

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

IN THE MATTER OF THE)
COMPLAINT AND REQUEST FOR)
EXPEDITED TREATMENT OF AT&T)
COMMUNICATIONS OF THE)
PACIFIC NORTHWEST, INC.)
AGAINST U S WEST)
COMMUNICATIONS, INC.)
REGARDING PROVISIONING OF)
ACCESS SERVICE)

DOCKET NO. UT-991292

**DIRECT TESTIMONY OF
BETH ANN HALVORSON
ON BEHALF OF
U S WEST COMMUNICATIONS, INC.**

NOVEMBER 17, 1999

TABLE OF CONTENTS

I.	QUALIFICATIONS.....	1
II.	PURPOSE OF TESTIMONY.....	2
III.	THE COMPETITIVE ENVIRONMENT.....	4
IV.	AT&T'S DMOQ PROCESS AND GAP CLOSURE PLANS.....	14
V.	VALIDITY OF CDDD.....	20
VI.	VALIDITY OF 24-HOUR FOC.....	22
VII.	AT&T'S IMPACT ON U S WEST'S BUSINESS.....	29
VIII.	REMEDIES AND ALLEGED DISCRIMINATION.....	33
IX.	AT&T SERVICE PROBLEMS.....	37
X.	SUMMARY.....	40

1
2
3
4
5
6
7
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I.QUALIFICATIONS

PLEASE STATE YOUR NAME, POSITION, EMPLOYER, AND BUSINESS ADDRESS.

A. My name is Beth Ann Halvorson. I am employed by U S WEST Communications, Inc. ("U S WEST") as Vice President – Wholesale Major Markets. My business address is 200 S. 5th Street, Suite 2400, Minneapolis, MN 55402.

WHAT IS YOUR EDUCATIONAL BACKGROUND AND YOUR EXPERIENCE WITH U S WEST?

I graduated from the University of Minnesota in 1976 with a degree in Humanities and also hold a Bachelor of Science in Marketing from the University of Minnesota. In 1986 I graduated from the University of Minnesota Executive Development Program and in 1992 completed an advanced finance and marketing program at Wharton School of Business. In March of 1996 I graduated from the Executive Management Program in Telecommunications at the University of Southern California. In March of 1999 I obtained an Executive MBA from the Carlson School of Business, University of Minnesota.

I began my career with U S WEST (then Northwestern Bell) in the early

1 seventies as a service representative in the business office. I moved on to be
2 a business office instructor, a business office supervisor and a business
3 office manager. In the late seventies, I transferred into the network
4 organization and held several assignments including test center supervisor,
5 outside plant manager and manager of the centralized repair answering
6 bureaus. In the early eighties, I was assigned to negotiate retail space for
7 Phone Center stores in shopping mall locations and I subsequently managed
8 eight of the stores. I was promoted in 1984 to Director of Marketing for
9 Exchange Carrier Services and then held a series of marketing assignments
10 in U S WEST's carrier and business divisions. In 1992 I was promoted to
11 Vice President of Exchange Carrier Services and then in 1994 to Regional
12 Executive Director of Public Policy for Minnesota, Iowa, Nebraska and New
13 Mexico. In this capacity I was responsible for strategic planning and
14 implementation of U S WEST's public policy initiatives for these states. In
15 1998 I became Vice President in the Carrier Wholesale Division of the AT&T
16 account team. In 1999 I became the Vice President of the AT&T,
17 MCI/WorldCom and Sprint account teams.

18

19

II.PURPOSE OF TESTIMONY

20

21 **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

22 My testimony is submitted to address AT&T's claims set forth in the access

1 service quality complaint. Specifically, I will discuss the business
2 relationship between the two companies, the applicable requirements for
3 the provisioning of switched and dedicated access services to AT&T, and
4 U S WEST's role in meeting AT&T's expectations. As the U S WEST
5 executive responsible for the AT&T account team, I can attest to the
6 efforts by U S WEST to service the needs of AT&T.

7

8 **Q. WHAT IS THE NATURE OF THE BUSINESS RELATIONSHIP WITH AT&T?**

9 A. AT&T is U S WEST's largest customer for access services. U S WEST
10 values the business relationship we have with AT&T. Thirty-five people are
11 assigned to the AT&T account team, along with numerous employees in
12 other departments that do nothing but focus on AT&T. These employees
13 work with many departments in AT&T, including the sales and service
14 organizations, the billing and collections groups, the network and engineering
15 organizations along with the supplier management group that reports to
16 Charlotte Field. U S WEST works diligently to proactively address AT&T's
17 needs. As such, it is disappointing to us that AT&T has found it necessary to
18 file this complaint against U S WEST .

19

20 **Q. WHY DO YOU BELIEVE AT&T FILED THIS COMPLAINT?**

21 A. While I believe AT&T is serious about continuous improvement of service
22 provided by U S WEST, I find it ironic that the complaint was filed at the same

1 time U S WEST filed its merger application with Qwest and only in states
2 where merger proceedings are pending. This follows a similar pattern for
3 AT&T that we have observed with other public policy issues. In 1996,
4 U S WEST was seeking LATA boundary relief in the Minnesota and Arizona
5 legislatures. AT&T filed a service complaint in only those states to attempt to
6 derail the U S WEST initiative. These current complaints also come at a time
7 when AT&T is under considerable scrutiny to open the cable networks they
8 have purchased to competition. It is not unlikely that the complaints were
9 derived to serve as an attempt to draw attention away from their open access
10 competitive issues. In addition, the RBOCs are getting closer to achieving
11 271 relief which will allow them to provide interLATA long distance service in
12 competition with AT&T. It has obviously been AT&T's policy and practice to
13 use any means possible to slow the approvals down. Furthermore, both the
14 FCC and this Commission are in the process of evaluating whether more
15 flexibility should be given to the pricing of special access service in
16 recognition of the increasingly competitive environment.¹ The Washington
17 Commission should be skeptical as to what the real motive is for AT&T's actions.
18

¹ See FCC 99-206, CC Dockets 96-262, 94-1, 98-157 and File 98-63 Fifth Report and Order and FNPRM, adopted August 5, 1999, and WA Docket No. UT-990022.

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III. THE COMPETITIVE ENVIRONMENT

Q. ON PAGE 3 OF MS. FIELD’S DIRECT TESTIMONY, SHE CONTENDS THAT THE CURRENT ACCESS ENVIRONMENT IS “NONCOMPETITIVE” AND THAT U S WEST ESSENTIALLY REMAINS THE SOLE SUPPLIER OF ACCESS SERVICES IN ITS TERRITORY. DO YOU AGREE WITH THESE CONTENTIONS?

A. Absolutely not. The access services to which Ms. Field is referring are special access circuits, from a customer’s location to the AT&T point of presence (“POP”). Special access circuits have been competitive products for years, long before the advent of the 1996 Telecommunications Act. AT&T has many competitive options regarding their provision of special access circuits to their customers. I find it hard to believe that AT&T can state that the current access environment is noncompetitive, given their purchase over a year and a half ago of Teleport Communications Group, (originally “TCG”, now AT&T Local Services or “ALS”).

