

**BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

AT&T COMMUNICATIONS OF THE)
PACIFIC NORTHWEST, INC.,) **Docket No. UT-003120**
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)
Complainant,)
v.)
)
)
QWEST CORPORATION,)
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Respondent.)
)

DIRECT TESTIMONY OF
VINCE A. DILORETO
ON BEHALF OF
AT&T COMMUNICATIONS
OF THE PACIFIC NORTHWEST, INC.

MARCH 19, 2001

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. Vince A. DiLoreto, 22025 30th Avenue SE, Bothell, WA 98021.

3 **Q. PLEASE DESCRIBE YOUR CURRENT POSITION?**

4 A. I am a Vice President – Telephony for AT&T Broadband.

5 **Q. WHAT DOES THAT POSITION ENTAIL?**

6 A. I am responsible for AT&T Broadband digital cable based local service telephony
7 to single family and multi-tenanted buildings in Washington State. My
8 responsibilities include the leadership of the sales, marketing, and operations
9 necessary to provide the telephony product to customers. The position also
10 entails leading the development and implementation of marketing and sales
11 programs, high-level understanding of the external forces to the business, and
12 insuring that the business is operationally set and fulfills the commitments made
13 to the customers. This includes insuring that appropriate staffing is available and
14 trained, materials are procured and processes are developed to support our ability
15 to serve the customer.

16 **Q. PLEASE GIVE A BRIEF SUMMARY OF YOUR CAREER.**

17 A. I have been involved in telecommunications since 1979. I was a manager with
18 Pacific Northwest Bell from 1979-1985 focusing on outside plant design and
19 construction. From 1985-1992, I was an area manager with U S WEST Business
20 Resources, Inc. focusing on real estate engineering, property management, office
21 services, and environmental services. I was then promoted to Director in which I

1 served from 1992 through 1996. From 1996 through 2000, I was Vice President
2 of Asset Management Solutions, L.L.C. focusing on telecommunications and real
3 estate consulting. I then joined AT&T Broadband, where I am currently
4 employed. I obtained a B.S. in Civil Engineering from Oregon State University
5 and an M.B.A. from the University of Portland.

6 **Q. HAVE YOU BEEN INVOLVED WITH AT&T'S PROBLEMS WITH**
7 **ACCESSING INTERNAL CUSTOMER PREMISES WIRING?**

8 A. Yes. Qwest is blocking AT&T's access to internal customer premises wiring in
9 Washington State.

10 **Q. WHAT IS INTERNAL CUSTOMER PREMISES WIRING AND WHY**
11 **DOES AT&T NEED TO ACCESS IT TO PROVIDE SERVICE TO**
12 **WASHINGTON CONSUMERS?**

13 A. Internal customer premises wiring is the wiring which runs from the Minimum
14 Point of Entry Terminal/Network Interface Device ("MPOE Terminal/NID"), A
15 Qwest owned wiring terminal where the internal customer premises wiring meets
16 Qwest's network wiring, through the Multi-Tenant Environment ("MTE") to the
17 individual suites of the MTE. The internal customer premises wiring is usually
18 behind walls, under stairs or in other difficult to reach places. As AT&T provides
19 its own network to the furthest possible point it can, it needs access to the internal
20 customer premises wiring to complete its installation of competitive telephone
21 service to Washington consumers located in the MTEs.

1 **Q. WHAT SERVICES DOES AT&T PROVIDE TO WASHINGTON**
2 **CONSUMERS THAT REQUIRE THE USE OF INTERNAL CUSTOMER**
3 **PREMISES WIRING?**

4 A. Through the use of AT&T's cable network, AT&T has been offering digital,
5 cable-based local service telephony to households located in single tenant
6 buildings as well as MTEs in the state of Washington, as well as elsewhere in the
7 country.

