

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

In the Matter of the Joint Application of Verizon )  
Communications Inc. and Frontier )  
communications Corporation For An order ) Docket No. UT-090842  
Declining to Assert Jurisdiction Over, or, in the )  
Alternative, Approving the Indirect Transfer of )  
Control of Verizon Northwest Inc. )

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**DIRECT TESTIMONY**

**OF**

**JAMES HUESGEN**

**ON BEHALF OF**

**INTEGRA TELECOM**

**November 3, 2009**

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, EMPLOYER AND BUSINESS**  
3 **ADDRESS?**

4 **A.** My name is Jim Huesgen. I work for Integra Telecom, LLC. My business address  
5 is 1201 NE Lloyd Blvd., Suite 500, Portland, OR 97232.

6 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AT INTEGRA.**

7 **A.** I am President and Chief Operating Officer of Integra. As Chief Operating  
8 Officer, I am responsible for Integra's operations in its seven major market areas,  
9 network planning and engineering, information services and network cost  
10 management.

11 **Q. HOW LONG HAVE YOU WORKED FOR INTEGRA?**

12 **A.** I have been employed by Integra for ten years.

13 **Q. BRIEFLY DESCRIBE YOUR EDUCATION AND EXPERIENCE IN THE**  
14 **TELE-COMMUNICATIONS INDUSTRY.**

15 **A.** I received a M.A. in Accounting from the University of North Dakota in 1973. I  
16 am a Certified Public Accountant and worked for a national accounting firm for  
17 10 years during which time I managed the audits of Pacific Telecom and  
18 Alascom. During 1982 and 1983, I was a member of the Telecommunications  
19 Industry Advisory Group (Plant Subcommittee) to the Federal Communications  
20 Commission as it rewrote its Uniform System of Accounts. I have more than 25  
21 years experience in executive management roles in telecommunications, including  
22 nine years as Executive Vice President and Chief Financial Officer for Pacific  
23 Telecom (PTI). In that role, I was responsible for finance, accounting,

1 purchasing, business development, and information services for PTI and all of its  
2 subsidiaries. During this period, I led PTI's acquisition and integration of US  
3 WEST rural exchanges in Colorado, Oregon, Washington and Minnesota, while  
4 selling Alascom, PTI's long distance subsidiary serving the state of Alaska, to  
5 AT&T and divesting several of PTI's non core subsidiaries, including the sale of  
6 PTI's wireless operations in Chile to BellSouth. As a representative of PTI's  
7 parent corporation, PacifiCorp, I was one of the principal negotiators of PTI's  
8 \$2.2 billion sale to CenturyTel in 1997. In 1998, as a co-founder of Alaska  
9 Communications Systems (ACS), I negotiated the financing and acquisition of  
10 local exchange, wireless, and Internet service properties serving more than  
11 320,000 access lines, 70,000 cellular customers, and 26,000 long distance  
12 customers throughout Alaska. I joined Integra Telecom in January 2000 as  
13 President and Chief Operating Officer and have also served as the Company's  
14 Chief Financial Officer during a portion of my tenure with Integra. I was closely  
15 involved in Integra's purchase of Electric Lightwave, Inc., a wholly owned  
16 subsidiary of Frontier, in 2006 and Eschelon, Inc. in 2007 and the subsequent  
17 integration of the acquired support systems and data into Integra's Operational  
18 Support System platforms.

19 **Q. DOES INTEGRA OPERATE IN THE VERIZON-NORTHWEST**  
20 **TERRITORIES IN WASHINGTON THAT ARE THE SUBJECT OF THIS**  
21 **PROCEEDING?**

22 **A.** Yes, it does.

1 **Q. HAVE YOU EVER TESTIFIED BEFORE THE WASHINGTON**  
2 **UTILITIES AND TRANSPORTATION COMMISSION?**

3 **A.** Yes, I have. In 1994, I submitted pre-filed initial testimony with this Commission  
4 concerning PTI's acquisition of 26 rural exchanges in Washington from US  
5 WEST. In addition, I have testified before the Colorado Public Utilities  
6 Commission in or about 1993 regarding PTI's acquisition of 63 rural exchanges  
7 in Colorado from US WEST. In 1999, I testified before the Alaska Public  
8 Utilities Commission regarding ACS's acquisition of Anchorage Telephone  
9 Utilities.