At the time of purchase, TCG was a Competitive Access Provider (“CAP”) and remains so to this day. As such, TCG’s sole goal is to create its own network, thereby bypassing the incumbent LEC’s local exchange network. In fact, AT&T’s own press release at the time of purchase of TCG stated:

AT&T SAID THE MERGER WILL ACCELERATE ITS EFFORTS TO BRING END-TO-END COMMUNICATIONS SERVICES TO AMERICAN BUSINESSES.... JOINING

1 **FORCES WITH TCG WILL SPEED AT&T'S ENTRY INTO THE LOCAL BUSINESS**
2 **MARKET.... TCG HAS MORE FIBER ROUTE MILES AND SERVES MORE**
3 **BUSINESSES IN MORE CITIES THAN ANY OTHER COMPETITIVE LOCAL SERVICES**
4 **COMPANY....**
5

6 The Press Release further notes:

7 **TCG...IS THE NATION'S PREMIER PROVIDER OF COMPETITIVE LOCAL**
8 **COMMUNICATIONS SERVICES.... ITS CUSTOMERS INCLUDE SOME OF THE**
9 **NATION'S LEADING BANKS, BROKERAGE FIRMS, MEDIA COMPANIES,**
10 **GOVERNMENT OFFICES, HOSPITALS, EDUCATIONAL INSTITUTIONS....**
11

12 In a News Release seven months later, AT&T's Chairman, C. Michael Armstrong
13 continued on the same theme, noting, "Completion of this merger accelerates our
14 entry into the \$21 billion business because we're reducing our dependence on the Bell
15 companies for direct connections to businesses...." The Press Release further states:

16 **TCG, WITH MORE THAN 10,000 MILES OF FIBER OPTIC CABLE AND 50 LOCAL**
17 **SWITCHES, IS THE NATION'S PREMIER PROVIDER OF COMPETITIVE**
18 **COMMUNICATIONS SERVICES. ITS NETWORK ENCOMPASSES MORE THAN 300**
19 **COMMUNITIES.... ARMSTRONG SAID AT&T ALSO PLEDGES TO DEVOTE**
20 **SUBSTANTIAL RESOURCES TO CONTINUE THE BUILDING OF FACILITIES IN**
21 **CRITICAL MARKETS. AT&T AND TCG EXPECT TO ADD 10 TO 12 MARKETS A**
22 **YEAR....**
23

24 **IS THERE OTHER EVIDENCE OF AT&T'S STRATEGY TO BYPASS THE**
25 **LOCAL TELEPHONE COMPANIES?**

26 Yes. Another AT&T press release from August 1996 states, "'Once again, we're
27 demonstrating that AT&T will not limit itself to access obtained from monopoly
28 phone companies,' said Harry Bennett, vice president and general manager of
29 AT&T's Local Services Division. 'We'll continue to pursue arrangements with other

1 companies that provide high-quality access to customers.’’

2

3 **HAS AT&T MADE OTHER PUBLIC STATEMENTS ABOUT THEIR**
4 **COMPETITIVE DIRECTION THAT WOULD SHED LIGHT ON THEIR**
5 **PLANNED USE OR BYPASS OF U S WEST’S NETWORK?**

6 A. Yes. In the midyear report to investors, AT&T outlines six principles for growth.

7 The very first states:

8 Resale to Facilities

9 To deliver the services of the 21st century, a key part of our strategy calls for us to
10 own or control the facilities we use to reach our customers. We can’t just resell
11 the connections of other companies, especially when those companies are often
12 our competitors. To ensure the quality of our service and control our costs, *we*
13 *will increasingly use our own facilities.* (emphasis added)

14

15 This means that AT&T’s first strategic principle is to bypass the local exchange
16 networks and build/use their own facilities. This contradicts Ms. Field’s statements
17 about U S WEST’s monopoly power over the network and shows that AT&T’s
18 acquisitions are for the sole purpose of giving them competitive alternatives to the
19 LEC’s network.

20

21 **HAVE YOU SEEN EVIDENCE OF TCG’S DESIRE TO COMPLETELY BYPASS**
22 **THE LEC (LOCAL EXCHANGE CARRIER) NETWORK WITHIN THE**
23 **U S WEST REGION?**

24 Yes. For the last two years, AT&T Local Services has been aggressively moving circuits

1 from the U S WEST network to the TCG network. This is best illustrated by some
2 statistics from ALS's "Project Augusta", which transfers DS3 circuits from
3 U S WEST's network to ALS's network.

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12 **Q. DO YOU HAVE ANY ADDITIONAL EVIDENCE OF TCG'S ABILITY TO**
13 **BYPASS THE LEC NETWORK WITHIN THE U S WEST REGION?**

14 A. Yes. TCG has the financial ability to do so as evidenced by the information presented
15 in its 1998 annual report. AT&T's annual report shows that as of year-end 1998,
16 AT&T's Local Services' operations had a total of 542,544 access lines in service.
17 Voice grade equivalents in service were 11.6 million. AT&T stated that its Local
18 Services' revenues in 1998 increased \$412 million, or 73.2% compared with 1997,
19 due primarily to TCG's growth in *private line*, switch usage and facilities,
20 interconnection and data/internet services. Local Services' revenues increased in
21 1997 by 107.2%, also driven by growth in TCG.

1

2 **ON PAGE 14 OF HER DIRECT TESTIMONY, MS. FIELD STATES THAT MANY**
3 **OF THE CAPS HAVE A STRATEGY FOR GROWTH THAT IS DEPENDENT**
4 **ON BUILDING THE NETWORKS OUT FROM THE INTEREXCHANGE**
5 **NETWORK TO THE LEC NETWORK. DOES TCG'S CURRENT BUSINESS**
6 **STRATEGY SEEM TO FIT MS. FIELD'S STATEMENT?**

7 A. No, it does not. CAPS, including TCG, are direct-connection facility-based
8 competitors of U S WEST and, as such, can and do build out their fully separate
9 networks, complete with switches and trunks. At the end of 1998, AT&T had a
10 market capitalization of \$246 billion, almost eight times U S WEST's market
11 capitalization of \$28 billion (Exhibit BAH-1). Clearly, AT&T's resources far exceed
12 U S WEST's and as such, they can invest anywhere and in any manner in which they
13 choose. With the passage of the Federal Telecommunications Act of 1996, AT&T is
14 free to offer any type of service anywhere in this country by provisioning the service
15 themselves or purchasing it from other providers.

16

17 **Q. MS. FIELD CONTINUES HER THEME OF LECS AS MONOPOLY**
18 **PROVIDERS OF SPECIAL AND SWITCHED ACCESS ON P. 13,**
19 **EXPLAINING THAT THE CAPS DO NOT HAVE THE UBIQUITY OF**
20 **FACILITIES OR NETWORKS TO PROVIDE TO A WIDE RANGE OF**
21 **ACCESS NEEDED BY AT&T. PLEASE COMMENT.**

1 A. AT&T (ALS) chooses the communities where it deploys its network as a CAP. As a
2 prudent manager of its business, AT&T may not choose to build its network in a
3 small community or certain wire centers, because customer demand does not warrant
4 the capital and expense investment that would be required. It is disingenuous of Ms.
5 Field to then suggest that U S WEST should be required to build these same facilities
6 to those same communities or wire centers where AT&T has already determined that
7 ample demand does not exist. If anything, the fact that AT&T has made a business
8 decision not to build out its facilities implies that expansion of the requested routes
9 may also be uneconomic for U S WEST. If this is the case, it is unlikely that
10 U S WEST would expand such facilities in the near future given capital limitations
11 and higher priority needs in other parts of the state.

