

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**IN THE MATTER OF THE CONTINUED)
COSTING AND PRICING OF UNBUNDLED)
ELEMENTS, TRANSPORT)
AND TERMINATION)**

**Docket No. UT-003013
Part B**

**DIRECT TESTIMONY OF
DAVID A. ENGLAND, PH.D.
ON BEHALF OF
AT&T COMMUNICATIONS OF THE PACIFIC NORTHWEST, INC.**

February 7, 2001

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

2 A. My name is David England and my business address is 1875 Lawrence Street, Denver,
3 Colorado 80202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by AT&T as a cost model analyst.

6 **Q. PLEASE PROVIDE A BRIEF OVERVIEW OF YOUR EDUCATIONAL
7 BACKGROUND AND WORK EXPERIENCE.**

8 A. I hold a Ph.D. in Industrial Engineering from Clemson University, which I received in
9 May of 1999. My previous post-secondary education includes a bachelor's degree in
10 History and a master's degree in Mathematical Science (received December of 1993 and
11 1995, respectively), also from Clemson University.

12 From January, 1998 to January, 1999, I was employed by HGP, Inc., a technical
13 and managerial consulting firm in the power industry, where I was responsible for
14 constructing and analyzing financial models. I began working for AT&T in March of
15 1999 as a manager in its Network Capacity Planning and Delivery division. In
16 November of that same year, I transferred to my present position. My current
17 responsibilities include that analysis of cost models (particularly with respect to
18 collocation), representation of AT&T at relevant technical workshops and advocacy as an
19 expert witness in regulatory proceedings.

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

21 A. My testimony, along with that of AT&T witnesses Mr. Joseph Gillan and Mr. Ronald
22 Stanker, discusses the line splitting proposal put forth by Qwest and its impact on
23 competition and the pricing of CLEC services. Specifically, I examine difference in
24 prices CLECs would pay for line splitting under Qwest's architecture and the alternate
25 architecture proposed by Mr. Stanker. I then discuss the resulting potential for
26 discriminatory pricing by the incumbent.

1 **Q. WHAT ARE THE PRIMARY ISSUES INVOLVED WITH QWEST'S LINE**
 2 **SPLITTING PROPOSAL?**

3 A. As discussed in greater detail by Mr. Stanker in his testimony, the key issue is that
 4 Qwest's proposal forces CLECs employing a Qwest-owned splitter to connect via an
 5 intermediate frame (ICDF). As Mr. Stanker points out, the resulting architecture forces
 6 the interconnecting CLEC to pay for one more cross-connect (plus additional cable and
 7 labor) than the more efficient layout connecting directly to the main distribution frame
 8 (MDF), unnecessarily inflating CLEC costs.

9 **Q. WHAT IS THE IMPACT ON THE COST TO THE CLEC?**

10 A. The exact impact is not known in that the prices proposed by Qwest do not clearly
 11 indicate what costs it proposes should be recovered by each element. However, based on
 12 the information presented in Mr. Thompson's direct testimony, I have estimated the
 13 difference between the two layouts (aside from the Quote Preparation Fee, which the
 14 Commission dealt with in Part A of this docket) described by Mr. Stanker in Table I,
 15 below.

16
 17 **Table I.**
 18 **Price Comparison of ICDF and MDF Layouts**
 19 **(Non-Recurring Charges)**

ICDF Layout (Qwest)		MDF Layout (AT&T)	
Cross-Connects (4)	\$ 5064.44	Cross-Connects (3 per)	\$ 3798.33
Bay (1 shelf)	2721.40	Bay (1 shelf)	2721.40
Splitter	Cost	Splitter	cost
Total	\$ 7785.84+	Total	\$ 6519.73 +
	splitter		splitter cost
	cost		

Difference: \$ 1266.11 (1 Cross-Connect) per 100 DS0

20
 21
 22

1 **Q. HAVE YOU BEEN ABLE TO EXAMINE DATA SUPPORTING THE PRICES**
2 **FOR LINE SPLITTING?**

3 A. No. Mr. Thompson's testimony in Part A of this proceeding contained only the list of
4 prices for line sharing and provided no detail, description of the elements or support
5 material for those prices. The exact composition of the elements in the price list is
6 unclear. I was forced to rely on the line sharing testimony filed by Mr. Thompson
7 because Qwest filed no new cost studies for line splitting.

8 **Q. ARE THERE ANY FURTHER COSTS IMPOSED ON THE CLEC BY QWEST'S**
9 **PROPOSED NETWORK ARCHITECTURE?**

10 A. Yes. Though I have been unable to duplicate the derivation of the prices given by Mr.
11 Thompson, I believe that the above charges do not include associated labor costs. Thus,
12 in addition to the difference in material costs shown above, the ICDF architecture
13 proposed by Qwest involves further labor costs Qwest will charge for the installation of
14 the superfluous cross-connect. Moreover, the cable connecting the intermediate frame
15 (ICDF) to the main distribution frame (MDF) is not necessary under AT&T's proposed
16 architecture, so the material and labor costs associated with that element constitute an
17 additional burden on CLECs.

18 **Q. WHY SHOULD THIS ISSUE CONCERN THE COMMISSION?**

19 A. If it is this Commission's purpose to promote competition by establishing a "level
20 playing field" where new entrants to the market can effectively compete with incumbent
21 carriers, then the Commission must prevent incumbent carriers from imposing
22 unnecessary and discriminatory burdens on potential competitors. Mr. Stanker states in
23 his testimony that the architecture proposed by AT&T is technically feasible and
24 therefore available to the incumbent for the provisioning of its own services. Qwest, on
25 the other hand, would require CLECs employing a Qwest-owned splitter to connect via
26 the ICDF **in every instance**. Therefore, to the extent that Qwest provisions its own

1 services by connecting directly to the MDF while at the same time requiring its
2 competitors to incur additional costs not faced by Qwest (in the form of additional
3 cabling, cross-connects and connecting blocks, plus associated labor for installation and
4 maintenance), Qwest imposes a discriminatory pricing structure upon CLECs.

5 **Q. WHAT IS YOUR RECOMMENDATION?**

6 A. It is imperative that the Commission not allow incumbents to force their potential
7 competitors to bear costs not faced by the incumbents themselves. Any additional costs
8 borne by CLECs will flow through to their bottom line and will have to be recovered in
9 their prices to end users. To the extent that they are able to manipulate the costs of
10 business incurred by their competitors, incumbent carriers will be able to leverage that
11 control as a competitive advantage in the marketplace.

12 By imposing costs no greater than those faced by the incumbent, the network
13 architecture proposed by Mr. Stanker further promotes the “level playing field” sought by
14 the Commission and permits CLECs the opportunity to effectively compete with the
15 incumbent carrier in the marketplace.

16 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

17 A. Yes.