BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition for Arbitration of))
)
AT&T COMMUNICATIONS OF THE)
PACIFIC NORTHWEST AND TCG)
SEATTLE,)
With)
QWEST CORPORATION)
Pursuant to 47 U.S.C. Section 252(b))

Docket No. UT-033035

DIRECT TESTIMONY OF

ARLEEN M. STARR

ON BEHALF OF AT&T COMMUNICATIONS OF THE

PACIFIC NORTHWEST, INC. AND TCG SEATTLE

ON DISPUTED ISSUES 35 AND 36

SEPTEMBER 25, 2003

I. <u>BACKGROUND AND PURPOSE OF TESTIMONY</u>

1	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
2	A.	My name is Arleen M. Starr. My business address is 1875 Lawrence Street,
3		Denver, Colorado 80202.
4	Q.	BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
5	A.	I am employed by AT&T as a manager in the Local Services and Access
6		Management organization. My responsibilities include analyzing local exchange
7		carriers' intrastate costing and pricing methodologies and studies. As an expert
8		witness, I have submitted testimony on local and access cost and price issues
9		within AT&T's Western Region. I have previously submitted testimony in
10		Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico,
11		North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming.
12	Q.	PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.
13	A.	I graduated from DePaul University in 1983 with a Bachelor of Science degree in
14		Commerce, with an emphasis in Accounting. I received a Masters of Business
15		Administration from DePaul University in 1990, with an emphasis in Finance. I
16		have also completed various training seminars offered by AT&T and other
17		educational organizations in marketing, economics, accounting, and costing
18		methods in the telecommunications field.
19	Q.	PLEASE DESCRIBE YOUR WORK EXPERIENCE.

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1	A.	I began my career with AT&T in 1984 in the Consumer Marketing Department. I			
2		had various responsibilities in this organization, including managing the expense			
3		and capital budgets. From 1986 to 1990, I held various positions in the Financial			
4		Regulatory Department in Chicago. My responsibilities included intrastate			
5		financial analysis and providing reports and data to the regulatory commissions in			
6		the Central Region. From 1992 to 1996, I worked in the product equipment			
7		business, with financial responsibilities in the product management, sales, and			
8		service areas. I assumed my current responsibilities in May of 1996.			
9	Q.	WHAT IS THE PURPOSE OF YOUR TESTIMONY?			
10	A.	The purpose of my testimony is to support AT&T's position on the disputed			
11		issues resulting from the arbitration pursuant to 47 U.S.C. Section 252 of the			
12		Federal Telecommunications Act of 1996 ("Federal Act") between AT&T			
13		Communication of the Pacific Northwest and TCG Seattle (collectively "AT&T")			
14		and Qwest Corporation ("Qwest"). Specifically, I will address Issue 35 of the			
15		Disputed Issues List, Section 22, Pricing and Issue 36 Exhibit A, Pricing.			
16		II. <u>ISSUE 35, SECTION 22 PRICING</u>			
17		A. Section 22.1 General Principle			
18 19	Q.	WHAT IS AT&T'S PROPOSED LANGUAGE UNDER "SECTION 22.1, GENERAL PRINCIPLE?"			
20	A.	AT&T Proposed Language:			
21 22 23 24		22.1 In the event that one Party charges the other for a service provided under this Agreement, the other Party may also charge for that service or functionality. The rates CLEC charges for Interconnection services will be equivalent to			