12

13 **HAVE YOU SEEN ANY OTHER INDICATION OF AT&T'S INTENT TO**
14 **PROVIDE COMPETITIVE LOCAL SERVICE, BYPASSING THE LEC'S**
15 **SWITCHED AND SPECIAL ACCESS NETWORKS?**

16 Yes. AT&T has also purchased TCI and plans to purchase MediaOne, two of the nation's
17 largest cable TV providers (see Exhibit BAH-2 for a pictorial regarding all of
18 AT&T's recent mergers and acquisitions and Exhibit BAH-2a for two new releases
19 describing the alternate access arrangements made by AT&T). According to AT&T's
20 1998 midyear report to investors, the TCI merger is a \$48 billion agreement to acquire
21 facilities, which currently "reach directly into 20 million U.S. homes and pass another

1 13 million.” That means that AT&T will “have access to almost one-third of all
2 American households to protect and grow our consumer communications business....
3 AT&T can add telephone service to these upgraded (cable) systems at a relatively low
4 cost per household.”

5
6 TCI has over a million basic cable subscribers in Seattle and is actively upgrading its
7 cable system to be able to offer telephony, in addition to cable and Internet services.
8 An article in USA Today from May 6, 1999 notes, “...few – if – any operators will
9 select a company other than AT&T to provide local phone services over cable. If
10 AT&T’s brand name becomes synonymous with cable, then operators such as Cox
11 and Cablevision Systems might feel compelled to join the team instead of providing
12 phone services alone.” AT&T plans to pay an estimated \$4600 for each of
13 MediaOne’s five million customers. AT&T is investing its enormous capital to
14 purchase, build and upgrade competitive services. It clearly has the resources to
15 provision special access services itself, if it chooses to do so.

16

17 **Q. ON PAGE 5 OF HER DIRECT TESTIMONY, MS. FIELD STATES THAT:**
18 **BECAUSE INCUMBENT LECS ARE STILL THE PRIMARY SUPPLIERS OF**
19 **ACCESS SERVICES IN MOST LOCATIONS, ACCESS IS CONSIDERED A**
20 **MONOPOLY SERVICE...**

21 **DO YOU AGREE WITH THIS ASSESSMENT? PLEASE EXPLAIN.**

22

1 A. No, I do not agree. AT&T can purchase access services from U S WEST, from its
2 own company TCG (AT&T Local Services), from any of over 50 CAPs or CLECs
3 with whom U S WEST has interconnection contracts in the state of Washington or it
4 can build its own facilities. These interconnection agreements are of public record
5 with the Commission.

6
7

8 **Q. ARE THERE TARIFFS THAT GOVERN U S WEST'S PROVISIONING OF**
9 **THESE COMPETITIVE ACCESS SERVICES?**

10 A. Yes, special access services are provided by U S WEST under tariff, both at an
11 interstate and intrastate level. These tariffs recognize that there are logical limits on
12 U S WEST's obligation to provide special access services. For example, the
13 Washington private line intrastate tariff, WN U-33, Sections 2.1.2 B. and C. states:

14 B. Subject to compliance with the above mentioned rules, where a shortage of
15 facilities exists at any time either for temporary or protracted periods, the services
16 offered herein will be provided to customers on a first come, first served basis.

17

18 C. The furnishing of service under this Tariff will require certain physical
19 arrangements of the facilities of the Company *and is therefore subject to the*
20 *availability of such facilities.* (Emphasis added)

21

22 Thus, U S WEST's obligation to provide facilities to serve AT&T's special access
23 customers is subject to the availability of facilities. Dr. Wilcox further discusses tariff
24 applications in her testimony including references to interstate tariffs.

25

26 **Q. DO YOU HAVE ANY DATA RELATING TO THE TARIFF UNDER WHICH**

1 **AT&T PURCHASED SPECIAL ACCESS CIRCUITS?**

2 A. ///

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9 **Q. DOES MS. FIELD EVER SUGGEST IN HER DIRECT TESTIMONY THAT**
10 **U S WEST IS NOT MEETING ITS OBLIGATIONS FOR SWITCHED OR**
11 **SPECIAL ACCESS SERVICES UNDER EITHER FCC INTERSTATE OR**
12 **WASHINGTON INTRASTATE TARIFFS?**

13 A. No, she does not.

14

15 **Q. WHY IS THIS RELEVANT?**

16 A. As discussed in the Direct Testimony of Dr. Barbara Wilcox, federal and state tariffs
17 are the governing authority of the special and switched access portions of
18 U S WEST's business. By ignoring both interstate and intrastate tariffs in the
19 complaint filed in Washington and in her direct testimony, I conclude that Ms. Field
20 knows that there is no tariff violation with respect to service and therefore, is
21 searching for other ways of making her case.

22

1 **IV. AT&T'S DMOQ PROCESS AND GAP CLOSURE PLANS**
2

3

4 **Q. MS. FIELD CHARACTERIZES THE ESTABLISHMENT OF DMOQ'S AS A**
5 **COOPERATIVE PROCESS. DO YOU AGREE?**

6 A. No I do not. AT&T's DMOQ's are delivered annually to the company with no input
7 from U S WEST. They are described as requirements and the company is expected to
8 meet them. When U S WEST has attempted to influence the DMOQ process and
9 measurements, our input has been denied.

10

11 **Q. CAN YOU GIVE AN EXAMPLE OF THIS?**

12 A. Yes. Since January of 1998 in many meetings with Ms. Field and her team, I have
13 expressed concern with AT&T's unilaterally imposed requirement to provide a Firm
14 Order Confirmation (FOC) stating the due date for installation within 24 hours of
15 receipt of the order. This DMOQ fails to recognize that access services are designed,
16 complex services and the 24-hour requirement does not allow the engineering and
17 design functions to be completed. All other companies U S WEST provides access to
18 accept either a 48- or 72-hour turnaround for the FOC to be delivered, including TCG.
19 Given a reasonable time to deliver a FOC, U S WEST can give a more accurate
20 delivery date. U S WEST has repeatedly requested that AT&T follow the U S WEST
21 FOC process. U S WEST's request was again denied because AT&T claimed they
22 would have to change their process to accommodate a 48- or 72-hour FOC. Each time

1 this has been raised with AT&T, U S WEST has been asked to do more studies with
2 the request ultimately being denied. Even as recently as November 4th, 1999,
3 U S WEST urged AT&T to implement the 72-hour FOC and invited them to
4 participate in a trial to work out the process issues. AT&T refused to participate.

