

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**IN THE MATTER OF THE PETITION)
OF DIECA COMMUNICATIONS, INC.,)
D/B/A COVAD COMMUNICATIONS)
COMPANY, FOR ARBITRATION TO) Docket No. UT-043045
RESOLVE ISSUES RELATING TO AN)
INTERCONNECTION AGREEMENT)
WITH QWEST CORPORATION)**

RESPONSIVE TESTIMONY OF

MICHAEL ZULEVIC

FILED ON BEHALF OF

COVAD COMMUNICATIONS COMPANY

July 29, 2004

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I. QUALIFICATIONS

Q. MR. ZULEVIC, PLEASE IDENTIFY YOURSELF FOR THE COMMISSION.

A. My name is Michael Zulevic, and I am currently employed as a consultant for Covad Communications Company. My business address is 22801 Entwhistle Road E., Buckley, Washington 98321.

Q. ARE YOU THE SAME MR. ZULEVIC WHO PREVIOUSLY FILED DIRECT TESTIMONY IN THIS ARBITRATION CASE?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of this testimony is to respond to the testimony filed by Qwest witnesses Michael Norman relating to Arbitration Issue No. 4 (Efficient Collocation Practices) and Issue No. 5 (Regeneration), and Qwest witness Renee Albersheim relating to Issue No. 6 (Single LSR).

Q. HOW HAVE YOU ORGANIZED YOUR RESPONSIVE TESTIMONY?

A. I will be addressing the issues in numerical order, based upon the established Arbitration Issue Number.

Issue No. 4 (Efficient Collocation Practices)

Q. ON PAGE 5, BEGINNING ON LINE 10 OF HIS DIRECT TESTIMONY, MR. NORMAN EMPHASIZES QWEST'S OBLIGATION TO PROVIDE COLLOCATION SPACE ON A "FIRST COME FIRST SERVED BASIS." IN PROPOSING THE COVAD LANGUAGE, IS COVAD DEMANDING PREFERENTIAL TREATMENT?

A. Absolutely not. The Covad proposed language ("Qwest shall provide such space in an efficient manner that minimized the time and costs.") seeks to require that Qwest provide Cageless Physical Collocation efficiently for all CLECs as well as Qwest. Covad does not ask that we be provided space ahead of other CLECs. We ask that Qwest take into consideration the cost and time savings potential of the CLECs along with the same cost and time savings potential to Qwest when providing Cageless Physical Collocation Space.

Q. MR. NORMAN STATES AT PAGE 4, LINES 4 THROUGH 5, THAT QWEST IS OBLIGATED TO PROVIDE PHYSICAL COLLOCATION "ON RATES, TERMS, AND CONDITIONS THAT ARE JUST, REASONABLE, AND NONDISCRIMINATORY." HOW DOES THE COVAD PROPOSED LANGUAGE COMPORT WITH THIS REQUIREMENT?

A. The Covad proposed language is totally consistent with this requirement. Frankly, I don't know how Qwest could be in compliance with this FCC obligation without adhering to the Covad proposed language of "...providing space in an efficient manner that minimized the time and costs."

Q. MR. NORMAN OPINES AT PAGE 6, BEGINNING ON LINE 18, THAT INCLUSION OF COVAD'S PROPOSED LANGUAGE MERELY ADDS AMBIGUITY AND CREATES DISPUTES. DO YOU AGREE WITH MR. NORMAN?

A. No, I don't. Mr. Norman's statement in and of itself, provides a high degree of ambiguity. He makes claims that Covad's proposed language adds ambiguity and

will create disputes, but offers no explanation as to how that could possibly happen.

Issue No. 5 (Regeneration)

Q. MR. NORMAN STATES AT PAGE 13, LINE 6, THAT "QWEST IS NOT OBLIGATED TO MANAGE OR FACILITATE A CLEC'S INTERFACE OR ANY OTHER COORDINATION EFFORT WITH THE NETWORK OF A THIRD PARTY CLEC." DO YOU AGREE WITH MR. NORMAN'S INTERPRETATION OF QWEST'S LEGAL OBLIGATIONS?