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1 2 3 4 5 6 7 8 9 10		Page 3 of Qwest's rates for comparable Interconnection services when CLEC reciprocally provides such a service or functionality, unless higher rates are justified by CLEC's higher costs for providing the service. In order for an amount charged by one Party to be "equivalent to" an amount charged by the other Party, it shall not be necessary that the pricing structures be identical. Rates, terms and conditions for all other services provided by CLEC are set forth in the applicable CLEC tariff, as it may be modified from time to time.
11 12	Q.	WHAT IS QWEST'S PROPOSED LANGUAGE UNDER "SECTION 22.1, GENERAL PRINCIPLE?"
13	A.	Qwest Proposed Language:
14 15 16 17		22.1 The rates in Exhibit A apply to the services provided by Qwest to CLEC pursuant to this Agreement. To the extent applicable, the rates in Exhibit A also apply to the services provided by CLEC to Qwest pursuant to this Agreement.
18 19 20	Q.	PLEASE EXPLAIN AT&T'S POSITION IN SUPPORT OF ITS PROPOSED LANGUAGE FOR "SECTION 22.1, GENERAL PRINCIPLE."
21	A.	The intent of AT&T's proposed language is to provide clear and specific language
22		related to AT&T's ability to bill Qwest for services provided by AT&T to Qwest.
23		The purpose of the interconnection agreement, including the rates contained in
24		Exhibit A, is to provide CLECs with the ability to purchase unbundled network
25		elements ("UNEs"), collocation and interconnection services from Qwest under
26		specified terms. This right is granted to CLECs pursuant to 47 U.S.C.
27		Sections 251 and 252 of the Federal Act and the Federal Communication
28		Commission's ("FCC") orders implementing the Federal Act.
29		As part of the implementation of the interconnection agreement under which
30		AT&T purchases UNEs and services from Qwest, AT&T may be required to

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1	provide services to Qwest. AT&T is entitled to bill Qwest for these services, with
2	the terms and rates being provided for in AT&T's tariffs. The rates contained in
3	Exhibit A to this interconnection agreement include rates Qwest is entitled to
4	charge AT&T in accordance with the Federal Act and FCC orders. These rates
5	must be based on the forward-looking economic cost principles outlined in the
6	FCC's orders implementing the Federal Act and are intended to fulfill Qwest's
7	obligation to provide UNEs at forward-looking economic cost. AT&T, however,
8	does not share these obligations with Qwest.
9	The fundamental disagreement in this section is that Qwest is attempting to force
7	The fundamental disagreement in this section is that Qwest is attempting to force
10	upon AT&T the same obligations that Qwest has under the Federal Act. There is
11	no support for Qwest's proposition. AT&T's offer of services, including rates
12	and terms, is provided for in AT&T's tariffs. The only exception to this is for
13	interconnection services. AT&T's proposed language makes clear that for
14	interconnection services only, the rates set forth in Exhibit A apply equally to
15	AT&T and Qwest. This is due to the obligation to provide reciprocal
16	compensation for the transport and termination of telecommunications services
17	under Section 251(b)(5). Again, as AT&T is not the Incumbent Local Exchange
18	Carrier ("ILEC"), it does not have the same obligations as Qwest, thus Qwest's
19	language is contrary to the Federal Act.
20	In the arbitration between AT&T and Verizon in New Jersey, Verizon made
21	similar arguments as Qwest is making here. Verizon proposed that AT&T be
22	required to charge the same Commission-approved rates that Verizon charges to

1	CLEO	Is for comparable services and facilities. The arbitrator issued a	Page 5
2	recom	mended decision in that proceeding rejecting Verizon's argument stati	ng
3	that C	LECs do not have the same obligations under Section 251(c) as ILEC	Cs
4	under	the Federal Act. The recommended decision stated:	
5		The Arbitrator rejects Verizon NJ's position for the same reasons it	
6		rejected a number of its other arguments: Verizon NJ is once again	
7		attempting to impose its obligations as an ILEC upon AT&T, a CLF	
8		Section 251(c) of the Act imposes on incumbents certain obligations	
9		concerning services provided to CLECs. These are obligations that	
10		additional to those that the Act establishes for all local exchange car	riers
11		under section 251 (b). The Act does <i>n</i> ot impose these additional	
12		obligations on CLECs for obvious reasons: CLECs do not wield the	•
13		dominant local exchange market power that Verizon NJ does.	
14			
15		Verizon NJ's attempt to impose the rate restrictions of Section 251 (• •
16		AT&T is inconsistent with the Act. This decision is consistent with the	ie
17		Bureau's finding in the Virginia Arbitration that "the Commission has	
18		ruled that it would be inconsistent with the Act for a state commission	n to
19		impose section 251(c) obligations on competitive LECs". Virginia	
20		Arbitration Order at ¶588. In addition, the Arbitrator finds that Ver	
21		NJ is not without recourse if AT&T attempts to charge exorbitant ra	
22		because Verizon NJ is always free to bring a specific complaint before	
23		Board. Thus, AT&T is not required to charge the same rates approp	oriate
24		for Verizon NJ. ¹	
25	р	Section 22.4 Interim Dates	

