BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of Qwest Corporation for Arbitration with Eschelon Telecom, Inc., Pursuant to 47 U.S.C. Section 252 of the Federal Telecommunications Act of 1996

DOCKET NO. UT-063061

RESPONSIVE TESTIMONY OF

ROBERT J. HUBBARD

QWEST CORPORATION

(Disputed Issue Nos. 4-5, 4-5(a), 4-5(b), 8-20 and 8-20(a))

December 4, 2006

Docket No. UT-063061 Responsive Testimony of Robert Hubbard Exhibit RJH-2RT December 4, 2006 Page i

TABLE OF CONTENTS

		Page
I.	IDENTIFICATION OF WITNESS	1
II.	PURPOSE OF TESTIMONY	1
III.	ISSUES 4-5, 4-5(A) AND 4-5(B) (CFA CHANGES)	1
IV.	ESCHELON SUBJECT MATTER 10 ISSUES 8-20 & 8-20(A) COLLOCATION AVAILABLE INVENTORY-POSTING OF	
	PREVIOUS QUOTES FOR SITES	5

1		I. IDENTIFICATION OF WITNESS
2	Q.	PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION WITH
3		QWEST CORPORATION.
4	A.	My name is Robert J. Hubbard. I am employed by Qwest Corporation ("Qwest"), as a
5		Director within the Technical and Regulatory Group of the Network Public Policy
6		Organization representing the Network Organization. My business address is 700 West
7		Mineral Avenue, Littleton, Colorado 80120.
8		
9	Q.	ARE YOU THE SAME ROBERT J. HUBBARD THAT FILED DIRECT
10		TESTIMONY IN THIS DOCKET?
11	A.	Yes.
12		
13		II. PURPOSE OF TESTIMONY
14	Q.	PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY.
15	A.	The purpose of my testimony is to reply to certain portions of the Direct Testimony filed
16		by Eschelon witness Douglas Denney relating to design changes (Issue 4-5 and
17		subsections) and Available Inventory (Issue 8-20 and subsections). I also provide some
18		technical background on the CMP issue relating to the CRUNEC process, as discussed by
19		Ms. Albersheim in her testimony.
20		
21		III. ISSUES 4-5, 4-5(A) AND 4-5(B) (CFA CHANGES)
22	Q.	WHAT IS THE DISPUTE IN THESE ISSUES?
23	A.	The dispute here relates to design changes. A design change is any change to an order
24		that requires engineering review. In general, the disputes relating to design changes
25		involve Eschelon's efforts to prevent Qwest from recovering the costs Qwest incurs when

1 it performs design changes. Qwest witness Karen Stewart addresses these issues more 2 comprehensively in her testimony. My testimony here is limited to certain technical 3 aspects specifically relating to Connecting Facility Assignment ("CFA") changes, in 4 order to correct a number of misstatements by Mr. Denney in his Direct Testimony 5 regarding the Qwest process and level of effort associated with CFA changes. 6 7 Q. ON PAGE 38 OF HIS DIRECT TESTIMONY MR. DENNEY CONTENDS THAT 8 A CFA CHANGE INVOLVES A "SIMPLE LIFT AND LAY ACTIVITY." DOES 9 HIS TESTIMONY ACCURATELY DESCRIBE THE EFFORT ASSOCIATED 10 WITH A CFA CHANGE? 11 A. No. The "lift and lay activity" is merely the final step and one small part of the effort to 12 change a CFA. The "lift and lay" is the actual physical relocation of the circuit that 13 completes the CFA change, where the Central Office Technician physically moves a 14 distribution frame jumper from one termination location to a new termination location -15 or a "lift and lay." However, the bulk of the effort to accomplish the actual physical 16 move precedes this final step. The new CFA must first be verified to be available (i.e., 17 not reserved) and viable (i.e., not defective). The circuit design must also be updated and 18 associated records updated. 19 20 MR. DENNEY CONTENDS THAT A CFA CHANGE TAKES ONLY A FEW Q. 21 SECONDS TO ACCOMPLISH. IS THIS ACCURATE? 22 No. Again, just one of the actions by the Central Office Technician is to physically move A. 23 a jumper. Several other Qwest departments are involved to accomplish the change 24 properly. Testing personnel are needed to coordinate this entire effort. The testing 25 personnel coordinate with the Central Office Technician to confirm the new CFA is

