

1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION

3 In the Matter of the)
 Investigation into)
 4)
 U S WEST COMMUNICATIONS, INC.'s) Docket No. UT-003022
 5)
 Volume XXI
 Compliance with Section 271 of) Pages 2944 to 3118
 6 the Telecommunications Act of)
 1996)
 7 -----)
 In the Matter of)
 8)
 Docket No. UT-003040
 U S WEST COMMUNICATIONS, INC.'s) Volume XXI
 9)
 Pages 2944 to 3118
 Statement of Generally)
 10 Available Terms Pursuant to)
 Section 252(f) of the)
 11 Telecommunications Act of 1996)
 _____)
 12

13 A workshop in the above matters was held on
 14 March 13, 2001, at 9:00 a.m., at 1300 South Evergreen
 15 Park Drive Southwest, Olympia, Washington, before
 16 Administrative Law Judge ROBERT WALLIS.

17 The parties were present as follows:

18 THE WASHINGTON UTILITIES AND TRANSPORTATION
 COMMISSION, by PAULA STRAIN, DAVE DITTEMORE, 1400 South
 19 Evergreen Park Drive Southwest, Post Office Box 40128,
 Olympia, Washington, 98504-0128.

20 WORLDCOM, INC., by ANN HOPFENBECK, Attorney
 21 at Law, 707 - 17th Street, Suite 3600, Denver, Colorado
 80202.

22 AT&T, by RICHARD WOLTERS and DOMINICK SEKICH,
 23 Attorneys at Law, 1875 Lawrence Street, Suite 1575,
 Denver, Colorado 80202.

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

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1 QWEST CORPORATION, by ANDREW CRAIN, JOHN
2 MUNN, LISA ANDERL, MARK REYNOLDS, and JEFF OWENS,
3 Attorneys at Law, 1600 Seventh Avenue, Suite 3206,
4 Seattle, Washington 98191.

5 ELECTRIC LIGHTWAVE, INC.; ADVANCED TELECOM
6 GROUP, INC.; and XO WASHINGTON, INC.; via bridge line,
7 by GREGORY J. KOPTA, Attorney at Law, Davis, Wright,
8 Tremaine, LLP, 1501 Fourth Avenue, Suite 2600, Seattle,
9 Washington 98101.

10 MCLEOD USA TELECOMMUNICATIONS SERVICES, INC.,
11 by MARIANNE HOLIFIELD, Attorney at Law, 10021 - 41st
12 Avenue Northeast, Seattle, Washington 98125.

13 COVAD COMMUNICATIONS COMPANY, by BROOKS E.
14 HARLOW, Attorney at Law, 601 Union Street, Suite 4400,
15 Seattle, Washington 98101

16

ALSO PRESENT:

17

18 JILL WICKS, WorldCom
19 LORI SIMPSON, Qwest
20 MICHAEL HYDOCK, AT&T
21 KENNETH WILSON, AT&T
22 MICHAEL ZULEVIC, Covad
23 RACHEL TORRENCE, Qwest
24 NANCY LUBAMERSKY, Qwest
25 KAREN STEWART, Qwest

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P R O C E E D I N G S

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JUDGE WALLIS: Let's be on the record, please, for the Tuesday, March 13 session in the Commission Docket Numbers UT-003022 and 3040. First matter to accomplish this morning is to identify for the record two documents that have been distributed by AT&T as potential exhibits during today's session.

8

The first is designated 9.6.4.1.4 and is marked as Exhibit 627 for identification. We acknowledge that lower on the page is 9.6.4.1.5 about which the discussions will apparently be centered.

12

The second document is marked as Exhibit 628 for identification. It is a one page document bearing the designation 9.1.2 beneath the legend, to replace the existing section in its entirety. Also in the way of preliminary matters to today's session, it's my understanding that Qwest has some follow-up responses to matters raised yesterday.

19

Mr. Munn.

20

MR. MUNN: Thank you, Judge, John Munn for Qwest. First of all, in response to the Records Requisition Number 6, which was a request for Qwest to provide a list of features that exist, vertical switch features that exist, along with a list of comparable features that are provided through AIN capabilities, the

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1 response to that request, and if we receive it in
2 writing, we can also respond in writing, but I wanted
3 you to hear it now, is that there are vertical switch
4 features that reside on Qwest switches. There are no
5 functionally equivalent like features in Qwest's AIN
6 platform. So the matrix would -- there's no matrix to
7 create, because the vertical switch features don't --
8 there's not a corresponding function performed by the
9 AIN feature.

10 MR. WOLTERS: John, I think what I was --
11 let's put it another way. Are you saying that for the
12 AIN features, there is no functionally equivalent switch
13 based feature for those AIN features?

14 MR. MUNN: Correct. For example, privacy
15 plus is an AIN feature. There's not a corresponding
16 functionally equivalent vertical switch feature.

17 MR. WOLTERS: I believe if that's the
18 company's representation, then I would assume there's
19 really no written answer to provide, and I would just
20 take your oral answer on the record as sufficient.

21 MR. MUNN: Thank you.

22 MS. HOPFENBECK: Can I follow up with a
23 question about this, Your Honor.

24 Mr. Munn, I was curious, you know, Qwest has
25 modified its SGAT to provide that if there is a resident

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1 vertical feature in a switch that it then -- that Qwest
2 then for its own purposes begins providing through the
3 AIN, through AIN, it will maintain that feature's
4 functionality on the switch. Now what I have -- so that
5 I understand is a sort of going forward process; is that
6 right?

7 MR. MUNN: I think that's accurate, yes.

8 MS. HOPFENBECK: Now has Qwest -- do you know
9 whether Qwest has begun providing features by way of AIN
10 that were at one time features provided on the switch
11 but are no longer on the switch? I mean the --

12 MS. TORRENCE: If I could respond to that,
13 this is Rachel Torrence for Qwest. It's my
14 understanding that --

15 JUDGE WALLIS: Could you pull the microphone
16 closer to you, please.

17 MS. TORRENCE: It's my understanding that
18 there are certain features that are being developed such
19 as the 711, which is the teletype for the hearing
20 impaired, that were initially switch based functions,
21 but when they go deployed on the N11 platform that they
22 will be migrating over to the AIN, but I'm not sure yet
23 where that stands. But those are the type of features
24 we were anticipating.

25 MS. HOPFENBECK: So there aren't any -- I

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1 guess my question is that are there any features that
2 your functions that you're providing on the -- via the
3 AIN network that are capable of being provided on the
4 switching, in a switch based fashion?

5 MS. TORRENCE: Not at this time, no.

6 MS. HOPFENBECK: Okay.

7 MR. MUNN: Okay, I think the next issue that
8 we need to address, Ms. Simpson will.

9 JUDGE WALLIS: Ms. Simpson.

10 MS. SIMPSON: Good morning. We have a change
11 or something we would like to point out in Section
12 9.11.5 of the SGAT that we have been using as an
13 exhibit, and this is on page 30. I will give you a
14 second to look that up before I talk about it. At the
15 beginning of that section, you will notice there's some
16 new language added. This is language that I think
17 WorldCom or perhaps AT&T proposed in another state. It
18 was not our intention to add that language to this
19 version of the SGAT. We had a clerical error and added
20 it inadvertently.

21 We took your notes as to your wish for us to
22 add this language, but we weren't ready to agree to it
23 yet. We are still considering it. We had hoped to be
24 ready today either to accept it or to propose different
25 language. In fact, undoubtedly it will be the latter,

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1 that we would propose different language. We aren't
2 prepared to do that today. We will be prepared to do it
3 next week in Colorado, and we will bring back any
4 changes that we propose and that we agree on to
5 Washington. But for today, we would like you to take
6 out that underscored sentence at the beginning of
7 9.11.5, and I'm sorry for that mistake.

8 MR. WILSON: Is this the sentence that reads,
9 Qwest shall record all billable events --

10 MS. SIMPSON: Yes, that's correct.

11 MR. WOLTERS: And in Colorado, that was
12 switch issue 25.

13 MS. SIMPSON: Yes.

14 MR. WOLTERS: Whether you should roll that
15 into 11.5, and that was open in Colorado.

16 MS. SIMPSON: That is correct.

17 MR. WOLTERS: So what you're saying is you
18 still haven't made any decisions either way.

19 MS. SIMPSON: That's right.

20 MR. WOLTERS: So you don't want to reflect it
21 here.

22 MS. SIMPSON: That would be correct. If you
23 want to add an issue to the switching issues list, that,
24 of course, would make sense.

25 MR. WOLTERS: That's what we think we should

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1 do.

2 MS. SIMPSON: Okay.

3 MR. WOLTERS: In Washington we need to add an
4 issue for this.

5 MS. SIMPSON: So it will be switching 21, the
6 SGAT section, if that's acceptable, Your Honor, that's
7 9.11.5, and the issue is addition of language proposed
8 by I think AT&T.

9 MR. WOLTERS: No, it was WorldCom.

10 MS. SIMPSON: It was WorldCom, okay. I think
11 that's what Andy thought, but I wasn't sure, okay.

12 MS. STRAIN: 21?

13 MS. SIMPSON: Yes, switching 21.

14 JUDGE WALLIS: Let's be off the record for
15 just a moment.

16 (Discussion off the record.)

17 MS. SIMPSON: We do have some SGAT language
18 to propose that is in response to our discussions of
19 yesterday. I think it's being handed out right now, so
20 it would need to be marked.

21 JUDGE WALLIS: And where would these best
22 belong in our sequence of exhibits?

23 MR. MUNN: I think we should begin at 585
24 would be the next exhibit, and maybe it's more
25 appropriate to wait until they're actually handed out to

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1 everyone before we begin the discussion. The purpose of
2 these changes are to address and try to resolve some of
3 the issues or discussions that came up yesterday.

4 For Exhibit Number 585 I think can be the
5 single sheet that has been handed out, SGAT Section
6 9.11.1.9.2.

7 Exhibit --

8 JUDGE WALLIS: Just a moment please.

9 Very well.

10 MR. MUNN: Exhibit 586 will be 9.11.1.11.1.4.

11 Exhibit 587 will be 9.11.1.8.

12 And Exhibit 588 will be 9.11.1.3.1.

13 Exhibit 589 will be 9.11.2.10.

14 JUDGE WALLIS: Let's be off the record for a
15 moment.

16 (Discussion off the record.)

17 JUDGE WALLIS: Mr. Munn.

18 MR. MUNN: We can look at these kind of
19 together for the first four exhibits, it would be
20 Exhibit 585, 586, 587, and 588. And before we look at
21 these specific provisions, the point of this is to
22 simplify, and if it doesn't accomplish that, we can work
23 out another solution.

24 What we had noticed is in 9.11.1.8, which is
25 Exhibit 587, if you turn there in the SGAT that we're

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1 using in this docket, which is Exhibit 573, you see that
2 the old 9.11.1.8 has been completely marked out, and
3 there was a new one added below it. What we realized is
4 that there are some other provisions that refer to some
5 vertical features that are available with particular
6 ports. For example, 9.11.1.9.2 related to some vertical
7 features available with digital line side ports, not an
8 all inclusive list, it was just kind of by way of
9 example. The same thing can be said of 9.11.1.11.1.4,
10 which related to PRI ISDN trunk ports.

11 So what we have done is instead of having
12 these separate sections, let's just make it clear that
13 all vertical features are available with these trunk
14 ports and put it in a location that will apply to all
15 trunk ports instead of trying to recreate this each time
16 for every type of trunk port. So what we have done, if
17 you -- 9.11.1.8 has been deleted, because the substance
18 of that has been moved up kind of in the SGAT. We have
19 moved it to 9.11.1.3.1, which would precede the section
20 that says, line ports include, and it gives you analog,
21 line port, digital line port.

22 And so the exhibit that we would be referring
23 to is 588, and that section is 9.11.1.3.1, and it is
24 identical to what everybody has in their SGAT as
25 9.11.1.8 with the addition of one sentence, which I

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1 think should be agreeable to everyone, but the sentence
2 is the third sentence in 9.11.1.3.1, which says:

3 The special request process contained in
4 Exhibit F of this agreement should be
5 used when ordering the activation and/or
6 loading the vertical features on the
7 switch.

8 Just to clarify how that process is to be
9 used. So what we have in essence done is thought, let's
10 just make it clear that all the vertical features are
11 available, they're listed in Exhibit E of the agreement,
12 instead of trying to break it down separately for each
13 type of trunk port. So we would propose to add the new
14 Section 9.11.1.3.1 and to delete the existing Sections
15 9.11.1.8, 9.11.1.11.1.4, and 9.11.1.9.2.

16 MR. SEKICH: Just a question, part of your
17 proposal would be to include a new exhibit, Exhibit E,
18 that would list the vertical features separately; is
19 that correct?

20 MR. MUNN: No, it's not a new exhibit. It's
21 actually attached to Ms. Simpson's testimony, rebuttal
22 testimony. Let me get the -- it's Exhibit 579 in this
23 proceeding, which is exhibit LAS-22 attached to
24 Ms. Simpson's rebuttal testimony.

25 MR. SEKICH: Thank you. I think this does

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1 simplify the provision and is probably appropriate. I
2 think it's probably a reasonable resolution of some of
3 our concerns.

4 MR. WOLTERS: One thing, John, I think your
5 9.11.1.8, Exhibit 587 that shows a strike out, the
6 language in there is not the same language that's
7 contained in KAS-24, so there's a miss -- I think
8 there's a sentence omitted about Exhibit E.

9 MR. MUNN: You're right, we will correct --
10 assuming that we all come to agreement on this change,
11 we will submit a new Exhibit 587 if that is appropriate
12 to Judge Wallis and to the parties that obviously word
13 for word tracks the language of what's in the SGAT that
14 we are all working from just so there's no confusion.

15 JUDGE WALLIS: Yes.

16 MR. MUNN: I appreciate you pointing that
17 out.

18 JUDGE WALLIS: Please identify it on the face
19 of the document as a substitute exhibit, and that will
20 help us to assure that we have the right document before
21 us when we refer to it on the record.

22 MS. HOPFENBECK: I just, this is Ann
23 Hopfenbeck for WorldCom, I just don't want to lose sight
24 of the fact that we have deferred the issue with respect
25 to the appropriateness of having the question of

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1 activation or loading additional features under the
2 special request process to the general terms and
3 conditions workshop, so that closing this issue would be
4 still subject to that reservation.

5 MR. SEKICH: Of course AT&T agrees with that
6 and sort of premised our remarks on that assumption,
7 thank you.

8 MR. MUNN: And I believe that these SGAT
9 changes we have just been discussing, Exhibits 585
10 through 588, they all relate to switching issue 19 in
11 this docket, so I think assuming we have everyone's
12 agreement, we can close that issue.

13 MR. SEKICH: John, that was 19?

14 MR. MUNN: Right, I had that down on my list
15 as switching 19.

16 MR. SEKICH: I think that's fine.

17 MR. MUNN: So we can show switching issue 19
18 as closed, and the additional SGAT pages are being
19 handed out now, but we do have some that you already
20 have that we can go ahead and discuss, so I think we can
21 begin that with Lori.

22 MS. SIMPSON: Exhibit that's just been handed
23 out earlier this morning, 589, this is a very simple
24 one. We just wanted to make clear that we put back the
25 word Centrex in provision 9.11.2.10. It's not a -- I

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1 don't think it's a follow-up item on our agenda. And
2 hopefully now you have four more changes to the -- oh,
3 you have two more changes to the SGAT to be followed by
4 two more that again are based on agreements we made
5 yesterday.

6 MR. MUNN: For exhibit identification
7 purposes, these two that we just received, maybe we
8 should assign the exhibit number now, Exhibit Number
9 591.

10 MR. WOLTERS: 590.

11 MR. MUNN: You're right, I wrote something
12 assuming we had actually handed it out. Okay, Exhibit
13 Number 590 will be SGAT Section 9.23.5.5.

14 JUDGE WALLIS: Would you repeat that number,
15 please.

16 MR. MUNN: Yes, sir, Exhibit 590 will be SGAT
17 Section 9.23.5.5.

18 Exhibit Number 591 will be 9.11.2.5.7.

19 JUDGE WALLIS: Let's be off the record for
20 just a second.

21 (Discussion off the record.)

22 JUDGE WALLIS: Let me state for the record
23 that the documents as described consisting each of a
24 single page are marked with the exhibit numbers that
25 have been designated.

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(The following exhibits were identified in
conjunction with the testimony of LORI SIMPSON.)

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Exhibit 592 is proposed changes to 9.11.2.5.

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Exhibit 593 is proposed changes to 9.11.1.1.1.

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MS. SIMPSON: May I proceed?

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JUDGE WALLIS: Yes.

9

10

MS. SIMPSON: I would like to start by
drawing your attention then to Exhibit 593, and this
relates to switching issue 18 on our list. This was an
issue concerning reference to the fact that a CLEC could
provide access to its own or a third party's directory
assistance or operator services when it purchases
unbundled switching from Qwest.

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So what I have done, rather than try to make
a reference in every type of port that's described in
the SGAT, what I have done is deleted that reference
from Section 9.11.1.9.1, and that's the sentence that's
crossed out toward the end of the excerpt that you have
on this exhibit. That's the only change that we would
make to that section even though the whole section is
not reproduced here. So the only change would be
striking that sentence.

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25

And then what I propose is that we add a

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1 section that would be 9.11.1.6.1 higher up in the SGAT,
2 if you will, and it provides for the thing that we're
3 discussing, and that is that CLECs can provide access to
4 their own directory assistance or a third party's
5 directory assistance and/or operator services.

6 MR. WOLTERS: John, right now if you look at
7 9.11.1.6.1, you already have a section numbered that
8 same number.

9 MS. SIMPSON: I'm sorry about that, we will
10 need to pick another number, which we will do, perhaps
11 9.11.1.6.10, not because that's logically the best
12 place, but because we can't create other numbers here.

13 MS. HOPFENBECK: I guess I just question
14 whether it really is appropriately a subset of 9.11.1.6.

15 MS. SIMPSON: Yeah, we can certainly put it
16 elsewhere if you can agree to the language, and perhaps
17 it would be better under 9.11.1.1.

18 MR. WOLTERS: Sure.

19 MS. SIMPSON: So 9.11.1.1.1.

20 MR. WOLTERS: Sure.

21 MS. HOPFENBECK: That looks pretty good.

22 MS. SIMPSON: Is that okay?

23 MR. SEKICH: Yes.

24 MR. MUNN: Would it be -- we can either have
25 people note this on your Exhibit 593 in writing just in

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1 pen, or we can hand out a corrected 593. Is it okay if
2 you just note that number on Exhibit 593? You can just
3 mark out 9.11.1.6.1 and in its place put 9.11.1.1.1.

4 JUDGE WALLIS: Yes, that would be fine. If
5 you could please have the witness make that change on a
6 document copy of that exhibit and initial it, then we
7 will use that as the official exhibit.

8 MR. MUNN: We will do that.

9 MS. SIMPSON: And then would that close
10 switching 18 for all of us?

11 MR. MUNN: Lori, it does for me.

12 MR. SEKICH: Yes, it closes the issue for
13 AT&T, thank you.

14 MS. SIMPSON: All right, moving on then to
15 Exhibit 592, and this relates to switching item 8. I
16 tried to capture here the discussion we had yesterday
17 about the fact that a CLEC could order unbundled
18 switching at market based rates, and actually Exhibit
19 591 is also I believe part of switching item 8, and I
20 have made additional changes to capture our discussion
21 yesterday about a CLEC's opportunity to order new
22 unbundled switching or unbundled UNE-P at whatever
23 quantities they desire, and it's not limited to
24 conversions of existing services. I don't know if I
25 have captured everyone's ideas in our discussion

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1 yesterday.

2 Ms. Hopfenbeck, in particular, if you could
3 tell me whether this meets your needs.

4 MR. SEKICH: A few clarifying questions.
5 This still leaves open issue switching 10, which I
6 believe is the question as to whether or not lines one
7 through three will be provided at UNE rates or at market
8 rates. And I think AT&T's intention here, to the extent
9 we would agree to the language, would be that that issue
10 remains open and needs to be resolved.

11 In addition, it would be AT&T's intention or
12 belief that this language would permit I guess the
13 combination of unbundled UNE platforms for lines four
14 and above even though they may not be offered at UNE
15 rates. In other words, customers could be served with
16 four or more lines in what is essentially the UNE-P
17 platform regardless of the rates to be charged to the
18 CLEC; is that correct?

19 MS. SIMPSON: Yes, that is correct, and I do
20 recognize that you reserved the issue about what the
21 correct price is for lines one through three.

22 MR. MUNN: Dom, my exhibit or matrix of
23 issues shows that that is UNE-P 12 market based.

24 MR. WOLTERS: John, you're right, I think the
25 problem is that you may have the switching issue if you

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1 buy the switch alone and not just if you buy the
2 platform. So I think what Dom has done is added in the
3 lines one through three issue in 10.

4 MR. MUNN: I do have that at impasse, I just
5 didn't --

6 MR. WOLTERS: Well, I thought 10 was the
7 location issue, but if you look at switching, you don't
8 have an issue for lines one through three rates anywhere
9 else, so you could make it a separate line item,
10 switching, and reflect it both at UNE-P and switching or
11 add it to one of the other numbers. It's really
12 whatever you want to do. It is a switching issue.

13 MR. MUNN: Since switching 10 is at impasse,
14 there's not a -- I'm fine with fitting the lines one
15 through three in with issue 10 as well as the location
16 issue. That's fine with me.

17 MR. WOLTERS: That's fine with AT&T.

18 MS. STRAIN: Could you just recap that,
19 please, for my benefit.

20 MR. MUNN: Sure, for switching 10, it is at
21 impasse, and there are two items of switching 10 that
22 are at impasse. One is the location of end user
23 customers, which is what I had down on my list. And
24 then also for unbundled switching lines one through
25 three, whether that should be at the market rate versus

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1 TELRIC rate. That's the same issue as UNE-P 12. It's
2 just UNE-P 12 is obviously in the UNE-P context, and
3 this captures it for unbundled switching as well.

4 MS. STRAIN: Okay, does this close item SW-8?

5 MR. SEKICH: Yes, I think it does for AT&T.

6 I think WorldCom has perhaps some comments.

7 MR. WOLTERS: And before, John, I think what
8 we -- we keep the same convention we were doing in
9 Colorado, I think why don't we just do the wire center
10 issue as 10(a) and the lines one through three rate
11 issue as 10(b).

12 MR. MUNN: That's agreeable to us. So
13 switching 10(a) would be the location issue; switching
14 10(b) would be market versus TELRIC, lines one through
15 three.

16 MS. HOPFENBECK: With respect to WorldCom's
17 concerns raised yesterday that Qwest modify the SGAT to
18 clarify that in density zone 1 we can order the -- we
19 can order the platform for four or more lines, I think
20 your changes have satisfied that concern, so that we are
21 closed on that aspect of the issue and would just
22 reiterate that we are still some open issues as to 10(a)
23 and 10(b) as Mr. Munn has just identified those issues.

24 MR. MUNN: So is everyone in agreement that
25 we can close switching 8?

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1 It sounds like we are, there's no -- so we
2 can close switching 8.
3 MS. STRAIN: Could you give us an SGAT
4 section number for issue 10(b), please.
5 MS. SIMPSON: I think it would be 9.11.2.5.7.
6 MS. STRAIN: Okay.
7 MS. SIMPSON: If AT&T agrees and WorldCom.
8 MR. SEKICH: (Nodding head.)
9 MS. HOPFENBECK: I think it's actually
10 probably two sections, because that's the market rates
11 issue.
12 MS. SIMPSON: 9.11.2.5 also?
13 MS. HOPFENBECK: Yes, I think. I'm losing my
14 exhibits.
15 MS. SIMPSON: I think it's both of those.
16 WorldCom, Ms. Hopfenbeck, is that good, or
17 are you still looking?
18 MS. HOPFENBECK: Yeah, I think that's it.
19 MR. WOLTERS: I think it's 9.11.2.5.7
20 captures.
21 MS. SIMPSON: Okay.
22 MR. WOLTERS: At least for AT&T.
23 MS. SIMPSON: Okay.
24 MS. HOPFENBECK: I want to have 9.11.2.5
25 added onto that too, because I think that sentence is

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1 inconsistent with the position that we're taking. This
2 is the revised one, Rick, at Exhibit 592.