25 B. Section 22.4 Interim Rates

Q. WHAT IS AT&T'S PROPOSED LANGUAGE UNDER SECTION 22.4, INTERIM RATES?

A. AT&T's Proposed Language: Updated as of 9/12/03

29	22.4.1	[Resolved] The Parties acknowledge that only some of the
30		prices contained in Exhibit A have been approved by the
31		Commission in a cost case. Prices that have not been

¹ In re Application of AT&T Communications of NJ, L.P., TCG Delaware Valley, Inc. and Teleport Communications of New York Petition for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Verizon New Jersey, Inc. Pursuant to Section 252 (b) of the Telecommunications Act of 1996, BPU Docket No. TO00110893, Recommended Decision, July 29, 2003 at pp. 29-30.

			Page 6 of
1 2			approved by the Commission shall be considered interim and subject to the following provisions.
3 4 5 6 7 8		22.4.1.1	Rates reflected on Exhibit A that have not been approved by the Commission in a cost case and ICB rates shall be considered as interim rates ("Interim Rates") by the Parties, applicable until changed by agreement of the Parties, applicable until changed by agreement of the Parties or by order of the Commission.
9 10 11 12 13 14		22.4.1.2	[Resolved] If the Interim Rates are reviewed and changed by the Commission, the Parties shall incorporate the rates established by the Commission into this Agreement pursuant to Section 2.2 of this Agreement. Such Commission-approved rates shall be effective as of the date required by a legally binding order of the Commission.
15 16 17 18		22.4.1.3	Nothing in this Agreement shall waive any right of either Party to initiate a cost proceeding at the Commission to establish a Commission-approved rate to replace an Interim Rate.
19 20 21 22		22.4.1.4	In any proceeding where the Commission reviews whether to replace an Interim Rate, the Parties shall be free to seek and the Commission may determine, that the Interim Rates are subject to true-up.
23	Q.	WHAT IS QWEST'S	S PROPOSED LANGUAGE UNDER SECTION 22.4?
24	A.	Qwest's Proposed Lan	guage:
25		22.4.1	Resolved
26 27 28 29 30		22.4.1.1	Rates reflected on Exhibit A that have not been approved by the Commission in a cost case and require Commission approval shall be considered as interim ("Interim Rates") by the Parties, applicable until changed by agreement of the Parties or by order of the Commission.
31		22.4.1.2	Resolved
32		22.4.1.3	Qwest rejects.
33		22.4.1.4	Qwest rejects.

1Q.PLEASE EXPLAIN AT&T'S POSITION IN SUPPORT OF ITS2PROPOSED LANGUAGE FOR SECTION 22.4 AND HOW IT DIFFERS3FROM QWEST'S POSITION.

- 4 A. The Federal Act requires rates, terms and conditions that are just, reasonable and
- 5 nondiscriminatory. 47 U.S.C. 251(c). The intent of AT&T's proposed language
- 6 is to provide clear and equitable language related to rates that have not been
- 7 approved by the Washington Commission and are determined to be Interim Rates.
- 8 On September 12, 2003, AT&T provided Qwest with updated proposed language
- 9 for 22.4.1.1, 22.4.1.3 and 22.4.1.4 (as set forth above) attempting to come to
- 10 resolution on these issues. Qwest has not agreed to AT&T's modified language
- 11 for these sections.

1	AT&T's and Qwest's proposed language in 22.4.1.1 is fundamentally the same,
2	with two exceptions: (i) the inclusion of ICB rates as Interim Rates in AT&T's
3	proposed language and (ii) the inclusion of the following phrase in the Qwest
4	proposed language, "and require Commission approval." AT&T included the
5	reference to ICB rates in this provision to be consistent with its proposal for
6	Section 22.5. AT&T's position is that ICB rates must be considered Interim
7	Rates as defined by Section 22.4 of the Agreement. Including ICB rates within
8	the definition of Interim Rates requires Qwest to provide cost support and receive
9	Commission approval of rates. Without this requirement, Qwest has little
10	incentive to propose cost-based rates in the first instance when developing ICB
11	rates. This is discussed further in Section 22.5 below.
12	In addition, Qwest's inclusion of the phrase "and require Commission approval"
13	suggests that only rates that require Commission approval will be treated as
14	interim. It is not clear how the distinction is to be made between rates that require
15	Commission approval, and those that do not, for purposes of identifying them as
16	interim under the Interconnection Agreement. The clearer practice is to make all
17	rates that have not been previously approved by the Commission interim so that if
18	a cost proceeding is undertaken to evaluate such rates, they may be treated as
19	
	interim in the event the Commission determines that a true-up is needed.
20	interim in the event the Commission determines that a true-up is needed. AT&T's proposed language in Section 22.4.1.3 states that nothing in this
20 21	