8 **Q. HOW DOES AT&T ACCESS THE INTERNAL CUSTOMER PREMISES**
9 **WIRING?**

10 A. At MTEs, AT&T is running its own network to the furthest possible point.
11 Although actual methods of cross-connecting differ to fit the architectural
12 characteristics of various buildings, AT&T usually runs its network to a Network
13 Interface Unit ("NIU"), the ending point of AT&T's network, located at the
14 customer premises. AT&T then installs a cross-connect panel which it uses to
15 connect its own wiring between the NIU and the internal customer premises
16 wiring which it obtains from Qwest's MPOE Terminal/NID.

17 **Q. WHY CAN'T AT&T PLACE ITS OWN INTERNAL CUSTOMER**
18 **PREMISES WIRING?**

19 A. It would be extremely cost prohibitive and technically difficult for AT&T to place
20 its own customer premises wiring. Most of this wiring is behind walls and was
21 installed during the original building construction. It would be time consuming
22 and duplicative as well as costly to replicate. Furthermore, through my

1 experience it appears most building owners are enthusiastic about the possibility
2 of offering their residents competitive local telephone service, owner enthusiasm
3 would substantially dissipate if AT&T had to unnecessarily tear through walls to
4 provide such service. Furthermore, counsel has advised me that pursuant to the
5 Telecommunications Act of 1996 and Washington law, AT&T is allowed
6 unencumbered access to Qwest's internal customer premises wiring.

7 **Q. WHAT DOES AT&T DO TO PREPARE A BUILDING?**

8 A. AT&T usually performs a two-step process. First we run our network up to the
9 building MPOE Terminal/NID from our own cross connect box. We do so by
10 running a one-inch, all weather conduit usually through a pre-serrated
11 punchout/groove located on the side of Qwest's MPOE Terminal NID. *See*
12 Exhibit VAD-2. That building is then considered ready for customer marketing.
13 Once a customer requests service, AT&T runs its twisted copper pair wire
14 through its cross connect box and the conduit to Qwest's MPOE Terminal/NID.
15 After conducting tests to determine the appropriate internal wiring, the technician
16 then gains access to the Qwest MPOE Terminal/NID and removes the internal
17 customer premises wiring for the requesting customer from the Qwest MPOE
18 Terminal/NID block and splices it to the AT&T network wire.

19 **Q. HAS AT&T MARKETED THESE SERVICES?**

20 A. AT&T has marketed these services extensively throughout Washington, as well as
21 other parts of the country. For that reason and also because AT&T's services are

1 competitively priced and utilize digital technology, there is extensive customer
2 demand.

3 **Q. WHAT IS THE EXISTING DISPUTE REGARDING AT&T'S ACCESS TO**
4 **QWEST'S MPOE TERMINALS/NIDS?**

5 A. Briefly, Qwest has been padlocking its MPOE Terminals/NIDs and pulling out
6 AT&T network wire and conduit from its MPOE Terminals/NIDs claiming that
7 AT&T does not have the right to access such MPOE Terminals/NIDs.

8 **Q. WHEN AND WHERE DID YOUR TECHNICIANS BEGIN SEEING**
9 **LOCKS ON MPOE TERMINALS/NIDS?**

10 A. In approximately September 2000, our technicians began seeing padlocks on
11 various Qwest MPOE Terminals/NIDs in Bellingham, Washington.

12 **Q. HAVE YOU EVER HEARD OF PADLOCKING MPOE**
13 **TERMINALS/NIDS BEFORE?**

14 A. No. Neither have my colleagues that I have spoken with. In addition, AT&T has
15 accessed, and continues to access Qwest's MPOE Terminals/NIDS in other states
16 and in other locations in Washington and has never encountered locks anywhere
17 other than Bellingham.