3 MS. SIMPSON: That's fine with Qwest.

4 If we could move on to the last exhibit then
5 if that one is documented adequately. 590 is the last
6 exhibit we handed out, and this goes to issue UNE-P-7.
7 This is about listings. We have drafted some language
8 to address the lengthy discussion we had about retyping
9 and accuracy of listings, so we would be interested in
10 whether this meets your objectives. And this is
11 9.23.5.5 of the SGAT.

12 MR. WOLTERS: What was the exhibit number
13 again, please?

14 MS. SIMPSON: 590.

15 MS. WICKS: I think generally this addresses
16 WorldCom's concern. The only issue I think that remains
17 in the language you have provided in Exhibit 590 is to
18 the extent that Qwest provides the option, and maybe
19 just for our edification, to what extent does Qwest
20 offer the option of specifying the end user customer
21 existing listings to be just retained?

22 MS. SIMPSON: That would be pretty much a
23 system issue depending on what you're doing with an
24 existing listing, what type of order you might be
25 placing, a conversion of resale, a conversion of retail,

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1 some other type of order. IMA would dictate to a
2 certain extent or EDI whether you can merely say recap
3 this listing versus having us or IMA to the system
4 indicate to the CLEC that the CLEC has to re-enter the
5 system. So it's really dictated by the process that the
6 CLEC is using to send its orders and its listings to us,
7 which is the reason we couldn't make a blanket statement
8 that we will never ask you to reenter an existing
9 listing. It just may not always be the case.

10 I also want to be clear that Qwest doesn't
11 generally retype listings that don't change, if I wasn't
12 clear about that yesterday. I just can't make that
13 blanket statement that we never do. But I don't want to
14 leave any impression that we as a uniform or regular
15 practice retype every single listing that a CLEC isn't
16 changing. Obviously there's flow through from IMA,
17 there isn't any retyping. Batch listing from facility
18 based CLECs in EDI and in the near future IMA are not
19 retyped. They flow directly into our listings data
20 base. I just -- I'm trying to err on the side of
21 caution and not mislead people about retyping, but we
22 don't retype if we don't need to.

23 MS. HOPFENBECK: I think we're going to have
24 to retain this as an open issue until the follow-up
25 workshop so that we can -- I think it's important for us

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1 to go back to the people who are addressing the systems
2 OSS issues and just make sure that we're all on the same
3 page here and that this is consistent with their
4 understanding about Qwest processes. And I am hesitant
5 to represent that we can get back to you by Colorado's
6 workshop next week on that. We will try.

7 MS. WICKS: Just additionally I think perhaps
8 we need to be clear, this language doesn't necessarily
9 reflect what my understanding is from you that this
10 really isn't a service such as Qwest provides. This is
11 really as the process provides the CLEC the option.
12 It's not as if Qwest provides some sort of service or
13 something that will later be offered as flow through 911
14 record retention. It seems to me that this is -- this
15 is something that whether the process will allow for
16 customers to or for the CLEC to just retain the record
17 and verify with Qwest isn't necessarily what Qwest
18 offers, but it's what the process allows for.

19 MS. SIMPSON: Well, I think that was my point
20 yesterday about the difficulty of discussing it here.
21 If you don't agree with what the process allows for,
22 this isn't the place to talk about that, which was my
23 whole point.

24 MS. WICKS: Right.

25 MS. SIMPSON: So I don't necessarily agree

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1 that the process has to dictate what is allowed. One
2 can change the process. We simply in this room can't
3 agree to that. So I don't disagree with what you said.
4 It's just I don't think the process can't be modified
5 necessarily; it's just not by us here.

6 MS. WICKS: Right, and so I need to reinforce
7 that this language does look like we're going in the
8 right direction, but as Annie said, we will also take it
9 back and talk to our folks.

10 MR. SEKICH: I have a couple of questions if
11 that would be all right. It seems to me that the
12 language Qwest has proposed in the new sentence added to
13 9.23.5.5 does two things. One, it creates a promise on
14 the part of Qwest to retain listings upon conversion.
15 And two, creates a promise that Qwest will ensure end
16 user customer listings are retained as is. Is that a
17 fair assessment of what the changes you have advocated
18 are, accomplish?

19 MS. SIMPSON: I agree with the second one,
20 but could you repeat the first one?

21 MR. SEKICH: The first one is a promise that
22 Qwest would retain the existing listings upon
23 conversion.

24 MS. SIMPSON: I would agree with that
25 statement, yes.

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1 MR. SEKICH: Qwest, as I said, Qwest commits
2 to ensuring that customer listings are retained as is.
3 Ms. Simpson, what does the term as is mean to Qwest?

4 MS. SIMPSON: It means if the CLEC indicates
5 that there is no change in the listing that we wouldn't
6 intentionally make one.

7 MR. SEKICH: Are you aware that commonly in
8 commercial practice, as is can be used as a disclaimer
9 of certain covenants or warranties as to the accuracy of
10 information?

11 MS. SIMPSON: In a general sense, I know what
12 you're referring to, yes. I don't know that we were
13 attempting to capture -- we were using it more in the
14 thought or in the sense of the conversion as is, which
15 implies there's not a change to the thing that's being
16 converted.

17 MR. SEKICH: Sure.

18 MS. SIMPSON: Not as any disclaimer of
19 warranties.

20 MR. SEKICH: Here's an area where that issue
21 might -- the confusion of the two different issues might
22 be important or significant. We can come back to this,
23 and I think AT&T would likewise have to reflect. We
24 agree that it probably moves in the right direction. I
25 would maybe suggest that Qwest consider whether to the

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1 extent existing listings are retained as provided in
2 this sentence that the obligations of the CLEC in the
3 first sentence be modified and be modified in this way:

4 To the extent that existing listings are
5 retained, CLEC should not have the
6 obligation to provide complete and
7 accurate end user listings.

8 A couple of reasons. One, if they're just
9 being transferred as is, we don't -- we wouldn't
10 necessarily have control of whether they're complete or
11 not. I guess that's the primary reason. I think that
12 could be distinguished from a CLEC providing additional
13 or new listing information if, in fact, there's not a
14 conversion as is or it's new service or whatever. So I
15 throw that out, possibly when we come back and talk
16 about this topic, we might -- to see if you believe that
17 might be a position Qwest could come toward.

18 MS. HOPFENBECK: Let me just before you
19 respond, Ms. Simpson, just respond to that, that I --
20 WorldCom also has sort of in the back of its mind the
21 thought that after checking about what the processes are
22 so as to see whether the language you have proposed
23 adding gets us where we need to go, we have in the back
24 of our mind perhaps modification of the second sentence
25 to address some of the concerns Mr. Sekich has just

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1 raised to clarify that it's not really providing that
2 information that you're really getting at here so much
3 as placing the responsibility on the CLEC who obtains
4 this customer to maintain current and accurate listings
5 for their customers in the listings data bases, the E911
6 data bases. And my guess is that you would be receptive
7 to looking at language like that, wouldn't you?

8 MS. SIMPSON: Sure.

9 MS. HOPFENBECK: So we just have some work to
10 do on this one still, but we're going in the right
11 direction perhaps.

12 MS. SIMPSON: Great. That's all we have on
13 follow-up SGAT language from yesterday.

14 JUDGE WALLIS: Do you move Exhibits 585
15 through 593?

16 MR. MUNN: We do.

17 JUDGE WALLIS: Is there any objection?

18 Let the record show that there is no
19 objection, and Exhibits 585 through 593 corrected are
20 received.

21 MR. MUNN: Judge, the Exhibit which is 593
22 that we changed the number of the SGAT section and
23 Ms. Simpson has initialed that.

24 JUDGE WALLIS: Yes.

25 MR. MUNN: Who should that be given to?

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1 JUDGE WALLIS: To me, please.
2 MR. MUNN: Okay.
3 JUDGE WALLIS: Thank you, we have that now.
4 Are we ready to move into today's topics?
5 MR. CRAIN: Can we take about a three minute
6 break to make sure we have our ducks in a row here?
7 JUDGE WALLIS: Yes, let's be off the record
8 for a brief recess.
9 (Brief recess.)
10 MR. CRAIN: I believe we need to swear the
11 witness.
12 (Witness KAREN STEWART sworn in.)
13 JUDGE WALLIS: And we have another witness to
14 be sworn; is that correct?
15 MR. ZULEVIC: Yes, it is.
16 (Witness MICHAEL ZULEVIC sworn in.)
17 JUDGE WALLIS: Now just to get a little bit
18 of tidiness to our record, maybe it would pay to have
19 the latter witness identified, and if counsel is
20 representing the client for whom the witness has
21 prepared the testimony, perhaps counsel can help us with
22 that.
23 MR. HARLOW: Are you looking at me, Judge
24 Wallis?
25 JUDGE WALLIS: I don't know to whom I'm

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1 looking. Maybe we better go off the record for just a
2 moment.

3 (Discussion off the record.)

4 JUDGE WALLIS: I want to acknowledge the
5 arrival of Brooks Harlow, who is representing Covad in
6 this docket, and we have sworn Mr. Zulevic as a witness
7 on behalf of Covad. Other witnesses scheduled to appear
8 in this segment are Mr. Wilson on behalf of AT&T and
9 Ms. Wicks, who is adopting the testimony of Dayna Garvin
10 for WorldCom.

11 Very well, let's proceed, please.

12 MR. CRAIN: I believe we have some of the
13 exhibits from Karen Stewart's direct testimony already
14 admitted. We would move to admit her direct as well as
15 Exhibits 554, 555, 558, 559, 560, 561, 563, 570, 572-T,
16 which is the rebuttal testimony of Karen Stewart,
17 exhibit 573, oh, 573 I guess has already been admitted,
18 so it's 574, 575, and 576.

19 JUDGE WALLIS: I do not show that 573 has
20 been admitted.

21 MR. CRAIN: Well, let's add 573 to the list
22 then.

23 JUDGE WALLIS: Very well. And in proposing
24 those exhibits, are you intending to include all of the
25 exhibits that were not brought in through Ms. Simpson?

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1 MR. CRAIN: Yes.

2 JUDGE WALLIS: Very well. Is there an
3 objection to any of those documents?

4 Let the record show that there is no
5 response, and those documents are received in evidence.

6 MR. CRAIN: Then I believe we can move on to
7 the issues list. And I believe it's page 11 of the
8 issues list that was sent out. TR-1 is the UDIT
9 definition to provide for all feasible transmission
10 capabilities. We have in other workshops revised the
11 definition in 9.6.1.1, and parties have agreed that this
12 issue is closed.

13 MR. WILSON: This is Ken Wilson for AT&T.
14 The added language that Qwest has put in is adequate for
15 AT&T's purposes. I would like one more opportunity this
16 evening to review the technical publication that's
17 referenced in this paragraph just to make sure that
18 there are no inconsistencies with the SGAT language. I
19 believe I can do that this evening though, and if there
20 are any problems, we can discuss them tomorrow.

21 MR. CRAIN: Yes, the -- I believe we are in
22 the process of updating technical publication 77398,
23 389, I'm sorry, and have committed to do that in the
24 next week or so. We certainly will have it for the
25 follow-up workshop here in Washington.

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1 MR. WILSON: Thank you.

2 MS. HOPFENBECK: So for a point of
3 clarification, does that mean that this issue will
4 really remain open until the follow-up workshop so that
5 the parties will have the opportunity to review the
6 revised technical publication referenced in the
7 definition? I suggest that may be appropriate.

8 MR. WOLTERS: I think there's no problem with
9 the existing language of 9.6.1.1, but because there was
10 a reference to a technical publication, we wanted to
11 verify and review the technical publication for
12 consistency. So I don't think there was an issue with
13 the language itself.

14 MS. STEWART: Karen Stewart with Qwest. In
15 other workshops where we have discovered that the
16 negotiations of the SGAT have been in front of updates
17 of the technical publication, we have agreed in the
18 general terms section of the SGAT, I believe it's a new
19 Section 2.3, to put in language that indicates that if
20 there is a conflict between a tech pub and commitments
21 that Qwest has made in the SGAT that the SGAT would
22 prevail. And in those workshops, that has been
23 determined to mean that we haven't had to leave a
24 workshop open or an issue open over the updating of the
25 tech pubs.

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1 Qwest would be willing to bring that same
2 language to the Washington SGAT making it clear, and it
3 will be filed in the next week or so, making it clear
4 that as new commitments are made in SGATs and as that
5 process begins to update our internal and external
6 documentation that the SGAT would always prevail in any
7 conflicting situation.

8 MR. SEKICH: In fact, I think I might
9 disagree a bit with the characterization as to whether
10 or not parties had agreed to close issues while tech pub
11 updates were in process. I think that issue had been
12 heatedly discussed elsewhere. I'm not sure we need to
13 begin that discussion here since we will be committing
14 to a follow-up workshop and the issue in all likelihood
15 will be closed to the extent the tech pub makes sense.
16 I will suggest that even though we have not really
17 encountered Section 2.3 in testimony here in Washington,
18 AT&T has had an opportunity to look at it elsewhere. I
19 assume we will be able to comment on it further in this
20 proceeding. I should make clear for the record here
21 that AT&T does have continuing concerns about that
22 language and would address them at the appropriate time,
23 probably the general terms and conditions workshop.

24 MR. WOLTERS: And I think we did in Colorado
25 leave this open to review the tech pubs, so it wasn't

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1 closed in Colorado.

2 MR. ZULEVIC: This is Mike Zulevic with
3 Covad. I would just very briefly like to go on record
4 that we have many of the same concerns, and with respect
5 to the tech pubs, I appreciate the fact that they have
6 acknowledged that language within the SGAT will prevail
7 where there is a difference, but one of my concerns is
8 that there are at times terms and conditions that appear
9 in some of the tech pubs that are not addressed in the
10 SGAT. And in those circumstances, it would appear that
11 the SGAT language would not cover those concerns and
12 that probably most people at Qwest who deal with the
13 tech pubs would believe that the tech pubs would prevail
14 even though there could be terms and conditions that
15 would be more appropriately addressed within the SGAT.
16 In Arizona we have agreed to go back and review the tech
17 pubs and keep this issue open until we find a
18 resolution.

19 MR. SEKICH: And just to add to Mr. Zulevic's
20 comments, the Section 2.3 which has been referred to
21 repeatedly in the last five minutes goes only part of
22 the way. In its what AT&T believes is its present form
23 describes what priority between documents tech pubs and
24 the SGAT will occur in the event there is a conflict
25 between the terms of both of them. And I think AT&T's

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1 concerns, and I hear that echoed in Covad's concerns as
2 well, are those related to whether there are material
3 terms in the tech pubs that would govern and whether
4 they should not be appropriately addressed within the
5 SGAT itself.

6 MS. HOPFENBECK: I guess I would just add I
7 believe that this general issue that's being discussed
8 now about how the SGAT interfaces with documents out --
9 apart from the SGAT such as technical publications and
10 then other policy documents that Qwest prepares
11 addressing various checklist items has been raised in
12 Washington on a number of prior instances and has been
13 deferred generally to the general terms and conditions
14 workshop as a -- that's my recollection. And so it
15 would be WorldCom's view that it is appropriate to defer
16 this discussion, this particular issue, to the general
17 terms and conditions. And I was just recommend --
18 suggesting that in this particular provision, it seemed
19 to make sense to just defer closing the issue until that
20 tech pub has been reviewed apart from this sort of
21 overall issue about how technical publications relate to
22 and should relate to the SGAT.

23 JUDGE WALLIS: That appears to make a great
24 deal of sense. Why don't we note this as being
25 deferred.

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1 Let's be off the record for just a minute.

2 (Discussion off the record.)

3 MR. CRAIN: To introduce our witness, I guess
4 we neglected to do this earlier, Ms. Stewart, can you
5 state your name and who you work for and what your job
6 is.

7 MS. STEWART: My name a Karen Ann Stewart.
8 I'm representing Qwest in this docket. I'm a director
9 in the Qwest law on public policy organization, and my
10 primary responsibilities are for regulatory work,
11 particularly 271 application workshops that Qwest is a
12 party to, representing transport, checklist item 2, and
13 emerging services.

14 MR. CRAIN: And can you state where your
15 office is.

16 MS. STEWART: I'm located at 421 Southwest
17 Oak, Portland, Oregon 97204.

18 JUDGE WALLIS: Thank you very much.

19 MR. CRAIN: I understand, I think I
20 understand the resolution of number 1. I guess I would
21 just reserve the right to say that Qwest does not
22 believe that workshops ought to be held open for the
23 purpose of reviewing technical publications, and we may
24 readdress the issue once we get to the end of the entire
25 workshop here. And if this is the only open issue, we

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1 may come back and say we think it ought to be closed.

2 JUDGE WALLIS: So noted.

3 MR. CRAIN: Moving on to TR-2, this is an
4 issue that was raised. Qwest has made a distinction
5 between what is called UDIT and EUDIT, and Ms. Stewart
6 would like to draw on the board here which -- and she
7 would ask permission to basically redraw what has been
8 called Exhibit 559 or which has already been issued and
9 entered here as Exhibit 559 and just use that to have a
10 short explanation of the distinction between what is
11 called UDIT and EUDIT.

12 JUDGE WALLIS: Please proceed. As you draw
13 your illustration, please be descriptive in your
14 language, and we will mark the document as an exhibit so
15 that it can be kept in our record.

16 MS. STEWART: Karen Stewart for Qwest. The
17 actual drawing that I'm going to use to frame the
18 discussion is in my rebuttal, excuse me, in my direct
19 testimony filed on December 12. It was Exhibit KAS-10,
20 and as identified was admitted into this proceeding as
21 Exhibit 559. My objective in taking a few minutes, a
22 few brief minutes at the board is to just frame the
23 discussion for all of the parties. Because as you will
24 look at the ongoing issues log, a reoccurring theme is
25 some concerns and issues that the parties have with the

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1 Qwest identification of the EUDIT, so I'm just hoping
2 this can be a background piece for the proceeding items.

3 JUDGE WALLIS: Please proceed.

4 MS. STEWART: Okay. In the Qwest structure
5 for unbundled dedicated transport, our UDIT, U-D-I-T,
6 Qwest has made a difference between transport in two
7 different situations and basically has two different
8 rate elements. And the situation, and I'm once again
9 drawing just a small segment of the document that's
10 already been in the exhibit, is that from a CLEC central
11 office to a Qwest central office that this type of
12 transport here is an extended UDIT or an EUDIT.

13 Between Qwest wire centers is also, and these
14 are both UDITs, they're not two different unbundled
15 network elements, they're a single unbundled network
16 element with two rates, just two different rate
17 structures, is that the rate structure between Qwest
18 central offices is a fixed and per mile rate structure.

19 And, for example, in the Washington Exhibit A
20 to the SGAT for a DS3, this would be a fixed of \$224.72
21 and a per mile of \$10.60, so it's a fixed and per mile
22 rate structure. That's consistent with how Qwest has
23 done its pricing for transport in its historic cost
24 studies and models here in the state of Washington.

25 For the element from a Qwest central office

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1 to a CLEC central office, it's a non-distance sensitive
2 rate component, and currently for a DS3 in the SGAT in
3 Washington, that's \$314.05. This is consistent with how
4 Qwest has done its pricing and costing in Washington for
5 entrance facilities.

6 Because when all is said and done, an EUDIT
7 is really an entrance facility, and historically in this
8 state in cost models and cost dockets, entrance
9 facilities have been a flat non-distance sensitive rate
10 component. So therefore we believe that our EUDIT
11 structure is very consistent with exactly how pricing
12 and costing has historically been done and has been done
13 in the cost dockets for the SGAT and interconnection
14 agreements.

15 To presume to speak briefly for the parties,
16 what the impasse issue is between several of the CLECs
17 and Qwest is that the CLECs do not believe that there
18 should be a non-distance sensitive rate component for
19 this entrance facility type -- this entrance facility
20 between Qwest and the CLEC central office. That they
21 believe that if you were to go from a Qwest central
22 office via the serving wire center of a CLEC to the CLEC
23 central office that that should just be one UDIT with
24 one fixed and one per mile and not a separate rate
25 element for the section between the Qwest central office

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1 and the CLEC central office.

2 That issue is currently at impasse between
3 the parties. Qwest will retain its non-distance
4 sensitive rate component for transport between a Qwest
5 central office and a CLEC central office.

6 JUDGE WALLIS: Before you resume your chair,
7 I wonder if you could mark that document as an exhibit,
8 and I'm wondering if we can designate that as 559d for
9 diagram.

10 MS. STEWART: And we will get it reproduced.

11 MR. CRAIN: I believe we would be up to 590.

12 MR. MUNN: 594.

13 MR. CRAIN: 594.

14 JUDGE WALLIS: I chose 559 because that is
15 the number KAS-10.

16 MR. CRAIN: Oh, makes sense to me.

17 JUDGE WALLIS: If that's works for folks.

18 MR. CRAIN: Yeah.

19 MR. WILSON: This is Ken Wilson for AT&T. I
20 think it would be helpful if I made some comments on
21 this diagram, 559d, to further explain AT&T's position
22 on this distinction that Qwest is making between EUDIT
23 and UDIT. First, let me mark or distinguish the
24 connection trunks, and I will mark the transport between
25 the CLEC and what Qwest calls the serving wire center,

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1 which is the nearest Qwest wire center to the CLEC, I
2 will mark that as A just so I can refer to it easily.

3 MR. SEKICH: Mr. Wilson.

4 MR. WILSON: Yes.

5 MR. SEKICH: Are you using a blue marker on
6 this exhibit just to distinguish your marks from
7 Ms. Stewart's?

8 MR. WILSON: Yes.

9 Okay, so I will mark that transport as A.

10 And then the transport between the Qwest serving wire
11 center and a Qwest wire center that's further away, I
12 will mark that as B. And the issue is that Qwest is
13 really treating the transport from the CLEC wire center
14 to the Qwest wire center as a loop. That's the way that
15 they are pricing it, because they are not using a per
16 mile price. They're using a loop type price of a fixed
17 cost no matter how far the wire center is from the CLEC
18 or the Qwest wire center. And we believe that that is
19 inappropriate.

20 What happens is if the CLEC wants to get
21 dedicated transport from the CLEC wire center to most
22 Qwest wire centers, in fact, to all Qwest wire centers
23 except the closest wire center, then the CLEC has to
24 order both the EUDIT piece and the UDIT piece. So, for
25 instance, if the CLEC wire center were just two miles

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1 from the Qwest wire center, I would always get the \$314
2 cost for piece A or transport piece A on this diagram
3 plus the fixed and per mile cost of the B piece from
4 between the Qwest wire centers.

5 So in this example, if the further Qwest wire
6 center was say 10 miles from the serving wire center, I
7 would be paying the \$224 plus the \$10 times 10, which
8 would be another \$100, so I would be paying \$324 for the
9 B piece. But then on top of that, I have to add this
10 \$314 price. Whereas if I simply took the total mileage
11 between the CLEC wire center and the Qwest wire center
12 that I want to get transport to, it should be the \$224
13 times or plus the \$10 times 12 miles. So here you're
14 talking about a total cost of about \$350, whereas if I
15 use the Qwest methodology I'm well over \$500. So
16 there's a big price difference when I want transport to
17 any Qwest wire center except the closest one. And we
18 don't think this is the correct way to do this type of
19 dedicated transport.

20 And, in fact, the AT&T cost models have used
21 a single element rather than these two elements that
22 Qwest is proposing. Qwest is using an old methodology
23 from the access world that we don't think is appropriate
24 for the world of local providers leasing transport from
25 Qwest. The CLEC end off or the CLEC wire center is a

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1 wire center. It's not an end off, an end user location,
2 so using a loop type methodology is just not
3 appropriate. And we believe that a single dedicated
4 transport element is the way that this dedicated
5 transport should be priced.

6 So I think in a nutshell, that is the
7 dispute. Whereas Qwest has two elements for dedicated
8 transport, we think there should be one element, and
9 that should be priced appropriately as it already has
10 been and to the total distance instead of the sum of two
11 elements.