10 **Q. DOES INTEGRA OPPOSE THIS TRANSACTION?**

11 **A.** As a general statement, Integra does not oppose this transaction. However,  
12 Integra believes safeguards are needed to protect the competitive industry while  
13 Frontier focuses on the integration of its new territories.

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

15 **A.** The purpose of my testimony is to bring to the attention of the Commission, as  
16 well as Verizon and Frontier, the issues that concern Integra and to suggest  
17 appropriate safeguards.

18 **Q. PLEASE SUMMARIZE THOSE ISSUES?**

19 **A.** Integra's concerns are focused on four areas. The first relates to ensuring that any  
20 costs related to the transaction are not born by competitive carrier wholesale  
21 customers. The second deals with maintaining the current status of existing  
22 wholesale service arrangements with Verizon Northwest in its territories that are  
23 acquired by Frontier, including the rates, terms and conditions applicable to those

1 wholesale services. The third deals with the transfer of operational support  
2 systems to Frontier. The fourth deals with the need for enforceable wholesale  
3 service quality performance standards and remedies.

4  
5 With respect to wholesale services, Integra is focused primarily on its existing  
6 interconnection agreements with Verizon Northwest and the continued  
7 availability of all the services currently available under those agreements, at the  
8 same rates and on the same terms and conditions. However, Integra is also  
9 interested in maintaining the status quo with respect to the availability, pricing,  
10 terms and conditions of other wholesale services that Verizon Northwest offers  
11 outside the context of interconnection agreements. Mr. Denney addresses these  
12 concerns in his testimony.

13  
14 With respect to the operational support systems (“OSS”), Integra is concerned  
15 about Frontier’s ability to provide the existing level of service. Integra’s concerns  
16 are based in part on the recent negative consequences experienced with the  
17 cutover of systems from Verizon to Fairpoint in Maine, New Hampshire and  
18 Vermont following the sale of those service territories to Fairpoint and from  
19 similar negative consequences associated with the cutover of services from  
20 Verizon to Hawaiian Telcom following the sale of Verizon service territories to  
21 Hawaiian Telcom.

22

1 With respect to wholesale service quality, Integra is concerned about Frontier's  
2 ability to maintain the level of wholesale service performance that Verizon  
3 currently provides or is striving to provide and to satisfy the requirements of  
4 providing wholesale service to competitors at a level that is at least equal to that  
5 which it provides to its retail operations. Frontier is a much smaller company  
6 with less experience providing wholesale services on the scale and scope that  
7 Verizon provides such services. Mr. Denney addresses the issue of performance  
8 measures to address these issues in the future.

9  
10 **Q. DO OTHERS SHARE YOUR CONCERNS?**

11 A. Yes. It is my understanding that our concerns regarding flow through of  
12 transaction costs to wholesale rates, maintaining the status quo with respect to the  
13 wholesale service availability, pricing, terms and conditions, and with OSS  
14 transition are largely shared with Comcast. Comcast witnesses in this docket  
15 address those issues and Integra supports the recommendations of those witnesses  
16 with respect to those issues. My testimony focuses mostly on service quality  
17 concerns.

18  
19 **II. SUMMARY OF PROPOSED CONDITIONS**

20 **Q. IS INTEGRA PROPOSING ANY SAFEGUARDS?**

21 A. Yes. A list of proposed conditions is attached to my testimony as Exhibit JH-2.  
22 In short, Integra's proposed conditions are designed to address the four concerns I  
23 just described.

1 Several of the proposed conditions are designed to ensure that Frontier will not  
2 flow through transaction-related costs to wholesale customers. *See* Proposed  
3 Condition Nos. 1, 2, 3, 4.

