

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**TEL WEST COMMUNICATIONS, LLC**

**Petitioner**

**v.**

**QWEST CORPORATION, INC.**

**Respondent.**

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) **DOCKET NO. UT-013097**  
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**RESPONSE TESTIMONY OF**

**DAVID L. TEITZEL**

**QWEST CORPORATION**

**February 28, 2002**

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**I. IDENTIFICATION OF WITNESS**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT POSITION.**

A. My name is David L. Teitzel. I am Director, Product and Market Issues for Qwest Corporation. My business address is Room 2904, 1600 7<sup>th</sup> Avenue, Seattle, Washington, 98191.

**Q. PLEASE DESCRIBE YOUR EDUCATION, WORK EXPERIENCE AND PRESENT RESPONSIBILITIES.**

A. I was awarded a Bachelor of Science degree from Washington State University in 1974 and began my career with Qwest (formerly U S WEST) in the same year, and have been continuously employed with the company since that time. I have held a number of management positions in various departments, including Network, Regulatory Affairs and Marketing. As a Marketing Product Manager, I was responsible for product management of basic exchange (local) services, terminal equipment, Centrex and intraLATA long distance services. I have also served as a Market Manager for Qwest Dex (formerly U S WEST Dex), with responsibility for Puget Sound area directories. I was named to my current position as Director – Product and Market Issues in March 1998.

**Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION?**

A. Yes. I have testified in a number proceedings regarding Qwest’s Washington retail services, and have also represented Qwest in the Washington Section 271 proceedings.

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**II. PURPOSE**

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

A. The purpose of my testimony is to describe the manner in which Qwest provides local exchange-related services to residential customers in Washington, and to address representations by Tel West in this proceeding that Qwest is not providing resold local exchange retail services to Tel West in an appropriate manner. Specifically, I will discuss the services provided to residential local exchange customers as components of Qwest's basic local exchange pricing structure, as well as optional services available to residential customers that provide control over access to certain services provided as part of the basic service package which are equally available to resellers of Qwest's retail services in Washington.

**III. QWEST LOCAL EXCHANGE RESIDENTIAL SERVICE**

**Q. PLEASE GENERALLY DESCRIBE QWEST'S LOCAL EXCHANGE SERVICE OFFERINGS IN WASHINGTON.**

A. Qwest provides local service to residential and business customers in Washington. Its residential local service offerings are provided in accordance with the terms and conditions of Qwest's tariff, WN U-41. In general, Qwest offers either flat-rated or measured local service to its residential customers, at their option.

**Q. IN WASHINGTON, WHAT DOES QWEST PROVIDE RESIDENTIAL CUSTOMERS AS COMPONENTS OF RESIDENTIAL SINGLE PARTY BASIC EXCHANGE SERVICE?**

1 A. Qwest provides, as components of basic residential local exchange service, the  
2 following elements: single party service, voice grade access to the public switched  
3 network (specific data transmission speeds are not guaranteed), unlimited access and  
4 usage of the switched network within the local calling area, Touch Tone signaling,  
5 access to emergency services (e.g., E911), access to operator services, access to  
6 interexchange services, access to directory assistance, and access to Toll limitation  
7 services. In other words, when a residential customer purchases Qwest's flat-rated  
8 residential service for \$12.50 per month, all of the above-listed functions are provided  
9 as a part of that local exchange service. These basic service elements are enumerated in  
10 RCW 80.36.600(3)(6)(b) in defining "basic telecommunications services." Basic  
11 telecommunications service must be offered by a local exchange provider to be eligible  
12 to participate in the Washington Universal Service Fund program. Although no such  
13 program exists at this time, Qwest's service offerings meet the criteria for eligibility  
14 under RCW 80.36.600. In addition, Qwest's residential basic local exchange customers  
15 are currently entitled to one free call per month to Qwest's Directory Assistance  
16 service.