12 MR. ZULEVIC: This is Mike Zulevic, Covad. I
13 would like to say that I totally agree with the way that
14 Mr. Wilson has depicted the scenario with the comparison
15 of the UDIT versus the EUDIT, and I would also like to
16 add a few comments with respect to operational issues.

17 In what you're looking at here, by having to
18 have two different types of circuits, you need to order
19 those separately, and somehow they have to come together
20 to form one single circuit. This creates some
21 operational problems so far as the original turn up of
22 the circuit is concerned as well as creating ongoing
23 operational problems so far as travel isolation.

24 We had some discussion on this in another
25 workshop in another state, and there was an indication

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1 that Qwest was going to take a look at finding a way to
2 resolve these issues. And I don't know just how much
3 progress has been made up until this point, but these
4 are some serious operational problems that go right
5 along with the actual cost issues that were addressed by
6 Mr. Wilson.

7 MS. STEWART: Mr. Zulevic is correct that
8 currently in the process and methods and procedures for
9 Qwest, it would take two service orders to install a
10 UDIT and EUDIT at the same time, and Qwest believes that
11 that is consistent with how other local -- other LECs in
12 the United States are doing this type of service and
13 facility. And as identified in my rebuttal testimony,
14 very specifically on page five of my testimony filed on
15 February 26th, Exhibit KAS-23.2, that in the SBC Texas
16 271 agreement that they do have an entrance facility
17 component of dedicated transport.

18 However, as also identified by Mr. Zulevic,
19 Qwest has committed to do the development work necessary
20 to have a single ASR be able to be issued to create a
21 single facility from the Qwest wire center through the
22 Qwest serving wire center to the CLEC wire center. Once
23 those new processes and procedures are completed and are
24 implemented, and once again I would like to stress that
25 we don't believe we need to implement them to be 271

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1 compliant, we are doing that as part of our negotiations
2 in response to the concerns of the parties, that once
3 that is completed, then we are truly down to a rate
4 structure and rate and pricing dispute between the two
5 parties.

6 MR. SEKICH: Ms. Stewart, the additional work
7 you said that Qwest is performing as it asserts not
8 because it needs to do that work to be compliant with
9 the 271 checklist items, when do you expect that work to
10 be done?

11 MS. STEWART: I believe they're targeting the
12 60 day time frame, because it's not only developing the
13 process in which we can have it work internal with our
14 systems, but we also have a notification process to the
15 CLECs and then of course updating all of our internal
16 documentation. I believe our commitment in change in
17 ordering process is a minimum of 30 days, so it's going
18 to be some period of time as we work through not only
19 completing the process, updating our documentation, but
20 getting a 30 day notice to the CLECs.

21 MR. SEKICH: So it would be a total of a 90
22 day process it sounds like?

23 MS. STEWART: I believe that's what we're
24 looking at.

25 MR. SEKICH: Has that process started?

02991

1 MS. STEWART: Yes, we currently have
2 individuals within Qwest who are on our process teams
3 who are looking to develop this process.

4 MR. SEKICH: Do you have a target completion
5 date approximately?

6 MS. STEWART: Well, I guess I could add 90
7 days to a week ago or two weeks ago when we made the
8 commitment in Colorado, but I'm blank here on the date
9 of that.

10 MR. SEKICH: Probably before the end of May
11 it sounds like?

12 MS. STEWART: Correct.

13 MR. SEKICH: Thank you.

14 MR. ZULEVIC: Karen, for clarification, we're
15 going to be able to order basically the combined UDIT
16 and EUDIT on a single ASR?

17 MS. STEWART: That is correct.

18 MR. ZULEVIC: Okay, will that circuit have a
19 single circuit ID?

20 MS. STEWART: I do not know the answer
21 specifically to that question. That is one of the exact
22 issues the process teams are working through in how
23 being able to have a single circuit ID can work within
24 our systems.

25 MR. ZULEVIC: Okay. As we discussed in

02992

1 Colorado, that is a very critical issue for Covad again
2 for the maintenance, ongoing maintenance and trouble
3 reporting side of this, because it's very difficult
4 quite often within the central office to be able to tie
5 together two totally separate circuit ID's and figure
6 out what should go to what.

7 These types of things have taken a fair
8 amount of time to have them corrected in the past, so it
9 still seems to me that it would make a lot more sense to
10 have this product defined as an end to end product, thus
11 eliminating the circuit ID problem, the problem with
12 having to combine two circuits, and it appears that it
13 is strictly more just a pricing issue. And it would be
14 Covad's position that to the extent that you can just
15 call it what it is, an end-to-end circuit, call it an
16 EUDIT if you will, then it is more just a pricing issue.

17 MS. STEWART: It is Qwest's objective to get
18 to the single circuit ID as requested by the CLECs. I
19 would note that that single circuit ID assumes that it's
20 the same bandwidth between the Qwest central offices and
21 between the Qwest central office and the CLEC central
22 office. In the event that there's a difference in
23 bandwidth, for example, if to the CLEC central office is
24 a DS3 and it's going to be a DS1 with some type of
25 MUXing occurring, then we would have two separate orders

02993

1 with two separate circuit ID's for sure. So I just
2 wanted to clarify what I'm saying is circuit ID we're
3 assuming it would be the same bandwidth end to end on
4 the facility.

5 MR. ZULEVIC: Yes, that's my understanding as
6 well. To the extent that there are already facilities,
7 and in referencing Exhibit 559d, it would be the leg A
8 that Mr. Wilson demonstrated, to the extent that a large
9 capacity pipe of some sort, an OCn type pipe exists and
10 what we're looking for is a DS3 to ride on that facility
11 from a distant Qwest office to our central office, or
12 the CLEC wire center if you will, then I would think
13 that that should very easily be able to carry a single
14 ASR for ordering as well as a single circuit ID.

15 MR. SEKICH: I should note I think we have
16 actually blended into the next item number, which is
17 TR-3 as well. They are very closely aligned, the two
18 issues.

19 MR. CRAIN: And I think that we can go to
20 impasse on the TR-2 issue. I would just further note
21 that the rates Ms. Stewart put on the board and the
22 distinction between EUDIT and UDIT was those rates are
23 in approved rates here in Washington which went into
24 effect December 2, 2000, and are part of the Qwest
25 current tariff here.

02994

1 MR. WILSON: And I think a bit of a comment
2 on that. When the initial rate case was done, I don't
3 believe that the parties really understood what was
4 happening here. The access world was still the familiar
5 world to everyone, and I know that I from AT&T's point
6 of view did not understand this difference that Qwest
7 was establishing. So I think it's appropriate to
8 revisit that in the next series of cost dockets.

9 JUDGE WALLIS: So we show TR-2 as impasse and
10 TR-3 as open?

11 MR. CRAIN: I guess my question on TR-3 is
12 now that we have committed to do this, is there any
13 reason to leave this open? I would suggest it would be
14 a closed issue.

15 MR. SEKICH: Well, our concern is that we
16 wait to see it accomplished and confirm whether SGAT
17 changes are warranted or required as part of the
18 process. It's still sort of in flux. It sounds like it
19 will be substantially completed probably by the time we
20 meet again toward the end of April. It might, in fact,
21 have been 60 days would have elapsed by that time, so
22 perhaps we can get a report back at our follow-up
23 workshop.

24 MR. HARLOW: Would you call -- can we call
25 this a take back, Your Honor?

02995

1 JUDGE WALLIS: Very well, we will call it a
2 take back.

3 MS. HOPFENBECK: The general discussion about
4 pricing of UDIT and EUDIT I think raises the question in
5 Washington about how to address this issue in the
6 future. I mean we have a cost docket that's currently
7 pending; however, that cost docket is about to begin,
8 and this particular question about whether it's
9 appropriate to have separate pricing for the two legs of
10 the UDIT product has not been addressed in that docket.

11 Now we have an -- so I guess my question on
12 this kind of -- on this particular issue is whether this
13 is something that the parties need to address in some
14 sort of motion to get that addressed in the cost docket.
15 I mean we have a Phase C now scheduled to address
16 another issue that we didn't have time to address in the
17 proceedings that will begin on the 26th. I guess I just
18 would ask for direction from Your Honor on this point.

19 JUDGE WALLIS: Ms. Anderl.

20 MS. ANDERL: Thank you, Your Honor, Lisa
21 Anderl with Qwest. I just would like to state that we
22 disagree with Ms. Hopfenbeck's characterization that
23 whether separate pricing for the different legs of the
24 UDIT is or is not currently authorized. We believe that
25 Qwest's tariff WNU 42, which was a compliance filing in

02996

1 accordance with the Commission's first generic docket,
2 makes it very clear that there are separate rate
3 elements for those two separate legs of the transport
4 and that those are the current lawful rates.

5 And I would suggest that seeking changes to
6 those rates are things that are not appropriately taken
7 up in this docket, and if Ms. Hopfenbeck believes it's
8 appropriate to file a motion in the new generic docket
9 or to request to reopen the old docket, it would be more
10 appropriately taken up in that way. I don't know that
11 those are the right things to do, but it's I don't think
12 the right -- this forum is not the right one for it.

13 MS. HOPFENBECK: I guess this raises just the
14 question that, you know, Qwest testimony on this issue
15 really does suggest that deferring this issue to a cost
16 docket is one avenue with respect to the pricing issue
17 that's been raised by the parties. I think the
18 appropriate pricing of UDIT, the appropriate --
19 essentially what's really being raised by the CLECs is
20 how should unbundled dedicated transport properly be
21 provided by Qwest in order to comply with checklist item
22 5.

23 It's WorldCom's view that that is an
24 appropriate issue to raise in the context of this
25 proceeding, and we would be happy to have that issue

02997

1 remain in this proceeding to be addressed here, and then
2 whatever pricing issues may fall out of the Commission's
3 decision on that issue we would then take up later.

4 I mean we do not disagree with Ms. Anderl's
5 representation that as it stands now there happen to be
6 approved tariffs in Washington that cover the two
7 elements of this service, but I don't think that
8 necessarily -- that decides the question about whether
9 in order to comply with checklist 5 that that is an
10 appropriate way of being -- of providing the product.
11 And that issue I think should remain in this docket and
12 not be deferred to the cost docket in light of
13 Ms. Anderl's representations.

14 JUDGE WALLIS: Ms. Anderl, do you disagree
15 with that statement?

16 MS. ANDERL: I think so, because I thought
17 that the Commission's conclusions in the generic docket
18 were pricing decisions that complied with Sections 251
19 and 252 of the Act, and I'm not sure what else is
20 required for the provision of transport and the pricing
21 of it under 271 that would be need to be either decided
22 here or there.

23 JUDGE WALLIS: Other counsel wish to weigh
24 in?

25 MR. WOLTERS: This is Rick Wolters, AT&T.

02998

1 It's our feeling that the way they have structured
2 dedicated transport is a 271 issue. I think if the
3 Commission decides that the way they have structured
4 transport is 271 compliant, then you don't have to go
5 back and do any rate changes. I think ultimately though
6 if you decide that this rate structure is not consistent
7 with what is required by the FCC, that they have to go
8 to a one rate structure pricing methodology, then maybe
9 it falls out of that, that you have to go back and
10 change the tariffs and change the rate structure. But I
11 think, at this point, I think this issue is
12 appropriately in this docket, and I think that's where
13 we would like to decide it. I mean we believe it's a
14 271 issue.

15 JUDGE WALLIS: Mr. Harlow.

16 MR. HARLOW: Yes, Covad concurs with AT&T and
17 WorldCom, and I don't know the answer to this question,
18 but we're also talking about combinations here, and I
19 don't know if the tariff addresses the situation where
20 you want a single circuit that's comprised of what Qwest
21 currently designates as two different circuits with two
22 different prices, and so the combination issue may also
23 be appropriate to address in this docket.

24 MR. CRAIN: It's I guess Qwest's position
25 that I think we have pretty well defined an impasse

02999

1 issue here. We believe that this was decided by this
2 Commission. This Commission approved these rates.
3 There is nothing more to 271 than 251 or 252, and as
4 long as the Commission was satisfied that our rate
5 structure met the 251 and 252 standards, that there's
6 nothing else the 271 requires. So I would suggest that
7 we take this up on briefing and declare it an impasse
8 issue.

9 JUDGE WALLIS: Is that agreeable to everyone?

10 MR. WOLTERS: Yes.

11 JUDGE WALLIS: It appears to be, so we will
12 note this as an impasse.

13 MS. STRAIN: I guess this question will go to
14 AT&T. When you say it's a 271 issue, is the reason that
15 you describe it that way is that it's a parity issue, an
16 issue of parity in how you're being charged, or could
17 you just elaborate on that a little bit?

18 MR. WOLTERS: Right, I think what Mr. Wilson
19 just said to me is that the Act defines a single
20 element, so does the FCC, dedicated transport. They
21 don't define something called unbundled dedicated
22 interoffice transport and extended unbundled dedicated
23 interoffice transport. And they say that you should be
24 able to provide -- obtain dedicated transport between
25 certain points. And by identifying it this way, Qwest

03000

1 doesn't truly allow you to obtain dedicated transport
2 from between the points that the FCC says you are
3 entitled to receive it on a single element basis.

4 MR. DITTEMORE: I would like to address a
5 separate issue. Dave Dittimore of Staff. This
6 situation, would Qwest Wireless have a separate central
7 office that would be a similar situation to this,
8 investigating a parity question?

9 MS. STEWART: I don't know the answer on
10 Qwest Wireless. It's not -- I have never represented
11 Qwest Wireless. I was going to respond on a parity
12 issue to our retail services. When Qwest provides the
13 equivalent of a UDIT and EUDIT for a retail customer,
14 really the comparison is going to an end user customer
15 location off of our network. And in those situations,
16 Qwest does have a channel termination, which is a
17 non-distance sensitive component from the end user
18 customer to the Qwest serving wire center. And then at
19 that point, the transport becomes fixed and per mile.
20 So Qwest believes that the structure is consistent and
21 is, if you were to look at our retail services, at
22 parity.

23 MR. CRAIN: And I would add that I haven't
24 heard any legal basis to say why this is not proper.
25 And, in fact, the FCC in its first report and order when

03001

1 it first suggested how things ought to be priced in
2 terms of proxy models adopted exactly the kind of
3 structure we're talking here.

4 MR. WILSON: I would like to address
5 Ms. Stewart's comment about parity with retail service,
6 and I would have to disagree. Because if the CLEC
7 wanted to access a loop off of this second Qwest wire
8 center, the one at the -- on the diagram 559d, if the
9 CLEC wanted to access a Qwest loop off of the wire
10 center at the bottom left, the Qwest wire center, we
11 would get an unbundled loop there. Let's say it's a DS1
12 loop. And if I then wanted to get a transport
13 combination, dedicated transport, back to my wire center
14 or the CLEC wire center, under the Qwest model, I would
15 essentially be paying for two loops plus the transport
16 which I have labeled B. So instead of getting one loop,
17 which is what Qwest does for its retail customer, I'm
18 paying for two loops plus transport, and we don't think
19 that's the correct model.

20 MS. STEWART: Actually for Qwest retail
21 customers, when they do purchase a private line, there's
22 usually typically a channel termination at both ends
23 that does represent the loop component. I was only
24 addressing the elements that we had up here. But in
25 your example, a Qwest retail customer in a private line

03002

1 service would have two channel terminations, a channel
2 termination for their location A and then channel
3 termination for their location Z, that would be at the
4 distant central office.

5 MR. WOLTERS: I'm just concerned that the
6 analogy to retail doesn't drive the way you would have
7 to provide a wholesale product. I don't want to think
8 that because that's the way you're providing it to
9 retail that automatically that's the way you're entitled
10 to provide it for wholesale. I think that argument has
11 been made in some other context, and I don't think the
12 FCC has bought that argument. So the fact that you do
13 it for retail customers and provide it under a certain
14 rate structure does not drive whether that rate
15 structure is appropriate necessarily for wholesale for
16 what would appear to be a functionally equivalent
17 service.

18 MR. WILSON: Yeah, and if I extend the
19 analogy that Ms. Stewart was driving at to the extent
20 that she wanted, if there is a second say customer
21 location, which I believe is what she was referring to,
22 the only reason an end user would get a private line is
23 generally from one end user location to a far end end
24 user location.

25 If in the diagram 559d as I described a

03003

1 moment ago we go from an end user location at the Qwest
2 -- off of the Qwest central office in the lower left, if
3 then the CLEC has its own facilities to say the second
4 end user's location in the top right, I would
5 essentially then be paying for two loops plus transport
6 and building a third loop. So I think the whole point
7 is here that the CLEC is not an end user, and it should
8 not -- these facilities to the CLEC wire center should
9 not be treated as loops. These are wire centers and
10 wire center connections.

11 MR. CRAIN: I would simply add that I think
12 we have defined an impasse issue here. I think Mr. -- I
13 think AT&T is wrong in terms of paying for two loops.
14 It's just the way the pricing is structured for each
15 piece of the UDIT here. It's not -- we're not talking
16 about we're making them double pay for certain parts.
17 And this is a structure that was adopted by the FCC in
18 the first report and order, it's entirely appropriate,
19 and I think we have talked it to death here, and we can
20 move on.

21 MR. ZULEVIC: Just one brief comment, and
22 again, I agree we have talked it almost to death.

23 MR. HARLOW: But we're going to make sure.

24 JUDGE WALLIS: A long lingering death.

25 MR. ZULEVIC: I'm just wondering what the

03004

1 structure is so far as your cost recovery between Qwest
2 and an independent telephone company. And it's my
3 recollection that it's basically based upon distance
4 sensitivity or the actual length of the facility that
5 you provide versus what the independent company
6 provides. And I'm thinking that that may be a more
7 appropriate model rather than a retail loop type model
8 for coming up with some sort of appropriate cost
9 recovery and pricing on this type of a circuit scenario.

10 MS. STEWART: I'm not familiar with all the
11 possible combinations of situations that could exist
12 between Qwest and independent telephone companies, but I
13 do acknowledge that there are some situations in which
14 transport meet point arrangements between independent
15 telephone companies and Qwest are on a fixed and per
16 mile basis.

17 JUDGE WALLIS: All right, does that conclude
18 the discussion on this item? Let's be off the record
19 for a scheduling discussion.

20 (Discussion off the record.)

21 (Brief recess.)

22 JUDGE WALLIS: Mr. Crain.

23 MR. CRAIN: I believe we are now on TR 4.

24 JUDGE WALLIS: Yes.

25 MR. WOLTERS: Excuse me, how did we -- TR-3

03005

1 we put as a take back to the next workshop, is that how
2 we concluded TR-3?

3 MR. CRAIN: I guess our position is I think
4 we can close it, and I don't think we will leave it open
5 at the next workshop if we still have to wait for
6 additional things. But for now, we can leave that open.

7 MR. WOLTERS: Thank you.

8 JUDGE WALLIS: So TR 4.

9 MS. STEWART: TR 4 was AT&T had asked some
10 specific questions about unbundled multiplexing. I have
11 responded to those, and I think we have addressed the
12 questions of the parties. In addition, AT&T had
13 requested that we add that a CLEC would have access to
14 SONET add/drop multiplexers. In the SGAT that was filed
15 as part of KAS Exhibit 24, which was entered into this
16 record as Exhibit 573, in the very end of 9.6.1.2, Qwest
17 has added the words:

18 SONET add/drop multiplexing is available
19 on an ICB basis where facilities are
20 available and capacity exists.

21 We believe this resolves the issues between
22 the parties.

23 MR. WILSON: The addition of that language is
24 satisfactory for AT&T, so I think as far as AT&T is
25 concerned, we can close this issue.

03006

1 JUDGE WALLIS: Any other party wish to
2 comment?

3 Very well, that is closed.

4 MR. CRAIN: Moving on to TR-5 is the question
5 of whether or not a cross connect is required between
6 UDIT and EUDIT, and I need to find the area, but I
7 believe that we have addressed that in 9.6.2.1. And I
8 believe that it was -- the parties agreed to close this
9 issue in Colorado.

10 MR. WILSON: I believe that's correct. Qwest
11 has modified their language in response to our concerns,
12 and it looks like that language is satisfactory.

13 JUDGE WALLIS: Any other comments?

14 MR. HARLOW: If we could have a moment to
15 review the language, Your Honor.

16 JUDGE WALLIS: Mr. Harlow.

17 MR. HARLOW: We have nothing, Your Honor.

18 JUDGE WALLIS: Very well, we will note TR-5
19 as closed.

20 MS. STEWART: TR-6, what this issue is is
21 that AT&T recommends that a CLEC would not pay for
22 regeneration in the event that they would order a UDIT
23 or an EUDIT. Qwest disagrees. The issue is at impasse
24 between the parties.

25 Qwest believes that at the time that the ITP

03007

1 pairs that connect the UDIT to the CLEC collocation cage
2 were put into place that regeneration was taken out as a
3 separate rate element to be applied when necessary, so
4 we do not agree to taking out the additional charges for
5 regeneration.

6 What we have done is in Section 9.6.2.3, the
7 very last new sentence that has been added, which I will
8 read shortly, was added with the intent of sharpening
9 the issue in the debate and to have a specific point
10 within the SGAT that we would refer to this element.
11 That statement is:

12 If regeneration is required only between
13 the UDIT or EUDIT termination point the
14 (DSX panel or equivalent) and CLEC's
15 collocation, CLEC must order such
16 regeneration pursuant to Section 9.1.4,
17 and the charges listed in Exhibit A will
18 apply.

19 I believe the issue is at impasse between the
20 parties.

21 MR. WILSON: The issue here is actually
22 similar to this issue in collocation. I think simply
23 put, AT&T doesn't feel that the CLEC should pay for
24 regeneration costs within the Qwest wire center that are
25 caused because of the position of a CLEC collocation

03008

1 cage in the wire center. Generally the CLECs are not
2 getting the prime space in the wire centers, and
3 sometimes because of the location of the collocation
4 cage regeneration may be required to get transport from
5 one point in the Qwest office to another. And it's our
6 position that Qwest should be delivering what's known as
7 a templated signal to the CLEC for transport.

8 A templated signal means, for example, if the
9 transport is a DS1 level, then Qwest should be
10 delivering to the CLEC a DS1 signal at its collocation
11 cage that meets DS1 specifications. And the same would
12 be true for DS3 or any other level of signal that the
13 CLEC orders. Qwest should be delivering that signal
14 with -- that meets specifications to the point where the
15 CLEC ordered it.

16 So I think that is the issue, and I believe
17 it is at impasse for AT&T.

18 MR. ZULEVIC: Yes, Covad would like to say
19 that they agree with the position just stated by AT&T.
20 It is definitely Qwest's decision as to what areas they
21 wish to open up for collocation. I guess the FCC has
22 made that quite clear, but I don't believe that they
23 have made it clear, nor does Covad believe that it's
24 appropriate, for the CLECs to pay additional for
25 business decisions made to benefit Qwest.

03009

1 JUDGE WALLIS: Very well, we will record this
2 as being at impasse.

3 MS. STRAIN: Just a quick clarification. On
4 the issues log, you had listed this as 9.9.7, Section
5 9.7, but there is no such section in the SGAT. So what
6 would the correct reference be? I noticed that
7 regeneration is talked about in several sections in
8 9.6.1.

9 MS. STEWART: Thank you very much for that
10 clarification. I believe that it would be more
11 appropriate to refer to 9.6.2.3, because that is the
12 section where we explicitly stated that if regeneration
13 is required in the scenarios we have been discussing
14 that additional charges shall apply.

15 MS. STRAIN: Okay, I would also add 9.6.2.1,
16 because I noticed there that it also talks about
17 regeneration requirements being the responsibility of
18 the CLEC. Does that sound --

19 MS. STEWART: Yes.

20 MS. STRAIN: Okay.

21 MS. STEWART: Our next issue is TR-7, and it
22 was clarifying when and where collocation or other types
23 of demarcation points need to be established when UDIT
24 or EUDITs are provisioned. I believe we have resolved
25 the concerns of the parties in 9.6.2.3, clarifying that

03010

1 collocation is only required when one end of the
2 unbundled transport terminates in a Qwest wire center.
3 I believe this may close the issues between the parties.

