

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

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

DOCKET NO. UT-063061

REBUTTAL TESTIMONY OF

ROBERT J. HUBBARD

QWEST CORPORATION

(Disputed Issue Nos. 8-20 and 8-20(a))

April 3, 2007

1 **I. IDENTIFICATION OF WITNESS**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION**
3 **WITH QWEST CORPORATION.**

4 A. My name is Robert J. Hubbard. I am employed by Qwest Corporation (“Qwest”),
5 as a Director within the Technical and Regulatory Group of the Network Public
6 Policy Organization representing the Network Organization. My business address
7 is 700 West Mineral Avenue, Littleton, Colorado 80120.

8

9 **Q. ARE YOU THE SAME ROBERT J. HUBBARD THAT FILED DIRECT**
10 **AND RESPONSIVE TESTIMONY IN THIS CASE?**

11 A. Yes.

12

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

14 A. I respond to additional arguments made by Eschelon witness and Douglas Denney
15 in his responsive testimony relating to disputed issues 8-20 and 8-20(a). These
16 issues concern Available Inventory, which is essentially a used collocation
17 product offered by Qwest.

18

19 **II. AVAILABLE INVENTORY (ISSUES 8-20 AND 8-20(A))**

20 **Q. IN HIS RESPONSIVE TESTIMONY MR. DENNEY NOW CONTENDS**
21 **THAT THE ISSUE IN DISPUTE RELATES TO PRICING FOR**
22 **REUSABLE AND REIMBURSABLE ELEMENTS. PLEASE RESPOND.**

23 A. I remain puzzled by Eschelon’s position on this issue. As previously explained in
24 both my direct and responsive testimony, Available Inventory is previously-used
25 collocation space. Qwest provides all material information relating to Available

1 Inventory sites on its website. Eschelon wants Qwest to provide previous quotes
2 for a site, if available. In other words, if a previous CLEC requested a quote for
3 site, but did not accept that quote and complete that job, Eschelon wants Qwest to
4 include that previous quote in the information provided on the website. As I
5 explained in my testimony, this makes no sense, and will give Eschelon no
6 information that it is not already available to it. In his responsive testimony Mr.
7 Denney now maintains that “the issue in dispute is the price information
8 associated with the ‘reusable and reimbursable’ elements that are left in place. If
9 the information is available, then there is no reason Qwest cannot provide such
10 information for review.” Denney Responsive Testimony, p. 64, lines 13-16.
11 What Mr. Denney fails to mention is that Qwest already **does** make that
12 information available to all CLECs. CLECs can find both the recurring and
13 nonrecurring rates to provision unbundled network elements right in the rate
14 sheets (Exhibit A) of their interconnection agreements. If Mr. Denney is referring
15 to the discount for nonrecurring charges for circuit terminations to Available
16 Inventory sites, that 50% discount is clearly specified in the section of this
17 Agreement relating to rates for Available Inventory, specifically at Paragraph
18 8.3.11.2.2.1 for Standard Sites and at Paragraph 8.3.11.3.3 for Special Sites.
19 Accordingly, I don’t understand Mr. Denney’s argument that Qwest should be
20 required to provide prior, irrelevant quotes so that Eschelon can know the price
21 information for reusable and reimbursable elements. It already **has** that
22 information. It is as though Mr. Denney is wearing a perfectly good wristwatch
23 but wants me to tell him the time.

24

25 **Q. CAN ESCHELON DETERMINE HOW MUCH IT WILL PAY IN**

1 **NONRECURRING CHARGES FOR THESE REUSABLE AND**
2 **REIMBURSABLE ELEMENTS WITHOUT REFERENCE TO A PRIOR**
3 **QUOTE?**

4 A. Yes. All Eschelon needs to do is find the applicable nonrecurring charges in its
5 rate sheet for the circuits it wants provisioned. As I previously testified, not only
6 is Eschelon able to determine what it will pay—**only** Eschelon is in the position to
7 determine what it will pay, because only Eschelon knows how many circuit
8 terminations of each type it wants. Reviewing a different CLEC's quote would
9 not give Eschelon any information not already available to it. Further, I imagine
10 that the previous CLEC who requested the quote but did not complete the job
11 might not want that previous quote publicly posted, for a variety of reasons.