17  
18 **Q. ARE THE SERVICES IDENTIFIED IN THE PRECEDING ANSWERS QWEST**  
19 **RETAIL SERVICES THAT ARE FULLY AVAILABLE FOR RESALE UNDER**  
20 **THE SAME TERMS AND CONDITIONS IN WHICH THEY ARE OFFERED**  
21 **TO RESIDENTIAL CUSTOMERS?**

22 A. Yes.  
23

1 **Q. IN THE EVENT QWEST'S RESIDENTIAL CUSTOMERS WISH TO**  
2 **RESTRICT ACCESS TO CERTAIN ELEMENTS OF THE BASIC EXCHANGE**  
3 **SERVICE PACKAGE, WHAT OPTIONS ARE AVAILABLE TO THEM?**

4 A. In some instances, residential customers wish to restrict the capability for calls to be  
5 placed from their home telephones to services such as Qwest long distance, operator  
6 services or Directory Assistance. In this event, Qwest offers optional services such as  
7 CustomNet, Toll Restriction and Dial Lock that can limit, or entirely preclude,  
8 unwanted access to certain services.

9

10 **Q. PLEASE DEFINE CUSTOMNET AND DIAL LOCK.**

11 A. Certainly. CustomNet and Dial Lock are the two primary restriction services available  
12 to retail customers who wish to limit access to services such as directory assistance and  
13 operator services. First, CustomNet is an optional retail service provided to individual  
14 line subscribers that does not permit certain types of calls to be completed, and is  
15 provided in two options. Option 1 blocks all "1+" calls and calls to Directory  
16 Assistance. However, operator-handled calls originated by dialing "0" are permitted,  
17 but only if alternate billing (such as credit card billing) is provided by the call  
18 originator. This option allows local and non-chargeable calls, such as calls to 800/888  
19 services, 950 services, Qwest repair and emergency services numbers. Option 2  
20 permits origination of most calls, including direct-dialed long distance calls and calls to  
21 Directory Assistance, and is not a recommended option for customers wishing to  
22 restrict access to Directory Assistance and/or Operator Services, but is a good option  
23 for entities such as hotels, hospitals, etc. who have telephone systems capable of call  
24 identification and rating. CustomNet carries a nonrecurring charge of \$24.00, which is  
25 only assessed if this service is added subsequent to the initial establishment of the

1 customer's service. It carries a recurring rate of \$2.00. It is listed in Qwest Washington  
2 Tariff WN U-40, Section 10.4.1, attached to my testimony as Exhibit DLT-2.

3  
4 Dial Lock is an optional call restriction service that is based on Advanced Intelligent  
5 Network (AIN) technology, and provides greater flexibility to the end user in defining  
6 the types of originating calls to be blocked. Dial Lock allows a customer the ability to  
7 manage outbound calls, including local and long distance, by selectively blocking  
8 different types of calls placed from the customer's telephone. This service allows  
9 blocking of all non-emergency local calls, long distance calls, international calls,  
10 operator assisted calls, toll-free (e.g., 800/888) calls, information services (e.g.,  
11 900/976), and Directory Assistance calls. The retail customer can select the types of  
12 calls to be blocked, and also have the option of overriding the call blocking at any time  
13 through use of a Personal Identification Number (PIN) code. In addition, the Dial  
14 Lock customer has the option of defining a list of up to twenty authorized phone  
15 numbers that can be called even while Dial Lock is activated. Finally, Dial Lock  
16 enables the subscriber to call Qwest, at no additional charge, to modify the types of  
17 calls blocked as the subscriber's calling needs changes. Dial Lock carries a non-  
18 recurring charge of either \$7.00 (residential) or \$11.00 (business) and a recurring  
19 charge of \$3.95. It is defined in Qwest Washington Tariff WN U-40, Section 5.4.3,  
20 attached as Exhibit DLT-3.

21  
22 **Q. DOES DIAL LOCK ALWAYS “WORK PERFECTLY”?**

23 A. It depends on what a person means by “work perfectly.” Dial Lock is a service that is  
24 controlled by the end user through use of a password or PIN code. Thus, any person

1 who has the PIN code can make changes to how the service works, and can choose to  
2 set up or take off various blocks.