4 MS. WICKS: The notifications are acceptable
5 to WorldCom.

6 MR. WILSON: And to AT&T.

7 MR. ZULEVIC: And Covad as well.

8 JUDGE WALLIS: The issue is noted as closed.

9 MR. WILSON: Maybe I could shorten the
10 discussion on TR-8. AT&T will withdraw that issue. It
11 was an issue for interconnection where AT&T did not feel
12 it appropriate for Qwest to charge the CLECs collocation
13 costs for interconnection trunks when the CLEC can not
14 charge Qwest for such collocation in the CLEC office.
15 We do not believe that that is an issue that needs to be
16 raised in unbundled elements, because clearly the CLECs
17 need to pay for the appropriate costs for unbundled
18 elements. So this is not a -- should not be an issue
19 here.

20 JUDGE WALLIS: So this is withdrawn?

21 MR. WILSON: Yes.

22 JUDGE WALLIS: TR-9.

23 MS. STEWART: TR-9, WorldCom had identified
24 that there were some sections of the SGAT that had been
25 in the Arizona SGAT and not in the Washington SGAT.

03011

1 They were taken out inadvertently. I believe those
2 sections have been added to the Washington SGAT as
3 appropriate.

4 MS. HOPFENBECK: We're fine with that one
5 too.

6 MS. STEWART: Thank you. I believe that
7 concluded the issues for unbundled dedicated transport.

8 The next item that's identified as TR-10 is
9 actually 9.8 in shared transport. Should we take a
10 moment. TR-10, I think I can do it fairly quickly.
11 AT&T was concerned that our language in describing what
12 a CLEC had access to with shared transport did not
13 exactly capture the words of the FCC. Qwest believes
14 that it has modified its shared transport in Section
15 9.8.2.3 to very closely track the FCC language and
16 believes this resolves the issues between the parties.
17 And it's specifically a new Section 9.8.2.3, and then
18 it's (a), (b), (c) and (d) components.

19 MR. WILSON: The language is acceptable to
20 AT&T.

21 MR. SEKICH: We have I think two additional
22 issues. The first one hopefully will be a quick one,
23 although I'm not sure we will reach agreement on it.
24 The second one I'm afraid won't be a quick one, but I
25 don't think will be probably more than 10 or 15 minutes

03012

1 of discussion.

2 With respect to the first issue, AT&T had
3 passed out earlier --

4 MS. STEWART: Excuse me, Dom, is this going
5 to be TR-11?

6 MR. SEKICH: Yeah, TR-11 probably is
7 appropriate. And by the way, I think that's how it was
8 designated in Colorado as well. TR-11 relates to an
9 exhibit AT&T passed out with some suggestions for a
10 proposed language. That Exhibit is 627. I think we
11 noted, although it may have been off the record, that
12 the change identified in Section 9.6.4.1.4 on this
13 exhibit had, in fact, been made. There was a change set
14 forth on this exhibit under Section 9.6.4.1.5, which is
15 shown underscored as additional language that AT&T
16 proposes to be added to this particular section. So the
17 section at issue is 9.6.4.1.5. And I think Mr. Wilson
18 will maybe address this issue for AT&T.

19 MR. WILSON: The issue here is one of
20 cancellation charges for transport. The original Qwest
21 paragraph discusses how an order can be canceled up to
22 and including the service date, and then that
23 cancellation charges will always apply.

24 What AT&T is suggesting is that if Qwest
25 fails to provision the circuit on the original

03013

1 commitment date that the cancellation charges should not
2 apply. Given that Qwest has missed its commitment date,
3 could be by a long time, the CLEC may be forced to
4 either find alternative solutions to transport, or the
5 customer in question that we were ordering the transport
6 to fulfill their needs may have, in fact, left or
7 decided to take their business elsewhere, so the CLEC
8 under the Qwest provision would be left to pay
9 cancellation charges when it was not the CLEC's fault
10 that the use went away, because Qwest had missed its
11 commitment date. So we think this is a fair provision
12 that should be added to this paragraph.

13 MS. STEWART: Qwest does not agree to the
14 addition of the language recommended by AT&T in
15 9.6.4.1.5. Qwest believes that it's inappropriate that
16 if it has done all the work and is ready to provision
17 the UDIT and just misses the due date by a single day
18 and is going to provision it the next day that suddenly
19 -- and, in fact, we have probably done all of our
20 provisioning work because the plant test date would have
21 been prior to the delivery date to the CLEC -- that we
22 should be able to recover any appropriate cancellation
23 charges. I believe the issue is at impasse between the
24 parties.

25 MR. WILSON: How many days do you think Qwest

03014

1 could miss it and we should still pay the cancellation
2 fee?

3 MS. STEWART: I think we had this discussion
4 or attempted to have the discussion in a prior workshop,
5 and AT&T at that point wasn't willing to discuss missing
6 it by a single day. I think that Qwest had tentatively
7 said if we could for purposes of potential settlement,
8 this is not an offer I'm making right now, but we were
9 attempting to get some parameters around that time
10 frame, and I think we had said, you know, 30 days, if it
11 goes held for more than 30 days perhaps this might be
12 appropriate. But at that time, there was no willingness
13 on the part of AT&T to consider any language other than
14 the exact language that you had proposed.

15 MR. WILSON: Well, I just -- I believe we had
16 recorded that you had actually proposed 15 days
17 elsewhere. I noticed in your example you said if you
18 completed in one day. You said that we wanted no
19 cancellation charges if you had done all the work and
20 you were just late by one day, so I was trying to see if
21 you were proposing that you be given one extra day.

22 MS. STEWART: I believe -- if that was what I
23 said, then I apologize, that was not my intent. And I
24 am sure that in the lengthy discussion of attempting to
25 get to a time frame that we could discuss with the

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1 parties, I don't doubt that on a prior transcript 15
2 days had been put out.

3 What I was trying to identify was Qwest
4 indicated it would be willing to have a discussion with
5 the parties about how many days, and we had not received
6 any recommendation or counter or proposed days from any
7 parties other than the exact language. So that was all
8 I was trying to focus on, Ken. I'm not saying we
9 wouldn't do 15 days here. I was just saying in trying
10 to discuss with the parties, we're not agreeing to the
11 day, and we're not agreeing to one day. As you have
12 already indicated, we would do 15 days, excuse me, 15
13 business days.

14 MR. WILSON: Yeah, which is three weeks
15 essentially. I think that we don't actually need to put
16 a commitment date plus some number of days on this. I
17 think it's fair the way it's stated. And furthermore, I
18 think it's unlikely that the CLEC would cancel the day
19 after the commitment date. The CLECs are quite
20 dependent on Qwest for these circuits. Generally
21 customers that would be creating the need for this
22 probably would allow some slack in it. So I think the
23 natural process would probably not say that we would see
24 a lot of orders canceled the day after the order date.
25 I think the natural process would probably add a week to

03016

1 that, but I don't think we need to do that in the
2 language. I think our proposed language is quite fair.
3 I think it basically says, meet your commitment dates,
4 if you don't, we have the right to cancel the order
5 without charge.

6 MR. ZULEVIC: I would like to add that Covad
7 has had some similar experiences as well, and it has
8 been very frustrating when we have tried to roll out
9 some of our networks in the Qwest territory where we
10 find consistently in some markets that the transport was
11 not delivered in a timely fashion, and we found that it
12 was taking, you know, a month to a month and a half
13 extra beyond the committed due date to get the service
14 up and running. This is very problematic for us.

15 Once we realized and recognized that this was
16 definitely a serious problem, then we did start looking
17 at alternatives, alternative providers. However, we
18 were quite hamstrung because of the fact that we would
19 face those cancellation charges. So whether it be a one
20 day or whether it be a five day, I think some definite
21 parameters have to be established for this. As AT&T
22 alluded to, we have no interest in canceling the service
23 if we have a reasonable expectation that it will be
24 delivered in time for us to provide the service to our
25 customers.

03017

1 MS. STEWART: Qwest does not have an
2 obligation to build interoffice facilities for CLECs,
3 and that has been made very clear by the FCC. Typically
4 when an order does go held, it's because Qwest is
5 attempting to identify that there is some type of relief
6 work going on or some type of other activity that could
7 make facilities available in a reasonable time frame.
8 So Qwest believes the fact that it even puts them held
9 pending a relief job is a real commitment that we are
10 making to the CLECs. In the alternative, Qwest could
11 just reject any order that we couldn't exactly fill on
12 the exact due date. Because once again, we do not have
13 a requirement to build interoffice facilities.

14 MS. HOPFENBECK: Could I ask you,
15 Ms. Stewart, is Qwest advising the CLECs at the time
16 they place an order for transport that -- I mean as I
17 understood the problem that Mr. Zulevic identified, they
18 had a commitment date that was missed by Qwest, which
19 suggests to me that there wasn't communication from
20 Qwest to the CLEC that the order was held for lack of
21 facilities, and the CLEC was therefore in a bind,
22 because the CLEC was counting on receiving the
23 facilities and then was unable to pursue alternatives
24 because of the cancellation charge provisions under that
25 circumstance.

03018

1 MS. STEWART: I believe that for the entire
2 installation period of a UDIT, be it from the first day
3 to the 13th business day depending on the type of
4 capacity, facility, I mean I'm not trying to speak -- I
5 mean there's a range of installation intervals. I'm not
6 trying to say what the interval is. I'm just trying to
7 be illustrative. That at any point along that, there
8 can be a jeopardy put on the circuit, so I would
9 acknowledge that sometimes the CLEC does not know on the
10 day that they passed the order that it's going to go in
11 a held for facility status, that that can happen at
12 different points along the line. And when we do become
13 aware at whatever point along the line that the circuit
14 has gone into jeopardy for facilities, we do notify the
15 CLEC and do the best we can at that time to get a new
16 due date for the circuit.

17 MR. WILSON: Let me ask another question. If
18 -- I mean this paragraph says that the order can be
19 canceled up until and including the service date. If
20 the CLEC places an order and Qwest says that there are
21 no facilities and we don't plan to ever build
22 facilities, would cancellation charges be applied by
23 Qwest?

24 MS. STEWART: Ken, I would have to subject to
25 check, and I would agree to check this over the lunch

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1 hour and make a more definitive statement, but I don't
2 believe if an order is immediately rejected for
3 facilities that there are any cancellation charges. I
4 will confirm that.

5 MR. WILSON: Okay, I think if you could
6 confirm that, that would be helpful.

7 Then we're left with the next situation, that
8 if Qwest is building new facilities so that they will be
9 available in the future, if you give us a service date
10 of two months and you meet it under your -- under even
11 our language, wouldn't you say that if we wait the two
12 months and it's delivered on time, we wouldn't -- there
13 wouldn't be any cancellation, or if we did cancel, we
14 would pay even under our language; isn't that true?

15 MS. STEWART: My understanding of your
16 language, Ken, if you are re-clarifying your language
17 that would be great, my understanding of your language
18 that it's original commitment date. So, for example, if
19 Qwest was to provide a firm order commitment date of the
20 standard interval of ten days back to you immediately
21 upon receiving the order, and then two or three days
22 later it went to the design center, and between that
23 time frame until then, all the facilities were taken or
24 snatched by another order that came along the line, and
25 then it went held, and so then we came back on day three

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1 with a jeopardy and a new due date, that this would
2 still apply. Because you have the words original
3 commitment date, so I think you are modifying what my
4 understanding of your language is.

5 MR. WILSON: No, I don't believe I was. I
6 was assuming that you gave me an accurate service date
7 or expected service date, which we called a commitment
8 date in your first response, which is the firm order,
9 the firm order commitment date or firm order
10 confirmation. In the firm order confirmation, the FOC,
11 you give us a date, and this gets to an issue that I
12 think we will see a lot more discussion in other
13 workshops here about problems the CLECs have with the
14 accuracy of the dates that Qwest is giving in its firm
15 order confirmation, and what we're basically saying is
16 you give us a commitment date in that firm order
17 confirmation, that's the date we give to our customers,
18 and that's the date we're depending on. If you
19 subsequently change it, I don't -- I don't think the
20 CLECs should be paying for your inaccuracy. I think we
21 should have the ability to cancel the order.

22 I think it's unlikely, if you come back and
23 give a reasonable length of time for the order to be
24 provisioned, we won't cancel. But if you -- if you
25 initially say you will provision the order in ten days,

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1 and then on day nine you say it will be three months, I
2 don't see why it wouldn't be fair for us to be able to
3 cancel the order and get different facilities, or if our
4 customer believes we can cancel it and not be paying as
5 well.

6 MS. HOPFENBECK: You know, I guess as I look
7 at this language, I wanted to make sure I understood
8 this provision. I mean as I understand this provision,
9 once the order has been placed by the CLEC, regardless
10 of whether Qwest can actually provision the order,
11 cancellation charges apply if they're canceled. That's
12 the way it's written. Is that Qwest's intent?

13 MS. STEWART: Well, I think that was the
14 specific question that Mr. Wilson had at AT&T. If it
15 becomes apparent along the process at some point that
16 there are no facilities, that the order is never going
17 to be filled, he asked me whether there were
18 cancellation charges, and I believed the answer was no,
19 subject to my reconfirming over the lunch hour. So that
20 would be no. You placed an order and wherever along the
21 path it became apparent that the order could not be
22 filled, then I believe there are no cancellation
23 charges.

24 The reason I want to do it subject to check
25 is I'm not an OSS witness or expert, and I just want to

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1 make sure that if there is any issues as it relates to
2 the fact that an ASR had been passed, you know,
3 something not in my UDIT product but over there, that I
4 needed to be aware and make sure that we up front
5 disclose.

6 MS. HOPFENBECK: And then my next question is
7 sort of following up on Mr. Wilson's last line of
8 inquiry, which is that how far does Qwest -- assuming
9 Qwest does allow a CLEC to cancel an order under a held
10 order for a lack of facilities situation, what are the
11 bounds of that policy from Qwest's perspective? For
12 example, is Qwest allow -- if there's lack of facilities
13 for two months expected, do cancellation charges apply
14 or not apply, or is it that Qwest only allows the CLEC
15 to cancel if it never -- if it has no present intent to
16 build facilities that would satisfy the CLEC's transport
17 order? I guess my question is sort of what is Qwest's
18 policy in fact about sort of how held orders for lack of
19 facilities are treated and whether it's held for --
20 going to be held for a month, is that one policy, and
21 held for a year is another policy, what's the line?

22 MS. STEWART: I will take that also back as
23 we're talking about the cancellation policies to find
24 out if there may be something within our OSS processes
25 that talks about if something is indefinitely held. I'm

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1 not aware of one.

2 As it relates to the UDIT product is as it's
3 stated. If we actually accept the order, if we actually
4 give the CLEC a date, even if it's not the date that's
5 the original committed date, that the cancellation
6 charges would apply. But I will take back and confirm
7 whether there is something unique around going into a
8 held order status that I may not be aware of.

9 MR. ZULEVIC: Just very briefly, you know,
10 the characterization of Karen on the type of situation
11 that we have had to deal with is I think a little bit
12 different than what I have experienced. The experience
13 that I was relating to earlier was actually not in the
14 state of Washington, it was in Minnesota, but we have
15 had some similar experiences in other markets as well.
16 But it's where the due date for multiple circuits was at
17 least 30 days beyond the committed due date. And again,
18 we went through the frustrations of having to be
19 concerned about the cancellation charges, and so we were
20 not able to go to competitors to find out if they could
21 provide it for us earlier.

22 And when we did have a face-to-face meeting,
23 over 50% of those circuits, they were cleared within a
24 week, so there definitely were facilities available.
25 It's just for some unknown reason, to me anyway, that

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1 they were not provided. And when you have that type of
2 experience with a provider, you need to have
3 alternatives. You need to be able to go to someone else
4 when it is not delivered as promised and have an option
5 of going to another carrier, and that's what competition
6 I think is all about. And unless we have some sort of
7 limitations on this, it's we're going to continue to be
8 hamstrung.

9 MS. STEWART: This is Karen Stewart again for
10 Qwest. I really am concerned with the characterization
11 that because something is cleared in a week it doesn't
12 mean we did anything, that the facilities were
13 available. When I talk about work has to be done to
14 make facilities available, you know, kind of the one
15 extreme would be we need to put fiber in the ground and
16 it's a year long construction job. However, on the
17 other end of which can happen relatively quickly and it
18 may be unknown on a relief job that's being done is
19 perhaps it's cards that need to be put into electronic
20 devices. That kind of thing can happen in less than a
21 week.

22 So I don't believe that at least I'm aware
23 that any evidence has been presented that we had
24 facilities at that point in time without having to do
25 any work. That typically we can, once it has gone held,

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1 we have gone into a held order status, and then we're
2 looking to see what we can do for the relief jobs, that
3 there are a variety of things that can be done that
4 could take less than a week.

5 MS. STRAIN: Mr. Zulevic, could you just
6 clarify for me that when you said due dates for multiple
7 circuits were 30 days after, could you just go ahead
8 with that; I missed it.

9 MR. ZULEVIC: Let me see if I can recall
10 exactly how I stated that. We were in the process of
11 establishing our network in the Minneapolis St. Paul
12 area at the time, and we had been given due dates for
13 our transport, our UDITs, the T1s and T3s, that were as
14 I recall in like the May, June time frame. And it was
15 well into August, September before we actually had the
16 vast majority of those circuits available to us.

17 I was not informed by Qwest that there were
18 any additional facility builds required, and I
19 understand that they have no obligation to build
20 additional facilities to provide UNEs to us. If that
21 had been the problem with the orders being held, then
22 I'm sure that Qwest would have informed us, and we could
23 have very easily then gone to a provider. And based
24 upon the conversation here, it would be my impression
25 that the cancellation charges would not have applied for

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1 that. And I think this is something that Karen is
2 taking back to find out for sure.

3 But in reality, they did have to place some
4 additional cards in some of the multiplexers, but these
5 are things that happen on an everyday basis when you
6 need to add additional capacity and place a card. But
7 there were no new fiber routes that had to be
8 established or anything like that. That they just had
9 to find a route that was available between the points
10 that we needed connectivity and actually complete the
11 build of the circuits.

12 MS. STRAIN: Okay, so your point was that the
13 actual install dates were substantially after the
14 commitment dates that you had received; is that right?

15 MR. ZULEVIC: Yes, that's correct, they were
16 six weeks to about ten weeks beyond the original
17 commitment dates.

18 MR. CRAIN: I think we have probably reached
19 impasse here, but we have some information to bring back
20 after lunch, and we can talk through that then.

21 MS. STRAIN: And I have one more question
22 with respect to the missed commitment dates and held
23 orders. Do you know whether any of those situations are
24 subject to other orders that have been issued in
25 Washington regarding quality of service for wholesale

03027

1 customers?

2 MS. STEWART: I do not know the answer to
3 that.

4 MR. WILSON: I think there will be
5 discussions on this issue in other workshops,
6 specifically emerging services for a number of types of
7 elements in the loop workshop, and in a yet to be
8 defined workshop on data, the rationalization of CLEC
9 provided data and Qwest provided data, where we need to
10 look at commitments met. I know Qwest is reporting
11 commitments met in some of the matrix. AT&T is seeing
12 differences in what our internal records show from what
13 Qwest shows, and I would note that we are having some
14 trouble getting order-by-order data from Qwest so that
15 we can actually figure out whose data is correct.

16 So this isn't really an issue for today, but
17 I'm just saying that I think we need -- we're going to
18 need -- we may need some help from the Commission in
19 getting the order-by-order data so that we can see why
20 our -- we're recording commitments and misses in one
21 way, and they're reporting them in another way.

22 MS. STRAIN: I'm not sure that that answered
23 my question, but I guess my question has to do with some
24 agreements that were made in connection with the Qwest/U
25 S West merger settlement.

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1 MR. CRAIN: About UDIT?

2 MS. STRAIN: About wholesale, quality of
3 service, performance plans, and so maybe over lunch --

4 MR. CRAIN: Yeah, we will check on that.

5 MS. STRAIN: If you would check into that,
6 thank you.

7 MR. CRAIN: I thought we were talking about
8 loops there, but I will check.

9 MS. STRAIN: I just want to be sure that when
10 somebody says the words held orders and missed
11 commitments --

12 MR. CRAIN: Oh.

13 MS. STRAIN: -- a light goes on, and I think
14 quality of service.

15 MR. CRAIN: Okay, we will check how that
16 works.

17 JUDGE WALLIS: All right, let's be off the
18 record.

19 (Discussion off the record.)

20 JUDGE WALLIS: It's been determined we will
21 take our noon recess at this time. We will resume at
22 1:30.

23 Let me ask for the record whether there is an
24 objection for the receipt of Exhibit 627?

25 Let the record show there is no response, and

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1 that exhibit is received.

2 (Luncheon recess taken at 12:05 p.m.)

3

4 A F T E R N O O N S E S S I O N

5 (1:35 p.m.)

6

7 JUDGE WALLIS: AT&T was raising some matters.

8 MR. SEKICH: Yes, I think two final matters
9 on this issue. The first one relates to an issue that
10 is being tracked in Colorado, continues to be an open
11 issue, a take back on the part of Qwest. There it was
12 given an issue number I assume for tracking purposes,
13 and I kind of would like to do the same here unless
14 there is some resolution that we could get on the record
15 here.

16 But the issue would relate to Section
17 9.6.4.5, and I believe we could identify it as TR-12.
18 My notes show that it's TR-13 in Colorado. And this is
19 an issue about testing for UDIT as well as EUDIT. And I
20 think that the take back related to what the standard
21 testing was, would it be required for both UDIT and
22 EUDIT. I'm not sure that this issue will find its way
23 to impasse, sort of more an informative or informational
24 request. I think Qwest is to get back to the parties in
25 Colorado. Either now or perhaps next time we get

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1 together we could talk about it.

2 MS. STEWART: Qwest has a network witness
3 here that would be available to give some information
4 and to answer any questions about testing.

5 MR. CRAIN: And this is Rachel Torrence. She
6 was sworn in yesterday, I believe.

7 MS. TORRENCE: Yes, this is Rachel Torrence
8 for Qwest again. As we mentioned earlier, the tech pubs
9 for the UDIT product are in the process of being
10 revised. The standard testing that was in the original
11 tech pub for the UDIT product and subsequently for the
12 EUDIT product was basically just a loop, loop back type
13 of testing into conductivity. Although they weren't
14 necessarily in the original tech pub, they were
15 referenced to the tech pub on DS1s and DS3s, and that's
16 where it was outlined.

17 In the revision, we're hoping to pull it all
18 into the one tech pub, and everything will be in that,
19 and it wouldn't be referenced into any other. We're
20 also including the information at the DSO level as well
21 as the DS1 and the DS3.

22 MR. SEKICH: The testing is the same for UDIT
23 and EUDIT?

24 MS. TORRENCE: Basically, yes.

25 MR. SEKICH: Is it a single tech pub that

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1 would govern testing for both?

2 MS. TORRENCE: Yes, this tech pub would
3 govern both.

4 MR. SEKICH: I think this issue probably
5 should have the same disposition as the earlier issue on
6 our concerns about the tech pub, which I think was open
7 to review at the next time we meet I think sometime in
8 April. Again, I don't anticipate this going to impasse,
9 but it's a good placeholder in case there are issues
10 about testing and/or other tech pub issues that come up.

11 MS. TORRENCE: And this was TR-12?

12 MR. SEKICH: I think that would be the next
13 in line.

14 JUDGE WALLIS: Yes.

15 MR. SEKICH: And then if it's okay, we can
16 move to what we could identify as TR-13.

17 MR. CRAIN: And I guess the only thing I
18 would say is we are going to reserve the right to, and
19 possibly when we're done with transport here, discuss
20 whether or not it's proper to keep things open for tech
21 pub review, but let's move on to the next issue.

22 MR. SEKICH: The next issue has been
23 discussed in other jurisdictions. It's been principally
24 discussed in discussions of transport, but albeit it's a
25 discussion of a category of transport, dark fiber, which

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1 typically in most jurisdictions is reserved for another
2 workshop. In other jurisdictions, the dark fiber
3 workshop preceded the workshop on UNEs. Accordingly,
4 most of the discussion had been engaged in in the dark
5 fiber workshop, so it's a little out of sync in our
6 typical addressing of these issues, and I understand it
7 might not be convenient for the parties possibly to
8 discuss this issue here. It might be better to wait
9 until we have Qwest's full dark fiber witnesses and
10 testimony has been reviewed as well.