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1	Page 9 objects to AT&T having the right to open a cost docket for Qwest's products and
2	rejects AT&T's proposed language. Qwest supports its position on the basis that
3	the filing of cost dockets involves complex cost studies and AT&T should not be
4	allowed to control Qwest's management of this process. AT&T, as an active
5	participant sponsoring cost models in many cost proceedings, certainly
6	understands the complexity and commitment of resources in a cost proceeding.
7	AT&T's intent is not to complicate or retard the process of a cost proceeding, but
8	AT&T as a purchaser of UNEs and services from Qwest has a vested interest in
9	the rates it will be charged by Qwest, particularly when they have not gone
10	through the rigor of a Commission cost proceeding. Therefore AT&T, as does
11	any other party, has the right to petition the Commission to review rates for
12	UNEs, collocation and interconnection services. Nothing in this Agreement
13	should require parties to relinquish that right.
14	AT&T's proposed language in Section 22.4.1.4 states that in a proceeding seeking
15	to establish permanent rates to replace Interim Rates, either party may advocate
16	that the Interim Rates are subject to true-up. AT&T's proposed language does not
17	unilaterally state a true-up is mandated, but instead allows each party to present its
18	position to the Commission. Ultimately, it is the Commission's determination as
19	to whether a true-up is required or not. Without such a statement, AT&T is
20	concerned that Qwest will treat all rates that have not been approved by the
21	Commission in a cost proceeding as permanent rates. Again, this would provide
22	Qwest little incentive to propose cost-based rates in the first instance.

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1	By the language of this Agreement, rates not approved by the Commission are
2	allowed to go into effect on an interim basis. If a rate is revised after Commission
3	review, the revised rate deemed appropriate by the Commission is the rate that
4	would be charged on a prospective basis only, unless the Commission determines
5	that a true-up of that rate is appropriate. True-up is an option determined solely
6	by the Commission. AT&T's hope is that the possibility of true-up will reduce
7	any incentive on Qwest's part to charge inflated rates for a service prior to a rate
8	being approved by the Commission. Clearly, inflated rates that are not subject to
9	true-up will only advantage Qwest and serve to harm the competitive market.
10	Moreover, a provision permitting the parties to advocate a true-up does not
11	disadvantage Qwest in anyway; it only ensures appropriate compensation for both
12	Qwest and CLECs. Therefore, it is AT&T's position that each party has the right
13	to advocate its position related to true-ups before the Commission and it should be
14	clearly stated in the Agreement.
15	In the recent arbitration proceeding between AT&T and Qwest in Minnesota, the
16	Minnesota Department of Commerce ("Department") acknowledged AT&T's
17	concern over the potential harm to the competitive market without true-up
18	provisions. The Department supported a true-up provision on a case-by-case
19	basis not as a general rule, but clearly acknowledged the need for rate true-ups.

20 The Minnesota Arbitrator's report supported the Department's recommendation

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each proceeding.² In its post-hearing brief the Department stated:

3	The Department believes that AT&T is correct in noting that true-ups can
4	prevent a situation where inflated rates may serve to "harm the
5	competitive market." In fact, the Department believes that true-ups are an
6	invaluable tool that should be applied on an case by case basis to enable
7	the Commission to monitor the causes and effects of true-ups in each case
8	rather than establishing a one-size fits all rule for true-ups as AT&T
9	suggests. The Commission should be aware of any instance where an
10	incumbent local exchange company charges inflated rates that serve to
11	"harm the competitive market." If an automatic true-up provision is
12	included in the interconnection agreement, the Commission might not
13	become aware if a case arose where an incumbent was applying inflated
14	rates. Qwest has acknowledged that AT&T has the right to petition the
15	Commission for true-ups at any time. While the Department is
16	recommending that the language relating to true-ups not be included in
17	section 22.5, AT&T or any other CLEC may still request that the
18	Commission order true-ups on a case by case basis. ³