4  
5 A number of these proposed conditions are designed to maintain the status quo  
6 with respect to the availability of, and rates, terms and conditions applicable to,  
7 wholesale services. These proposed conditions include: 1) requiring Frontier to  
8 extend Verizon's existing interconnection agreements for a period of up to three  
9 years from the date of the closing of the transaction, including those agreements  
10 that are currently in their "evergreen" phase (*see* Proposed Condition Nos. 6, 7);  
11 2) requiring Frontier to maintain, for a period of at least three years, the same  
12 rates for **all** wholesale services, including among other services, tandem transit  
13 services, reciprocal compensation, and tariffed wholesale offerings (e.g., intrastate  
14 special access) (*see* Proposed Condition Nos. 9, 10, 11, 12); 3) prohibiting  
15 Frontier, for a period of one year following the closing of the transaction, from  
16 seeking to reclassify as "non-impaired" any wire centers in the former Verizon  
17 Northwest territories in Washington (*see* Proposed Condition No. 13); and 4)  
18 requiring Frontier to allow a requesting competitive carrier to use as the template  
19 for negotiating a replacement interconnection agreement its existing  
20 interconnection agreement with Verizon Northwest (*see* Proposed Condition No.  
21 8).

22

1 Another set of the proposed conditions are designed to preserve the status quo  
2 with respect to wholesale service “support”. These include proposed conditions  
3 requiring Frontier, post-transaction, to continue to provide wholesale carriers the  
4 same types of information that Verizon makes available, with the same frequency.  
5 These conditions also require Frontier post-transaction to continue existing  
6 wholesale business practices such as Verizon’s CLEC User Forum and Verizon’s  
7 Change Management Process and to maintain adequate staffing of wholesale  
8 operations by trained personnel exclusively dedicated to wholesale operations.  
9 *See Proposed Condition Nos. 14, 15, 16, 17.*

10  
11 With respect to OSS, Integra supports the proposed conditions recommended by  
12 Comcast. To avoid potential confusion, the Comcast proposed OSS conditions  
13 are not listed in Exhibit JH-2. Integra, nevertheless, supports the Comcast  
14 proposed OSS conditions.

15  
16 Finally, another critical component to the proposed conditions addresses  
17 wholesale service quality performance metrics, standards and incentives,  
18 including self-executing remedies. As is explained in Integra witness Doug  
19 Denney’s testimony, Integra recommends the Commission require Frontier to  
20 continue providing the monthly reports of wholesale performance metrics that  
21 Verizon Northwest currently provides, and that it provide these reports to  
22 Commission Staff as well. Integra further recommends that the Commission  
23 establish a docket designed to: 1) monitor Frontier’s wholesale performance



1 metrics following the transaction, 2) develop and establish wholesale performance  
2 standards designed to ensure parity with Frontier's performance for its own retail  
3 operations, and to ensure that Frontier's wholesale service quality is at least as  
4 good as Verizon's pre-transaction performance, and 3) establish self-executing  
5 remedies for repeated failures to satisfy the standards. *See* Proposed Condition  
6 No. 5.

7 **Q. WHAT IS YOUR CONCERN REGARDING THE COSTS RELATED TO**  
8 **THE TRANSACTION?**

9 Transactions of this type can be extremely costly for both parties involved. The  
10 concern is that there will be an attempt to pass those costs on to CLECs through  
11 the wholesale products and services that the CLECs are dependent upon and over  
12 which the incumbent local exchange carrier ("ILEC") has a virtual monopoly.  
13 For example, Integra recently received a Notice from Verizon that appears to be  
14 related to this transaction. *See* Exhibit JH-3. It states that it is "realigning its data  
15 centers" which may require CLECs to change their connections with Verizon and  
16 states that CLECs "will be responsible for paying any Verizon charges that apply  
17 to these data connection changes..." These are the kind of charges that Integra is  
18 concerned will be imposed on it. Integra's proposed Condition Nos. 3, 4 and 15  
19 are designed to address this concern.