5

6 **Q. ARE THERE OTHER EXAMPLES WHERE AT&T'S DMOQ'S DO NOT**
7 **REFLECT U S WEST'S INPUT OR REFLECT THE DESIRES OF THE**
8 **CUSTOMERS?**

9 A. Yes, AT&T has a DMOQ called Customer Desired Due Date (CDDD). AT&T has
10 always represented to U S WEST that this is the date the end user requested.
11 U S WEST was very surprised to learn from Ms. Field's deposition in this case that
12 the "C" in "CDDD" was actually AT&T, rather than the end user. (Dep. at 83).
13 U S WEST has expressed concerns with this measurement in several meetings with
14 AT&T, demonstrating that we have no control over this date. If AT&T or the
15 customer want the service tomorrow, U S WEST would be obligated to deliver the
16 services requested on this date, regardless whether facilities were available or
17 U S WEST could process and install the service in 24 hours. This would be
18 equivalent to telling a builder that you wanted a particular model of house and you
19 wanted it in a week.

20

21 In a September 16, 1998 meeting with six of AT&T's most valued customers in

1 Atlanta attended by Charlotte Field and me, the customers were very clear. They
2 wanted U S WEST to provide a date on which we could actually deliver the service,
3 not necessarily the CDDD. In addition, we are continually requested by AT&T's
4 sales vice presidents, sales employees and the general managers and directors of the
5 AT&T operations centers to provide a date that is more reliable in terms of service
6 delivery. AT&T's DMOQ's do not allow adequate time to provide a realistic date
7 nor do they measure U S WEST's ability to provision the service against the date
8 provided following the design of the circuits. U S WEST is very frustrated with
9 AT&T's unwillingness to work with U S WEST on establishing measurements that
10 are meaningful. Mr. Hooks addresses this dilemma in more detail in his testimony.

11

12 **Q. DOES U S WEST VIEW AT&T'S DMOQS AS MEASURING ON TIME**
13 **PROVISIONING?**

14 A. U S WEST recognizes AT&T's DMOQs as their method of measuring provisioning
15 performance. However, as previously stated, U S WEST does not believe that
16 DMOQs measure on time provisioning. Rather, they measure a date that has been
17 established as a desired date by either the sales person, the customer or AT&T.
18 U S WEST also has measures that are used to quantify the output of its provisioning
19 process. U S WEST's performance measures, Designed Services Provisioning
20 Quality (DSPQ) indicators, track U S WEST's on time performance. Unlike
21 AT&T's DMOQs which track provisioning performance based on the "customer's

1 desired due date,” regardless of the interval requested, U S WEST tracks performance
2 based on the availability of facilities. For example, if facilities are available,
3 U S WEST can establish a 5-day service interval for provisioning DS1 service. If
4 facilities are not available, the due date is established on an individual case basis.
5 This method of establishing due dates is based on the provisioning requirements in
6 our intrastate and interstate tariffs and Service Interval Guide. From the inception of
7 AT&T’s DMOQs in 1994, U S WEST has made AT&T aware that we will try to
8 cooperate with AT&T and provide information in accordance with their DMOQs,
9 however, neither our internal processes nor our tariffs support provisioning on the
10 “customer desired due date.”

11

12 **Q. WHAT IS THE PURPOSE OF THE GAP CLOSURE PLAN FROM**
13 **U S WEST’S PERSPECTIVE?**

14 A. U S WEST recognizes the Gap Closure Plan as AT&T’s method for tracking and
15 assessing performance against AT&T’s performance expectations and the tracking of
16 initiatives designed to improve performance. There are no legal or tariff requirements
17 requiring U S WEST to develop Gap Closure Plans for AT&T. Because AT&T is a
18 valued customer, U S WEST strives to comply with their expectations for Gap
19 Closure Planning. U S WEST spends tremendous time and resources to report
20 performance based on AT&T’s DMOQs and to prepare gap closure plans to AT&T’s
21 unique specifications. The DMOQs equate to approximately 40 unique

1 measurements for provisioning alone, and, altogether, account for the full-time work
2 of approximately five management employees.

3

4 Gap Closure Plans are based on four components:

5 Calculate current level of performance based on AT&T's measurement criteria.

6 Calculate the gap, (difference), between current level of performance when compared
7 to AT&T's expectations.

8 Review U S WEST's internal corporate service improvement initiatives to determine
9 the percent of improvement that can be expected that will allow the gap to be
10 closed or shortened.

11 Based on the percent of improvement anticipated from the service improvement
12 initiatives, develop quarterly projections of improved performance and track
13 performance against the projected targets for improvement.

14

15 **IN AT&T'S GAP CLOSURE PROCESS, DOES U S WEST HAVE COMPLETE**
16 **AUTHORITY TO ESTABLISH PROJECTED MILESTONES FOR**
17 **IMPROVEMENT?**

18 No. In her testimony Charlotte Field outlined that AT&T works with each of the RBOCS
19 and GTE to establish commitments to performance levels based on the RBOC's
20 assessment of their current performance and the gap closure plans they expect to
21 implement. The U S WEST account team for AT&T and I have actually found the

1 opposite to be true. In 1998, for example, when U S WEST established projected
2 milestones for the provisioning of access services based on AT&T's "CDDD" DMOQ
3 and our understanding of the capabilities of our process and current levels of
4 performance, AT&T rejected our proposed performance projections and deemed them
5 unacceptable. AT&T rejected U S WEST milestones, which were developed based
6 on actual performance levels and knowledge of U S WEST's capabilities, because
7 they had developed an expectation that the gap should be closed by 28%. U S WEST
8 did not have process improvements in-place to support that percent of improvement,
9 but because of pressure from AT&T and a strong desire to be a good customer
10 advocate, U S WEST revised the projected performance milestones to reflect AT&T's
11 internal goal for improvement. U S WEST established these inflated milestone
12 projections based on AT&T's definition that gap closure planning should not be
13 considered an annual commitment but rather goal setting². Thus, using AT&T's own
14 definition of Gap Closure Planning, U S WEST viewed these projected levels of
15 performance as stretch targets, not commitments.

16

17 **DOES U S WEST INDICATE ANYWHERE IN THE GAP CLOSURE PLAN**

18 **DOCUMENT THAT PROJECTED PERFORMANCE IMPROVEMENT IS**

1 ² This definition is based on the gap closure concepts that AT&T shared with U S WEST in the
2 1994 timeframe. During a joint training session held between U S WEST and AT&T, AT&T
3 personnel emphatically stated that Gap Closure Planning was not an annual commitment, nor was
4 it an independent exercise or goal commitment. Instead, AT&T advised that Gap Closure
5 Planning should be viewed as a continual process. (See Carl Hunt presentation, slide no. 70,
6 Exhibit BAH-4.)

1 **SUBJECT TO CHANGE?**

2 Yes, for example on page 6 of U S WEST's gap closure plan for Designed Services,
3 Exhibit BAH-5, U S WEST states that Projected 1999 Performance Improvement
4 represents the combined estimated effect of corporate initiatives, subject to change.