18 **Q. WHY DO YOU BELIEVE THAT QWEST TARGETED BELLINGHAM?**

19 A. Two reasons. The first is that Bellingham (Whatcom County) is a market that is
20 actively seeking competitive telecommunications services and does not have a
21 tremendous amount of choices for those services. Customers in Bellingham have

1 been crying out for competitive services, *see* E. Pizzillo, *Padlocked Phone Lines*
2 *Have Residents Calling Qwest Unfair*, The Bellingham Herald 1:1 (January 15,
3 2001) (Attached as Exhibit VAD-3). As Qwest is the “only game in town,” it
4 wants to continue its monopolistic advantage. The second is that Qwest appears
5 to have a particularly zealous employee in Bellingham who has taken draconian
6 measures in order to secure Qwest’s monopolistic hold on local telephone service.
7 This gentleman, Jeff Wilson, contacted the police when AT&T attempted to gain
8 access to internal customer premises wiring indicating that Qwest wanted some
9 type of compensation before it allowed AT&T to access that wiring. *See*
10 Bellingham Police Department Long Hand Police Report (Attached as Exhibit
11 VAD-4). After assuring the police that AT&T was well within its rights, I
12 instituted a protocol where a member of my staff would call Mr. Wilson
13 personally to tell him when and where by we were going to complete an
14 installation for a customer, both so that Qwest could see our methodology and so
15 that Qwest could bill for the use of internal customer premises wiring that AT&T
16 uses. *See* Exhibit VAD-5: January 24, 2001 letter to Robert Jones, Senior Vice
17 President, Qwest. Neither Mr. Wilson nor any Qwest technician ever appeared at
18 any of the installations or otherwise responded. Instead, Mr. Wilson next utilized
19 Qwest security to contact AT&T security in an attempt to force AT&T to stop
20 securing internal customer premises wiring.

21

1 **Q. HAS QWEST PROVIDED REASONS FOR PLACING LOCKS ON THE**
2 **MPOE TERMINALS/NIDS?**

3 A. From my review of the Bellingham police report and Bellingham Herald article,
4 Qwest's "reasons" for padlocking the MPOE Terminals/NIDs are inconsistent.
5 Qwest has admitted to the Bellingham Herald that it knows it must provide AT&T
6 access to the internal customer premises wiring through its MPOE
7 Terminals/NIDs. However, Qwest indicated that it was padlocking the MPOE
8 Terminals/NIDs because AT&T did not inform Qwest of the exact time that
9 AT&T was changing a customer's service to avoid the possibility of a customer
10 disconnection. *See* Exhibit VAD-4. In the police report, Jeff Wilson indicated
11 that the reason was financially driven. Mr. Wilson stated that Qwest has "spent
12 the money, man power and equipment into the complexes (and) before Qwest
13 grants AT&T Cable Services (sic.) access to those lines, they want some type of
14 compensation." *See* Exhibit VAD-4.

15 **Q. YOU HAVE SPOKEN WITH MR. WILSON?**

16 A. Yes.

17 **Q. HAS MR. WILSON OR ANY OTHER QWEST EMPLOYEE BROUGHT**
18 **THE CONCERNS MENTIONED IN THE BELLINGHAM HERALD**
19 **ARTICLE OR THE BELLINGHAM POLICE REPORT TO YOUR**
20 **ATTENTION?**

21 A. No.

1 **Q. TO YOUR KNOWLEDGE, HAS MR. WILSON OR ANY OTHER QWEST**
2 **PERSONNEL EVER CONTACTED AT&T ABOUT CUSTOMER**
3 **OUTAGES DUE TO AT&T'S ACCESS TO ANY MPOE TERMINAL/NID?**

4 A. No, I have checked the logs and Qwest never contacted us at all about our access
5 to MPOE Terminals/NIDs. The first time I heard about customer outages is when
6 I saw Qwest's cross-complaint in this docket. Nor, to my knowledge has Qwest
7 contacted AT&T subsequent to its filing of a cross-complaint. In fact, Mr. Wilson
8 in the police report does not even reference padlocking NIDs due to customer
9 outages. Instead, he references a payment dispute.