A. I am not a lawyer, but I understand that Qwest does have a legal obligation in this area. Qwest must perform CLEC to CLEC cross connects as required by FCC rules, and if regeneration is necessary to perform that obligation, it seems logical that Qwest would be required to provide it. That being said, I believe the legal obligation issue is best left for discussion by the attorneys as part of briefing.

Q. AT PAGE 9, LINE 15, MR. NORMAN STATES THAT "DUE TO THE SIZE OF MOST OF QWEST'S CENTRAL OFFICES, FOR ALL BUT A HANDFUL OF CENTRAL OFFICES, THERE WOULD BE NO REQUIREMENT FOR REGENERATION....." DO YOU AGREE WITH THIS ASSESSMENT?

A. When looking only at pure numbers of central offices, I would agree with Mr. Norman. Where the regeneration issue becomes significant, is in the larger, multi-floor central offices found in major metropolitan areas. This is also where Covad has the most DS1 and DS3 circuits where regeneration may be required. To imply that because only a few of the 1400 or so Qwest central offices are

impacted so the issue is not significant is far from the truth. This would be similar to having the Washington Utilities and Transportation Commission tell Qwest that it needs to stop providing service in three cities in the state of Washington, and having the Commission select Tacoma, Seattle, and Spokane. Had the choice of cities been up to Qwest, I'm certain three much smaller cities would have been chosen. Losing the right to serve three of the largest cities in the state would be devastating to Qwest, just as the impact of regeneration costs will be significant for Covad in Qwest's larger, multi-floor central offices.

Q. MR. NORMAN SUGGESTS AT PAGE 13, LINE 14, THAT CLECS SHOULD ORDER A "FINISHED SERVICE" IN THE FORM OF A PRIVATE LINE OR ACCESS SERVICE WHEN THE CLEC COLLOCATIONS ARE SO FAR APART THAT REGENERATION IS REQUIRED IN ORDER TO ESTABLISH A CONNECTION. IS THIS A VIABLE ALTERNATIVE?

A. No, it isn't. First, Qwest makes the decisions concerning where collocation space will be provided in every central office so Covad and other CLECs should not have to incur additional expense as a result of Qwest's decisions. Further, ordering DS1 and DS3 "finished services" would significantly drive up our cost for CLEC to CLEC connections. In the current Qwest Washington State SGAT, the Nonrecurring price for this connection is \$117.96 per circuit (DS1 or DS3 cross-connects where the connecting collocations are close enough that regeneration is not required) and there is no monthly recurring charge. If a DS1 were ordered from Qwest's FCC Tariff No. 1 because the two collocations were

so far apart as to require regeneration, the monthly recurring alone would be about \$700.00 for a DS1, and close to \$1000.00 for a DS3. As you can see, this would greatly drive up Covad's cost and place Covad at a competitive disadvantage, solely due to Qwest's arbitrary decisions relating to placement of collocation space.

Q. DO YOU HAVE ANY OTHER EVIDENCE THAT QWEST'S PROPOSED LANGUAGE ON REGENERATION SHOULD BE REJECTED?

A. Yes, absolutely. It has come to my attention that on Wednesday, July 28, 2004, the Washington Commission approved language similar to Covad's proposed language in an IA Qwest struck with itself on this same issue. *See* Exhibit MZ-6. It is Qwest's process in its own IA not to charge for CLEC to CLEC regeneration. To adopt Qwest's proposed language in this IA would be discriminatory. Qwest itself admits that this language is not discriminatory in its cover letter to the Commission and the Commission approved the Qwest IA on this basis. *See* Exhibits MZ-7 and MZ-8.