19 C. Section 22.5 ICB ("Individual Case Basis") Pricing

20 Q. WHAT IS AT&T'S PROPOSED LANGUAGE UNDER "SECTION 22.5, 21 ICB PRICING?"

A. AT&T's Proposed Language: Updated as of 9/15/03

23 If CLEC requests a product or service that is identified on 22.5 24 Exhibit A as ICB, or for which Qwest would otherwise 25 charge an ICB rate, Qwest shall develop a cost-based rate 26 based upon the particular circumstances of the requested 27 product or service for review by the Commission within 60 28 days of offering the rate to CLEC. At the same time, 29 Quest may also file a written substantiation of the need for 30 ICB pricing for any subsequent requests for the product or service. CLEC may order, and Qwest shall provision, such 31 32 product or service using such Qwest proposed rate until the

² In the Matter of the Petition of AT&T Communications of the Midwest, Inc. and TCG Minnesota, Inc. for Arbitration of an Interconnection Agreement with Qwest Corporation Pursuant to 47 U.S.C. §252(b) ("Minnesota Arbitration"), PUC Docket No. P-442, 421/IC-03-759, OAH Docket No. 12-2500-15429-4, Arbitrator's Report, August 18, 2003 at 60.

³*Minnesota Arbitration*, Post-Hearing Brief of the Minnesota Department of Commerce, PUC Docket No. P-442, 421/IC-03-759, OAH Docket No. 12-2500-15429-4, July 28, 2003 at pp.87-88.

Commission orders a rate. The Qwest proposed rate shall
be an Interim Rate under this Agreement. ICB pricing shall
apply to all subsequent requests for the product or service if
the Commission so determines.

5 Q. WHAT IS QWEST'S PROPOSED LANGUAGE UNDER "SECTION 22.5, 6 ICB PRICING?"

7 A. Qwest's Proposed Language:

8	22.5	If CLEC requests a product or service that is identified on
9		Exhibit A as ICB, or for which Qwest would otherwise
10		charge an ICB rate, Qwest shall develop a cost-based rate
11		or prepare a written substantiation of the need for ICB
12		pricing and file such cost-based rate or written
13		substantiation for review by the Commission within sixty
14		(60) Days of receiving the request from the CLEC. If
15		Qwest develops a cost-based rate after receiving a request
16		for a product or service identified in Exhibit A as ICB,
17		CLEC may order, and Qwest shall provision, such product
18		or service using such Qwest proposed rate until the
19		Commission orders a rate. In this circumstance, the Qwest
20		proposed rate shall be an Interim Rate under this
21		Agreement. If the Commission determines that ICB
22		pricing is appropriate for a product or service, that
23		determination shall apply to all subsequent requests for the
24		product or service.

Q. PLEASE EXPLAIN AT&T'S POSITION IN SUPPORT OF ITS PROPOSED LANGUAGE FOR SECTION 22.5, AND HOW IT DIFFERS FROM QWEST'S.

- A. AT&T's proposed language is the language proposed by Qwest and agreed to by
- 29 AT&T in the Colorado arbitration proceeding.⁴ Qwest has rejected its own
- 30 language proposed in Colorado for use in the Washington Agreement. Qwest
- 31 apparently disputes whether it is required to file cost support and obtain approval

⁴ In the Matter of the Petition of Qwest Corporation for Arbitration of an Interconnection Agreement with AT&T Communications of the Mountain States, Inc. and TCG-Colorado Pursuant to 47 U.S.C. § 252(b), Docket No. 03B-287T, Answer Testimony of William R. Easton on Behalf of Qwest Corporation, September 5, 2003 at 7-8.