10 **Q. IF QWEST HAD CONTACTED AT&T ABOUT CONCERNS RELATING**
11 **TO CUSTOMER OUTAGES, WHAT WOULD AT&T HAVE DONE?**

12 A. AT&T stands behind its work. However, as Qwest very well knows from its own
13 experiences, mistakes by technicians are sometimes made. If Qwest had
14 contacted AT&T, we would have immediately dispatched a technician to remedy
15 the situation, if a problem actually existed.

16 **Q. HAVE YOU OR YOUR TECHNICIANS EVER SEEN LOCKS ON MPOE**
17 **TERMINALS/NIDS WHERE QWEST DOES NOT OWN THE INTERNAL**
18 **CUSTOMER PREMISES WIRING?**

19 A. Yes, we believe that Qwest has padlocked MPOE Terminals/NIDs in situations
20 where we believe that Qwest does not even own or control the internal customer
21 premises wiring. Instead, the building owner owns and/or controls the internal
22 customer premises wiring. These situations are known in the industry as Option 1

1 properties whereas those MTEs where Qwest owns and/or controls the internal
2 customer premises wiring are known as Option 3 properties.

3 **Q. WHAT IS AT&T'S CONCERN WITH QWEST PADLOCKING MPOE**
4 **TERMINALS/NIDS IN OPTION 1 PROPERTIES?**

5 A. In an Option 1 case, Qwest is blocking access to internal customer premises
6 wiring that they do not even own and/or control.

7 **Q. WHAT OTHER ACTIONS HAVE YOU SEEN QWEST TAKE IN ORDER**
8 **TO FORCE AT&T TO FORGO PROVIDING COMPETITIVE LOCAL**
9 **TELEPHONE SERVICES?**

10 A. Among others, on or about September 8, 2000, a Qwest employee disconnected
11 all twenty of the conduits between the AT&T cross-connect and the Qwest MPOE
12 Terminal/NIDs located at 1213 Whatcom Street, Bellingham, WA and left them
13 hanging. *See Exhibit VAD-6.*

14 After we filed our Complaint for relief to the WUTC, the situation has gotten
15 worse, not better. On or about March 6, 2001, an AT&T technician found our
16 wiring and conduit ripped out of an MPOE Terminal/NID located at 1920
17 Alabama, Bellingham, Washington. AT&T had actively marketed and provided
18 local telecommunication services to former Qwest customers at that location
19 utilizing the protocol described above. As shown in detail in Exhibit VAD-7
20 attached, Qwest employee(s) did the following:

21 1) ripped out the conduit attached to the MPOE Terminal/NID;

- 1 2) cut the connection between the internal customer premises wiring
- 2 and AT&T wiring (leaving the AT&T customer without phone
- 3 service for a period of time);
- 4 3) dragged the wiring outside of the MPOE Terminal/NID and
- 5 reconnected the wires in an area exposed to the elements;
- 6 4) padlocked the MPOE Terminal/NID and
- 7 5) finally, posted a sticker indicating that the property was Qwest's
- 8 and wrote "(t)his is not a demarc—stay out—are you guys dumb?"

9 Obviously, this is extremely concerning to AT&T, given that Qwest's actions
10 directly exposed the public to safety hazards.

11 AT&T also found a similar situation at 1717 Texas Street, Villa 21. *See* Exhibit
12 VAD-8. In that situation, we were able to capture before and after pictures of the
13 MPOE Terminal/NID in question. After AT&T completed its technical protocol,
14 *see* Exhibit VAD-8, Pages 1-4, Qwest personnel pulled out the AT&T internal
15 customer premises wiring, again temporarily disconnecting customers and leaving
16 that wiring exposed to the elements. *See* Exhibit VAD-8, Pages 5-6. As you
17 can see in Exhibit VAD-8, Page 7-11, Qwest left the wiring exposed with the
18 conduit hanging out and creating a possible electrical safety hazard.