Issue No. 6 (Single LSR)

Q. MS. ALBERSHEIM STATES AT PAGE 3, LINE 11, THAT ".....COVAD-SPECIFIC DEMANDS AND TIMING INCORPORATED IN AN INTERCONNECTION AGREEMENT WOULD TRIVIALIZE THE CMP AND RENDER MUCH OF ITS WORK MEANINGLESS." DO YOU AGREE?

A. Not in the least. By bringing this issue to arbitration, Covad is attempting to ensure that Qwest's action, or lack of action, does not further trivialize the CMP

process by delaying changes that have been agreed to between Qwest and the CLEC community through the CMP process. By Qwest exercising unilateral control over implementation of change requests, much of the work of the CLEC community has been rendered "meaningless." Qwest's actions have pointed out the weaknesses of the CMP process. Ultimately, Qwest controls the availability of resources used for CLEC change requests, the number of OSS releases in a given year, and the determination of resources required for each change request. CLECs have little, if any visibility into these areas and effectively no control.

Q. MS. ALBERSHEIM STATES AT PAGE 16, LINE 14, THAT A CR ENABLING THE "CONVERSION TO UNE-P OR UNBUNDLED LOOP TO INCLUDE A REQUEST FOR LINE-SPLITTING OR LOOP-SPLITTING" IS "TARGETED" FOR IMPLEMENTATION WITH IMA RELEASE 16.0 IN OCTOBER. WON'T IMPLEMENTATION OF THIS CR RESOLVE THE SINGLE LSR ISSUE (ARBITRATION ISSUE NO. 6)?

A. It is Covad's hope that Qwest will complete the implementation as "targeted", however Qwest offers no commitment, but only a targeted date. The single LSR capability for Line Sharing and Line Splitting was "targeted" for release 13.0 last year and Qwest missed the target. Not only was the single LSR capability not provided in 13.0, Qwest did not complete it in 14.0 either. It was finally implemented in release 15.0, eight months the Qwest "targeted" date. All this time Qwest has been able to provision their retail combined voice/data service on a single LSR which has created a significant parity issue. Covad would, however, consider Qwest to be committed to this particular CR as a senior executive of

Qwest, with the authority to bind Qwest, signed an affidavit that this CR will be implemented as part of the October 2004 release.

Q. AT PAGE 14, LINE 15, MS. ALBERSHEIM POINTS OUT THAT "QWEST, NOT COVAD, SUBMITTED TWO CRS TO THE CMP." WHY IS THIS RELEVANT?

A. While it is true that both CRs were originated by Qwest, what Ms. Albersheim fails to point out is why Qwest submitted them. In discussions at monthly CMP meetings prior to Qwest submitting the first CR, I brought up Covad's desire to be able to submit a single LSR for new Line Sharing and Line Splitting services. Qwest stated that its systems were not capable of doing this even for its own retail customers. It stated that the voice service with the loop had to be in first, and the data could then be added later. Because Qwest could not use a single order for provisioning their retail services, I elected not to pursue this for wholesale services. When Qwest submitted the first CR, which would allow Line Sharing and Line Splitting to be ordered on a single LSR, Qwest stated it was going to create a similar capability for their retail provisioning process. These OSS changes would also allow the single LSR capability for CLECs at the same time. Again, this capability wasn't provided to CLECs until eight (8) months later.

Q. MS. ALBERSHEIM STATES AT PAGE 2, LINE 23, THAT "...THE REMAINDER OF THIS DISPUTE WILL BE MOOTED WITH THE SYSTEM CHANGES THAT ARE NOW IN PROGRESS." DO YOU AGREE WITH MS. ALBERSHEIM?

A. Conceptually, I agree. The problem lies with Ms. Albersheim's use of terms like "targeted", "scheduled", and "on track" when referring to the implementation of the second CR, required for single LSR migrations to take place. As I stated above, if someone at Qwest, in a position of binding authority, were willing to *commit* to the implementation by release 16.0, Covad would be able to withdraw this issue.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.