5

6

VALIDITY OF CDDD

7

8 **Q. HAS U S WEST EVER TRIED TO PROVISION BASED ON CUSTOMER**
9 **DESIRED DUE DATE (CDDD)?**

10 A. Yes, for brief periods of time in 1994 and again in 1996, U S WEST established due
11 dates for all dedicated access customers based on the customer's request. What we
12 learned from those experiences is that U S WEST's ability to provision on time is
13 greatly enhanced when due dates are established based on the availability of facilities.
14 U S WEST moved away from customer desired due dates, based on these factual
15 findings. On September 26, 1996, U S WEST advised AT&T, in writing (Exhibit
16 BAH-6), of its intent to establish provisioning intervals based on the availability of
17 facilities. AT&T viewed this as a unilateral decision despite the fact that U S WEST'
18 communicated this intent and discussed the reason for it with AT&T during formal
19 and informal business meetings held prior to October 1996. Basically, U S WEST
20 found that the manual process associated with provisioning on a customer desired due
21 date basis caused congestion in the process flow and jeopardized U S WEST's ability

1 to provision on time. In the interests of providing better customer service,
2 U S WEST switched to provisioning based on facility availability. AT&T required
3 continued reporting of the CDDD DMOQ despite U S WEST's input that this was not
4 a measurement U S WEST was using to measure its own performance.

5

6 **MS. FIELD NOTES THAT ON SEPTEMBER 1, 1999, JOHN KELLEY SAID**
7 **THAT U S WEST COULD NO LONGER SUPPORT CDDD DUE TO**
8 **U S WEST'S INTERNAL PROBLEMS AND THAT THIS WAS THE FIRST**
9 **TIME THAT AT&T HAD EVER HEARD THAT U S WEST WAS NOT**
10 **COMMITTED TO MEETING CDDD. IS THIS THE FIRST TIME THAT**
11 **AT&T WAS INFORMED THAT U S WEST WOULD NOT BE USING CDDD?**

12 No. As noted above, Ms. Field was notified in writing in October 1996 regarding this
13 matter. Mr. Kelley's comments are mischaracterized. Mr. Kelley represented that
14 giving the customer what they want is always an admirable goal, however, a business
15 must be grounded in reality and as such it is much more customer-oriented to give a
16 customer a firm delivery date and then strive to live up to it. U S WEST recognizes
17 AT&T's desire to track performance against the customer's desired due date.
18 U S WEST's position is that customer desired due dates reflect just that, the
19 customer's desire. It is not an accurate measure for measuring the capability of
20 provisioning on time or the availability of facilities. Therefore, it is not an accurate
21 indicator of U S WEST's ability to provision service on time.

1

2 **ARE THERE OTHER CONCERNS WITH AT&T'S CDDD MEASUREMENT?**

3 Yes. Customer desired due date may reflect the customer's desire but it may also reflect a
4 sales person's attempt to win a sale. U S WEST has no control over either.

5

6

VALIDITY OF 24-HOUR FOC

7

8

9 **EARLIER IN YOUR TESTIMONY YOU DISCUSSED CONCERNS WITH**

10 **AT&T'S 24-HOUR DMOQ. WOULD YOU PLEASE EXPLAIN THE**

11 **DIFFERENCES IN U S WEST'S FOC PROCESS AND AT&T'S EXPECTATION**

12 **THAT AN FOC BE DELIVERED IN 24 HOURS?**

13 A. The basic difference is that in U S WEST's critical interval process an FOC, Firm

14 Order Confirmation, is issued after the Record Issuance Date (RID) has been

15 achieved. When a RID date is offered, it means that the design of the order has been

16 completed, identifying the route and facilities needed to complete the circuit.

17 Providing the FOC after design enables U S WEST to more accurately communicate a

18 good due date. In addition, by waiting to set an FOC after design, U S WEST is able

19 to determine what needs to be done if facilities are not available. In those instances

20 U S WEST will commit to a date that reflects a Ready for Service (RFS) Date, plus

21 the standard interval. The RFS date is the date that U S WEST has completed the

22 work to make facilities available and the order process can then be continued. At

1 AT&T's insistence, U S WEST manages the FOC differently for them alone. That is,
2 we provide the FOC in 24 hours, even though facilities may not be available and the
3 design has not been made.

4
5 Over the years AT&T has communicated that receipt of the FOC is a requirement
6 based on its need to drive its internal provisioning process. In other words, their
7 process cannot flow or proceed until U S WEST's FOC is received. During a meeting
8 with AT&T personnel held in June 1999 in Pleasanton, California, an AT&T
9 employee, Mr. Ed Rios, advised that AT&T's process requires FOC within 72 hours.
10 This is at odds with the 24 hour requirement that the AT&T supplier management
11 group (Ms. Field's operations) has historically required. Mr. John Blasczyk, an
12 AT&T director in Ms. Field's operations, was also in attendance at this meeting and
13 indicated that he was willing to champion this issue within his organization.
14 Subsequent to this meeting, however, Ms. Field's organization once again stated that
15 they were unwilling to consider anything beyond a 24-hour FOC.

16
17

18 **DOES U S WEST USE A 24-HOUR FOC FOR ANY OTHER WHOLESALE**
19 **CUSTOMER?**

20 No. U S WEST's normal FOC process is a 48-hour FOC. As discussed later in my
21 testimony, U S WEST is trialing a 96-hour FOC in Colorado, as U S WEST believes
22 that this will provide better commitment dates to the customer. U S WEST delivers

1 an out-of-process 24-hour FOC to AT&T solely at the request of AT&T's supplier
2 management group.

3

4 **HAVE YOU HAD CONVERSATIONS WITH OTHER DEPARTMENTS WITHIN**
5 **AT&T REGARDING A LONGER FOC INTERVAL?**

6 A. Yes. All other AT&T departments, with the exception of the supplier management
7 group, have requested immediate implementation of a longer FOC, as they believe
8 that it would lead to better service for their end user customers.

9

10 **Q. HOW DO YOU RESPOND TO AT&T'S ALLEGATIONS THAT U S WEST**
11 **DOES NOT HONOR ITS FIRM ORDER "COMMITMENTS"?**

12 The process by which AT&T measures U S WEST does not allow enough time to
13 respond with a date that has been reviewed for feasibility. AT&T's DMOQ defines
14 FOC as Firm Order *Confirmation*, not Firm Order *Commitment*. Based on AT&T's
15 own algorithm for measuring this DMOQ, it is a measurement of on-time
16 performance to deliver the FOC in 24 hours and does not measure U S WEST's
17 ability or commitment to honor the due date.

18

19 **HAS U S WEST ADVISED AT&T THAT THEIR REQUIREMENT TO RECEIVE**
20 **AN FOC IN 24 HOURS CREATES A FALSE DUE DATE TO BE**
21 **COMMUNICATED TO THEIR END USER CUSTOMERS?**

1 Yes. On numerous occasions during the last two years, U S WEST has clearly stated to
2 AT&T that their 24-hour requirement for sending an FOC is not a true reflection of
3 U S WEST's ability to meet, or honor the Firm Order Confirmation. For example,
4 when on-time provisioning performance is measured based on a 24-hour FOC and in
5 accordance with AT&T's expectation that service be installed on the customer's
6 desired due date, U S WEST's performance during the month of October 1999 was
7 55%. During that same time frame U S WEST's on-time performance using a 48-
8 hour FOC (FOC issued after design of the circuit has been completed), reflecting a
9 due date established, after design of the circuit has been completed and availability of
10 facilities has been established. U S WEST's performance was 83%. U S WEST's
11 ability to honor its FOC is negatively impacted by AT&T's insistence that an FOC be
12 delivered within 24 hours.