1		viable. If viable, the testing personnel provide the Service Delivery Coordinator with the
2		CFA information to supplement the order. The testing personnel may confirm with the
3		CLEC testing personnel that the circuit is operational. The Designer must then redesign
4		the circuit with the new CFA. Once the tester has coordinated these efforts the tester will
5		have the Central Office Technician run a jumper from the tie pair to the new CFA per the
6		new design, i.e. the "lift and lay" portion of the effort.
7		
8	Q.	DOES THE COORDINATION AND THE PRESENCE OF ESCHELON
9		PERSONNEL REDUCE THE WORK THAT IS REQUIRED FOR A CFA
10		CHANGE?
11	A.	No it does not. A typical CFA change that occurs during the test and turn up takes the
12		same time regardless of what CLEC personnel are present. For example, even though
13		there are CLEC personnel present at the time of the cut, Qwest personnel would still need
14		to validate the availability and viability of the new CFA.
15		
16	Q.	AT PAGE 38 OF HIS TESTIMONY MR. DENNEY CONTENDS THAT A
17		QWEST TECHNICIAN MAY HAVE TO MOVE ONLY A FEW STEPS TO
18		ATTACH A NEW CFA. IS THAT ALWAYS THE CASE?
19	A.	No. A CFA change may be accomplished by utilizing a cable pair within the same 100
20		pair block on a central office frame (a few inches). However, if there are no viable
21		termination locations within that block, a move to a different block may be required (a
22		few feet). In some cases a move to an entirely different frame may be required (a few
23		hundred feet). In these cases, the existing tie cable may not be usable. A different tie
24		cable, then, will have to be used and checked for cable length limitations, etc. Again,
25		however, the number of steps required to accomplish the physical relocation of the circuit

1		is not the issue. The engineering that is required to properly install a service for the end-
2		user customer and the resulting coordination effort by Qwest— which precede the
3		physical relocation of the circuit—represent the greater part of the CFA change effort.
4		
5	Q.	ESCHELON HAS EXPRESSED CONCERN OVER THE POSSIBILITY OF
6		MULTIPLE CFA CHANGES. DOES THE CLEC HAVE ANY CONTROL OVER
7		MINIMIZING CFA CHANGES?
8	A.	Yes. If a viable CFA is provided by the CLEC then there would be no need for any, let
9		alone multiple CFA changes. Multiple CFA changes are no fault of Qwest because the
10		CLEC is the provider of such information.
11		
12	Q.	MR. DENNEY CONTENDS THAT THERE IS A DIFFERENCE IN THE WORK
13		PERFORMED FOR A LOOP DESIGN CHANGE VS. A UDIT DESIGN
14		CHANGE. IS A REDESIGN OF A LOOP DIFFERENT THAN A REDESIGN OF
15		A UDIT?
16	A.	No. UDIT is the acronym for Unbundled Dedicated Interoffice Transport. A UDIT
17		provides a transmission path that uses fiber or copper and may use multiplexing
18		equipment. A loop also provides a transmission path that uses fiber or copper and may
19		use multiplexing. A UDIT extends between two central offices while a loop extends
20		between a central office and a customer premise. A UDIT and a loop can be made up of
21		the same types of network elements, e.g. muxes, cross-connection equipment, fiber, and
22		copper. Thus, UDIT and Loop circuits that are made up of the same type of equipment
23		would require similar design changes and likewise a similar effort to make such design
24		changes.