1 **III. WHOLESALE SERVICE QUALITY IS CRITICAL TO INTEGRA'S**  
2 **ABILITY TO COMPETE.**

3  
4 **Q: PLEASE EXPLAIN THE IMPORTANCE OF WHOLESALE SERVICE**  
5 **QUALITY TO INTEGRA'S ABILITY TO PROVISION SERVICE TO ITS**  
6 **CUSTOMERS**

7 **A:** Integra competes in Washington with the ILEC, Verizon, as to both price and  
8 customer service. In order to compete effectively with the ILEC, Integra must  
9 satisfy customer expectations, including time frames for providing service,  
10 maintenance and repair. In order to provide its service, Integra purchases  
11 facilities and services from incumbent LECs, such as Verizon, on a wholesale  
12 basis. Thus as a competitive local exchange carrier ("CLEC"), Integra is in the  
13 difficult position of being dependent upon the ILEC, the dominant carrier in the  
14 area, while at the same time trying to compete with it.

15 **Q: WHY IS INTEGRA'S CUSTOMER SERVICE DEPENDENT TO SOME**  
16 **EXTENT ON VERIZON?**

17 **A.** Since Integra must use the ILEC's facilities (in this case, Verizon) to provide  
18 services to its customers, Integra's commitments to customers must be based on  
19 the ILEC's performance of the necessary pre-order, order, installation,  
20 maintenance and repair functions for wholesale facilities and services it purchases  
21 from Verizon. Integra can only satisfy the expectations of its own customers  
22 when it can rely on consistent performance by the ILEC.

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Because Integra’s customers demand and expect reliable and timely service, the negative consequences associated with being unable to satisfy customer expectations due to missed ILEC wholesale intervals are significant. If Integra cannot provide service when promised or the customer experiences an interruption of service due to unreliable service from the ILEC, the customer is upset at Integra. In effect, if Verizon’s wholesale service is unreliable, Integra gains a reputation as being unreliable. The negative consequences to Integra associated with being unable to satisfy customer expectations due to a decline in ILEC wholesale performance are significant.

**Q: HAS INTEGRA EXPERIENCED INADEQUATE WHOLESAL SERVICE FROM VERIZON THAT HAS AFFECTED ITS CUSTOMER SERVICE?**

**A.** Yes, for example, from June 2008 to the present, Integra and its end user customers experienced first hand the negative consequences that are associated with a decline in wholesale service quality. In June 2008, Verizon completed an internal work force realignment. Verizon transferred its pre-order, order, and provisioning support for the Verizon West region (which includes Oregon and Washington) from Idaho to the Virginia National Market Center (“NMC”) which was previously responsible for supporting the Verizon East territory. Verizon has admitted to Integra that they underestimated the complexity of the Verizon West processes.

1 Q. WHAT HAS BEEN THE EFFECT ON INTEGRA OF VERIZON'S  
2 FAILURE?

3 A. This miscalculation led to a cascade of negative impacts to Integra and Integra's  
4 end user customers, such as:

5 1. Instability in the service delivery (order) interval (see attached Exhibit JH-  
6 4: graph of Verizon average installation intervals). The result is that Integra is  
7 unable to meet or set appropriate expectations with our end user customers.

8 2. An increase in ILEC (Verizon) order and provisioning errors. This results  
9 in customers being taken out of service prior to the confirmed due date for their  
10 conversion to Integra, which leads to services being disconnected in error or  
11 service delivered to the wrong location.

12 3. Delayed (untimely) and missing Local Service Order (LSR) status  
13 notifications (e.g. Firm Order Commitments (FOC), jeopardies, errors,  
14 completion notifications). This means that Integra is unable to set due date  
15 expectations with its customers until an FOC with a confirmed due date is  
16 provided by the ILEC. Integra depends upon timely ILEC jeopardy notifications.  
17 When Integra does not receive an ILEC jeopardy or the jeopardy is late, the end  
18 user and Integra continue to expect that the ILEC will complete the request on the  
19 confirmed due date. In situations where the end user customer is moving,  
20 planning their opening or other event, this scenario can lead to the customer not  
21 having the telecommunication service needed to support their business plan.

1 **Q. WHY DO THESE TYPES OF WHOLESALE SERVICE QUALITY**  
2 **FAILURES CAUSE MAJOR PROBLEMS FOR INTEGRA?**

3 **A.** Currently, Verizon's OSS require that Verizon send a completion notice *before*  
4 Integra is able to submit a subsequent change order or open a trouble ticket  
5 following standard procedures. If Verizon has not sent a completion notice  
6 Integra is required to follow time consuming escalation processes to change an  
7 order or open a trouble ticket.