3  
4 **Q. DOES THIS PRESENT ANY PROBLEMS WHEN THE SERVICE IS RESOLD?**

5 A. It could, but the problems are not unique to resellers – they are presented whenever  
6 more than one person has access to line on which Dial Lock is established. When  
7 Qwest first sets up Dial Lock on a line, there is a default password (PIN) established  
8 which is in place until the end user (or reseller, or landlord, or roommate) can establish  
9 a new PIN that is unique to that line. Dial Lock allows multiple PIN codes to be  
10 established, to allow more than one person to have a certain amount of control over  
11 what types of calls can be made. This works in a family situation where the parents  
12 want to block access to all types of long distance or pay per use calls when they are not  
13 home, but might want to remove the block for one or more types of calls when they are  
14 home. Thus, if a reseller's end user accesses the account right after Dial Lock is  
15 installed but before the reseller can change the PIN, it may be that the end user retains a  
16 certain amount of control over the outbound calling capability on that line. It is for  
17 reasons such as this that I understand resellers have been notified that Dial Lock may  
18 not work for the purposes intended by the reseller, as described in Ms. Malone's  
19 testimony.

20  
21 **Q. ARE THERE OTHER TYPES OF SERVICES AVAILABLE THAT RESTRICT**  
22 **OUTGOING CALLS?**

23 A. Yes, there are. However, it does not appear that these other services are at issue in this  
24 docket. For example, Qwest provides a retail service called Toll Restriction Service



1 (TRS) that allows a customer to prevent outbound 1+ calling, both inter and  
2 intraLATA.

3  
4 **Q. IS THERE A SERVICE THAT ADDRESSES A CUSTOMER'S DESIRE NOT**  
5 **TO HAVE COLLECT OR THIRD PARTY BILLED CALLS CHARGED TO**  
6 **THEIR TELEPHONE NUMBER?**

7 A. Yes, there is. That service is called Billed Number Screening (BNS). It is different  
8 from CustomNet and Dial Lock in that CustomNet and Dial Lock address outbound  
9 calls, while BNS addresses a customer's desire not to have collect or third party billed  
10 calls charged to that number. BNS carries a nonrecurring rate of \$6.50 and there is no  
11 recurring charge associated with this service. It is defined in Qwest's Washington WN  
12 U-40, Section 10.4.3, attached as Exhibit DLT-4. It should be noted that the tariff  
13 explicitly states that all calls may not be prevented, and that Qwest's customer remains  
14 responsible for all calls that are charged to the line.

15  
16 **IV. RESALE OF CALLING RESTRICTION SERVICES**

17  
18 **Q. DOES THE TELECOMMUNICATIONS ACT OF 1996 (THE ACT) DEFINE**  
19 **QWEST'S OBLIGATIONS WITH RESPECT TO RESALE OF RETAIL**  
20 **SERVICES?**

21 A. Yes. Section 251(c)(4) of the Act states that Bell Operating Companies (BOCs), such  
22 as Qwest, have two specific duties: a) to offer for resale at wholesale rates any  
23 telecommunications service that the carrier provides to subscribers who are not  
24 telecommunications carriers; and b) not to prohibit, and not to impose unreasonable or  
25 discriminatory conditions or limitations on the resale of such telecommunications

1 service, except that a State Commission may, consistent with regulations prescribed by  
2 the Commission under this section, prohibit a reseller that obtains at wholesale rates a  
3 telecommunications service that is available only to a category of subscribers from  
4 offering such service to a different category of subscribers.

5  
6 **Q. IN WASHINGTON, IS QWEST MEETING THESE RESALE DUTIES WITH**  
7 **RESPECT TO RESIDENTIAL LOCAL EXCHANGE SERVICES AND**  
8 **OPTIONAL CALL RESTRICTION SERVICES?**

9 A. Yes. The retail services discussed in my testimony, including local exchange  
10 residential service, CustomNet, Dial Lock, Toll Restriction, and Billed Number  
11 Screening, are all fully available for resale.