19 We are in the process of determining if additional damage has been done at other
20 MPOE Terminals/NIDs.

1 **Q. DID QWEST NOTIFY AT&T ABOUT THE ACTIONS IT TOOK AT 1213**
2 **WHATCOM, 1717 TEXAS STREET OR 1920 ALABAMA STREET,**
3 **BELLINGHAM, WASHINGTON?**

4 A. No.

5 **Q. AS A RESULT OF QWEST'S ACTIONS HAVE COMPETITIVE**
6 **SERVICES BEEN SACRIFICED FOR WASHINGTON CONSUMERS?**

7 A. Absolutely. Qwest's actions, including disconnecting AT&T's conduit,
8 padlocking MPOE Terminals/NIDs and attempting to involve the criminal justice
9 system when AT&T was forced to cut the locks to legally access the MPOE
10 Terminal/NID, have certainly put a chilling effect on AT&T's ability to provide
11 competitive local telephone services to Washington consumers. In fact, this
12 activity has resulted in significantly lower customer volume in Bellingham.

13 **Q. HAVE YOU HEARD COMPLAINTS FROM VARIOUS WASHINGTON**
14 **CONSUMERS REGARDING FAILURE TO OBTAIN AT&T LOCAL**
15 **NETWORK SERVICES?**

16 A. Of course. The Bellingham Herald article does a good job of summarizing the
17 types of complaints we have received from Washington consumers. *See* VAD-6.

18 **Q. QWEST HAS CLAIMED THAT AT&T'S ACTIONS HAVE PUT**
19 **CUSTOMERS OUT OF SERVICE. IS THIS TRUE?**

20 A. I have no knowledge that AT&T's actions have put customers out of service.
21 Certainly, Qwest never contacted us to indicate that this occurred.

1 **Q. IS IT COMMON IN THE INDUSTRY FOR A CUSTOMER TO LOSE**
2 **SERVICE BECAUSE OF A TECHNICIAN ERROR?**

3 A. Human error does occur and our efforts to provide competitive local services are
4 relatively nascent. However, we have been working very hard through training
5 our technicians and utilizing the most advanced test equipment to minimize any
6 errors.

7 **Q. IN FACT, QWEST ITSELF FREQUENTLY SUFFERS NETWORK**
8 **OUTAGES AS WELL, DOESN'T IT?**

9 A. From what I have read, yes.

10 **Q. WOULD THE PROTOCOL SUGGESTED IN EXHIBIT VAD-5**
11 **ALLEVIATE QWEST'S CONCERNS ARTICULATED BOTH IN THE**
12 **BELLINGHAM HERALD ARTICLE AND THE BELLINGHAM POLICE**
13 **REPORT?**

14 A. I believe so. As to Qwest's seeking payment for internal customer premises
15 wiring, AT&T has told Qwest what internal customer premises wiring that it
16 needs to access. AT&T has further told Qwest that AT&T will pay for the
17 internal customer premises wiring that Qwest can establish it owns/controls.
18 Accordingly, the concerns articulated by Jeff Wilson in the police report have
19 been addressed. Furthermore, as AT&T is indicating to Qwest the time and place
20 that it needs building access, Qwest's concerns about customer disruption have
21 also been addressed.

1 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

2 A. AT&T has expended substantial capital, manpower and infrastructure in order to
3 provide competitive local telecommunications service to Washington consumers.
4 It cannot be successful without being able to access internal customer premises
5 wiring located at the Qwest MPOE Terminals/NIDs. Qwest has done everything
6 it can to frustrate AT&T's attempts to provide this service. If this continues,
7 AT&T will be forced to pull out of the Bellingham market and Washington
8 consumers will be robbed of competitive local telephone services. Accordingly,
9 AT&T requests that the Commission take immediate action to address Qwest's
10 unlawful actions.

11 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY AT THIS TIME?**

12 A. Yes.