

1 your Direct Exhibit 4 -- excuse me, Exhibit 3, page 7,
2 lines 1 through 6. In that testimony I believe that
3 you testify that Covad has never identified any
4 problems with the current time frames nor did they
5 raise the issue in the 271 proceedings.

6 Isn't it true that billing issues can
7 change over time, for example mistakes get fixed and
8 new mistakes arise, all of that?

9 A That's correct. What we're actually
10 talking about here in this testimony is payment
11 issues, terms and conditions related to payments.

12 Q Aren't payments somehow connected --
13 or directly connected, not somehow connected, to
14 billing disputes and reviewing bills?

15 A That is a part of it, that's correct.

16 Q What is the significance of your
17 statements that Covad didn't raise any payment time
18 frames in the 271 proceedings?

19 A I don't actually say Covad did
20 not raise any issues. In fact there was a lot of
21 discussion in 271 proceedings around payment terms and
22 conditions, how much time should be allowed to review
23 bills, and the result of that was consensus language
24 that was agreed to by Qwest and the CLECs that had the
25 30-day period that's being proposed here.

1 Q Are you currently in negotiations with
2 other competitive carriers regarding payment terms?

3 A I personally am not. I'm aware that
4 those negotiations are going on.

5 Q Isn't it -- how familiar are you with
6 those negotiations?

7 MS. WAXTER: Objection.

8 A At this point, not very.

9 MS. WAXTER: I'll wait for the next
10 question.

11 BY MS. FRAME:

12 Q Do you know if those negotiations
13 actually involved human issues and timing of human
14 issues?

15 MS. WAXTER: Objection.

16 A.L.J. JENNINGS-FADER: Basis?

17 MS. WAXTER: There's no foundation
18 laid for asking about additional negotiations that
19 are on going. I think it's completely irrelevant to
20 the issues that we're discussing here which is the
21 language to insert Covad's interconnection agreement
22 with Qwest.

23 MS. FRAME: Qwest testifies in its
24 testimony that the CLECs have reached consensus on
25 payment issues and that payment time frames are really

1 not an issue because they all agree to a 30-day time
2 frame in the 271 proceeding, so we do believe that it
3 directly goes to cross-examination of Mr. Easton.

4 A.L.J. JENNINGS-FADER: I'll overrule
5 the objection. There are at least three and perhaps
6 four specific statements in Mr. Easton's direct
7 testimony that say AT&T and TCG have agreed to
8 precisely the language at issue here. I think it's
9 directly relevant to the testimony.

10 BY MS. FRAME:

11 Q Going back to your Direct Testimony,
12 you are familiar with the fact that other competitive
13 carriers are trying to negotiate new payment time
14 frames with Qwest, correct?

15 A I believe that's correct.

16 Q Do you know the specifics of those
17 negotiations?

18 A No, I do not.

19 Q Calling your attention to your Direct
20 Testimony, again that's Exhibit 3, on page 5, lines 8
21 through 15, would you please refresh your recollection
22 by reading your testimony out loud.

23 A The agreed-to language? Section 5.4.4
24 of the agreement discusses in detail how dispute
25 amounts are to be handled, stating that the undisputed

1 portions of the bill shall be paid. If a portion of
2 the bill is disputed and the dispute is resolved in
3 favor of the billed party, the disputed amount and
4 associated interest will be credited or paid to the
5 billed party. Conversely, if the dispute is resolved
6 in favor of the billing party, the disputed portion
7 of the bill becomes due and late payment charges are
8 applied. I should also add that the language in
9 Sections 5.4.4 and 5.18.5 allows for the billed party
10 to dispute a charge at a later date if it should
11 discover an error after the bill has been paid.

12 Q Mr. Easton, with respect to this
13 proposed language, is it your opinion that this
14 encourages competitive carriers to dispute bills prior
15 to payment so that they can extend the payment time no
16 matter what?

17 A The dispute process as captured in the
18 interconnection agreement language allows carriers to
19 either pay the bill in full and dispute the issues
20 later, and there's a process to resolve those
21 disputes, or they may withhold payment for the
22 disputed amounts. That becomes important because
23 to the extent they do that you don't run into
24 consequences of nonpayment such as disconnecting
25 service or discontinuing working.