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1 2 3		IV. ESCHELON SUBJECT MATTER 10 ISSUES 8-20 & 8-20(A) COLLOCATION AVAILABLE INVENTORY-POSTING OF PREVIOUS QUOTES FOR SITES
4	Q.	WHAT IS THE DISPUTE IN ISSUE 8-20?
5	A.	As stated in my Direct Testimony, Available Inventory is essentially used collocation
6		space that has been returned to Qwest. Qwest makes this used collocation space
7		available to CLECs at a discounted rate. The dispute here relates to the information that
8		Qwest makes available associated with this product offering, and the Quote Preparation
9		Fee ("QPF") charge that Qwest imposes to process an order for an Available Inventory
10		site and plan, engineer, administer and prepare a quote for the requested site.
11		
12	Q.	HAS ESCHELON REVISED ITS PROPOSED LANGUAGE RELATING TO
13		THIS ISSUE?
14	A.	Yes. As I described in my Direct Testimony Eschelon still wants Qwest to post prior
15		quotes prepared for CLECs that submitted an order for an Available Inventory site but
16		decided not to proceed with the job. In such situations the site is then returned to
17		Available Inventory. Eschelon has modified its proposed language to allow Qwest to
18		redact the name of the prior CLEC for whom that prior quote was prepared before Qwest
19		posts the prior quote to its website, as follows:
20 21 22 23 24 25 26 27 28		8.1.1.10.1.1.1 Notwithstanding any other provision of this Agreement, if Qwest prepares a Quote Preparation Fee for a posted Collocation site and for any reason the posted Collocation site is returned to Qwest inventory, Qwest will post the Quote Preparation Fee quote (with the carrier's name redacted) on the inventory list for that site and, for future requests for that site, will waive the Quote Preparation Fee, as the quote has already been prepared, unless Qwest establishes a change in circumstance affecting the quoted price.
30	Q.	WHY DOES QWEST FIND THIS PROPOSAL UNACCEPTABLE?

There are several problems with Eschelon's proposed language. First, as I previously
articulated in my Direct Testimony, posting prior quotes will provide no information to
Eschelon that it does not already possess, and the posted quotes will almost assuredly be
meaningless to Eschelon. On the other hand, fulfilling this posting requirement, if the
Commission adopts Eschelon's proposed language, will create additional cost for Qwest,
as I describe below. Qwest would be entitled to recover those costs, but Eschelon's
language makes no allowance for cost recovery. Second, Eschelon's proposed language
is vague, in describing situations where Eschelon will be required to pay the QPF. It is
unclear what Eschelon intends by "a change in circumstances affecting price." Third,
even if Eschelon were to order a site exactly as specified in a previous quote, and even if
prices had not changed so that the quoted price was identical in every way, Qwest would
still incur costs that are recovered in the QPF to plan, engineer and administer the
requested work. Fourth, this issue has not been presented in CMP, and neither Qwest nor
this Commission has any idea, therefore, whether other CLECs would want their prior
quotes posted on a public website—even if their name is redacted from the quote. Fifth,
and perhaps most fundamentally, if Eschelon wishes to challenge the QPF, or argue that
it should not apply in some circumstances (such as an identical quote), it should make
those argument in an appropriate cost proceeding. As Qwest witness Teresa Million
testifies in both her Direct and Responsive Testimony, an interconnection arbitration
proceeding is not the appropriate forum to consider cost-based evidence and establish
wholesale rates.

A.

Q. WHAT DOES ESCHELON STATE AS THE BASIS FOR ITS PROPOSED LANGUAGE?

A. In his Direct Testimony Mr. Denney introduces this issue by stating that "[t]he goal of Eschelon's language is to ensure that Qwest does not have the ability to charge Eschelon for work for which Qwest has already been compensated. Denney Direct Testimony, p. 84, lines 1-2. As I stated in my Direct Testimony, however, Qwest has *not* already been compensated for the work in question here. The Quote Preparation Fee that Qwest charges is specific to the request made by the CLEC. Mr. Denney argues that "Qwest has a posted collocation for which it has already been paid to calculate a price. In this situation Qwest should not charge a second time to prepare a quote that already exists."

Denney Direct Testimony, p. 84, lines 4-5. As I previously testified, however, the quote does NOT already exist. Eschelon's quote will assuredly be different than the prior quote.

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Q. WHY IS MR. DENNEY'S CHARACTERIZATION OF THIS ISSUE INCORRECT?