11 But the issue I would like to frame, because
12 I think it is as applicable here for transport as it
13 would be for dark fiber, and the issue involves what we
14 have been calling for lack of a better term the classic
15 Qwest issue, and the issue relates to the facilities
16 that Qwest, as Qwest was constituted before the Qwest/U
17 S West merger, the availability of those network
18 facilities to CLECs for Qwest to fulfill its 251
19 obligations.

20 Here the concern would be specifically with
21 respect to transport facilities that Qwest as
22 constituted before the merger would have brought into
23 that marriage, if you will. I can -- as a further
24 effort of framing this issue, if I could ask a couple of
25 questions of Qwest's witness, I believe she is probably

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1 capable of answering them. They're very brief, but we
2 need to get some terminology correct.

3 And I'm wondering if, Ms. Stewart, you could
4 identify for us Qwest Communications International, Inc.
5 I believe is the name of the company, can you tell us
6 what company -- can you describe that company for us?

7 MS. STEWART: Hopefully I can describe it
8 accurately, because I haven't worked specifically with
9 Inc. But the Qwest Corporation, Inc. is the overall
10 umbrella company that then owns Qwest Corp, and then
11 Qwest Corp or QC is the previously what was known as U S
12 West and is then, per FCC guidelines and the Telecom Act
13 of 96, would be considered then the RBOC or the
14 incumbent local exchange carrier.

15 MR. CRAIN: And if I could clarify a little
16 bit there. Qwest Communications International, Inc. is
17 the holding company for all of Qwest. One of the
18 subsidiaries under Qwest Communications International,
19 Inc. is a company called Qwest Communications, no Qwest
20 Corporation, I'm sorry. Qwest Corporation is the
21 company that used to be referred to as U S West
22 Communications, Inc. U S West Communications, Inc.
23 changed its name to Qwest Corporation in the merger.

24 MR. SEKICH: U S West, Inc. as distinguished
25 from U S West Communications, Inc. was, as I understand

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1 it, the holding company of which Qwest Communications,
2 Inc. was a subsidiary; is that correct?

3 MR. CRAIN: That is correct, and it's
4 currently a part of AT&T, but that's a -- U S West, Inc.
5 became Media 1, Inc., which was purchased by AT&T.

6 MR. SEKICH: The merger -- well, I'm not sure
7 that's -- well, I guess time out, we might find
8 ourselves in a morass here. I think what I'm trying to
9 get at is what entity was merged with Qwest
10 Communications or Qwest as it was constituted at the
11 time of the merger?

12 MR. CRAIN: At the time of the merger, you're
13 right, the split happened before the merger, so the old
14 U S West, Inc. is now part of AT&T. After the split, a
15 new company called U S West, Inc. was created. That is
16 the company that was merged into Qwest during the
17 merger.

18 MR. SEKICH: And this issue is helped out by
19 testimony, because I think it's laid out in a little
20 more -- with more clarity, and I apologize that I don't
21 think either party had really fleshed out this issue,
22 probably anticipating that we would address it in our
23 dark fiber discussion. I think we raise it here, I
24 guess I haven't completely filled out the issue, but I
25 just wanted to make sure we understood why we were

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1 raising it here.

2 It is AT&T's concern that Qwest not avoid its
3 obligations under the Act by maintaining that for some
4 reason assets, facilities owned by Qwest Communications
5 International or any of its affiliates are somehow not
6 governed by the Act. We're thinking that Qwest has made
7 some conclusions that are not supported at law and would
8 result in Qwest's avoiding of its obligations to provide
9 access to facilities as required by the Act.

10 MS. STEWART: I'm going to speak to this
11 issue very generically as a factual witness, because as
12 indicated by AT&T, this is really probably more
13 appropriately a legal and a legal brief issue. I'm just
14 going to state kind of the lay person's approach here.

15 What Qwest's position is is that the original
16 assets and any future assets that Qwest Corporation,
17 which was the original U S West Communication or the
18 RBOC, those are the facilities and services that are
19 available to be unbundled. That any facilities that are
20 owned by any other Qwest entity other than those of the
21 Qwest Corporation, the former or existing RBOC, would
22 not be available to be unbundled as network elements at
23 UNE prices and rates. And so that is in a nutshell the
24 Qwest position.

25 As was indicated, this has been discussed

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1 much more extensively in the dark fiber workshops, and
2 in those workshops, I believe we are officially at
3 impasse on the issue. And I would either propose we go
4 at impasse here or defer it to dark fiber so that it
5 would be briefed once, because I think it is the same
6 underlying -- the same issue of whether any UNE, be it
7 transport or dark fiber or loops for that matter, would
8 be available to be unbundled at UNE rates if they were
9 owned by Qwest. And so that's why I would either
10 recommend a deferral, or if you want to brief it twice,
11 an impasse.

12 MR. SEKICH: And I don't think we disagree
13 with Qwest's position on this. We could do it multiple
14 ways. One logical way would be to defer the issue to
15 our discussion in the dark fiber workshop. AT&T's
16 belief is that, you know, this would remain an issue
17 here for transport, frankly for UNEs generally. The
18 question really should be kind of genericised, and it
19 sort of is a vestige of the way the parties have come to
20 these issues that has been grouped in a dark fiber
21 workshop.

22 I think that the determination made whether
23 it's dark fiber or transport would necessarily dictate
24 how Qwest and the various Qwest entities would be
25 required to satisfy its obligations under the Act,

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1 particularly Section 251 of the Act. So wherever we
2 deal with it, we think it probably impacts a number of
3 the checklist items, here transport, also dark fiber as
4 part of an emerging services sort of issue.

5 MR. CRAIN: This is an issue that has not
6 been yet briefed here or put in testimony. I don't
7 think you have submitted testimony for this workshop on
8 this issue.

9 MR. SEKICH: It's not -- it's certainly not
10 in the testimony for this workshop. There may have
11 been, and I don't know if emerging services topics have
12 been briefed at all or comments have at all been filed
13 in this docket yet, so it may be that testimony is
14 lurking there, but certainly it is the case that it
15 wasn't included as testimony for this workshop.

16 MR. CRAIN: And I would suggest that we deal
17 with this issue in the emerging services workshop.

18 JUDGE WALLIS: Is that agreeable?

19 MR. WOLTERS: I think that would be agreeable
20 as long as Qwest recognizes I think that it does apply
21 to other UNEs, and then whatever the resolution
22 ultimately is in the emerging services workshop, that
23 it's equally applicable to the other UNEs.

24 MR. CRAIN: And we can recognize that. I
25 would just caution you that if you take your argument

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1 too far, you won't be able to provide long distance
2 service in Minneapolis, but that's different, as the
3 purchaser of the parent company RBOC, but go ahead.

4 MR. WOLTERS: With that, I think we can defer
5 it to emerging services.

6 JUDGE WALLIS: Very well.

7 MS. HOPFENBECK: I just want to add here that
8 I mean I think WorldCom has approached this issue
9 slightly differently, but they are related. I mean
10 WorldCom also has concerns about, in general, about U S
11 West now Qwest's historic practice with respect to
12 capacity that is in place and that is now available to
13 CLECs for provisioning as UNEs. I mean there is a
14 question about Qwest. We raise it in this workshop as
15 Qwest's obligation to construct facilities to provide
16 UNEs, and it relates to whether or not -- I mean there's
17 some question about whether or not there was adequate
18 capacity historically in place so that there are now
19 facilities available to CLECs to provision UNEs. And we
20 agree that in the dark fiber workshop this issue will be
21 fleshed out more adequately, so I just raise that.

22 JUDGE WALLIS: Very well, does AT&T have any
23 further transport issues?

24 MR. SEKICH: No, those are all our transport
25 issues.

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1 JUDGE WALLIS: So are we prepared to move on
2 to EELs?

3 MR. HARLOW: Your Honor, I would like to ask
4 just a couple of questions of Ms. Stewart to clarify
5 where we are on some new SGAT language. Thank you, Your
6 Honor.

7 Ms. Stewart, directing your attention to
8 Exhibit 551, Exhibit KAS-2 in Section 9.7.2.10, it's
9 page 43.

10 MS. STEWART: I'm sorry, I'm just trying to
11 make sure, I have that the SGAT is Exhibit 573.

12 MR. HARLOW: KAS-2.

13 MS. STEWART: KAS-2 I believe would have been
14 the SGAT in my direct testimony, and that has been
15 updated in my rebuttal testimony as in that testimony
16 KAS-24, which has been identified as Exhibit 573.

17 MR. HARLOW: Okay.

18 MS. STEWART: It may be the same language. I
19 just wanted to make sure I was looking at the correct --

20 MR. HARLOW: Well, actually, I will stick my
21 thumb in one and turn to the other, but Section 9.7.2.10
22 does not seem to be in Exhibit 573.

23 MS. STEWART: 9.7 is dark fiber, which is not
24 a topic in this workshop.

25 MR. HARLOW: Well, that's what I'm trying to

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1 clarify, I guess. Is it Qwest's intention to reoffer
2 9.7.2.10 in the emerging services workshop?

3 MR. CRAIN: We haven't removed it from -- we
4 haven't removed that section from the SGAT, only from
5 the SGAT Lite that we are looking at for the purposes of
6 this workshop.

7 MR. HARLOW: I guess what I'm looking for is
8 an on the record commitment, because the 9.7.2.10 I
9 believe is language that's been agreed to among parties
10 in other states.

11 MR. CRAIN: I have no idea what the language
12 is, but we didn't remove anything from the emerging
13 services section.

14 MS. STEWART: I've got it, okay.

15 MR. CRAIN: Okay, go ahead.

16 MS. STEWART: I just wanted to look at the
17 section to make sure it wasn't a state specific
18 question. My understanding of your question is as it
19 relates to 9.7.2.10, which is a dark fiber subject which
20 will be discussed later, but your generic question, is
21 our intent to offer the same language in 9.7.2.10 as we
22 have -- as it has been modified in other proceedings for
23 dark fiber here in Washington, and the answer is yes.

24 MR. HARLOW: And just to clarify, the as
25 modified, is that the same as it appears in Exhibit 551,

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1 or have there been further modifications?

2 MS. STEWART: Because this exhibit was filed
3 in December and I don't have the current language in
4 front of me, there may have been some mutually agreed to
5 changes since that date.

6 MR. HARLOW: Can you name a state where we
7 could go to the record and determine what it is that you
8 are committing would be offered in Workshop 4 in this
9 state?

10 MS. STEWART: I believe the seven state SGAT
11 that we're about to file or have just recently filed, I
12 think it was filed on Friday, that is the, I believe,
13 the most recent dark fiber testimony, excuse me, SGAT
14 that does reflect all the agreed to changes between the
15 parties.

16 MR. HARLOW: And that's what you expect to
17 offer, intend to offer, in Washington?

18 MS. STEWART: That is correct.

19 MR. HARLOW: Thank you, Your Honor, that's
20 all we have for this workshop item.

21 JUDGE WALLIS: Very well, let's be off the
22 record, please.

23 (Discussion off the record.)

24 MS. STEWART: Karen Stewart from Qwest, just
25 prior to the lunch break, there was some questions by

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1 both AT&T and WorldCom as it related to cancellation
2 charges. And while I do not profess to have the answer
3 to every single question that the parties may have, I do
4 have the answer to two very specific ones.

5 The first one was, if a CLEC were to put in
6 an order for UDIT or submit an ASR and that that ASR is
7 rejected presumably for lack of facilities, would any
8 cancellation charges apply, and the answer is no. In
9 the event that Qwest were to ever reject accepting an
10 ASR for lack of facilities, which of course would be the
11 presumed reason for rejecting it, no cancellation
12 charges would apply.

13 The second issue is, would Qwest agree or
14 does Qwest have a policy that says if the ASR goes held,
15 and particularly in a situation where it were to go held
16 for an extended period of time, would Qwest also agree
17 that no cancellation charges would apply. And it would
18 be a change, and a change that if it can settle the
19 issues between the parties that were brought up in TR-11
20 that Qwest would agree to indicate in its SGAT if that
21 the order for a UDIT were to go held for Qwest reasons,
22 not customer requested reasons, then yes, the CLEC could
23 cancel the request and not pay any cancellation charges.
24 We would be willing to make that change.

25 MR. WILSON: I guess first question is, do we

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1 always -- will we know when it goes held for facility
2 reasons?

3 MS. STEWART: Yes, you get a jeopardy notice
4 that it's gone held, and I believe there is some type of
5 coding on the jeopardy that would tell you it's held for
6 facilities.

7 MR. WILSON: So it assumes we're -- I guess
8 your change assumes we get a jeopardy -- a timely
9 jeopardy for every held order?

10 MS. STEWART: It assumes that you would get a
11 jeopardy at some point. I'm not saying at what -- when
12 that would occur. But at the point that you become
13 aware that it's gone into a jeopardy status, and I'm not
14 even sure if held is quite the technical term that we're
15 using now for that, but let's just be real simple.

16 You put in the ASR request. The ASR request,
17 you get notified back that we don't have the facilities
18 and there's either no due date, a due date two months
19 from now, a due date whenever. And while it is in that
20 status of being held, we're not actively, you know, to
21 your knowledge, we're not actively working to provision
22 that specific circuit for you, if you cancel it, we
23 would agree there's no cancellation charges.

24 If you get it and it says we're going to
25 provision in 30 days, and somehow on day 25 we turn it

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1 from being kind of held and we're actually in the
2 process of working it and critical dates have been
3 established, then no, you wouldn't be able to cancel it
4 without cancellation charges. But if you canceled it at
5 any point in time that it remained in that status of
6 held, then we would agree that no cancellation charges
7 would apply.

8 MR. WOLTERS: What if you gave a response
9 that we get a firm order confirmation within the
10 standard interval, and then say the standard interval is
11 ten days and on the seventh day you then do your inquiry
12 and realize you don't have facilities, send us a new
13 notice saying that you can't provide the order, and we
14 want to cancel. At that point, do we have to pay
15 cancellation charges?

16 MS. STEWART: No, because you would have been
17 within that window of time that's in the status of held
18 for facilities. So as long as it's in the status of
19 held for facilities, you could cancel with no
20 cancellation charges.

21 MR. WOLTERS: So it doesn't matter whether
22 you get a prior notification that you can make the
23 commitment. So if I get a FOG, that's irrelevant, it's
24 the question is do we subsequently get a notice that it
25 went held?

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1 MS. STEWART: Correct. Because of that issue
2 of you could find out it went held at any period of time
3 along the way, we found it difficult to establish kind
4 of a day. So what we were trying to do was to represent
5 the reality that you could find out at any time along
6 the continuum, I would hope you don't find out
7 frequently it's the due date that it's held, but we were
8 trying to acknowledge the reality that you could find
9 out anywhere from, you know, day one to day Z that it
10 went held for facilities. And so if you find it went
11 held for facilities, it's in that held for facilities
12 status, you cancel, there would be no cancelation
13 charges. That's our proposal to counter the AT&T
14 recommended proposal that's Exhibit 627.

15 MS. HOPFENBECK: How would that apply in the
16 circumstance that Mr. Zulevic described earlier? I mean
17 it sounded like that was a situation that was probably
18 held for facilities. But I mean my question is, is
19 there any distinction that you would make between the
20 circumstance he described and the proposal that you're
21 making now?

22 MS. STEWART: I, of course, don't know and we
23 didn't receive testimony to my knowledge from Covad on
24 transport, so we don't, you know, we're working on kind
25 of a theoretical here. So theoretically it sounds like

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1 that Covad was in a situation where they ordered some
2 UDITs, they got a due date or maybe even didn't get the
3 original due date, I don't know, but somehow in that
4 process they discovered that there were no facilities
5 and Qwest could not deliver the circuits for a period of
6 several weeks.

7 If Covad had gotten -- under this proposal,
8 and I'm trying to be clear, this is a new proposal to
9 settle the issue, I'm not saying it's what happens
10 today, this would be a new proposal, is that if Covad
11 then was told it's held for six weeks, then they could
12 have gone back and made the decision at any time it
13 remained in that held status that they could cancel with
14 no cancellation charges. So he would have been able to
15 cancel and get the facilities from a different provider.

16 MR. WOLTERS: Let me follow up. If you give
17 a firm order date, and that date comes, and you just
18 miss it, and we want to cancel, we would still have to
19 pay cancellation charges?

20 MS. STEWART: That is correct.

21 MR. ZULEVIC: I'm trying to --

22 MS. STEWART: Well, I guess to respond back
23 to the issue, if we miss the due date and it's in the
24 process of being installed, then whether it's two days
25 later or three days later or four days later, and that

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1 would be an unfortunate that we missed the due date,
2 it's just a reality that all of these circuits are not
3 going to be installed on the due date. There is going
4 to be a continuum of maybe before, maybe after, but
5 there's a window of time in which things are going to be
6 installed.

7 What we are trying to address here is the
8 specific example that both AT&T and Covad brought up,
9 which is not an example, and I think they even
10 acknowledged that a CLEC would be unlikely to cancel
11 something if it was to be delivered a day later or two
12 days later. Their issue was if it truly goes held for
13 some period of time and I determine I can't wait that
14 long, I should be able to cancel without cancellation
15 charges, and that's what we're coming back and we're
16 agreeing to make that change.

17 MR. ZULEVIC: The thing I'm a little unclear
18 on, Karen, is you said that at some point when you do
19 have the facilities identified or whatever, you will
20 begin working on it again, and then from that point on
21 that cancellation charges would be applicable. How is
22 that date determined, or how is it identified to the
23 CLEC so that they can take that into consideration with
24 their decision?

25 MS. STEWART: I believe once we know the

03048

1 date, then we resend back the firm order commitment date
2 to you, and I believe that there are some standard
3 critical dates from that, and they're obviously not
4 longer than the complete installation interval. So, for
5 example, if we come back and tell you it's held for
6 facilities, but we think we can do a relief job in six
7 weeks and you get a new date of the six weeks, but it's
8 still held, I mean we're not working on it that minute
9 obviously because we really start working on it within
10 the five, ten days before the due date, then you would
11 be able to cancel without cancellation charges. If we
12 say 45 days, you wait up to day 44 and the next day
13 we're delivering it, then yes, cancellation charges
14 would apply.

15 MR. WOLTERS: Let's follow up on this, let's
16 go back to my original example. I mean I don't -- I
17 think this is broader than just a held order issue for
18 us. I think you -- so I don't want to make it sound
19 like it just happens if there's a held order. But my
20 understanding is if you give a firm order confirmation
21 date, you come to that date, you miss it, we can't
22 cancel without paying cancellation charges. The problem
23 I'm having is that how do extricate ourselves from the
24 problem. Because if Qwest at that point gives us a new
25 firm order confirmation date and now it's ten days out,

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1 we don't have any option, we're forced to take your ten
2 days, because we can't extricate ourselves without
3 paying the cancellation charges. So if you say it's 30
4 days or 60 days is the new firm order confirmation date,
5 there's no way for us to extricate ourselves if you
6 claim the facilities are available, you just haven't
7 provided them. So there's no way to get out without
8 paying cancellation charges.

9 MS. STEWART: Okay, I'm not aware we would
10 ever send something out an extended period of time other
11 than for facilities. I'm not saying it can't happen,
12 but you're coming -- that's what I'm understanding your
13 concern is. We had already offered and we're still
14 willing to offer that if we miss the original committed
15 date by more than 15 business days, we would also let
16 you cancel without cancellation charges, and we would be
17 willing to kind of marry those two concepts together.

18 So you would have the held you can cancel at
19 any time, and then on the other side kind of like to
20 take care of those ones that don't go held for
21 facilities but if we miss the due date by more or give
22 you a new due date that's more than 15 business days
23 out, then you could also cancel without cancellation
24 charges. That might be able to kind of address the two
25 scenarios.

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1 MR. WILSON: I think one -- I have two, well,
2 one major concern, and that is historically we have not
3 gotten notification of held order jeopardy status in the
4 majority of cases. Now hopefully that's changing, and I
5 guess we will see whether that has changed when we
6 review the matrix. But I think at this point maybe we
7 need to see your language proposal to see how far -- how
8 close that gets us to where we need to be.

9 MS. STEWART: We can bring some language
10 tomorrow and give you a chance to look at it while this
11 workshop is still being conducted.

12 MR. CRAIN: Now I believe we can move on to
13 general UNE issues, Section 9.1.

14 JUDGE WALLIS: Mr. Harlow.

15 MR. HARLOW: I wonder if we could go off the
16 record for a minute to discuss a scheduling question.

17 JUDGE WALLIS: Let's be off the record,
18 please.

19 (Discussion off the record.)

20 JUDGE WALLIS: During a brief off record
21 discussion, it's been determined that issue number CL2-2
22 is going to be deferred into Workshop 4; is that
23 correct?

24 MR. HARLOW: Yes, Your Honor, thank you.

25 JUDGE WALLIS: Very well, let's go back to

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1 2-1 and proceed. Qwest.

2 MR. CRAIN: I believe this is an issue AT&T
3 wanted to speak about and have Mr. Hydock give a short
4 presentation.

5 MR. WOLTERS: That's correct. I think we
6 need to qualify the witness.

7 JUDGE WALLIS: Very well, has the witness
8 been sworn?

9 MR. CRAIN: We also will need to swear in
10 Nancy Lubamersky, who may be responding to some of
11 Mr. Hydock's issues.

12 MR. WOLTERS: Mr. Hydock says he was sworn in
13 Workshop 1.

14 JUDGE WALLIS: Very well.

15 MR. WOLTERS: But if you would like to do it
16 again, we can do that.

17 JUDGE WALLIS: That will be sufficient. We
18 will merely note that he has previously been sworn in
19 this matter.

20 (Witness NANCY LUBAMERSKY sworn in.)

21 MR. CRAIN: Okay.

22 JUDGE WALLIS: Can we have the witness
23 identified and qualified.

24 MR. CRAIN: Yes.

25 Ms. Lubamersky, could you identify and state

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1 your name, your job at Qwest, and where you live and
2 work.

3 MS. LUBAMERSKY: I'm Nancy Lubamersky,
4 L-U-B-A-M-E-R-S-K-Y. I'm executive director in Qwest
5 policy and law with shared responsibility for our 271
6 workshops.

7 MR. CRAIN: And where do you work?

8 MS. LUBAMERSKY: I work in Seattle,
9 Washington.

10 MR. CRAIN: Okay.

11 JUDGE WALLIS: Can the witness spell her last
12 name for us, please.

13 MS. LUBAMERSKY: L-U-B-A-M-E-R-S-K-Y.

14 JUDGE WALLIS: Thank you.

15 MR. WOLTERS: This is our issue, so I will
16 ask Mr. Hydock to testify.

17 Mr. Hydock, would you state your name and
18 your place of employment, please.

19 MR. HYDOCK: My name is Michael Hydock. I'm
20 at 1875 Lawrence Street, Denver, Colorado 80202.

21 MR. WOLTERS: Now you submitted a supporting
22 affidavit of Michael Hydock to these workshops that has
23 been marked as 651-T and the accompanying exhibits which
24 have been marked 652 through 655. Was your testimony or
25 affidavit prepared by you or under your direction and

03053

1 control?

2 MR. HYDOCK: Yes, it was prepared by myself.

3 MR. WOLTERS: Do you have any corrections or
4 modifications to make to your testimony at this time?

5 MR. HYDOCK: No.

6 MR. WOLTERS: I would ask that Mr. Hydock's
7 Exhibits 651-T through 655 be admitted into the record.

8 JUDGE WALLIS: Is there objection?

9 MR. CRAIN: No objection.

10 JUDGE WALLIS: Let the record show that there
11 is no objection and that those documents are received
12 into evidence.