12  
13 **Q. DOES QWEST PROVIDE OPTIONAL CALL BLOCKING, AT NO CHARGE,**  
14 **TO RESIDENTIAL RETAIL LOCAL EXCHANGE CUSTOMERS IN**  
15 **WASHINGTON?**

16 A. No. Call blocking services are considered optional and are not part of the basic service  
17 “package” provided with basic residential service in this state. Retail customers  
18 wishing to restrict access to certain types of telephone numbers are required to purchase  
19 the optional call blocking services contained in the tariff and described in this  
20 testimony.

21  
22 **Q. IF QWEST DOES NOT PROVIDE FREE OPTIONAL CALL BLOCKING TO**  
23 **ITS RESIDENTIAL RETAIL CUSTOMERS IN WASHINGTON, IS IT**  
24 **REQUIRED TO PROVIDE SUCH CALL BLOCKING AT NO CHARGE TO**  
25 **RESELLERS SERVING RESIDENTIAL CUSTOMERS IN THE STATE?**

1 A. No. In fact, provision of free optional call blocking to resellers would require Qwest to  
2 develop a unique service that is currently unavailable to retail customers. I believe this  
3 situation is directly contrary to the resale requirements defined by Congress in the Act,  
4 as discussed earlier in my testimony.

5

6 **Q. HAVE YOU REVIEWED THE TESTIMONY OF MR. JEFF SWICKARD**  
7 **FILED ON BEHALF OF TEL WEST IN THIS PROCEEDING?**

8 A. Yes.

9

10 **Q. PLEASE DESCRIBE YOUR UNDERSTANDING OF TEL WEST'S POSITION**  
11 **REGARDING RESTRICTION OF ACCESS BY ITS CUSTOMERS TO**  
12 **DIRECTORY ASSISTANCE AND OPERATOR SERVICES.**

13 A. My understanding is that Tel West currently provides local exchange services,  
14 primarily on a resale basis, to residential customers with poor credit histories who are  
15 currently unable or unwilling to subscribe to Qwest's retail local exchange services.  
16 My understanding is also that Tel West wishes to limit its customers' capability to  
17 originate calls to services for which charges are applied, such as Directory Assistance  
18 and Operator Services. Finally, I understand Mr. Swickard to maintain that Tel West  
19 should not be required to pay Qwest for blocking its customers from accessing  
20 Directory Assistance and Operator Services. While I understand Mr. Swickard's  
21 contentions, I certainly disagree with his conclusions and do not believe Qwest is  
22 bound through any law or rule to provide the free call blocking service Tel West  
23 desires.

24

1 **Q. AT PAGE 5, LINES 14 THROUGH 22, OF MR. SWICKARD'S DIRECT**  
2 **TESTIMONY HE SUGGESTS THAT DIAL LOCK IS TEL WEST'S ONLY**  
3 **WAY TO PROTECT ITSELF FROM CHARGES ASSOCIATED WITH CALLS**  
4 **MADE BY ITS CUSTOMERS TO DIRECTORY ASSISTANCE AND**  
5 **OPERATOR SERVICES. IS HE CORRECT?**

6 A. No. As discussed earlier in my testimony, CustomNet is another optional call blocking  
7 service provided to Qwest retail customers, and this service is equally available to Tel  
8 West as a reseller. In fact, CustomNet is priced nearly 50% lower than the Dial Lock  
9 feature.