8  
9 Integra schedules its technician resources based on the confirmed due dates.  
10 Untimely jeopardy notices or completion notifications result in multiple  
11 dispatches of Integra technicians (e.g. Integra dispatches a technician to complete  
12 the installation of service only to find that the service was not delivered by the  
13 ILEC) and negatively affect Integra's ability efficiently maintain and repair the  
14 end user customer's service.

15 **Q. WHAT OTHER PROBLEMS DID INTEGRA EXPERIENCE AS A**  
16 **RESULT OF THE CHANGE BY VERIZON?**

17 **A.** Integra saw a dramatic increase in the resolution time for pre-order, order and  
18 provisioning issues (both service impacting and order impacting). For end user  
19 service-affecting issues the resolution time frame went from same day resolution  
20 to 2-3 days. For order impacting issues the resolution time frame went from 2-3  
21 days to weeks. The increase in service order errors increased the call volume to  
22 the NMC. This in turn resulted in excessive hold times. In July/August of 2008,

1 Integra experienced hold times of 1 hour or more (see attached Exhibit JH-5:  
2 graph of Verizon Center Responsiveness). Integra had to dedicate 2 full time  
3 employees to manage the resolution of Verizon issues.

4  
5 While the Exhibit indicates some improvement subsequent to the transfer to the  
6 NMC in Virginia, which we believe is attributed to the positive benefits of  
7 training and on the job experience of the Verizon employees in the NMC, we are  
8 concerned that establishing a new NMC in a new location as part of this  
9 transaction may cause deterioration of the improvements if current trained NMC  
10 employees are not directed to or choose not to transfer to the new location.

11 **Q. DID INTEGRA MAKE VERIZON AWARE OF THESE PROBLEMS?**

12 **A.** Yes. In fact, a detailed report of these problems is available on Verizon's website  
13 at:

14 [http://www22.verizon.com/wholesale/attachments/calendar/2009OpenCUFissues.](http://www22.verizon.com/wholesale/attachments/calendar/2009OpenCUFissues.pdf)  
15 pdf, a copy of which is attached as Exhibit JH-6.

16 **Q. DOES THIS NEGATIVE EXPERIENCE CAUSE INTEGRA TO BE**  
17 **CONCERNED WITH THE POSSIBLE CONSEQUENCES FOR**  
18 **WHOLESALE SERVICE AS A RESULT OF THE PROPOSED**  
19 **TRANSACTION?**

20 **A.** Yes. These negative impacts on wholesale service quality caused by Verizon's  
21 transfer of wholesale service support functions for the Western Region from

1 Idaho to Virginia suggest that such transfers of wholesale support functions can  
2 be fraught with problems, even when done by Verizon itself, outside the context  
3 of a merger transaction. As part of the transaction that is the subject of this  
4 proceeding, Verizon will be moving and consolidating wholesale support  
5 functions again and then turning over these consolidated support functions to  
6 Frontier. The potential for wholesale service quality degradation is at least as  
7 high as that Integra recently experienced with the 2008 realignment. In fact, the  
8 potential for significant problems is likely greater with the current proposed  
9 transaction.

10 **Q. FROM AN OPERATIONAL PERSPECTIVE, DO YOU BELIEVE THE**  
11 **CURRENT VERIZON WHOLESALE PERFORMANCE METRICS ARE**  
12 **ADEQUATE?**

13 **A.** No. As Mr. Denney indicates in his testimony, there are certain performance  
14 measures that are currently lacking such as vendor meets and timely notification  
15 of trouble status. Integra recommends the establishment of monthly reports of  
16 wholesale performance metrics following the Closing Date.

17 **Q. GIVEN THAT THESE ARE CONCERNS WITH ANY ILEC, WHY IS THE**  
18 **POTENTIAL TRANSFER OF THESE SERVICES TO FRONTIER A**  
19 **CONCERN?**

20 **A:** As I explained previously, Integra has suffered from service difficulties from  
21 Verizon, difficulties that have never been fully resolved. The concern is that  
22 compared with Verizon, which has been providing all forms of wholesale services

1 on a large scale to Integra and other competitive carriers, including  
2 interconnection, collocation, UNEs, local number portability, etc., Frontier has  
3 relatively little experience providing such services compared to Verizon.