13 MR. WOLTERS: The witness would like to give
14 a short statement, please, to explain the issue.

15 JUDGE WALLIS: Please proceed.

16 MR. HYDOCK: Thank you. The direction of my
17 testimony is essentially twofold. What AT&T would like
18 to demonstrate is that testing language needs to be
19 included in the UNE-P or UNE sections of Qwest's SGAT.
20 Really what we're trying to get at is whether Qwest is
21 offering AT&T or any other CLEC the same type of access
22 to UNEs that it provides itself. For example, would
23 Qwest be allowed to use its own facilities to perform
24 pre-market testing. We presume that they do that, and
25 we would like to see CLECs have that same opportunity of

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1 equal access to these elements.

2 There's essentially two types of testing that
3 we're talking about, and I think one was more or less
4 hinted at in Ms. Stewart's testimony. When Qwest
5 releases a new version of its OSS, there is the need to
6 perform testing. The current environment that Qwest
7 allows for testing is very limited, limited in scope,
8 limited in hours of availability, and there is movement
9 afoot to encourage Qwest to develop a full fledged test
10 bed environment where when Qwest releases a new OSS
11 version, testing can occur in a specific arena with
12 sample lines, sample accounts, and CLECs can go in and
13 see if their interface continues to work well with the
14 Qwest interface, and it's a classic OSS testing issue.

15 What AT&T's concerned about goes beyond that.
16 It's more general. It's really can we get access to
17 UNEs to do some pre-market testing. Pre-market testing
18 would include not only this OSS interface, but does
19 Qwest have the provisioning, maintenance capability to
20 deliver the UNEs through AT&T's systems, does AT&T have
21 the proper systems set up to do the ordering and
22 provisioning from their side, can it accept bills from
23 Qwest in the appropriate formats to turn around and
24 render bills to their end users. So it's a much broader
25 pre-market type entry testing that AT&T is looking at.

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1 And, in fact, we have this allowance for this
2 type of testing in our current interconnection agreement
3 with Qwest in Minnesota. In September, we approached
4 Qwest with the idea to cooperate with us on a UNE-P
5 trial in Minnesota, and in this trial AT&T would install
6 testing equipment in a AT&T office in Minneapolis.
7 Qwest would provision 800 retail residential lines and
8 200 UNE-P lines. AT&T would go through a battery of
9 tests, changing features, switching UNE-P back to Qwest,
10 taking the Qwest retail lines and converting them to
11 UNE-P, accepting bills for test calls made, auditing
12 those test calls and bills, and rendering bills.

13 The test has been performed by AT&T in Texas,
14 in New York, in Georgia. We're currently negotiating
15 with ILECs to do the test in Florida and Michigan. This
16 is a pre-market test. We have gone into market in New
17 York and Texas. During these tests, we have uncovered
18 some issues with systems that the ILEC uses to provision
19 UNEs. It has not stopped anybody from getting entry
20 into the long distance marketplace, but rather it has
21 encouraged them to build up their interfaces or
22 provisioning systems before such approval was given.

23 So in September, we approached Qwest, and now
24 seven months later, six months later, we still do not
25 have agreement from Qwest to cooperate with AT&T on the

03056

1 proposed trial. There's been numerous issues that Qwest
2 has raised. They indicated to us a 1,000 line test was
3 too much, however this is merely 1/20 of 1% of their
4 total access lines in Minnesota, and we felt that a
5 1,000 line test was a reasonable size. Initially Qwest
6 required a confidentiality requirement. We could do the
7 test, but only if all results were confidential. Qwest
8 has objected to the use of retail residential lines
9 claiming that the building we want to use is a
10 commercial building and they are precluded from using --
11 from providing residential lines in a commercial
12 building. And finally, they claim that the testing that
13 we want to do is covered already in the ROC OSS.

14 What we went -- we kind of realized we were
15 at impasse, and we went to the Minnesota Commission
16 seeking their cooperation in mediating our differences
17 in the UNE-P test. The commission accepted. We spoke
18 with Commissioner Garvey and Chairman Scott. They
19 invited Qwest to a three way meeting to work out our
20 differences, and essentially Qwest refused that meeting.
21 So we're at the point where we're evaluating different
22 alternatives, including regulatory proceedings, to try
23 to push this test forward.

24 So even where we have language in our
25 agreement, it's a tough battle. If there is no language

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1 in the SGAT for testing, it would be virtually
2 impossible for CLECs to perform any sort of pre-market
3 testing. Your alternative is basically to test on live
4 customers. That concludes my prepared remarks.

5 JUDGE WALLIS: Very well.

6 MR. CRAIN: If I could ask you a couple of
7 questions. First of all, you asked -- you indicated
8 that you think that language needs to be added to the
9 SGAT. Has AT&T proposed or is AT&T going to propose any
10 such language?

11 MR. HYDOCK: Dom, do you want to --

12 MR. SEKICH: Yes, actually, we would be happy
13 to propose some language.

14 MR. CRAIN: I mean if you would submit that,
15 we can look at it and see if there's anything we can do
16 on that.

17 MR. SEKICH: Sure, we can submit it and look
18 forward to discussing it I guess the next time we meet,
19 the follow-up meeting.

20 MR. WOLTERS: Andy, I guess regarding the
21 SGAT language, it was my understanding that Qwest was
22 going to prepare some SGAT language also regarding
23 testing in the Colorado proceeding. So while we're
24 willing to provide some SGAT language on testing, it's
25 my understanding that that is also something that's a

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1 take back for Qwest in Colorado.

2 MR. CRAIN: In terms of the pretest, the EDI
3 testing that we do, to include that in Section 12.

4 MR. WOLTERS: Well, it's my understanding
5 that it would go beyond the testing that you currently
6 do, but would include language to the extent that the
7 FCC required an ability to do testing in its New York
8 order in Paragraph 109.

9 MR. CRAIN: Which we think we comply with,
10 but Nancy Lubamersky would like to give a short
11 presentation.

12 MS. LUBAMERSKY: First, a point of
13 clarification to Mr. Wolters. I believe our commitment
14 is to put forward information about our stand alone EDI
15 test bed and our commitment to that, which has been made
16 last month through the CICMP, the change management
17 process, and that is our intent to put forward that
18 language.

19 MR. WOLTERS: Well, just so, before you go
20 on, I think in Colorado there was two issues, one,
21 providing SGAT language that provided for testing, and
22 two, providing testimony on your current testing
23 environment and your proposal at CICMP.

24 MS. LUBAMERSKY: Just a few remarks in
25 response to Mr. Hydock's comments. The two aspects of

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1 concern each have different potential solutions.

2 The first, the new capability for software
3 upgrades, classic OSS tests, we believe is being dealt
4 with in the modifications to our test environment, that
5 is adding our stand alone EDI test bed to our current
6 interoperability testing and our phased introduction to
7 begin real use of EDI.

8 In addition, through the ROC OSS third party
9 test, we have recommitted to any unique needs that a
10 CLEC might have regarding EDI. Each CLEC receives its
11 own EDI test team, and each CLEC's needs for EDI testing
12 vary. So some CLECs using outside vendors have a more
13 limited relationship with the Qwest EDI team, and others
14 have a more lengthy and involved relationship with the
15 EDI test team. We stand ready to meet with AT&T if
16 there are EDI issues which would want -- they would want
17 dealt with vis a vis UNE platform, UNE-P.

18 The second area of concern though is a bit
19 perplexing. AT&T appears to want to pre-market tests
20 for a service, UNE-P, for which we already have more
21 than 13,000 lines in service and represented very
22 substantively in the UNE, excuse me, in the ROC third
23 party test. Table D-4 has 17 scenarios of UNE-P and
24 will deal with residence POTS, business POTS, and ISDN
25 PRI for a total of 38 scenarios with hundreds of test

03060

1 accounts. The ROC OSS test will include every aspect of
2 OSS, preorder, order, provisioning, maintenance, and
3 billing and will be further captured both in the daily
4 usage feed test, test 19, the billing test, test 20, as
5 well as the CLEC observations in 12 states for both
6 dispatch and LNP. If this were a new product without
7 commercial demand and OSS testing in the ROC, the
8 discussion would likely be in a different direction.

9 One last point, Mr. Hydock ended by
10 describing that without a pre-market test or trial, the
11 only choice would be live customers. And, in fact, many
12 CLECs in Qwest territory have done phased introduction
13 to assure that both Qwest and the CLEC is ready. In
14 Arizona one CLEC had 42 employees involved in a similar
15 trial to what's described and learned a great deal from
16 that. The idea of 1,000 lines being needed is a bit
17 more than we can understand.

18 But again, if a new product comes along and
19 AT&T would like to have a limited number of
20 transactions, we have done it before and we will do it
21 again. But this request is outside of the realm of
22 necessary.

23 MR. HYDOCK: Ms. Lubamersky, then is it
24 Qwest's position that CLECs can't do some pre-market
25 tests without providing their own live customers?

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1 MS. LUBAMERSKY: I'm hard pressed to make a
2 one size fits all rule. There might be a circumstance
3 where there might be some need for a joint effort. In
4 this particular case for UNE-P, a product with years of
5 experience and, as I said, more than 13,000 lines in
6 service, we are not willing to do so.

7 MR. CRAIN: Although by live customers, are
8 you including the use of friendlies and the use of
9 employees or test subjects?

10 MR. HYDOCK: Yeah, I guess, you know, yeah, I
11 don't know if this is the essential difference, that
12 because we're using test equipment as opposed to
13 employees, there's an issue. I mean that seems to be
14 you're all more than willing to offer a UNE-P test if we
15 come up with our own employees or our own test subjects,
16 but if we want to run this through test equipment to
17 essentially automate the process, there's an issue.

18 MS. LUBAMERSKY: I don't -- I would not agree
19 with your depiction of the distinction being between
20 test gear and employees or live customers. Wanting
21 1,000 lines for a service that's been in service for a
22 couple of years and, again, has so many already in
23 service just doesn't seem to make sense to us.

24 MR. HYDOCK: Well, AT&T basically was at the
25 Arizona workshop where Eschelon raised a lot of issues

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1 regarding their role out of UNE-P. We have done this
2 test in other states where we have had a lot of
3 problems, they have gotten resolved, and it was a great
4 way to go through a fix. I don't think there are too
5 many companies out there that want to roll out a product
6 without doing some sort of testing. We don't have that
7 capability to do the test that we would like to do.
8 Qwest has basically told us no way.

9 MS. LUBAMERSKY: The scope and timing of this
10 test doesn't appear reasonable to us. We believe that,
11 again, the lines in service as well as the ROC test is
12 sufficient for UNE-P. But again, going back to your
13 hypothetical, if a new service came along and it was in
14 the parties' interest to have 50 lines worked on
15 together, we would probably say yes. This is too much
16 too late.

17 MR. HYDOCK: Is this 13,000 lines system wide
18 within Qwest or is this --

19 MS. LUBAMERSKY: A 14 state total.

20 MR. HYDOCK: Okay, 14 state total, so about
21 less than 1,000 lines per state is what you're saying
22 represents a fully mature proven service?

23 MS. LUBAMERSKY: No, I did not say that.

24 And, in fact, the average is nothing like that. Because
25 the UNE-P is, for example, more concentrated in

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1 Minnesota, which is even a bit more humorous as to why
2 you would want to do the test in Minnesota.
3 Mathematically, yes, it's an average of 1,000. But the
4 14,000, excuse me, more than 13,000 lines in service as
5 well as the 38 scenarios representing hundreds of
6 additional accounts in the ROC test appear sufficient to
7 Qwest.

8 MR. HYDOCK: Do you know how many lines and
9 accounts are in the ROC test?

10 MS. LUBAMERSKY: 9,600 telephone numbers, and
11 they will be used in many scenarios and in many test
12 cases and test instances representing tens of thousands.

13 MR. HYDOCK: I guess we are at a place where
14 AT&T would like to proffer some testing language. We're
15 not quite satisfied with -- and while Qwest has -- is
16 relying on the ROC to show that things can work out,
17 three years down the road if we want to enter a state
18 and do pre-market testing, under the current SGAT, Qwest
19 could just as well say no, and we would be forced to do
20 some other substandard testing. And I guess we will be
21 proffering language shortly.

22 MR. WILSON: Maybe just a few words on the
23 need for such testing. I have over 20 years of
24 experience, much of that in performance testing of
25 operational support systems and associated services in

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1 the telecommunications industry. And a trial of 1,000
2 lines in this situation is not unreasonable. In fact, I
3 would like to see one larger. But the expense in
4 running a trial, which AT&T would bear most of, is
5 limited, is the limiting factor.

6 When a company like AT&T would go into a
7 major market such as Minneapolis or Seattle, you could
8 see multiple thousands per day in orders, so you need to
9 make sure that the AT&T OSS will process those orders
10 with the Qwest OSS. So there is no substitute for a
11 fairly large trial to see if these systems work.

12 And I would just point to the dramatic
13 problems that occurred in New York even after OSS
14 testing by third parties where when actual customers
15 were being put on, the system basically crashed and had
16 to be major reworking done in order to get commercial
17 service and commercial viability.

18 So I think this is a very reasonable
19 suggestion and a reasonable test proposal by AT&T. It's
20 not at all overblown. 1,000 lines, as I said, I would
21 consider fairly minimal. 13,000 lines in the whole
22 Qwest region, even if those were in one state, is not a
23 large number at all, and it doesn't show real commercial
24 volume and viability. So as a former tester, what AT&T
25 proposes does not sound unreasonable.

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1 MR. WOLTERS: Nancy, can I ask you a couple
2 of questions. I'm looking at the response to IWO 1044
3 that you provided in Arizona where you address the issue
4 of the test bed environment or stand alone EDI test bed.

5 MS. LUBAMERSKY: Yes.

6 MR. WOLTERS: The first thing is the CICMP
7 process. I think you indicated that you proposed CICMP
8 to provide some testing options to the CLECs, and my
9 understanding is that proposal was made and voted on by
10 the members, correct?

11 MS. LUBAMERSKY: Yes.

12 MR. WOLTERS: Okay, what did they agree to?

13 MS. LUBAMERSKY: So we're going back now to
14 EDI testing. That's the extent of this IWO.

15 MR. WOLTERS: The testing, what it was agreed
16 to in CICMP regarding a stand alone EDI test bed.

17 MS. LUBAMERSKY: The agreement was made that
18 if a CLEC chooses to utilize EDI stand alone testing, it
19 would be optional whether they would need also to do
20 interoperability testing.

21 MR. WOLTERS: So it's my understanding that
22 Qwest is committed to do a stand alone EDI test bed,
23 correct?

24 MS. LUBAMERSKY: Yes.

25 MR. WOLTERS: Okay, what is the timing of

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1 that? When does that -- when do you believe you will
2 have that test environment ready for use by the CLECs?

3 MS. LUBAMERSKY: Based on the February 23rd
4 vote by the CLECs, Qwest is still analyzing its ability
5 to roll out the full stand alone EDI test bed. The two
6 major options being considered are a portion of the test
7 bed out third quarter or the complete test bed available
8 potentially fourth quarter. But again, those are draft
9 dates and still being pursued and will be reported back
10 via CICMP and the workshop process.

11 MR. WOLTERS: It's my understanding that the
12 project plan for Arizona has testing completed around
13 the end of July, correct?

14 MS. LUBAMERSKY: Yes.

15 MR. WOLTERS: So in Arizona, they couldn't
16 really do an analysis of your test bed after it's
17 complete, because testing would essentially be done?

18 MS. LUBAMERSKY: If the stand alone EDI test
19 bed were not done until after that date, it would need
20 to be analyzed through a different process than
21 CAP-Gemini's test, yes.

22 MR. WOLTERS: Now in the ROC process, is it
23 Qwest's intention to let the test at ROC have the
24 opportunity to review the stand alone EDI test bed, or
25 do you not intend that to be a part of the ROC test,

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1 that review?

2 MR. CRAIN: Currently that is not scheduled
3 to be part of the ROC test. If it's available at the
4 time the ROC test is proceeding, it could be evaluated
5 then. I will note that MCI raised the status of the
6 test bed as an issue in the ROC. It was discussed a
7 week and a half ago on tag call, and MCI agreed to drop
8 that issue. AT&T did not object, and no one else
9 objected, and it has been dropped.

10 MS. LUBAMERSKY: It has been closed and
11 referred to completion via CICMP.

12 MR. WOLTERS: So I guess my point is that at
13 present, it does not look like any of the -- either test
14 is really going to review your stand alone EDI test bed.

15 MS. LUBAMERSKY: It's not part of the
16 existing functionality tests. Depending on its
17 availability, it could be analyzed, but that's not part
18 of the plan today, that's correct.

19 MR. WOLTERS: At ROC?

20 MS. LUBAMERSKY: Correct.

21 MR. WOLTERS: And Arizona?

22 LUBAMERSKY: Correct.

23 MR. WOLTERS: Okay.

24 MS. LUBAMERSKY: One point of clarification
25 to something that Mr. Wilson said. He described the

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1 need for robust testing, and I think anyone in telecom
2 agrees with that. However, he described and Mr. Hydock
3 in his testimony described that the purpose of the AT&T
4 UNE-P trial is to test the Qwest AT&T interface involved
5 with UNE-P provisioning, whereas the third party testing
6 is being conducted to test Qwest's own network systems,
7 and that's quite incorrect. The ROC third party test
8 has many elements, 24 tests, but in fact tests not only
9 Qwest's system but the entire work of Hewlett Packard as
10 a pseudo CLEC is to test the CLEC Qwest interface.

11 MR. HYDOCK: I would just like to clarify,
12 AT&T has its own systems that are not Hewlett Packard
13 systems, so the OSS test under the ROC will not be
14 testing AT&T systems, but rather a pseudo CLEC system.

15 MR. WILSON: I would like to reiterate that I
16 mean there's no doubt of the value of the third party
17 test. I think it does a first order test of Qwest
18 systems. But to get commercial viability for AT&T, AT&T
19 would need to test its systems. With interfaces as
20 involved as this, it's not enough to simply have a
21 standard that everyone builds to. You also need to test
22 each CLEC's system with the Qwest OSS to make sure that
23 everyone understood what the standards should be. I
24 have no doubt that after the test is over, HP could get
25 into the market in a big way, but we still need to make

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1 sure that at volumes, at commercial volume levels, the
2 AT&T systems will work with the Qwest systems.

3 MS. LUBAMERSKY: Isn't that exactly what
4 interoperability testing is all about?

5 MR. WILSON: It's a goal of interoperability
6 testing, but I can attest to having been in the Bell
7 labs division that, for instance, tested what should be
8 a very straightforward interface with ISDN, and in fact
9 whole labs were set up to bring vendors in to make sure
10 that the equipment worked according to the standard.
11 Standards are set with the intent of interoperability,
12 but you always have to test it with all of the systems
13 that will be involved.

14 MS. LUBAMERSKY: Just to assure clarity on
15 the record, Qwest continues to stand ready for any level
16 of interoperability testing needed in the EDI
17 environment and customize that extensively with tens of
18 thousands of hours of work between Qwest and CLECs.

19 MR. HYDOCK: Yeah, I think, Nancy, the issue
20 around the EDI portion of the test I think is being
21 moved along. Maybe the CLECs would like a faster turn
22 up of the test bed environment, but our whole testing
23 issue goes beyond just the electronic data interface.

24 MR. CRAIN: And I guess I would suggest that
25 we both are going to submit some language here, and I

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1 think my suspicion is that we will go to impasse on
2 this, but I think we have talked it through here.

3 MR. SEKICH: Just a couple of issues of
4 clarification. AT&T, as I mentioned, would be happy to
5 provide some language. Your last comment, Andy,
6 suggested that Qwest would be preparing and submitting
7 language as well, and is that correct; is that a correct
8 assumption?

9 MR. CRAIN: In Colorado we talked about
10 possibly adding some language to Section 12 that
11 explains the testing we do with CLECs, and we're willing
12 to do that.

13 MR. SEKICH: And to the extent Qwest submits
14 that proposal in Colorado, I assume it would be
15 submitting that proposal here in Washington as well.

16 MR. CRAIN: Yes.

17 MR. SEKICH: Okay, thank you.

18 MR. WOLTERS: Judge, I think we have had our
19 opportunity to develop the issues, and I think that we
20 just leave it open, show a take back for AT&T and Qwest
21 to provide their respective language, and then we
22 address this at the follow-up. And if we can not
23 resolve it by the end of the follow-up workshop, we will
24 put it at impasse.

25 JUDGE WALLIS: Very well.

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1 Let's go off the record for just a moment.

2 (Brief recess.)

3 JUDGE WALLIS: Ms. Stewart, are you prepared
4 to proceed?

5 MS. STEWART: Yes, I am. I believe we would
6 be at CL2-3, and the issue is that the original SGAT
7 language that Qwest had at 9.1.1, that AT&T questioned
8 whether that language was currently appropriate. Qwest
9 has modified that language and has filed a modified
10 9.1.1 in the SGAT in Washington, and Qwest believes this
11 would close the issue for the parties.

12 MR. WILSON: AT&T is satisfied with the
13 changes in the language, so I think we can close this
14 issue.

15 JUDGE WALLIS: So noted.

16 MS. STEWART: Moving on to CL2-4, AT&T
17 requested some clarification and updates in the
18 definitions sections, specifically 4.6.1 and 4.6.2
19 clarifying that UNE combinations are not limited to
20 preexisting combinations. Qwest has agreed and has
21 modified this language. I believe it was distributed
22 earlier to the parties and was marked as Exhibit 583.
23 Give people the opportunity to get it in front of them.
24 I would like to clarify that the issues list where it
25 says 4.6.1, it's really 4.61. There should not be the

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1 extra dot between the 6 and the 1, and the same
2 modification needs to be made for the SGAT reference
3 below that, it's 4.62.

4 MR. WOLTERS: Karen, I know we agreed to the
5 language in Colorado. Is this the exact same language
6 that we agreed to in Colorado?

7 MS. STEWART: I believe that it is, yes.

8 MR. WILSON: And I believe given that
9 language that we can close this issue.

10 MS. STEWART: The next section is, excuse me,
11 the next issue is CL2-5, and what this issue is is that
12 in Section 9.1.2, AT&T had objected that that section
13 did not reflect the FCC standards for access to UNEs.
14 Qwest did modify this section and believes it did
15 capture the FCC language that AT&T had pointed to in its
16 testimony, and we used pretty much verbatim the words
17 out of the FCC UNE remand order that was referenced by
18 AT&T.

19 I believe, however, the issue is currently at
20 impasse between the parties, and I will let AT&T speak,
21 but they felt that the section that they had originally
22 identified which we had quoted did maybe not capture all
23 of the issues, and they have recommended additional
24 changes to this section.

25 MR. WILSON: I think we have a number of

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1 issues with this paragraph. The first is the issue of
2 quality, that being equal versus substantially the same.
3 I believe that's one of the impasse issues. I believe
4 that we were looking for some additional language and
5 some language changes here to assure that we receive the
6 quality of unbundled elements that we are entitled to
7 receive.

8 MR. CRAIN: On that point, if I could ask you
9 a question, if you look at page 19 of AT&T's comments, I
10 believe that in terms of the language, substantially the
11 same time and manner, that is in the language that AT&T
12 proposed.

13 MR. WILSON: Okay, I think on the language
14 for the quality provision, we will not raise that as an
15 issue. So we go -- then we go on to our next issue on
16 this paragraph, and that is the issue of indemnity,
17 which we have some concerns, and actually we passed out
18 language earlier today.

19 MR. SEKICH: Yes, we did. As a matter of
20 fact, it's Exhibit 628 was passed out earlier today.
21 There really are, I think, three issues that were
22 captured by AT&T's proposed language here. And by the
23 way, I believe this is precisely the same language as
24 was included in Mr. Wilson's testimony. The three
25 provisions, the three concepts included here were the

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1 quality issue we had just finished speaking about, and I
2 think AT&T, as Mr. Wilson said, is willing to accept
3 Qwest's language with respect to the statement of what
4 quality standards apply.

5 The second issue or subissue here which is
6 raised by our proposed language is a promise on the part
7 of Qwest to provide access at service performance levels
8 set forth in Section 20, which is the section of the
9 SGAT, I believe, where service performance standards
10 will be described. And finally, you will see in the
11 last sentence of 9.1.2 a promise on the part of Qwest to
12 comply with all state wholesale and retail service
13 quality requirements. This is sort of that second
14 category. It's a reference to specific quality
15 standards that may or may not be the same as those
16 generic or general quality standards Qwest promises to
17 conform to in the first part of this paragraph. So
18 that's the -- that's the second issue.