10

11 **Q. AT PAGE 7, LINES 11 THROUGH 18, OF HIS DIRECT TESTIMONY, MR.**  
12 **SWICKARD ARGUES THAT QWEST HAS INTENTIONALLY SIMPLIFIED**  
13 **THE DIALING PATTERNS CUSTOMERS MAY USE TO ACCESS**  
14 **DIRECTORY ASSISTANCE AND OPERATOR SERVICES EXPRESSLY TO**  
15 **DISADVANTAGE RESELLERS, SUCH AS TEL WEST, WHO PROVIDE**  
16 **SERVICE TO CUSTOMERS WITH CREDIT PROBLEMS. IS HIS**  
17 **ARGUMENT CREDIBLE?**

18 A. Absolutely not. This could not be further from the truth. In fact, Qwest has worked to  
19 provide simplified dialing as a convenience to its retail customers. As required by the  
20 Act, customers of resellers can avail themselves of that same dialing convenience. The  
21 fact that certain resellers have opted to serve a subset of the residential customer base  
22 had absolutely no part in Qwest's decision to simplify dialing patterns.

23

24 **Q. THE RECURRENT THEME THROUGHOUT MR. SWICKARD'S**  
25 **TESTIMONY IS HIS COMPLAINT THAT TEL WEST'S CUSTOMER BASE**

1           **MAY PLACE CALLS TO DIRECTORY ASSISTANCE AND OPERATOR**  
2           **SERVICES, THEN DEFAULT ON THEIR BILLS TO TEL WEST,**  
3           **REQUIRING TEL WEST TO PAY QWEST FOR THESE CALLS. FROM MR.**  
4           **SWICKARD’S PERSPECTIVE, THE ONLY WAY TEL WEST CAN PROTECT**  
5           **ITSELF FROM INCURRING THESE CHARGES IS TO SUBSCRIBE TO**  
6           **CALL BLOCKING SERVICES FROM QWEST. WOULD YOU COMMENT?**

7    A.    Yes. I disagree with Mr. Swickard’s assessment. First, my understanding is that Tel  
8           West has recently signed an interconnection agreement with Qwest that allows Tel  
9           West to purchase UNEs from Qwest to serve its customers. However, Tel West  
10          continues to serve its customers almost exclusively on a resale basis. Second, Qwest  
11          sometimes requires a deposit of its customers when service is established to protect  
12          Qwest from payment default. Tel West has apparently opted to forego deposits, but  
13          this is certainly an option available to Tel West. Third, Tel West has other options  
14          available to it in protecting itself against default, such as immediately suspending  
15          service at the first indication that the customer is initiating unauthorized calls.<sup>1</sup> In any  
16          event, Tel West has opted to serve its chosen market, and has elected to do so via  
17          resale. Qwest should not be required to incur costs to protect Tel West from its chosen  
18          customer base.

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<sup>1</sup> On this point, Tel West has provided inconsistent explanations. In response to Qwest’s data requests (see Exhibit KM-4 (attached to Ms. Malone’s testimony): Tel West’s response to data request Qwest-003 (“Tel West’s efforts to block customers from accessing pay-per-use services include . . . disconnecting the customer’s service when Tel West discovers access to pay-per-use services by the customer has occurred.”); Tel West’s response to data request Qwest-010 (“In some cases Tel West disconnects the customer’s service for refusal to pay these [pay per use] charges.”). See also Exhibit KM-5: Tel West’s response to data request Qwest-058(d) (“Tel West deals with disconnections on a case-by-case basis.”) Despite Tel West’s claim that it disconnects customers for using pay-per-use services, this policy does not appear to be followed through on by Tel West in all cases.

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**V. CONCLUSION**

**Q. WHAT RECOMMENDATION DO YOU OFFER THE COMMISSION REGARDING THIS PROCEEDING?**

A. With respect to Tel West's complaints regarding access to Directory Assistance and Operator Services, Tel West's position is without foundation in the Act, state law or Commission rule. Qwest should simply not be compelled to provide a unique level of outgoing call blockage to Tel West that is not currently available to retail customers in Washington. I strongly recommend that Tel West's complaints in this regard be dismissed.

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

A. Yes it does.

## INDEX OF EXHIBITS

<u>Exhibit No.</u>	<u>Subject</u>
DLT-2	WN U-40, Section 10.4.1, <i>CUSTOMNET</i> Service
DLT-3	WN U-40, Section 5.4.3, Dial Lock Service
DLT-4	WN U-40, Section 10.4.3, Billed Number Screening