decides to change their service
21 arrangement (from line splitting to UNE-L loop splitting) or to migrate from one
22 provider(s) to another provider(s). While the new order problems arguably are
23 resolved, as I discuss below, the migration order issues remain.

24

1 **Q. AREN'T THERE PENDING CHANGE REQUESTS ("CRs") THAT**
2 **MIGHT ALLEVIATE THESE ORDERNIG ISSUES?**

3 A. The IMA release (16.0) which will allow new Line Split or Loop Split services to
4 be created from existing Line Shared, Qwest Retail voice/DSL or Line Split/Loop
5 Split services – in other words, migration orders -- will not be implemented until
6 later this year, if at all.

7 **Q. WHY DO YOU SAY "IF AT ALL?"**

8 A. First, it is an overstatement to say that Qwest has committed to including the
9 single LSR migration changes into the October 2004 release, and here's why:
10 originally, when Qwest initiated its CR to allow customers to order Qwest voice
11 and data or line shared service on one LSR, it had included, because of the parity
12 requirement, the single LSR for new line splitting and loop splitting orders as well.
13 That CR was "committed to" being included in the August 2003 IMA 13.0 release.
14 However, when push came to shove, Qwest only implemented the portion of the
15 CR that benefited it – the ability to order via one LSR line shared services or the
16 Qwest bundled voice and data service. Qwest, pursuant to an "event notification",
17 unilaterally delayed the implementation of the new order line split/loop split single
18 LSR portion of the change. Consequently, until Qwest has actually implemented
19 all of the single LSR features for migration line splitting and loop splitting orders,
20 Qwest cannot be trusted to live up to its commitments, given the fact that it has
21 already reneged once on that "commitment."

22 Second, Qwest informed CLECs at a change management forum late last
23 year that it will only support 2 IMA releases this year (as opposed to three in years
24 past) and that those releases were/will be issued in April and October 2004.

1 Qwest also reduced by 40% the development hours allocated to the Wholesale
2 IMA releases so that, instead of having 120,000 hours available, Qwest is only
3 willing to allocate 70,000 hours.

4 The ramifications of Qwest's decision to reduce in number and size its
5 IMA releases for 2004 are two-fold. First, as I already mentioned, it delayed the
6 implementation date for the systems CR that would allow a CLEC to place voice
7 and data for new UNE-P Line Splitting or Loop Splitting order simultaneously
8 from October 2003 until April 2004. More problematically, the systems CR that
9 would allow a CLEC to place voice and data orders for migration orders is
10 scheduled for the release in October 2004, but as we've seen already, scheduled
11 implementation and actual implementation may be very different things. So, in
12 addition to whether the reduction in hours will result in this CR being excluded
13 from any of the 2004 IMA releases, it did not make it into the April IMA release,
14 and until 16.0 is implemented, nothing is certain.

15 **Q. SO QWEST'S OSS WILL ENSURE THAT CLECS USING EITHER A**
16 **UNE-P OR A UNE-L DELIVERY STRATEGY WILL BE AT A**
17 **COMPETITIVE DISADVANTAGE TO QWEST?**

18 **A.** Absolutely. The time delays and associated service disruptions that are inherent in
19 the current migration UNE-P line splitting and UNE-L loop splitting OSS and
20 processes will result in CLECs being a "day late and a dollar short."

21 **Q. PLEASE DETAIL OTHER DISCRIMINATION ISSUES THAT EXIST**
22 **WITH RESPECT TO THE NEED FOR A SINGLE LSR PROCESS FOR**
23 **MIGRATIONS.**

24

1 A. In the migration context, where a customer currently has a line shared, Qwest retail
2 voice/DSL, UNE-P line split, or UNE-L loop split arrangement, it takes two LSRs
3 to migrate that service to UNE-P line splitting or UNE-L loop splitting
4 arrangements with a new carrier(s). But, where the customer has a UNE-P line
5 split or UNE-L loop split arrangement, and that customer wishes to convert to
6 either a line shared arrangement (Qwest voice and CLEC DSL) or Qwest voice
7 and data, it only takes one LSR. So, as it currently stands, where a migration will
8 result in Qwest getting either the voice or the voice and data from a customer, it
9 takes only one LSR for that migration to occur. But, where those benefits don't
10 exist, it takes two LSRs.

11 **Q. HAS QWEST OFFERED ANY INTERIM SOLUTIONS FOR CLECS TO**
12 **USE WHILE THEY WORK ON THE OSS REQUIREMENTS?**

13 A. During this period where volumes are still rather low, Qwest should have been
14 willing to accept a faxed single LSR for purposes of manually provisioning orders,
15 but no such offer was ever made.

16 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

17 A. This concludes my Direct Testimony, however, I anticipate filing all responsive
18 testimony permitted by the Commission, and being presented for cross
19 examination at the hearing on the merits.

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