15 A. I do not disagree with Mr. Denney's premise—just his very flawed conclusion. Where 16 CLEC A requested an Available Inventory site Owest would indeed have prepared a quote to reflect what it would cost CLEC A to provision the site as requested by CLEC 17 18 A, and Qwest would have been paid the QPF associated with planning, engineering, 19 administering that request and preparing a quote for CLEC A. If CLEC A decides not to 20 proceed with that order, however, and CLEC B later orders that same site, Mr. Denney is 21 simply wrong when he assumes that Qwest can use CLEC A's quote as the quote for 22 CLEC B. Qwest must prepare a new and different quote, reflecting CLEC B's different order. Qwest is not, as Mr. Denney claims, "charging a second time to prepare a quote 23 24 that already exists." The quote for the second CLEC does not, in fact, exist. Never once, in Qwest's experience, has a second CLEC ordered an Available Inventory site provisioned identical to how a previous CLEC might have ordered that site.

A.

Q. WHY IS ESCHELON'S REQUEST THAT QWEST POST PRIOR AVAILABLE INVENTORY QUOTES ILLOGICAL?

For the same reasons I describe above, Eschelon's request that Qwest post a specific previous quote based on the specific previous request of a different CLEC is pure make work. Eschelon claims to need this information to make a new/used buy decision, but as I explained in my Direct Testimony, previous quotes prepared for a different CLEC with different requests won't help Eschelon make that determination. Further, as I explained in my Direct Testimony, Eschelon will already have every data point it needs to estimate what it will be required to pay to have an Available Inventory site tailored to its particular specifications. In fact, Eschelon has BETTER data points to make this estimate than does Qwest, as Qwest cannot know in advance which CLEC, if any, will order an Available Inventory site, or what that CLEC will require in terms of circuit terminations and power. The ordering CLEC obviously will know what it requires in those regards. Attached as Exhibit RJH-3 to my testimony is a quote that was previously prepared for Eschelon for an Available Inventory site in Minnesota. This previous quote, which was not accepted by Eschelon, illustrates just why prior quotes would not be needed for any CLEC, including Eschelon, to determine what it will pay for an Available Inventory site.

Q. PLEASE DESCRIBE EXHIBIT RJH-3 IN GREATER DETAIL.

A. Exhibit RJH-3 is a quote that Qwest prepared, in response to an order from Eschelon, for an Available Inventory site in Minnesota. Eschelon ultimately did not accept the quote and proceed with the job, so the site was returned to inventory. Eschelon's argument is

that it might be useful for a CLEC potentially interested in that site to be able to review this quote at some point in the future, to determine what that site might cost. A review of Exhibit RJH-3, however, reveals that all of the data contained in that quote would already be available to that CLEC. The USOCs, the rate elements (e.g., DSO terminations), the quantity of each rate element, the description of the element, the unit price for each element, the total price (which is just the unit price times the quantity), and the 50% discount on nonrecurring charges are all-- all already known by the CLEC. The quote would tell a future, interested CLEC nothing that it does not already know. This notion that the CLEC would "need" the prior quote to determine or estimate a price for the site is sheer fantasy.

A CLEC could determine all of the unit prices from its own rate sheet.¹ The CLEC would certainly know the quantity it desired for each element; the prior quote, reflecting the quantities desired once upon a time by a different CLEC, would be utterly irrelevant. The 50% discount on nonrecurring charges is standard, and specified in Qwest's PCAT. In short, if another CLEC were interested in this Available Inventory, this prior quote would be of no use whatsoever. I suspect the real and only reason Eschelon wants to see these prior quotes is not to calculate the price for a given site, which it can already do, but to be able to argue that if it orders a previously quoted site, it should not be required to pay the QPF.

Q. WOULDN'T ESCHELON'S LANGUAGE STILL ALLOW QWEST TO CHARGE

In particular, as to the rate element unit prices contained in the quote, the interested CLEC not only could, but should review its own rate sheet to determine the appropriate rates. Trying to estimate what the CLEC might pay for the site from a prior quote could produce a very erroneous estimate, because the rate elements indicated in the quote may have changed over time, and in any event the quantities desired by the interested CLEC will be different than the quantities priced out in the prior quote.

THE QPF IF "QWEST CAN ESTABLISH A CHANGE IN CIRCUMSTANCE

AFFECTING PRICE?"