13

14 **WAS THE JUNE 1999 MEETING THE ONLY TIME THAT U S WEST ADVISED**
15 **AT&T THAT THE 24-HOUR FOC PROVIDES A FALSE DUE DATE?**

16 No. This has been a topic of discussion with AT&T for at least 2 years. For example on
17 December 16, 1998, U S WEST hosted a joint meeting with AT&T to review
18 provisioning performance achieved during the third quarter of that year. During that
19 meeting U S WEST explained to AT&T that data studies indicated that the accuracy
20 of the FOC could potentially improve as much as 58% if AT&T were to agree to
21 receive the FOC in 48 hours. (Please see Exhibit BAH-7.)

1

2 **ON PAGE 41 OF HER DEPOSITION, MS. FIELD MENTIONED THAT U S WEST**
3 **WISHED TO CONDUCT AN FOC TRIAL. CAN YOU EXPLAIN WHAT IS**
4 **BEING TRIALED?**

5 Yes. U S WEST continually searches for ways to improve its service quality
6 performance. In October of this year, U S WEST initiated a trial designed to test
7 U S WEST's ability to detect due date affecting problems earlier in the provisioning
8 process. The trial launched on October 18, and scheduled to run for 60 days, is being
9 conducted in two Colorado wire centers. During the trial the FOC, Firm Order
10 Confirmation, will take place at Record Issuance Date, RID + 2 (business) days,
11 typically 96 hours. By extending the FOC date further into the provisioning process,
12 U S WEST will be able to conduct a more through evaluation of the availability of
13 facilities. It will also allow U S WEST to take corrective action to resolve any
14 problems that could jeopardize the due date. To further enhance this early detection
15 process, U S WEST will dispatch a technician the day after RID to wire the central
16 office(s). If the customer is willing, service can be accepted at that time. If not,
17 U S WEST will dispatch again and complete the order on the due date. If data
18 gathered from the trial proves U S WEST's early detection theory, U S WEST will
19 initiate changes in the provisioning FOC process.

20

21 **Q. IS AT&T INCLUDED IN THIS TRIAL?**

1 A. No. Although, U S WEST discussed the trial with AT&T several weeks prior to its
2 inception, AT&T refused to be a participant.

3

4 **Q. WHAT REASON (S) DID AT&T GIVE WHEN ASKING TO BE EXCLUDED**
5 **FROM THE TRIAL?**

6 As stated earlier, U S WEST solicited AT&T's participation in this trial, informally in
7 September and then formally in October, 1999. However, it wasn't until November 4,
8 1999 that AT&T finally advised U S WEST that they would not participate. They
9 stated the trial would require intensive manual labor and would cause their service
10 order processors additional work. Then, contradicting what they had just stated, they
11 also noted that the volume of orders in the two trial wire centers was not enough to be
12 worthwhile to test.

13

14 **DID U S WEST ANTICIPATE THAT AT&T WOULD BE RELUCTANT TO**
15 **PARTICIPATE IN THE FOC TRIAL?**

16 No. U S WEST was and is still surprised that AT&T declined to participate in the trial.
17 All other access customers are participating in this trial. As stated earlier, AT&T has
18 frequently indicated that U S WEST should initiate provisioning process
19 improvements to enable a more accurate FOC to be delivered to AT&T. It seems odd
20 that AT&T would to refuse to cooperate with U S WEST in its efforts to improve the
21 accuracy of the due date reflected in the FOC.

1

2 **DOES U S WEST BELIEVE AT&T'S SUPPLIER MANAGEMENT PROGRAM IS**
3 **EFFECTIVE?**

4 No. Contrary to Ms. Field's statement on page 32, line 7 of her testimony, AT&T does
5 not always adhere to basic concepts of effective Supplier Management. That is,
6 AT&T does not always encourage cooperative gap closure planning based on root
7 cause analysis. This is evident in AT&T's refusal to acknowledge U S WEST root
8 cause findings that indicate that AT&T's 24 hour FOC process is counterproductive
9 to U S WEST's ability to provide an accurate due date. It further demonstrates that
10 AT&T does not always work cooperatively with its suppliers to create gap closure
11 plans that facilitate the closure of outstanding issues and provide better service to its
12 customers. As stated earlier, AT&T's supplier management group under Ms. Field
13 has ignored U S WEST's recommendation to revise the FOC process regardless of the
14 data supporting this as a viable initiative to improve customer service. In addition, Ms
15 Field's admits in her deposition (Dep. at 286, 227) that AT&T cuts DMOQ deals with
16 other suppliers, thus rendering the Best in Class report irrelevant. By cutting special
17 deals, AT&T is not measuring the same items for the same suppliers year over year.

18

1 **AT&T'S IMPACT ON U S WEST'S BUSINESS**

2

3 **Q. ON PAGE 35, MS. FIELD STATES THAT AT&T HAS HAD LITTLE OR NO**
4 **EFFECT ON BUSINESS DECISIONS WITHIN U S WEST, PRIMARILY**
5 **BECAUSE U S WEST REALIZES THAT THERE ARE NO REAL**
6 **ALTERNATIVES TO AT&T'S USE OF U S WEST'S NETWORK IN THE**
7 **NEAR FUTURE. ON PAGE 44, SHE CONTINUES THIS THEME, NOTING**
8 **THAT "THERE APPEARS TO BE A LACK OF COMMITMENT**
9 **THROUGHOUT U S WEST." ARE THESE ALLEGATIONS TRUE?**

10 A. No, they are not. U S WEST often bases decisions to implement process changes
11 based on AT&T's input and needs. U S WEST recognizes that AT&T's knowledge
12 of the telecommunication business often allows them to suggest process changes that,
13 when implemented, allow U S WEST to better serve AT&T's customers and the
14 customers of other interexchange carriers. For example, in 1997 at AT&T's request,
15 U S WEST worked with AT&T to implement a new provisioning testing process.
16 This process known as Provider Tested Access (PTA) allows U S WEST to transmit
17 the results of implementation testing to AT&T via an electronic interface. This
18 enables AT&T's provisioning technicians to access test results at their convenience.
19 It also frees U S WEST technicians to work on other orders rather than remain on
20 hold waiting for an AT&T technician to become available to do cooperative testing.
21 The success of this process resulted in U S WEST offering and subsequently

1 implementing the PTA process for other interexchange carriers.

2

3 **ARE THERE OTHER EXAMPLES?**

4 Yes. In 1994, U S WEST worked with AT&T to develop an electronic method for
5 managing AT&T's repair tickets. Through these efforts, U S WEST became the first
6 RBOC to be electronically bonded to AT&T for the referral and tracking of repair
7 requests. Through these efforts U S WEST has been able to establish electronically
8 bonded repair ticket processes for other interexchange carriers. The benefit to AT&T
9 and its customers is self-evident, in that it allows a repair ticket to be opened in a
10 matter of seconds, and enables AT&T to initiate repair on a more real-time basis. In
11 addition, the U S WEST's process and product managers call upon the AT&T
12 Account Team to assess the impact of proposed process changes to AT&T and its
13 customers, based on their understanding of AT&T's products and internal processes.
14
15 In addition, AT&T, through their quarterly expectation process, continuously directed
16 to lower its special access prices. AT&T even went as far as to threaten that if
17 U S WEST did not lower certain rate elements, AT&T would immediately disconnect
18 existing special access leased facilities from U S WEST. As AT&T is U S WEST's
19 largest customer, U S WEST made every attempt to lower special access prices. In
20 fact, U S WEST's special access prices are now either the lowest or next to the lowest
21 of all RBOCs.