12
13 **Q. WHY SHOULD ESCHELON BE REQUIRED TO PAY A QUOTE**
14 **PREPARATION FEE TO PREPARE A QUOTE FOR AN AVAILABLE**
15 **INVENTORY SITE WHERE QWEST PREVIOUSLY PREPARED A**
16 **QUOTE?**

17 A. Regardless of any prior quote, Qwest would incur costs to prepare Eschelon's
18 quote, and Qwest is entitled to recover its costs. Again, I would suggest that, if
19 Eschelon disagrees with this, it should present its arguments in an appropriate cost
20 proceeding. This notion that Qwest can somehow use or recycle a previous quote
21 for the site is completely incorrect, and Qwest in fact does not do so. As I stated
22 in my direct and responsive testimony, the effort to provision the site as requested
23 by a previous CLEC with different needs and different augment requests is
24 irrelevant. Qwest must determine how to provision the site as Eschelon requests
25 the site, tailored to its specific needs. I also want to point out that Mr. Denney

1 misunderstood or misconstrued my testimony regarding the 50% discount on
2 nonrecurring charges for available inventory sites. My point was not that
3 Eschelon should be content to pay the Quote Preparation Fee because it is getting
4 that 50% discount. My point was that Mr. Denney cannot credibly claim that
5 Eschelon does not know what it might pay in nonrecurring charges for reusable
6 and reimbursable elements. There is not some arcane formula at work here, and
7 the discount is there in black and white, right in the Agreement at issue here:
8 50%. That was my point.

9

10 **Q. CAN YOU RESPOND TO MR. DENNEY’S ARGUMENT THAT, IF A**
11 **CLEC CAN DETERMINE THE PRICE FOR AN AVAILABLE**
12 **INVENTORY SITE ITSELF, THEN QWEST SHOULD NOT BE**
13 **ENTITLED TO CHARGE A QUOTE PREPARATION FEE?**

14 A. The gist of Mr. Denney’s argument is that, if it is really that easy for Eschelon to
15 determine the price itself, then Qwest can’t be justified in assessing a Quote
16 Preparation Fee (“QPF”) to prepare the quote. As Mr. Denney knows, but fails to
17 disclose, however, the QPF does not simply recover the costs associated with
18 physical preparation of the quote. It also recovers the costs associated with the
19 planning, engineering and administration of the job as requested by the CLEC.
20 Ms. Million has previously testified regarding this same issue. And, again, if
21 Eschelon believes that the QPF doesn’t recover those types of costs, or shouldn’t
22 recover those types of costs, then Eschelon should make that argument in an
23 appropriate cost proceeding.

24

25 **Q. ESCHELON’S PROPOSED LANGUAGE ALLOWS THAT IT WOULD**

1 **PAY THE QPF FOR AVAILABLE INVENTORY SITES IF “QWEST**
2 **ESTABLISHES A CHANGE IN CIRCUMSTANCE AFFECTING THE**
3 **QUOTED PRICE.” WHY IS THAT LANGUAGE INSUFFICIENT TO**
4 **ADDRESS QWEST’S CONCERNS?**

5 A. As I have previously testified, the nature of this product offering is that a second,
6 different quote will almost always be required. I am concerned that Eschelon’s
7 proposed “changed circumstance” language is nebulous here, and will breed
8 disputes if adopted. The most common changed circumstance will be that
9 Eschelon simply requests the site provisioned differently than specified in a prior
10 quote for a prior CLEC. If the Commission considers adopting that portion of
11 Eschelon’s proposed language, it should specify, so as to avoid any future
12 misunderstanding and debate, that a different quote is a “changed circumstance.”
13 I addressed these concerns in greater detail in my responsive testimony.

14

15 **Q. PLEASE RESPOND TO MR. DENNEY’S RESPONSIVE TESTIMONY**
16 **REGARDING ISSUE 8-20(A).**

17 A. Very simply, if a CLEC takes a Special Site “as is,” it will pay a Special Site
18 Assessment Fee related to quote preparation and administration of the order. If
19 the CLEC request an augment to the site, the CLEC will pay a higher Quote
20 Preparation Fee related to quote preparation and administration of the order,
21 because of the additional work required to plan and engineer the augment. If
22 Eschelon believes this is inappropriate then, as I stated in my previous testimony,
23 this would appear to be an issue that is better suited for consideration in a cost
24 docket. I do want to additionally respond to Mr. Denney’s incorrect reading of
25 the contract provisions relating to this issue. Mr. Denney claims that the Special

1 Site Assessment Fee includes the cost of preparing quotes for sites where
2 modifications are requested to the site. So that there is no confusion on this point,
3 that is not what Qwest intends, and that is not what the language says. Nowhere
4 does the description of the Special Site Assessment Fee indicate that this fee
5 applies when modifications are requested. Nowhere does the contract state that
6 the Special Site Assessment Fee includes requested modifications.

7

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

9 A. Yes.

10