Yes, that is what Eschelon's proposed language says—but I don't know what that means for certain. First, it seems to impose some kind of burden on Qwest "to establish" the change in circumstance. That would seem to leave open the possibility that Eschelon would disagree that there has been a "change in circumstance affecting price." Second, Eschelon's language does not specify what would constitute such a "change in circumstance affecting price." That language is vague, and could very easily lead to disputes down the road. In the Minnesota arbitration hearing Mr. Denney agreed that such a "change in circumstances affecting price" would include changes to a rate, or changes to the quantity of a given circuit termination requested by Eschelon, vis-à-vis the prior quote. For instance, Mr. Denney indicated that an increase or decrease by one of a given circuit type (e.g., one more DSO than the original quote, or one less DS3 than the original quote) would be such a "change in circumstance affecting price." If that is true, then there can be no good reason to keep this language so vague. If what Eschelon means is that it will pay the QPF if its quote is different than the prior quote in any way (aside from the name of the ordering CLEC), then that is what it should say, rather than leaving open the possibility for dispute down the road. The Commission should not adopt language that is almost certain to breed future disputes.

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Q. DO YOU AGREE WITH ESCHELON THAT THERE SHOULD BE NO QPF CHARGE IF ESCHELON'S QUOTE IS IDENTICAL TO THE PRIOR QUOTE?

A. No. As Ms. Million explains in her testimony in more detail, even if the quote is identical in every way, Qwest still undertakes efforts and incurs costs that are recovered by the QPF. Qwest still needs to intake and process the order, plan and engineer and

administer the job, and those costs are also recovered in the QPF. The QPF recovers more than just the costs of physically preparing the quote. Accordingly, if Qwest cannot charge the QPF for an identical quote, then Qwest will be denied cost recovery. If Eschelon believes that Qwest incurs fewer costs to prepare a quote that is identical to a prior quote, then Eschelon should present that argument in an appropriate cost proceeding. Eschelon thus far has presented no evidence in this proceeding that would demonstrate the degree of cost-saving realized by Qwest, if any, in the event that an identical quote situation ever arose. Again, though, that has never happened.

A.

Q. ASIDE FROM THIS ISSUE RELATING TO THE QPF AND COST RECOVERY, WHY IS QWEST NOT WILLING TO POST PRIOR QUOTES?

There are three primary reasons why Qwest will not agree to post prior quotes. First, this will change Qwest's current process, and Qwest will incur costs to alter its website to accommodate such quotes. Qwest will also incur compliance costs to maintain these prior quotes and make them available on the website. Eschelon's proposal makes no allowance for Qwest to recover these costs. Second, there is no time limit to Eschelon's proposal. If the Commission adopts Eschelon's language, Qwest would apparently be required to maintain these prior quotes on its website indefinitely—quite possibly for decades. This ties in to my first point as well. The compliance costs of maintaining prior quotes indefinitely would be considerable. By contrast, the utility of maintaining these prior quotes for years and years is limited, or non-existent, since they will become stale based on changes in wholesale rates, and particularly given that they have no real utility even when first posted, per my testimony above. All information in a prior quote would already be available to a CLEC interested in a given site. Third, other CLECs might not want their prior quotes posted on a public website.

1 Q. DOESN'T ESCHELON'S REVISED LANGUAGE, WHICH WOULD PERMIT 2 QWEST TO REDACT THE CLEC'S NAME BEFORE POSTING A PRIOR 3 **QUOTE, ELIMINATE THIS CONCERN?** 4 A. I don't know, and neither does this Commission, because Eschelon has not brought this 5 issue to CMP. It is certainly possible that other CLECs might not want their prior quotes 6 posted, even if their name is redacted. The only way to know for sure is to ask them, in 7 CMP, or in a proceeding not limited to a single CLEC. 8 9 WHAT DO YOU RECOMMEND? Q. 10 I respectfully recommend that for all these reasons the Commission reject Eschelon's A. 11 additional proposed language at Section 8.1.1.10.1.1.1 in its entirety. If the Commission 12 is inclined to consider Eschelon's language it should, at minimum, impose some time 13 limit on how long prior quotes must remain posted to the website, and clarify Eschelon's 14 vague language ("changed circumstance affecting the price") regarding the QPF. 15 16 Q. WHAT IS THE ISSUE IN DISPUTE IN ISSUE 8-20(A)? 17 As I explained in my Direct Testimony, a Special Site is an Available Inventory site that A. 18 has been returned to Qwest through abandonment or bankruptcy. The dispute here is 19 over the charge that Qwest will impose to prepare a quote for a Special Site where the 20 ordering CLEC requests an augment to the site. Consistent with other sections of the 21 ICA, Qwest will charge a QPF if the CLEC requests an augment to the site. If the CLEC