1

2 U S WEST also supported AT&T throughout the 1990s in their efforts to bring new
3 services to the market. Electronic White Pages is such a product which U S WEST
4 agreed to build and provide at AT&T's request. The cost of developing Electronic
5 White Pages for AT&T was approximately \$4 million. After the first three years of
6 the availability of Electronic White Pages, U S WEST realized less than \$500,000 in
7 revenue.

8

9 **Q. WHAT RESOURCES HAS U S WEST DEDICATED DIRECTLY TO AT&T?**

10 As mentioned earlier, U S WEST has an account team in place under my direction that is
11 wholly dedicated to AT&T. This team consists of approximately 35 managers that
12 handle sales and service issues for AT&T. Their sole goal is to be the "voice of
13 AT&T" within U S WEST, advocating AT&T's positions and desires within
14 U S WEST.

15 ///

16 ///

17 I continually receive positive feedback from Ms. Field's team and others within
18 AT&T that my team is professional, extremely effective and excellent to deal with.
19 (See Proprietary Exhibit BAH-8 detailing recent examples regarding the account
20 team's performance.)

21

1 The AT&T account team works with many departments within AT&T, especially the
2 sales organizations. The account team works closely with AT&T's Technical
3 Management Access Network (TMAN) organization and with the sales employees in
4 pricing facilities for bids and determining facility availability. Ms. Field is incorrect
5 in stating that the sales teams have no way of finding out what the status of facilities
6 is. AT&T sales employees work with the account team daily on this issue.

7

8 **Q. ON PAGE 32 OF MS. FIELD'S TESTIMONY, SHE STATES THAT**
9 **U S WEST'S LEADERSHIP DOES NOT "EFFECTIVELY SUPPORT**
10 **SERVICE IMPROVEMENT ACROSS THE U S WEST TERRITORY." DO**
11 **YOU AGREE WITH MS. FIELD'S ASSESSMENT? PLEASE EXPLAIN.**

12 A. I strongly disagree with Ms. Field's assessment. I have had over 100 formal meetings
13 or conference calls with Ms. Field and her team on a variety of topics in the last year
14 and a half. Scarcely a day goes by without informal discussion between Ms. Field and
15 me on numerous issues, some of which are service related. In addition, the President
16 of U S WEST's Wholesale Division, John Kelley, has met regularly with Ms. Field
17 and her boss, Mr. Ben LaMontagne. Solomon Trujillo, President of U S WEST, has
18 also had two conference calls scheduled in the last year with C. Michael Armstrong,
19 President of AT&T. In all of these discussions, U S WEST stressed the importance of
20 AT&T as a large and much valued customer of U S WEST, listened intently to any
21 concerns that may have been expressed and took active steps to resolve those

1 concerns, where possible.

2

3 **REMEDIES AND ALLEGED DISCRIMINATION**

4

5

6 **ARE THERE EXISTING REMEDIES OF WHICH AT&T CAN AVAIL**

7 **THEMSELVES?**

8 Yes, as explained in the testimony of Dr. Wilcox, remedies exist under both inter and

9 intrastate tariffs. AT&T has received approximately \$160,000 in service guarantee

10 credits from U S WEST in the last 13 months.

11

12 **Q. ON P. 36, MS. FIELD RECOMMENDS THREE “PRECAUTIONARY” STEPS**

13 **THAT THE WASHINGTON COMMISSION SHOULD TAKE AGAINST**

14 **U S WEST:**

15 **SERVICE LEVELS ARE ENFORCED BY THE COMMISSION FOR BOTH**

16 **LOCAL AND ACCESS SERVICES INCLUDING SWITCHED AND**

17 **DEDICATED ACCESS WHICH MEET THE NEEDS OF THE**

18 **CUSTOMER.**

19 **THE COMMISSION MONITORS THE LEVEL OF SERVICE PROVIDED TO**

20 **OTHER CARRIERS AND TO U S WEST AND ITS AFFILIATES TO**

21 **ASSESS WHETHER THE LEVEL OF SERVICE PROVIDED TO ITSELF**

22 **ACROSS BOTH ITS TRADITIONAL AND NON-TRADITIONAL**

1 **(INTERPRISE AND OTHER ENTITIES') BUSINESSES IS BETTER THAN**
2 **THAT PROVIDED TO IXCS AND CLECS**
3 **THE COMMISSION SETS FINES AND PENALTIES FOR POOR**
4 **PERFORMANCE RESULTING IN NEGATIVE EFFECTS ON**
5 **CUSTOMERS.**
6 **DO YOU AGREE WITH THESE SUGGESTIONS?**

7 No. To begin with, local services, including CLEC activities, were explicitly excluded
8 from AT&T's complaint, therefore they are inappropriately included in items (1) and
9 (2) above. The Commission can and should enforce the Washington state tariffs.
10 However, AT&T has not alleged in any part of the complaint before this Commission
11 that U S WEST has violated either interstate or intrastate tariffs in any way. There is,
12 therefore, no violation for the Commission to enforce.

13

14 Regarding item (2) above, at AT&T's request, U S WEST provided an analysis to
15 AT&T long before this complaint was filed, which showed that

1 ///

2 ///

3 ///

4 ///

5 ///

6 ///

7

8 Regarding item (3) above, there is no basis for fines or penalties.

9

10 **ON P. 42, MS. FIELD NOTES THAT AT&T WAS “GENERALLY SATISFIED**
11 **WITH THE PROGRESS THAT U S WEST WAS MAKING” ON IMPROVING**
12 **SERVICE QUALITY LEVELS. PRIOR TO 1993, THE ACTUAL LEVEL OF**
13 **SERVICE WHICH U S WEST WAS PROVIDING TO AT&T WAS “BELOW**
14 **SATISFACTORY”. MS. FIELD GOES ON TO STATE THAT THIS WAS**
15 **TRUE EVEN THOUGH U S WEST WAS “POSITIONED TO LEAD THE**
16 **INDUSTRY AMONG THE 7 RBOCS AND GTE FOR DEDICATED**
17 **SERVICE.” PLEASE COMMENT.**

18 A. It appears that nothing that U S WEST can do will satisfy AT&T. Even back in 1993,
19 Ms. Field has noted that the level of service was not satisfactory although U S WEST
20 was on a trajectory to lead the industry. I question whether AT&T service
21 measurements and quality plans are based on achievable results or whether AT&T

1 uses them simply to posture that service is unacceptable and the RBOCs are being
2 uncooperative and anticompetitive.