19 And the third issue is really captured by
20 subparagraphs 9.1.2.1 and 9.1.2.2. These issues or
21 these paragraphs set forth an indemnification on the
22 part of Qwest of CLECs in the event that Qwest fails to
23 meet their quality -- their standard -- their promises
24 to meet certain quality standards. I will note with
25 respect to this last category of topics -- if you will,

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1 maybe it would be helpful to understand this issue 9.,
2 or sorry, it's issue CL2-5, which is the issue I believe
3 we're addressing, it might be easier to understand it in
4 subissues 5(a), 5(b), and a 5(c). We have identified it
5 that way in another jurisdiction, Colorado, to sort of
6 track these sort of subissues.

7 5(a) would be the quality, the very general
8 quality standard that I think you just heard AT&T agree
9 to utilize Qwest's proposal, so that component I think
10 is no longer at impasse and should be closed. 5(b), if
11 you will, would be the statement that Qwest would,
12 notwithstanding the compliance with this general
13 standard, would comply with its obligations under
14 Section 20 of the SGAT as well as wholesale and retail
15 service quality standards. And 5(c) would be this
16 indemnification issue.

17 With respect to 5(c), I believe the very
18 recent order from the state of Washington regarding a
19 very similar issue, it may have been nearly identical
20 language proffered in connection with interconnection,
21 recommended that this issue be, although flagged for
22 interconnection, dealt with in a more complete and
23 thorough way in a general terms workshop. And with
24 respect to this 5(c) issue, I think that probably is
25 appropriate here as well, and AT&T would anticipate that

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1 if this were brought to the Judge in this matter, the
2 ruling would probably be the same.

3 So perhaps to save us time, we could commit,
4 or AT&T's offering to address this issue in the general
5 terms workshop sometime later this year. Which leaves
6 us maybe with that middle issue, 5(b), as kind of the
7 operative issue at the moment. I hope that was not too
8 rambling and fairly helped achieve some clarity on this
9 issue.

10 MS. STEWART: Qwest would agree to have this
11 section separately identified as a (a), (b), and (c) as
12 outlined by AT&T. Qwest appreciates AT&T's agreement on
13 the overall quality standards in (a).

14 Qwest will also agree to the deferral of (c)
15 to a general terms and conditions workshop. That is the
16 general terms section of the SGAT. I believe it's
17 discussed in Section 5.

18 As far as the issue on item (b), Qwest's
19 compliance with wholesale and retail standards, Qwest
20 will abide and meet its wholesale and retail quality
21 standards. What Qwest doesn't agree to is that those
22 standards would somehow be interpreted in this workshop.
23 We believe that the interpretation of any wholesale or
24 retail standards and their applicability to Qwest would
25 be in those dockets, because typically they apply to

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1 more than Qwest. Typically they're potentially industry
2 wide standards.

3 However, in an effort to settle the docket
4 and try to move forward, Qwest would agree to, with a
5 slight modification, to the last sentence that AT&T has
6 in Exhibit 628. And I'm talking the last sentence of
7 9.1.2. It currently reads:

8 In addition, U S West shall comply with
9 all state wholesale and retail service
10 quality requirements.

11 With the strike, well, with replacement of U
12 S West with Qwest and the striking of and retail, Qwest
13 would agree to put this statement in the SGAT in 9.1.2.
14 Qwest would also agree that Qwest would also add the
15 second -- would also add the sentence:

16 Qwest shall provide access and UNEs at
17 the service performance levels set forth
18 in Section 20.

19 We would agree to make that statement. And
20 the reason that Qwest is removing the and retail is that
21 we feel as a SGAT talking about wholesale services that
22 we would be providing to the CLEC that it's
23 inappropriate to discuss or have reference to retail
24 standards. So with that minor modification, we would
25 adopt the recommended language of AT&T.

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1 MR. SEKICH: If you could give us just a
2 second to confer, we might be able to move this issue
3 along.

4 JUDGE WALLIS: Let's be off the record for a
5 moment.

6 (Discussion off the record.)

7 MR. WILSON: AT&T appreciates the changes
8 that Qwest is making. However, with regard to the
9 clause that says, retail service quality requirements,
10 in as much as AT&T and other CLECs will be offering
11 service to end user customers using unbundled elements
12 from Qwest, we feel that there may be state retail
13 service quality requirements that will imply quality to
14 the unbundled elements, and we feel that we should be
15 able to avail ourselves of those quality requirements.
16 So I think we would like to see this paragraph, this
17 clause stay in the language as we have addressed it.

18 MR. CRAIN: I think we will probably go to
19 impasse on that one. To the extent the rules apply, the
20 rules apply to us. I mean this contract saying you have
21 to comply with something that is your obligation anyway
22 is simply restating something. But to the -- we can not
23 agree to anything that will imply that retail rules
24 somehow can be interpreted to apply in a different way
25 to the wholesale context, because we're doing something

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1 different for you on UNES than you're doing for the end
2 user customer.

3 MR. WOLTERS: Andy, the question that kind of
4 comes up is we're being -- some customers are being
5 provided a retail service. You have to make -- meet
6 retail quality standards. The customer switches to us
7 and goes to UNE-P. That same customer has to be
8 provided retail service quality standards. If you only
9 have to provide the UNE-P at that point based on some
10 wholesale standards that are less, and that does not let
11 us make the retail standards, then we can't make the
12 retail standards by providing UNE-P.

13 So our concern is that if you're going to
14 provide through UNES a retail service that somehow they
15 don't -- we only get a lesser standard products, so when
16 we provide it to an end user, we can't meet the retail
17 standards, because you went from retail to wholesale
18 standards. And I mean it's the exact same service being
19 provided to the exact same customer.

20 MS. STEWART: First of all, with this
21 expanded explanation, what you're really saying is it's
22 focus the combinations. Because for there to be a
23 retail standard, there's very few, and I think I'm going
24 blank that there's any, that there's a specific UNE that
25 the way we provide it to you that that individual UNE

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1 would be provided to an end user customer. So what
2 you're saying is when you provide a combination such as
3 UNE-P, your example, and you want to ensure that our
4 underlying parts when they come together as UNE-P can
5 meet those standards, one of the things is the
6 assumption that you would use and order the same
7 underlying parts or UNEs from us that we would provision
8 or someone else would provision to provide the service.

9 And just for an illustrative, there may be
10 digital services that instead of ordering non-loaded,
11 unbundled, two pair of copper, you know this customer is
12 very close to the central office, you have had an
13 opportunity to do a loop qual, you know the loop is only
14 5,000 feet long, you could just decide to order an
15 analog unbundled two wired loop to provide this digital
16 service, because you know in reality it's going to work,
17 but yet there might be service quality standards
18 associated with that digital service.

19 So I think underlying your assumptions is you
20 would always order the exact right thing that would need
21 to be ordered to be able to provide the service in the
22 manner in which we were providing it, and I think that's
23 where some of our concerns and problems are, because you
24 may do something unique and different. You may have a
25 different configuration of UNE-P because you use a

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1 different directory assistance than we provide. So our
2 concern is that how can we be held to end result
3 standards when you can make incrementally different
4 decisions on how you put the total service together.

5 MR. WILSON: And I guess we were assuming
6 that this would apply apples to apples, not apples to
7 oranges. And I'm fairly confident that if the CLEC were
8 applying an unbundled element in a way that was
9 different from the retail, what the retail quality
10 requirement was addressing, that Qwest would be the
11 first to say that it didn't apply, even with the AT&T
12 language, and I -- we wouldn't disagree that it
13 shouldn't apply when we're using it in a different way.

14 So I think -- I think we're mostly focusing
15 on combinations here. There may be actually some
16 unbundled elements such as transport where you do
17 essentially provide the same element to a retail
18 customer, such as a private line service, and that if we
19 were using the same element or elements, we should get
20 the same quality requirements. And I think it's kind of
21 a given that we would have to be using the element or
22 combination in the same way to have the retail
23 requirement apply.

24 MR. CRAIN: Well, you may think it's a given,
25 but I don't feel confident at all that it's a given that

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1 if we put this language in here you're not going to be
2 arguing that it applies in those circumstances in the
3 future.

4 Secondly, the whole point of unbundled
5 network elements is that we don't know what you're doing
6 with them. You can take UNEs and provide services that
7 are different than we do. You, for example, if you're
8 looking at even UNE-P, we don't know if you're serving a
9 business customer or a residential customer. So the
10 whole point of UNEs is that you're buying a piece of the
11 network, you are buying access to an unbundled network
12 element, and you are providing the service that you
13 choose to provide to the end user. And we are not privy
14 to exactly what you're doing, so this is inappropriate
15 here, and this doesn't make any sense and should not be
16 included in the contract.

17 MR. WILSON: I think we could add some
18 language that mentions where there are retail analogs,
19 because we're not trying to pull a fast one here and use
20 a retail quality requirement in an inappropriate way. I
21 think we're just saying that when it is appropriate, we
22 should have the benefit of the retail service quality
23 requirement where it's applicable. So I don't think we
24 have any problem with some additional language to make
25 this address your concern.

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1 MR. CRAIN: Well, first of all, to the extent
2 that there are retail analogs in the requirements that
3 we have to meet in terms of providing the same access in
4 terms of retail versus wholesale is already set forth in
5 Exhibit 20, we have already agreed that that will be in
6 and that we will meet those standards. I don't know
7 what you mean by retail analogs here. For anything,
8 particularly if you look at something like unbundled
9 loops, we don't know what you're using them for.
10 Transport, we don't know what you're using the transport
11 for. I don't know when -- the whole retail service
12 rules are based upon the services that are providing --
13 that are provided to the end user. Here you are simply
14 asking for pieces of the network and access to those.

15 MR. WOLTERS: Andy, I guess the simplest
16 example, the one I keep coming back to, is a conversion
17 of retail to UNE-P where it's a switch conversion and we
18 don't touch it. I mean the customer is switched to us
19 as a wholesale customer to us, but the person is a
20 retail customer. And if you can provide less than
21 retail service quality standards, then we can't meet the
22 retail service quality standards. And if somehow you
23 have no obligation to meet those retail service quality
24 standards, we can't meet them because we have no control
25 over the UNES.

03084

1 MR. CRAIN: And even in that case, and I
2 don't know here in Washington if there's a distinction
3 between business and residential in terms of the
4 standards, and I guess I'm going to have to look at
5 that, but we don't know if you're serving a business
6 customer or a residential customer. You can use UNE-P
7 for either.

8 MR. WILSON: It would seem to me that this
9 language does not commit to immediate penalties or
10 anything like that. It's simply setting up service
11 quality. I mean the practical use for this statement
12 would have to be in a complaint which would go to the
13 Commission essentially. And in that proceeding, you
14 would have to show that it was being used for the same
15 thing. So I just don't see where Qwest would be harmed
16 by this.

17 MR. CRAIN: Well, we don't know what you're
18 using it for.

19 MR. WILSON: But if we were to utilize this
20 quality requirement, we would have to go to the
21 Commission with complaint and demonstrate that what
22 we're using it for and how we're using it, and you would
23 argue that it wasn't the same if it wasn't.

24 MR. CRAIN: I mean you are trying to attach
25 an indemnity clause on the end of this too. And in

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1 particular when you do that and you have this kind of
2 vague undefined and unknowable kind of clause, I mean if
3 you want to draft some language and bring it back, we're
4 willing to look at it and see if it meets our concerns.
5 But I think you're mixing up the whole purpose of
6 unbundled network elements from things like resale.

7 And part of the reason that people have --
8 that the FCC has allowed -- defined the essence of UNE-P
9 as a group of unbundled network elements is that people
10 like AT&T argued that these are different, they're going
11 to be used for different things than resale.

12 It's a whole different ball of wax here, and
13 you can't have it both ways. I mean these are pieces of
14 the network you are ordering. We don't know what you're
15 doing with it in terms of the end user.

16 MR. SEKICH: Just to be clear, AT&T could
17 develop language. To make sure that's a meaningful
18 exercise, I need to be clear on whether or not Qwest
19 would accept in any form a language that would require
20 Qwest to satisfy retail service quality standards.
21 Because if that's the case, it probably wouldn't make
22 sense to draft language, and the issue would remain at
23 impasse. Because we do believe that there are probably
24 some circumstances. We could take back the question as
25 to whether or not it would limit the universe of

03086

1 instances in which those standards should be applied.
2 But if Qwest's position is a universal no, then perhaps
3 we could short circuit that exercise.

4 JUDGE WALLIS: I'm wondering if it also
5 wouldn't pay to look at specific examples of service
6 quality standards for retail and wholesale and determine
7 whether, in fact, the underlying assumption is true that
8 wholesale standards are of a lower quality than retail
9 standards. If what we're talking about is the technical
10 state, the technical quality of the service rather than
11 other aspects of service that we think about when we
12 talk about retail service quality, such as the other
13 things that have been mentioned here that will come up
14 in the OSS and in testing areas, if it is true that
15 wholesale is a lesser standard, then it might pay to
16 pursue the discussion that is ongoing.

17 But if it is true, as I suspect, that
18 wholesale and retail address different things and that
19 there is no necessary difference in the ultimate
20 quality, technical quality of the service that's
21 provided, there may, in fact, be no dispute between the
22 two of you. At this point, I certainly don't have
23 enough information to judge, and it might pay for folks
24 to go back and look at standards to determine whether
25 there is a difference, and if so, where it is, and then

03087

1 deal with the issue.

2 MR. WILSON: And I was, as an engineer, I was
3 assuming that I was -- or I was thinking of technical
4 issues and envisioning a situation where the retail
5 standard that the state sets would either not be
6 addressed by the wholesale standard, or the retail
7 standard would be superior to the wholesale standard,
8 such as take service outages on a transport kind of
9 issue. Maybe there's a particular problem in the state,
10 and the state addresses it with a retail service
11 requirement for outages for private line. And where
12 we're ordering essentially the same element for a
13 transport, I just don't see why that shouldn't apply to
14 these elements as well.

15 JUDGE WALLIS: Do you have any instances in
16 which those differences exist? Can you cite to us any
17 situations?

18 MR. WILSON: I had not compared them for the
19 state, so I could not do that right now.

20 JUDGE WALLIS: Is it true in any state?

21 MR. WILSON: In general, the states have been
22 very slow to actually adopt any wholesale requirements.
23 They tend to focus on retail, so I'm sure there are
24 instances where there are state requirements for retail
25 that simply don't exist for wholesale.

03088

1 MS. HOPFENBECK: That's certainly true in the
2 Northwest, I mean in both Oregon and Washington.
3 Neither Oregon nor Washington have yet adopted wholesale
4 service quality rules, but there are retail service
5 quality rules that are in effect in both those
6 jurisdictions.

7 MR. CRAIN: To get back to Dom's question, I
8 would like to say yeah, go back and write something up,
9 but I can't foresee something that you can write that
10 would meet our concerns here.

11 MS. LUBAMERSKY: Can I ask a point of
12 clarification. Mr. Wilson, what is it that was beyond
13 the commitment in the PID that every UNE-P POTS standard
14 is parity with its retail equivalent? That's already
15 committed to. What else do you want?

16 MR. WILSON: The state can adopt retail
17 service requirements that are not addressed in the PIDs
18 at all. I'm assuming that the PIDs are going to be
19 pretty much fixed, and they will go in as a fixed
20 entity. I think the provision that we're proposing here
21 would set up a method of comparing new standards as they
22 are developed by the state.

23 MS. LUBAMERSKY: But a state standard for
24 retail would be what the PID is.

25 MR. WOLTERS: No, Nancy, only some of the

03089

1 PIDs have certain products, but PIDs don't have every
2 product that you offer. They aren't all measured.

3 MS. LUBAMERSKY: Well, we're talking about, I
4 believe at this point, the UNE-P, and UNE-P is
5 everywhere where UNE-P can be. But I just wanted to
6 make sure I understood what you were going for, because
7 by lengthy negotiations for the standard in coming as a
8 13 state effort collectively to these standards, it was
9 to deal just with this, individual state requirements
10 that could be met on a state by state basis by the
11 standard being retail parity.

12 MR. SEKICH: Nancy, I appreciate that, and I
13 think UNE-P is an important area, but the context of
14 this particular provision is to apply to all UNEs and
15 UNE combinations, so that it would be looking at I guess
16 the full range of unbundled network elements that Qwest
17 would be providing to a CLEC.

18 MS. LUBAMERSKY: Well, then I mean absent the
19 250 pages of standards in the PID, I echo Andy's concern
20 that just willy nilly throwing in some retail
21 requirements to do with UNEs is kind of an oxymoron,
22 other than the hundreds of hours of negotiating and
23 determining what the standards should be.

24 MR. WILSON: Well, I guess I could turn that
25 around and say if you're confident it meets all of them,

03090

1 then what's the problem with this language?

2 MR. CRAIN: The problem with this language is
3 it doesn't make any sense in the context of UNEs. I
4 mean -- and we have no idea what you're using UNEs for.
5 We don't know what kind of services you're providing to
6 them. We don't know what kind of end users you're
7 serving. So I guess my thought is that we have some
8 additional information to bring back here, but I think
9 we're going to go to impasse on this one.

10 MR. WILSON: And we can try and address, you
11 know, when used in the same manner and, you know, in the
12 same way to the same customer set, things like that.
13 Because as I said, we're not trying to pull some fast
14 one here and use something in a different way and try to
15 contend that the retail standard would apply.

16 MR. CRAIN: But you're using them for those
17 purposes; we don't know.

18 MR. SEKICH: Here's the issue, that retail
19 standards will be a finite set. Those will be known.
20 And what I think Mr. Wilson is suggesting is that we
21 would be willing to work the analogs of that set of
22 retail service quality standards to services AT&T would
23 offer or, you know, presumably another CLEC would be
24 subject to this provision. So that's where we're coming
25 from here. We're not sort of our -- what we're telling

03091

1 you is that we would be willing to limit that. We
2 understand your concern that, you know, you don't want
3 to assume liability for something you have no idea will
4 be provided by a CLEC. But we're offering to make the
5 set a bit more finite.

6 MR. CRAIN: And does that mean that we're
7 going to go through a bunch of different UNEs and try to
8 figure out what an applicable retail rule would apply.
9 I mean, for example, on a loop, we don't know if you're
10 going to be using it for data, we don't know if you're
11 going to be using it for voice, we don't know what
12 you're going to be doing with the loop.

13 MR. SEKICH: That would be one approach. It
14 probably wouldn't be the approach we would advocate. I
15 think there are ways you could set up a set of rules
16 that would -- you could agree to on the outset and then
17 apply those rules post hoc, if you will. If something
18 does come up, yes, you will have to -- there will be
19 easy cases probably, and there will probably be a very
20 small set of difficult cases where it's not clear that
21 the retail standards apply.

22 MR. CRAIN: I don't see any easy case here,
23 and I'm thinking we're going to go to impasse.

24 MR. SEKICH: It does seem that way actually,
25 so I don't want to belabor the point.

03092

1 MR. WOLTERS: Well, I'm going to put Dom on
2 the spot, but we, I think, may be -- I think we're
3 proposing to put some language together and bring it
4 back, so if you have no objections to keeping this open
5 until the follow-up, we will take a stab at some
6 language.

7 MR. SEKICH: We may even try to come back
8 this week with something.

9 MR. WOLTERS: So let's leave 6(c) open.

10 MS. STEWART: (b).

11 MR. CRAIN: This is 6(c)(1) or something.

12 This is simply the question -- let's make 6(b) now
13 simply the question -- or is it 5(b)?

14 MS. STEWART: 5.

15 MR. CRAIN: 5(b) simply the question of does
16 the word and retail go into 9.1.2.

17 MR. SEKICH: And before we leave this
18 section, I want to visit sub (a) once again and make a
19 request, and I hope you won't object to it. We agreed
20 to accept Qwest's language in the first half of this
21 section. A sentence Qwest has in this first half of the
22 section has a clause that begins, second, where
23 technically feasible, if we can locate that sentence.

24 MS. STEWART: Yeah, I have it.

25 MR. SEKICH: At the very end of the sentence

03093

1 is the term, to that which Qwest provides to itself.
2 Would Qwest agree to modify the term itself, agree to
3 modify this sentence by adding, and its affiliates at
4 the very end? So that the standard substantially the
5 same time and manner would apply, would be that to which
6 Qwest provides to itself or to its affiliates.

7 MR. CRAIN: We can agree to add that.

8 MR. SEKICH: Thank you.

9 MR. CRAIN: Okay, we're moving now. Are we
10 up to CL2-6?

11 MR. WOLTERS: Excuse me, before we move on, I
12 would like to move to admit Exhibit 628.

13 JUDGE WALLIS: Is there objection?

14 There being no objection, the exhibit is
15 received.

16 MR. CRAIN: And does CL2-6 correlate to one
17 of your handouts here today?

18 MR. WOLTERS: Are we on CL2-6?

19 MR. CRAIN: Yes.

20 MR. WOLTERS: All right, this is one of the
21 ones that I mentioned to the Judge beforehand that we
22 didn't pass out, and I just passed this out earlier, and
23 I would like to go ahead and have this marked.

24 MR. CRAIN: Is this the language that starts
25 9.1.5?

03094

1 MR. WOLTERS: Correct.
2 MR. CRAIN: Okay, we're marking this as?
3 JUDGE WALLIS: 629 for identification.
4 MR. WOLTERS: Pardon?
5 JUDGE WALLIS: 629.
6 MR. WOLTERS: Correct.
7 MR. SEKICH: Note that the exhibit just
8 marked is two sided just to avoid confusion.
9 MR. WOLTERS: So we're going to mark as 629
10 the Sections 9.1.5 and 9.1.6, and 9.1.6 has some
11 subparts, 9.1.6.1 through 9.1.6.3. And although it's
12 marked 9.1.5 and we're dealing with 9.1.3 in the issue
13 CL2-6, we came up with an issue where we agreed to add
14 some language to 9.1.5 during the discussion of this
15 issue previously.
16 MR. SEKICH: I hope it doesn't confuse things
17 further to note that Section 9.1.6 that is on the second
18 half of this Exhibit 619 is, in fact, discussed at issue
19 CL2-8. I'm sorry, it was Exhibit 629.
20 MS. STRAIN: So is SGAT Section 9.1.3 going
21 to be discussed in connection with this issue then, or
22 is that --
23 MR. WOLTERS: Yes.
24 MS. STRAIN: -- reference on the log not
25 correct?

03095

1 MR. SEKICH: I think the reference is
2 correct. I think AT&T would believe that we need to add
3 Section 9.1.5 to that issue as well.

4 MS. STRAIN: Okay, thank you.

5 MR. WOLTERS: What happened is during the
6 discussion of this section, we proposed some language,
7 and we suggested it be added I think to 9.1.3, and
8 during the discussion, somebody proposed that it be
9 added to 9.1.5 instead. And so during the discussion,
10 the issue just kind of came up.

11 So we're on CL2-6?

12 JUDGE WALLIS: Yes.

13 MR. CRAIN: And we have agreed to change
14 9.1.5 to the language that AT&T has handed out here.
15 And then going to 9.1.6, that we will -- that's
16 something that we will address in a couple of issues.

17 MR. WOLTERS: Correct.

18 MR. CRAIN: So is that all we had on CL2-5?

19 MS. LUBAMERSKY: CL2-6.

20 MR. CRAIN: CL2-6.

21 MR. WOLTERS: Also I think there was some
22 discussion on striking the words ancillary services, and
23 it doesn't look like that was done to your 9.1.3.

24 MR. CRAIN: And we can take that out.

25 MR. WOLTERS: Now the major issue.

03096

1 MR. WILSON: There is still a remaining issue
2 in 9.1.3, and that is the last part of that paragraph,
3 which says, or except to the extent that such elements
4 meet the significant amount of local exchange traffic
5 requirement, sub 4 from Section 9.23.3.7.2. This is a
6 reference to the section on EELs, which we will discuss
7 more fully tomorrow I believe, and it's AT&T's belief
8 that the reference to the limitation that the FCC has
9 placed on EELs is not appropriate in a general provision
10 on UNEs.