of ICB rates with the Commission. Additionally, Qwest appears to dispute
whether ICB rates are Interim Rates under the Agreement. Qwest concedes that if
it files a cost-based rate, the rate shall be an Interim Rate, but will not commit to
the requirement of filing a cost-based rate for all ICB rates.
The intent of AT&T's proposed language is to provide clear and specific language
on how rates listed as ICB in the Proposed Exhibit A will be handled. In order to
provide specific pricing information for CLECs, ICB pricing should be used in
only very limited circumstances. ⁵ Both AT&T's and Qwest's proposed language
includes the requirement that Qwest submit a cost-based rate for review by the
Commission within 60 days. The difference is that Qwest's language includes the
option of "written substantiation of the need for ICB pricing" in lieu of a cost-
based rate. All UNEs must be priced at cost-based rates. Qwest's ambiguous
language allowing "written substantiation of the need for ICB pricing," is not an
acceptable substitute for a cost-based rate. Any cost-based rate must be submitted
to the Commission for review within 60 days of offering the rate to the CLEC.
In addition, Qwest seeks to add a clause that reads, "[i]f Qwest develops a cost-
based rate after receiving a request for a product or service identified in Exhibit A
as ICB " Because this clause starts with "if", it suggests that Qwest can decline
to develop a cost-based rate for an item identified as ICB in the interconnection
agreement. There should be no question as to whether Qwest must establish a

1		cost-based rate upon a request by the CLEC. Qwest must be required to do so,
2		otherwise Qwest is allowed to delay a CLEC's ability to order the affected
3		service. The language of the contract must clearly require Qwest to establish a
4		cost-based rate within a set period of time and make the service available to
5		CLECs at that rate on an interim basis until the Commission determines a rate
6		through a cost docket.
7		Additionally, AT&T's proposed language in Section 22.4.1.1 includes ICB rates
8		as Interim Rates and thus, all terms related to Interim Rates (Section 22.4) apply
9		to ICB rates.
10		III. <u>ISSUE 36, EXHIBIT A PRICING</u>
10 11 12	Q.	III. <u>ISSUE 36, EXHIBIT A PRICING</u> HAS QWEST PROVIDED AN EXHIBIT A CONTAINING PRICES AS PART OF THE PROPOSED INTERCONNECTION AGREEMENT?
11	Q. A.	HAS QWEST PROVIDED AN EXHIBIT A CONTAINING PRICES AS
11 12		HAS QWEST PROVIDED AN EXHIBIT A CONTAINING PRICES AS PART OF THE PROPOSED INTERCONNECTION AGREEMENT?
11 12 13		HAS QWEST PROVIDED AN EXHIBIT A CONTAINING PRICES AS PART OF THE PROPOSED INTERCONNECTION AGREEMENT? Yes. AT&T received Qwest's proposed pricing attachment, Exhibit A, in July,
11 12 13 14		HAS QWEST PROVIDED AN EXHIBIT A CONTAINING PRICES AS PART OF THE PROPOSED INTERCONNECTION AGREEMENT? Yes. AT&T received Qwest's proposed pricing attachment, Exhibit A, in July, 2003. AT&T has provided comments to Qwest and has been working with Qwest
11 12 13 14 15		HAS QWEST PROVIDED AN EXHIBIT A CONTAINING PRICES AS PART OF THE PROPOSED INTERCONNECTION AGREEMENT? Yes. AT&T received Qwest's proposed pricing attachment, Exhibit A, in July, 2003. AT&T has provided comments to Qwest and has been working with Qwest to resolve disputed items contained in the price list; most notably ensuring all
11 12 13 14 15 16		HAS QWEST PROVIDED AN EXHIBIT A CONTAINING PRICES AS PART OF THE PROPOSED INTERCONNECTION AGREEMENT? Yes. AT&T received Qwest's proposed pricing attachment, Exhibit A, in July, 2003. AT&T has provided comments to Qwest and has been working with Qwest to resolve disputed items contained in the price list; most notably ensuring all Commission ordered rates are included and all notes are accurate. Some of the

⁵ ICB pricing should be used in very limited circumstances such as where the product requested is entirely new and has not been provided by Qwest previously in any jurisdiction or where the request is very unique and specific to a particular CLEC or circumstance.

1 further review Qwest's proposed price list and provide any additional issues that

2 may be discovered.