4  
5 It is my understanding that, in large part, Frontier's operating subsidiaries have  
6 been treated as rural ILECs not subject to the requirements of Section 251(c).  
7 Frontier provides UNEs and other wholesale services required by Section 251(c)  
8 of the Act only in Illinois, Minnesota, Nebraska, New York and West Virginia.  
9 Relative to Verizon, Frontier's wholesale services group has little experience with  
10 providing the full panoply of services that Verizon provides in Washington. This  
11 means that in most of its territories, Frontier has provided only limited  
12 interconnection services. If a huge ILEC, with extensive wholesale experience,  
13 like Verizon, has difficulty meeting its interconnection obligations to Integra, a  
14 transfer of those obligations to an entity, like Frontier, with little wholesale  
15 experience certainly has the possibility of making things worse, or at least halting  
16 any progress that Verizon was making.

17  
18 Frontier's relative lack of experience with provisioning the full panoply of  
19 wholesale services at the scope and scale at which Verizon supplies these services  
20 gives rise to concerns that the transition will result in degradation to wholesale  
21 service quality. This transaction will result in a much smaller company with  
22 relatively limited experience with provisioning many types of wholesale services



1 taking over Verizon territories in which Verizon has far greater experience  
2 providing such services. The Joint Applicants have not provided evidence to  
3 alleviate the concerns this raises.

4 **IV. THE CHANGE MANAGEMENT PROCESS MUST BE MAINTAINED**  
5 **AND TECHNICALLY FEASIBLE CHANGE REQUESTS PROCESSED IN**  
6 **A TIMELY MANNER.**

7  
8 **Q. PLEASE EXPLAIN THE NEED FOR THE PROPOSED CONDITION**  
9 **RELATING TO THE CHANGE MANAGEMENT PROCESS.**

10 **A.** As stated, Verizon's OSS for unbundled network elements ("UNEs") in the areas  
11 subject to this transaction has numerous serious problems that Verizon had been  
12 working hard to remedy. Unfortunately, Verizon stopped this work, apparently  
13 because it planned to off-load the local exchange assets at issue in this proceeding  
14 to Frontier.

15  
16 The list of Verizon system failures for UNEs is long indeed. For example, Integra  
17 has found that Verizon's raw loop data is often incorrect. When wholesale  
18 customers such as Integra order 2-wire analog loops from Verizon, they must  
19 indicate whether or not the loop is designed or not designed (i.e., served by a  
20 remote terminal) based on the information contained in Verizon's own databases.  
21 Frequently, however, that information is wrong, causing Verizon to delay  
22 provisioning of Integra's order and, ultimately, provisioning of retail service to  
23 Integra's end-user customer.

1  
2 Integra has found that Verizon's connecting facility assignment ("CFA") records  
3 or Cross Connect Equipment Assignment ("CCEA") records, which indicate  
4 whether a particular connection point between Integra and Verizon is available  
5 within a Verizon central office, are frequently inaccurate. As a result, after it  
6 places an order for a UNE loop, Integra often receives a "jeopardy" notification  
7 indicating that a particular connecting facility is not available when Integra's  
8 records correctly indicate that it is in fact available. Resolving this discrepancy  
9 extends the interval between the date that Integra submits a request for service  
10 from Verizon and the date on which Integra can provide retail UNE-based service  
11 to its end-user customer. Integra has also found that, unlike other ILECs such as  
12 Qwest that permit wholesale customers to retrieve 100 CFA records from their  
13 databases at a time, Verizon's Wholesale Internet Service Engine ("WISE") OSS  
14 allows Integra to retrieve only one such record at a time, thereby further delaying  
15 service delivery to Integra's retail customers.