11 The FCC made some very specific restrictions
12 on the necessity of providing enhanced extended loops or
13 EELs, and that is appropriately addressed in the EELs
14 section. It is inappropriate to bring that exemption
15 and those exceptions into a general provision. The fact
16 of the matter is the FCC was very specific, and the
17 tests that the FCC set for the provisioning of a
18 significant amount of local exchange traffic is very
19 specific to an EEL and can't even be literally applied
20 to most other UNEs, so it doesn't -- this language
21 simply doesn't belong here.

22 MR. CRAIN: We can take this language out.

23 MR. SEKICH: We're --

24 MS. HOPFENBECK: That makes WorldCom happy
25 too.

03097

1 MR. WOLTERS: This issue went to impasse in
2 Colorado, so when we go back to Colorado, are you going
3 to take it out there?

4 MR. CRAIN: You're talking about the last
5 clause?

6 MR. WOLTERS: Yes.

7 MR. CRAIN: That's fine.

8 MR. SEKICH: The language shown underlined?

9 MR. CRAIN: Yes.

10 MR. SEKICH: This is one of those meta
11 issues. It applies not only in this general section,
12 but you will find numerous references to nearly the same
13 language in loops, dark fiber, probably a couple of
14 other places. Would that language be removed from all
15 of those subsequent locations?

16 MR. CRAIN: We're going to have to look at
17 each section.

18 MR. SEKICH: That's fair enough, but just
19 fair warning.

20 MR. CRAIN: We're going to have to look at
21 each section.

22 MR. WOLTERS: But if you take it out, that
23 will close out this issue, correct, Dom?

24 MR. SEKICH: That's right.

25 MR. WOLTERS: And would that be -- I think

03098

1 it's closed. I would also ask then at this point that
2 we admit 629.

3 JUDGE WALLIS: Is there objection?

4 Hearing none, 629 is received.

5 MS. STEWART: The next issue is CL2-7. The
6 issue is that AT&T believes Qwest should not --

7 MR. WOLTERS: Hold it, I'm sorry, we need to
8 go back to 9.1.3 for a second, okay?

9 MS. STEWART: Sure.

10 MR. WOLTERS: We think -- just a second.

11 Andy, could you go back and say what language you're
12 going to take out, agreed to take out of this? Are you
13 going to take out from the word except?

14 MR. CRAIN: Yes, take out or the ancillary
15 services in the first line and then take out or except
16 to the extent that such elements meet the significant
17 amount of local exchange traffic requirements set forth
18 in Section 9.23.3.7.2.

19 MR. WOLTERS: So with your language, there's
20 still a restriction that UNEs have to be used to provide
21 local exchange service? I can't use it just to provide
22 Interstate xDSL?

23 MR. CRAIN: I was just feeling like should I
24 come in here and say, you know, taking out this language
25 makes this worse for you.

03099

1 MR. WOLTERS: The issue is just broader than
2 that.

3 MR. CRAIN: We can take out this paragraph,
4 and we'll deal with the UNE restrictions as they come
5 up.

6 MR. SEKICH: That is the way to do it, and
7 thank you for coming clean.

8 MR. CRAIN: I did want to say, this is not
9 good for you.

10 MR. SEKICH: Thanks.

11 MR. CRAIN: We are taking out the entire
12 Section 9.1.3.

13 MS. STRAIN: Thank you, and then you're also
14 agreeing to put in the changes that AT&T had on 9.1.5?

15 MR. CRAIN: Yes.

16 MS. STRAIN: And those two things will close
17 this issue?

18 MR. CRAIN: Yes.

19 MS. STRAIN: Okay, thank you.

20 JUDGE WALLIS: CL2-7.

21 MS. STEWART: Moving on to CL2-7, AT&T has
22 requested that there not be a non-recurring charge for
23 ITP pairs. Qwest believes that whatever the appropriate
24 rates are for ITP pairs that they should be discussed in
25 the context of the cost docket. And then whatever is

03100

1 determined there, we would ensure that the SGAT is
2 consistent with that determination.

3 MR. CRAIN: What language are we talking
4 about, 9.1.4, 9.4.1. We have taken out the references
5 for to recurring and non-recurring, and we just
6 basically said the charges for ITP are referred to in
7 Exhibit A. I think that closed it in Colorado.

8 MR. SEKICH: I think you're right. We're
9 looking at the second issue, which is really the demark
10 issue to confirm that.

11 MS. STEWART: Oh, okay.

12 MR. SEKICH: I think what we agreed to in
13 Colorado was to really defer this to cost issue and not
14 include this as an issue to be briefed in this section.
15 And I'm told by my witness that, in fact, the changes
16 you have made elsewhere in this paragraph also satisfy
17 our concerns regarding the demark issue I just referred
18 to. So I think this issue can be closed in toto.

19 MR. CRAIN: Good for us.

20 On to CL2-8, and if you could bear with us
21 for about a minute so we can review here.

22 MS. STEWART: Can I just confirm, now this is
23 new language we hadn't seen before?

24 MR. WOLTERS: No, you saw this in Colorado,
25 and you had a take back to take a look at it.

03101

1 MR. CRAIN: The issue there is what she meant
2 by the we.

3 MS. STEWART: We are having our network
4 witness also have an opportunity to review the language,
5 and she typically represents testing. The one concept
6 that we were concerned about is that some requested
7 testing by the CLEC could -- may involve additional
8 charges, such as in the SGAT there is additional charges
9 for requested testing and types of testing, and your
10 language doesn't seem to indicate that rates and --
11 additional rates and charges may apply for some of the
12 testing. Would AT&T be willing to add a statement to
13 the effect that additional charges for such testing are
14 contained in Exhibit A, that they may apply?

15 MR. SEKICH: So that any items identified in
16 the cost proceeding that would apply in this context
17 would work, I think we would be agreeable to that.

18 MR. CRAIN: Why don't we just add a sentence
19 D to both 9.1.6.1 and 9.1.6.2 that says charges for such
20 testing are included in Exhibit A.

21 MR. SEKICH: If appropriate.

22 MR. CRAIN: If appropriate.

23 MR. SEKICH: Charges, if any, is a good way
24 to approach it, from the McLeod attorney.

25 MR. CRAIN: We think we're probably okay with

03102

1 the additional language, but we are -- our network
2 witness wants to take this and look at it overnight and
3 get back to you.

4 MR. SEKICH: My only recommendation is you
5 could include it at 9.1.6. That would cover both.

6 MR. CRAIN: Hey, that's efficient.

7 MR. WOLTERS: Could you read the language
8 again, Andy?

9 MR. CRAIN: I would add after 9.1.6, charges
10 for --

11 MR. WOLTERS: If any.

12 MR. CRAIN: -- testing -- okay, if any comes
13 after charges, I was going to put if any later.

14 Charges, if any, for testing pursuant to this paragraph.

15 MS. HOPFENBECK: If any should follow
16 testing. I think you're right, Andy. Don't you think
17 charges for testing -- oh, excuse me, you're right.

18 MR. CRAIN: I think we say charges, if any,
19 are contained in Exhibit A. And then if we could get
20 back to you first thing in the morning on the rest of
21 this.

22 MR. SEKICH: That's good, thanks.

23 MS. STEWART: Okay, so I believe then where
24 we are on CL2-8 is Qwest will come back having had an
25 opportunity to look at the language over the evening in

03103

1 the morning.

2 Moving on to CL2-9, there was a Qwest request
3 that all of the intervals for UNEs be included in the
4 SGAT. Qwest has agreed to add the intervals in Exhibit
5 C of the SGAT, and I'm not aware that we have any other
6 open issues in this.

7 MR. WILSON: We had some extensive
8 discussions on intervals last week in a loop workshop.
9 I think AT&T is probably fine to close this general
10 issue with the understanding that we at least will want
11 to address standard intervals in the appropriate
12 workshop places for -- that address those intervals. Of
13 course, that being said, we probably should have
14 addressed this to some extent in transport, because
15 there are intervals in transport. I guess if we have
16 any issues on intervals for transport, we would bring
17 those up at the follow up. I'm not sure that we do. I
18 think it's more of an issue for loops than other
19 elements.

20 MS. STEWART: So my understanding is then the
21 general issue that intervals would be an Exhibit C, the
22 parties are in agreement. But you're saying by agreeing
23 in closing this general issue, that doesn't mean you
24 have necessarily accepted any specific interval for any
25 specific UNE, and in each of those areas, you would

03104

1 discuss intervals?

2 MR. WILSON: That's correct. There was some
3 lively discussion in Arizona as to whether the
4 discussion on the actual intervals in Attachment C
5 should be in these workshops or in the ROC discussions,
6 and I think parties are still looking at that issue.

7 MS. STEWART: I believe the next issue,
8 CL2-10.9.1.9, Qwest did modify the language, and I
9 believe in my rebuttal testimony provided some examples
10 of network changes. I believe the issue is closed
11 between the parties.

12 MR. WOLTERS: I don't believe we got to this
13 issue in Colorado.

14 MS. STEWART: I thought we did somewhere else
15 though.

16 MS. LUBAMERSKY: Arizona.

17 MS. STEWART: Arizona. If not, Qwest has
18 proposed modified language that it hopes will close the
19 issue.

20 MR. WOLTERS: I forgot about Arizona, so I
21 apologize if we did in Arizona.

22 MS. STEWART: Maybe we didn't.

23 MR. SEKICH: I think this issue is -- the
24 proposed language is acceptable to AT&T, and we can
25 close the issue, thanks.

03105

1 MS. STEWART: CL2-11, it's a very similar
2 issue to the issue we discussed about regeneration in
3 transport, an issue that is at impasse between the
4 parties. Qwest does not agree to remove the SGAT
5 reference 9.1.10. Qwest believes it's entitled to
6 recover all of its costs of provisioning UNEs, including
7 any costs associated with regeneration in getting the
8 UNE to a CLEC's actual collocated space.

9 MR. WILSON: And we have discussed this at
10 length before in transport and actually earlier in
11 another workshop here in the context of collocation, and
12 so I don't know that we need to discuss this again here.

13 MR. WOLTERS: I believe what we decided
14 earlier on this is that we would show it as impasse and
15 combine it with TR-6 for briefing.

16 MR. CRAIN: In the next one, CL2-12, I was
17 given some language that we handed out yesterday as --

18 MR. SEKICH: It's Exhibit 584, I believe.
19 It's a Qwest exhibit.

20 MR. CRAIN: Thank you. I believe this was
21 language that was agreed to in Arizona last week in a
22 loop workshop, or was it deferred to this?

23 MR. WILSON: It was deferred to this
24 workshop.

25 MR. CRAIN: Okay.

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1 MR. SEKICH: Nice for them to tell us, huh.

2 Given that, let's double check this. Just so
3 I'm clear though, Qwest Exhibit 584 includes two
4 proposed sections. One is a 4.XX, which is meant to be
5 a definition to be included in section 4, and a proposal
6 for revisions to Section 9.1.12. As I understand these
7 two proposals, miscellaneous charges would be listed in
8 Exhibit A so that they would be definite charges. They
9 would be -- the whole universe of miscellaneous charges
10 would be set forth in Exhibit A; is that correct? Is it
11 Qwest's intention then to include those in the cost
12 docket?

13 MR. CRAIN: Since we're discussing this
14 tomorrow, we will try to get you an answer about that
15 tomorrow.

16 MR. SEKICH: Thanks. I'm anticipating that
17 the language is acceptable to AT&T, I just wanted to
18 double check with our witness, et cetera. Thanks.

19 MR. CRAIN: CL2-13 is I believe you handed
20 out 622, and this issue is probably more appropriately a
21 combination issue.

22 MR. WOLTERS: That was - 622 doesn't
23 specifically address this. My notes, Andy, show that in
24 Colorado you had some language that was for Qwest 27.

25 MR. CRAIN: And the language was added to

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1 9.23, you're right. I think in 9 -- was this the -- I
2 think this was the language that was added in 9.23.1.2
3 regarding the access to UNE combinations, if you look at
4 page 44 of Exhibit 573.

5 MS. HOPFENBECK: Was this our proposal? This
6 was our proposal.

7 MR. CRAIN: I think this was AT&T's.

8 JUDGE WALLIS: Let's be off the record.

9 (Discussion off the record.)

10 JUDGE WALLIS: I understand there's been
11 tentative closure on 2-13; is that correct?

12 MR. CRAIN: Yes.

13 MR. WILSON: Yes, I think the conclusion was
14 that we would close CL2-13. There may be some
15 particular issues to address in the combinations portion
16 of this workshop tomorrow, and we will address those
17 there.

18 JUDGE WALLIS: Thank you.

19 MS. STEWART: Moving on to CL2-14, which was
20 a WorldCom issue, WorldCom had recommended that there be
21 specific dispute resolution procedures in the event that
22 Qwest would not agree to construct facilities for a
23 CLEC. Qwest does not agree to add specific unique
24 dispute resolution procedures for this issue and
25 believes that the general dispute resolution issues

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1 within the SGAT are appropriate and can address any
2 concerns to do with this issue.

3 MS. WICKS: I think WorldCom needs to clarify
4 its position a little bit on this point. I believe the
5 argument that we're making here is that, or the
6 distinction, that when the decision is based on the
7 financial situation of a particular CLEC, the CLEC would
8 like some avenue of recovery in order to discover
9 whether Qwest made the decision unilaterally, what was
10 the basis of that decision, and give the CLEC
11 opportunity to challenge that decision based on the
12 financial situation of the CLEC.

13 Oh, and my attorney wants me to add, and I
14 definitely agree, that the alternative dispute
15 resolution process tends to be too cumbersome for
16 something that could be very easily fixed, whether it's
17 a clarification on the financial situations of the
18 party, we're not necessarily certain that this type of
19 situation would have to go all the way through
20 alternative dispute resolution.

21 MS. STEWART: Can I just see if I can
22 understand the additional clarification that was given,
23 and this is a hypothetical, and if it's not a good
24 hypothetical, please speak up. Let's suppose the
25 hypothetical is that Qwest has no obligation to build

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1 interoffice facilities but has agreed to take a look at
2 if it entertained building those interoffice facilities
3 and it did some type of financial review and then, you
4 know, reconfirmed that no, it didn't agree to construct
5 the facilities after looking at this additional
6 financial review, your request is somehow that you would
7 have access to what financial analysis Qwest did in
8 reaching the decision not to construct?

9 MS. WICKS: Not necessarily. I think we
10 disagree obviously on whether Qwest is required to
11 construct or whether Qwest will construct, but I think
12 the CLEC, what we are requesting is another opportunity
13 to go through the financial situations with the CLEC and
14 perhaps make different arrangements or go through the
15 dispute.

16 MS. HOPFENBECK: Let me add to that. Just
17 the deal is that 9.19, which is what we're focusing on
18 here, isn't -- there are a number of different issues
19 that arise. The first issue that arises relates to that
20 provision's discussion that Qwest is going to conduct an
21 individual financial assessment of any requests
22 requiring construction and that Qwest may decide not to
23 construct based on that financial assessment.

24 And the first issue WorldCom raises is that
25 it needs an ability, something short of going to

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1 alternative dispute resolution, of challenging the
2 decision not to construct based on the financial
3 assessment that Qwest does of the CLECs. Because that's
4 an awfully cumbersome process for addressing that small
5 of an aspect of the decision whether to construct or not
6 construct, and it's a little different than the question
7 of whether construction is required of Qwest.

8 MR. CRAIN: And I think I do need one
9 clarification here. What this is talking about is a
10 financial assessment of the request, not a financial
11 assessment of a CLEC.

12 MS. HOPFENBECK: Oh

13 MR. CRAIN: It's not a, do you have assets.
14 Even though with all of our stock prices, I think we're
15 a little nervous these days.

16 MS. HOPFENBECK: That's what we thought.

17 MR. WOLTERS: Well, this is still a good line
18 of questioning, because I think we fundamentally
19 disagree with Qwest's position that they don't have to
20 build UNEs, and so to the extent that --

21 MS. HOPFENBECK: That issue is down the line.

22 MR. WOLTERS: But I still think --

23 JUDGE WALLIS: I'm going to interject here
24 just for a second and say that this is a workshop, it's
25 relatively informal, but I think the reporter's two

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1 hands are limited to taking two people at the same time,
2 and when three or four start talking, it's really hard
3 for her, it's late in the day for her, she's stressed
4 out on all this lingo and the people talking, and we
5 want to make it as easy for her as possible, so let's
6 slow down a little bit, and one person at a time,
7 please.

8 MR. WOLTERS: Let me just interject AT&T's
9 concern with this. The notion that if you do a
10 financial assessment and it proves out that the
11 financial assessment says this isn't going to pay out
12 somehow gives you the opportunity to deny to provide
13 UNEs, we would disagree with that notion. I mean we
14 feel that the FCC made it explicit that there was only
15 one situation that you did not have to build, and that
16 was dedicated transport. There's no statement anywhere
17 else in the orders that you do not have to build
18 unbundled network elements. So to the extent that you
19 feel that you can qualify that obligation by a financial
20 assessment, that would create some concerns with AT&T.

21 MR. CRAIN: Two issues on that point. First
22 of all, I believe, yes, FCC also made a similar
23 reference to dark fiber, which transport dark fiber is
24 almost usually the same. The FCC never indicated that
25 we have an obligation to build. The Eighth Circuit has

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1 indicated that we don't have an obligation to provide
2 you an as yet unbuilt network.

3 We are willing to say that if we, and this
4 would be if you look at it it's basically DSL loops, if
5 we have a legal obligation to build something for our
6 retail customer, we will build that for a CLEC. And
7 that usually means if we have a polar obligation, and
8 that's pretty much restricted to DSL loops. There is no
9 obligation for us to build anything other than that, and
10 I don't see where any legal obligation arises in terms
11 of an obligation to build, and I certainly haven't seen
12 anything from the FCC that says we have an obligation to
13 build. So I don't know where you're getting a general
14 obligation to build anything other than what we would
15 have a legal obligation to do for our retail customers.

16 MR. WOLTERS: Okay, I think going back to
17 your retail analogy, I mean your retail issue, I think
18 your obligation on the retail side goes beyond loops. I
19 mean I think you have an obligation on the retail side
20 to build switching, and I think you need to look at all
21 the individual UNEs that you provide and build to
22 provide service for retail customers. Ultimately your
23 switch will reach capacity, and you will have to either
24 augment your switch or replace it. So I think your
25 discussion goes beyond loops. I think that you can look

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1 at every individual element, network element in your
2 network, and ultimately you're going to have to augment
3 or replace it to provide service. So I don't think your
4 statement is limited to loops.

5 MR. CRAIN: And I think if you look at the
6 FCC's decision regarding transport, the same general
7 principle would apply to things like switching. If it's
8 building the network, that's something you have to do on
9 your own. If it's -- we don't have an obligation to
10 build you a network. We have an obligation to provide
11 you access to the things that we have, and we are
12 willing to go one step further and say that for things
13 like loops where we have a legal obligation on a DSL
14 loop, we will do that for you if we have a legal
15 obligation to do that for our retail customer.

16 MR. WOLTERS: In other words, if you have an
17 obligation to an end user, you will do it for us on a
18 non-discriminatory basis.

19 MR. CRAIN: Yes, if we have a legal
20 obligation to a specific end user.

21 MR. WOLTERS: I'm not aware there's any
22 language that provides for that right now in the SGAT.

23 MR. CRAIN: I think the intention of 9.19 was
24 to set forth something like that, but I would agree that
25 it could be a little more clear. And if you would like

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1 me to take that and see if we can add some additional
2 language on that, we can.

3 MR. WOLTERS: I think it might be helpful in
4 the construction charge area, but I think it goes beyond
5 that just as stating the obligation, what you feel your
6 obligation to build is, as a separate stand alone
7 section on network elements. Because I think that's an
8 issue that, again, I think when we come back, there's a
9 section in the SGAT on availability, and we had some
10 question about what availability meant. So this issue
11 is going to come back again, but I think the whole
12 obligation about whether U S West has to build or not
13 build needs to be addressed in this specific section of
14 the SGAT.

15 MR. CRAIN: If you would like me to put
16 together some language on that, I can.

17 MR. SEKICH: In fact, it might be appropriate
18 to include in Section 9.1.2, for example.

19 MR. WOLTERS: And then I guess what you're
20 offering to do then is back to 9.19, you would make this
21 construction charge paragraph consistent with that
22 language.

23 MR. CRAIN: Yes.

24 MS. HOPFENBECK: I want to get back to sort
25 of where we were initially. I mean given your

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1 clarification of what the first sentence of 9.19 means,
2 that it's a financial assessment of the project and that
3 it suggests that Qwest's decision whether to build or
4 not build will depend on a financial assessment of the
5 project, I think WorldCom comes down exactly with AT&T
6 on that, that that's an improper qualification of
7 Qwest's obligation to build in this instance.

8 And so I think we would suggest two changes.
9 One is that that first sentence be deleted and that this
10 construction charge paragraph begin with simply, when
11 Qwest constructs to fulfill CLECs' requests for UNE
12 loops. And I think there was an agreement to delete the
13 reference to ancillary and finished services in this
14 section that was made in Colorado.

15 MR. CRAIN: I think we can delete those two.

16 MS. HOPFENBECK: So our suggestion is that
17 this construction charge paragraph just be limited to
18 the topic of construction charges. And that I think we
19 agree with Mr. Wolters' suggestion that there should be
20 an independent provision addressing Qwest's obligation
21 to construct UNEs consistent with the FCC's rules on
22 that, which I think we agree goes beyond what you
23 suggested, Mr. Crain. So we may have to go to impasse
24 on that.

25 MR. CRAIN: Yeah, it wouldn't surprise me if

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1 we went to impasse on that, but why don't I put together
2 some language on that, and I will try to conform 9.19 to
3 the additional language, and we'll see if we can address
4 it later this week.

5 That being said, I think we're at UCCRE.

6 MS. HOPFENBECK: I just want to make sure
7 that deals with all three of WorldCom's issues. I think
8 it does. It does.

9 MS. HOPFENBECK: I guess we need
10 clarification on CL2-14 whether -- I would prefer that
11 we hold these three issues open until, well, actually
12 CL2-16 can be closed, because that's the elimination of
13 the terms ancillary and finished services. I would
14 prefer that we leave CL2-14 and CL2-15 open until we
15 have an opportunity to review the changes that you're
16 going to propose, Mr. Crain.

17 MR. CRAIN: I think that makes sense.

18 MR. SEKICH: UCCRE.

19 MR. CRAIN: UCCRE, I think we agreed this one
20 is closed in Colorado.

21 MR. SEKICH: Yes. Ms. Stewart, what is
22 UCCRE, and why is it in the SGAT? When you're done, I
23 think we'll close it.

24 MR. WOLTERS: This is a test.

25 MS. STEWART: What was that, late in the day

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1 and you're trying to -- what UCCRE is talks about a
2 facility rearrangement feature, and in I believe the
3 first report and order, the FCC made clear that if Qwest
4 provided, or U S West at the time, provided any facility
5 rearrangement for special service circuits, they needed
6 to provide that same thing for UNE. So we have
7 identified and mirrored that product in the UCCRE
8 product. It's not been requested or ordered by any
9 CLEC. Qwest did test it, however, in its testing of
10 unbundled switching and stands ready to provide the
11 service should it ever be requested.

12 MR. SEKICH: Just for the record, what's the
13 retail equivalent for this?

14 MS. STEWART: Command-a-Link.

15 MR. SEKICH: All right, thanks very much, I
16 think we can close the issue.

17 MR. CRAIN: I believe we are done 15 minutes
18 early unless we want to --

19 JUDGE WALLIS: As lawyers, don't we have the
20 obligation to fulfill the time allotted.

21 MR. SEKICH: I think we're all in house here
22 actually.

23 MR. CRAIN: I just have one more question,
24 no, okay.

25 JUDGE WALLIS: Let's be off the record for a

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1 scheduling discussion.

2 (Discussion off the record.)

3 JUDGE WALLIS: We have concluded today's

4 session, and we will resume tomorrow morning in Room 108

5 at 8:30 a.m. Thank you all very much.

6 (Hearing adjourned at 4:50 p.m.)

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