3

4 **ON P. 71, MS. FIELD SUGGESTS THAT U S WEST HAS DISCRIMINATED**
5 **AGAINST AT&T IN THE PROVISION OF COLLOCATION SPACE TO**
6 **AT&T VERSUS THE PROVISION OF DSL TO U S WEST'S CUSTOMERS.**
7 **FOR THOSE WASHINGTON CENTRAL OFFICES WHERE U S WEST IS**
8 **OUT OF SPACE, IN HOW MANY OF THESE HAS AT&T BEEN DENIED**
9 **CAGELESS COLLOCATION?**

10 None. Again, this appears to be a local service issue. In any event, AT&T has been
11 provided with caged collocation where possible, and cageless collocation in all other
12 instances in Washington. In addition to filling all of AT&T's requests for collocation,
13 U S WEST has spent over \$1 billion in the past two years to provide interconnection
14 services that allow AT&T and others to directly compete with us.

15

16 **BEGINNING ON P. 72, MS. FIELD BEGINS TO SUMMARIZE INSTANCES IN**
17 **WHICH U S WEST "SPECIFICALLY NOTIFIED A CUSTOMER THAT IT**
18 **COULD GET QUICKER SERVICE FROM U S WEST THAN FROM AT&T."**
19 **PLEASE COMMENT ON THIS.**

20 In all instances except one, the data provided in Ms. Field's testimony was scrubbed so
21 thoroughly that it does not allow us to pull up the order to check the facts. There was

1 one order that we could check, that being the one referred to on p. 73, where the
2 U S WEST sales person, Chris Garrison, advised the customer that U S WEST could
3 provide service in 10 days. Based on my past work experience in the Business &
4 Governmental Services Market Unit, I knew that different sales teams often have
5 different solutions for the same customer's problem. I thought it possible that this
6 was the cause of the differing intervals that Ms. Field's quoted in her testimony. I
7 asked Mr. Garrison to provide the salient facts around the example in Ms. Field's
8 testimony. (Please see Exhibit BAH-10.) Based on Mr. Garrison's information, Ms.
9 Field has misrepresented the facts. U S WEST had designed a totally different
10 solution for the customer than the one designed by AT&T. The U S WEST solution
11 would have been able to be provisioned more quickly than AT&T's, not because
12 U S WEST was providing preferential treatment to itself, but because U S WEST's
13 solution was simpler.

14

15 **IX. AT&T SERVICE PROBLEMS**

16

17 **MS. FIELD SPENDS CONSIDERABLE TIME IN HER TESTIMONY**

18 **COMPLAINING ABOUT U S WEST'S POOR SERVICE. IS THERE ANY**
19 **COMPARABLE INDUSTRY DATA REGARDING AT&T THAT MIGHT BE**
20 **RELEVANT?**

21 Yes. In a lead Network World article from February 16, 1998, AT&T officials confirmed

1 that they were out of capacity in their own long distance network for T-1 (DS1) access
2 lines in many parts of the country, including seven of U S WEST's states. The article
3 continues:

4 The carrier (AT&T) has ordered account representatives to delay processing T-1
5 orders in designated 'hot spots' until AT&T can provision enough new ports and
6 circuits to carry the traffic....The trouble spots are cropping up all over the
7 country....many users are reporting a chronic inability to obtain exact installation
8 dates from AT&T account representatives. 'We're having a really tough time
9 getting new access lines in,' said Donn Greiner, a telecom analyst for United
10 Services Automobile Association....T-1 access circuits to AT&T are taking as
11 long as 90 to 120 days to get installed....'It's hard to pin [AT&T] down to a due
12 date and even when you do, they still miss it,' he said.

13
14 While AT&T sales representatives have been out hustling T-1 access lines,
15 customers complain that the representatives are receiving capacity-shortage
16 information too late in the ordering process. "You get two-thirds of the way into
17 the process and then they come back and say the facilities are not there...."

18
19 This complete article is attached as Exhibit BAH-11.
20

21 **Q. MS. FIELD'S EXHIBIT 11 MENTIONS NUMEROUS INSTANCES OF**
22 **"CUSTOMERS WITH UNTIMELY SERVICE." WHAT ARE YOUR**
23 **CONCLUSIONS FROM YOUR EXAMINATION OF THIS EXHIBIT?**

24 Ms. Field has 157 examples listed over six pages supposedly showing customers with
25 untimely service. Upon original review of this list, 47 of the 157 examples were
26 provisioned either on or prior to the customer's desired due date. Assuming that Ms.
27 Field and her staff searched everywhere they could to find orders that showed that
28 CDDD was not met, I find it ironic that they were forced to include orders that we met
29 on or before the due date to make the numbers look larger. Subsequent to this

1 situation being drawn to her attention, Ms. Field submitted a revised Exhibit 11.
2 Given the source documentation that AT&T has provided to U S WEST to determine
3 the validity of her allegations, it is difficult to tell whether the rest of her data in this
4 complaint are as flawed as her original exhibit was. Even though additional data on
5 orders is provided in AT&T's discovery responses, AT&T never makes a clear
6 linkage to the exhibits filed in Ms. Field's testimony.

7

8 **Q. ARE THERE OTHER SERVICE ISSUES U S WEST IS WORKING WITH**
9 **AT&T TO CORRECT?**

10 A. Yes, AT&T has the worst record of misses associated with the customer not being
11 ready on the installation date of any access purchaser within U S WEST. This
12 requires U S WEST to oftentimes double dispatch and waste valuable resources
13 providing services that the customer is not prepared to accept. In spite of the Provider
14 Tested Access process, which allows U S WEST to turn over a circuit to the customer
15 on the due date, this is still a chronic problem. U S WEST has asked AT&T to look
16 into this issue and to ascertain whether the CDDD is causing this to occur.

17

18 In addition, AT&T frequently provides wrong information on the access service
19 request. U S WEST recently spent almost two months building new facilities to a
20 customer to find out that the address was wrong by at least forty blocks. If AT&T had
21 been concerned with the quality of the order the address would have been verified and

1 service installed on the due date, as facilities were available at the correct address.
2 This is not a new issue with AT&T. In 1998, a member of my organization
3 participated in a DS1 process team sponsored by AT&T. One of the areas studied by
4 that team was the accuracy of AT&T's ASR. Data from that study indicates an error
5 rate of 79%. These errors cause U S WEST to expend resources that may never be
6 recovered.

7

8

X. SUMMARY

9

10

11 **WILL YOU PLEASE SUMMARIZE YOUR TESTIMONY?**

12 Certainly. U S WEST values the business we have with AT&T and wishes to work
13 cooperatively with AT&T to provide high quality service to AT&T and its customers.
14 To accomplish this, AT&T should adopt U S WEST's service quality processes for
15 designed services that allow for a more reliable date to be given to the customer.
16 Specifically these processes are delivering a FOC after RID and tracking U S WEST's
17 performance based on the due date established after the design work is completed. In
18 addition, AT&T should use its own resources, an alternative CAP, or those of one of
19 their CLEC partners to provision services where U S WEST is unable to meet their
20 needs. Private line designed services are a competitive product and while U S WEST
21 would like to win AT&T's business, AT&T has many choices. As demonstrated in
22 my testimony, U S WEST has provided private line designed services to AT&T on a

1 nondiscriminatory basis and U S WEST has not violated any interstate or intrastate
2 tariff in providing designed services to AT&T. The Washington Commission should
3 dismiss this complaint by AT&T and instruct AT&T to work cooperatively with
4 U S WEST.

5

6 **DOES THIS COMPLETE YOUR TESTIMONY?**

7 A. Yes, it does.

8