16  
17 Integra has also found that Verizon's customer service records ("CSRs"), or as  
18 Verizon refers to them, Customer Service Inquiries ("CSIs"), are also frequently  
19 inaccurate. When a Verizon customer switches to UNE-based service with  
20 Integra, Verizon often fails to timely update the CSR/CSI accordingly, thereby  
21 preventing Integra from submitting repair or other requests to Verizon for that  
22 customer account. At the same time, when a customer disconnects its UNE-based  
23 service with Integra and switches to Verizon, Verizon fails to timely update the  
24 CSR/CSI accordingly and continues to bill Integra for the UNEs at issue.

1 Furthermore, when Verizon does not update its CSRs/CSIs, its CFA/CCEA and  
2 outside plant records are also not updated. This is particularly troublesome when  
3 Integra seeks to serve customers in multi-tenant buildings. For example, when an  
4 Integra customer in a multi-tenant building disconnects service and Verizon fails  
5 to timely update the CSR/CSI, Integra's ability to provide timely service to a new  
6 customer in the same building may be hindered because Verizon's CFA and  
7 outside plant records incorrectly indicate that the connecting facility is occupied  
8 when it is in fact available.

9  
10 Through the Change Management Process ("CMP"), Verizon communicated to  
11 Integra and other wholesale customers that resolving these problems was  
12 "feasible" and Verizon had been working to address them until this year.  
13 Attached Exhibit Integra/8 shows the history of this change request. In January  
14 2009, the company announced that it had eliminated all funding for the CMP for  
15 2009. Attached Exhibit JH-8 is a transcript of the meeting at which this  
16 announcement was made. Consequently, Verizon is no longer working to resolve  
17 dozens of OSS changes requested by CLECs over the past several years, the vast  
18 majority of which Verizon had determined were feasible. Here, the Applicants  
19 have not given any indication that Frontier will pick up where Verizon left off to  
20 resolve these outstanding OSS problems.

21 **Q. WHAT DO YOU PROPOSE TO ALLEVIATE THESE CONCERNS**  
22 **REGARDING THE CMP?**

1    **A.**    Integra requests that the Commission adopt Proposed Condition No. 16, set forth  
2           in Exhibit Integra/2. This condition would require Frontier, post-transaction, to  
3           take up where Verizon left off in responding to important competitive carrier  
4           Change Requests.

5    **V.    WHOLESALE OPERATIONS MUST BE ADEQUATELY STAFFED BY**  
6    **TRAINED PERSONNEL WHO ARE EXCLUSIVELY DEDICATED TO**  
7    **FRONTIER'S WHOLESALE OPERATIONS**

8  
9    **Q.    DOES INTEGRA HAVE ANY OTHER CONCERNS REGARDING THE**  
10   **PROPOSED TRANSACTION?**

11   **A.**    Yes. The Verizon customer base involved in the proposed transaction is  
12           comprised of retail customers and wholesale customers. As a result, I have two  
13           concerns. First, from a competitive standpoint, the Frontier organizational  
14           structure should retain safeguards against the sharing of information among  
15           employees serving the retail customers and those serving the wholesale  
16           customers. Second, recognizing that Verizon Northwest has a large wholesale  
17           customer base, it would seem to require Frontier to maintain a separate wholesale  
18           support group comprised of former Verizon employees transferring to Frontier.  
19           In reading the testimony of Mr. McCarthy, Integra cannot determine how these  
20           concerns will be addressed as the transaction closes.

21  
22           Frontier should be required to have adequately trained personnel to support its  
23           wholesale operations after closing and Verizon should be required to provide

1 training and support until they are adequately trained. In addition, Frontier should  
2 be required to maintain the same level of separate wholesale and retail processes  
3 that Verizon currently has so as to assure that customer proprietary information  
4 and CLEC information is not used to give Frontier a competitive advantage.  
5 These concerns are addressed in Proposed Condition 17 in Exhibit Integra/2.

6  
7 **VI. CONCLUSION**

8  
9 **Q WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?**

10 **A.** I ask that the Commission impose the conditions listed in Exhibit 1 on Frontier as  
11 part of any order approving the transaction. I also ask that the Commission adopt  
12 the recommendation of Mr. Denney regarding Performance Measures.

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 **A.** Yes it does.