orders the Special Site "as is" – a rare occurrence, to be sure, but at least a possibility--

then Qwest will impose a lower Special Site Assessment Fee, as would be appropriate

given the lesser effort to prepare a quote for an "as is" site.

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Q. WHY DOES ESCHELON DISAGREE WITH QWEST'S LANGUAGE?

A. Mr. Denney argues that Qwest's language in ICA Section 8.2.10.4.3, indicating that Qwest will charge the QPF when the CLEC requests an augment, is inconsistent with 4 "closed language" in the ICA. I disagree, for several reasons. First, the fact that Qwest 5 will impose a QPF when a CLEC requests an augment to an Available Inventory site is 6 perfectly consistent with other sections of the ICA where Qwest imposes the QPF to determine how to provision the requested augment. Second, Mr. Denney seems to be 8 suggesting that Qwest should not be allowed propose language simply because Eschelon 9 believes that the proposed language is not consistent with other closed language in the 10 ICA. Qwest obviously believes it is perfectly consistent or it would not be proposing the language, but regardless, Qwest is certainly allowed to propose the language. In any 12 case, I believe that Mr. Denney's reading and interpretation of the language in this 13 section is simply wrong, as I explain below.

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Q. MR. DENNEY STATES THAT QWEST'S PROPOSED LANGUAGE IS INCONSISTENT WITH LANGUAGE DESCRIBING THE SPECIAL SITE ASSESSMENT FEE. DO YOU AGREE?

18 No. Mr. Denney is misreading the language in Section 8.2.10.4.3. Mr. Denney focuses A. 19 on language in that section stating that "[u]pon completion of the survey Qwest will 20 prepare a quote based on the site inventory and any requested modifications to the site." 21 All this language is saying is that Qwest will prepare a quote after the site survey. That 22 quote will indicate the cost to provision the site as requested by the CLEC. If the CLEC 23 requests modifications, the quote will obviously reflect the cost to make those 24 modifications. This language simply addresses the information that the quote will 25 **contain**, not the appropriate charge to **prepare** the quote and administer the work

1		required by the CLEC request. When a CLEC orders a Special Site Qwest will prepare a
2		quote. It doesn't matter whether the CLEC requested modifications or not. Qwest will
3		prepare a quote. The quote will state the cost to provision the site as requested by the
4		CLEC. If the CLEC requests the site "as is," then Qwest will charge the "Special Site
5		Assessment Fee." If the CLEC requests modifications—which translates to a greater
6		level of effort on Qwest's part to determine how to fulfill the CLEC's request then
7		Qwest will charge the higher QPF. The issue is that simple. If Eschelon believes that the
8		QPF is inappropriate here then Eschelon can and should take that issue to an appropriate
9		cost proceeding.
10		
11		V. CRUNEC
12	Q.	MR. STARKEY ADDRESSES CRUNEC IN HIS DIRECT TESTIMONY
13		RELATING TO CMP ISSUES. CAN YOU PROVIDE AN OVERVIEW OF THE
14		CRUNEC SERVICE?
15	A.	Competitive Local Exchange Carrier (CLEC) Requested Unbundled Network Elements
16		(UNE) Construction (CRUNEC) provides a method where a CLEC may request Qwest to
17		construct new facilities for utilizing Qwest's Unbundled Network Element (UNE)
18		facilities. CRUNEC is not required for requests that can be resolved through facility
19		work or assignments. The CRUNEC process is available at the following wholesale
20		website: http://www.qwest.com/wholesale/clecs/crunec.html
21		
22	Q.	DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?
23	A.	Yes it does.