3 Q. WHAT ISSUES ON THE PRICE LIST REMAIN UNRESOLVED?

4 A. The unresolved issues include:

5	1.	Section 7.7.1 Local Traffic-FCC-ISP Rate Caps. Exhibit A
6		contains the rate of \$.0007 MOU for 36 months June 14, 2003-
7		June 13, 2006. AT&T objects to Qwest's proposal. AT&T's
8		position is that the rate should be \$.0007 per minute of use for the
9		time period outlined in the FCC's ISP Remand Order and not for
10		the time period defined by Qwest in Exhibit A. The order states the
11		rate will be capped at \$.0007 continuing through the thirty-sixth
12		month or until further Commission action (whichever is later). ⁶
13		Section 7.3.6.2.3.3 of the Proposed Interconnection Agreement
14		states this and is consistent with the ISP Remand Order. Qwest's
15		limited timeframe in Section 7.7.1 of Exhibit A is not.
16	2.	Section 9.2.4.1 Basic Installation First Loop, Installation
17		Mechanized and Disconnection Mechanized. Exhibit A lists the
18		incorrect rates of \$34.78 and \$16.33. The Commission ordered
19		rates of \$37.53 and \$14.41 are included in Qwest's Interconnection
20		Services tariff, Section 3, 6th Revised Sheet 9 dated June 26, 2003.
21	3.	Section 9.2.4.2 Basic Installation with Performance Testing First
22		Loop, Installation Mechanized. Exhibit A lists the incorrect rate of
23		\$66.37. The Commission ordered rate of \$109.82 is included in
24		Qwest's Interconnection Services tariff, Section 3, 6th Revised
25		Sheet 9 dated June 26, 2003.
26	4.	Section 9.2.4.5 Basic Installation with Cooperative Testing Each
27		Additional Loop, Installation Manual. Exhibit A lists the incorrect
28		rate of \$66.37. The Commission ordered rate of \$54.28 is included
29		in Qwest's Interconnection Services tariff, Section 3, 6th Revised
30		Sheet 9 dated June 26, 2003.

⁶ In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISPBound Traffic, CC Docket No. 96-98, CC Docket 99-68, Order on Remand and Report and Order, Adopted April 18, 2001 at ¶78 (emphasis added).

1 2 3 4 5 6		5.	Section 9.10.1, 9.10.2, and 9.10.3 NRCs for DS1 Local Message Trunk Port and Message Trunk Group. Exhibit A includes rates with a note that the rates were not addressed in a cost proceeding. This is incorrect. The Commission ordered rates are included in Qwest's Interconnection Services tariff, Section 3, 2 nd Revised Sheet 3 dated June 26, 2003.
7 8 9 10		6.	Section 9.11.1.3 Premium Port-CMS and 6-port conferencing. Exhibit A lists the rate of \$3.85. The Commission ordered rate of \$3.34 is included in Qwest's Interconnection Services tariff, Section 3, 5th Revised Sheet 10.1 dated August 17, 2003.
11 12 13		7.	Section 9.11.6.3 DS1 PRI ISDN Trunk Port Exhibit A includes an NRC of \$470.52 which appears to be erroneous and should be deleted.
14 15 16 17		8.	Section 9.11.6.4 DID/PBX Trunk Port per DS0 Installation Mechanized and Disconnection Mechanized. Exhibit A contains two rates for each of these elements. The rates of \$123.73 and \$35.43 should be removed.
18 19 20		9.	Section 9.23.7.2 LMC Loop-DS0 2/4 Wire Analog Disconnection Mechanized. Exhibit A contains two rates for this element. The rate of \$29.48 should be removed.
21 22 23 24		10.	Section 9.23.8.3 EEL DS1 Disconnection Manual. Exhibit A lists the rate of \$72.95. The Commission ordered rate of \$71.93 is included in Qwest's Interconnection Services tariff, Section 3, 1st Revised Sheet 14.11 dated August 17, 2003.
25 26 27		11.	Section 9.24.2 Customer Channel and Unbundled Distribution Subloop Disconnection Mechanized. Exhibit A contains two rates for this element. The rate of \$7.93 should be removed.
28	Q.	DOES THIS	CONCLUDE YOUR TESTIMONY?
•••		• 7	

29 A. Yes.