1 Q Shouldn't Qwest want to encourage
2 meritorious disputes? Doesn't your language encourage
3 disputes where maybe there's no billing issue or
4 dispute present?

5 A No. Because what the language
6 provides for -- for example, let's say a carrier
7 decides to dispute their entire bill. When that
8 dispute is brought to resolution and was found in
9 Qwest's favor, the company would have to pay the --
10 the other carrier would have to pay the entire amount
11 owed and in fact could have late payment charges
12 assessed to them. So they did not end up saving
13 anything by having gone through that dispute.

14 Q Can you please describe for us or
15 explain to us what disputes can be handled within the
16 15-day period you discuss in your direct testimony and
17 then disputes that can be brought up regarding the
18 120-day dispute situation.

19 A The language is not specific to these
20 type of disputes that would qualify for those various
21 treatment language. Language does ask that disputes
22 be brought forward within 15 days. Obviously the
23 sooner they're brought forward the better. But there
24 is other language in the agreement that would allow
25 disputes to be brought forward as far as 120 days.

1 Q And do you know how many issues relate to
2 that 120-day time frame?

3 A No, I don't.

4 Q You testified, in your direct
5 testimony -- I don't have a specific page for this --
6 that Covad has had an agreement in place, since 1999,
7 and should have figured out how to pay its bills in
8 this five-year period. Essentially, that's what you
9 testified to, correct?

10 A I testified that Covad has had
11 discrepancies with the Qwest billing systems for five
12 years.

13 Q Do you know when Covad first implemented
14 its network in Colorado?

15 A That I can't tell you.

16 Q Calling your attention to your direct
17 testimony, which is Exhibit 3. On page 7, lines 10
18 through 16, you testify that, given Covad's experience
19 with Qwest's billing, it should have had the expertise
20 to analyze bills appropriately, and seek appropriate
21 business solutions for situations that may have arisen.
22 Isn't that what Covad is doing now?

23 A I would assume they are doing some of
24 that, but my point here is, that with greater
25 experience, one would be expected to be able to analyze

1 bills more quickly; and, therefore, would not seek to
2 extend the payment terms.

3 Q Does manual -- I would ask you a couple
4 of different questions along this line. Does
5 chronologically, a manual incorrect billing in
6 November, in your opinion, impact the amount of time it
7 takes to review bills?

8 A I have to ask what you mean by
9 "chronologically."

10 Q You testified that Covad, because it's
11 asking for a 45-day time frame, it is not in sync with
12 a 30-day time frame for payment.

13 A That's correct.

14 Q And, I guess, actually -- let me withdraw
15 that. Let me withdraw that question.

16 Does manual incorrect billing for
17 November, in your opinion, impact the amount of time
18 that it takes to review bills -- or let me just put it
19 another way. Are bills that are submitted, either
20 electronically or manually, if there is manual review
21 of those bills, does it impact the amount of time it
22 takes to review the bills?

23 A I would assume so.

24 Q In your answer testimony, on page 37,
25 which is Exhibit 4, lines 22 through 26, you testify

1 that, to the extent that Covad is experiencing billing
2 problems with Qwest, that these problems belong in
3 another forum. Could you explain to us what forum that
4 is.

5 A Yes. Could you give me the bill cite,
6 please.

7 Q The page cite?

8 A The page cite. I am sorry.

9 Q Page 3.

10 A Page 3.

11 Q Lines 22 through 26.

12 A I've got it. There is a number of
13 different forums that billing problems can come into,
14 and they could come into the Covad account manager, for
15 example, they could come into the service -- wholesale
16 service manager. They could also come into the billing
17 service delivery coordinator. Those are all kinds of
18 informal contact points. There are designated service
19 managers, account people, and billing service delivery
20 coordinators that have been designated specifically for
21 Covad. And Covad does use those folks to bring up
22 billing issues.

23 In addition, there's also the Change
24 Management Process that Covad can avail themselves of.
25 If they are not happy with the billing format type of

1 issues, they can bring that to the Change Management
2 Process and see if that can be addressed there.

3 Q Okay.

4 A.L.J. JENNINGS-FADER: I am sorry.
5 Counsel, give me the page and line cites, again,
6 please, the testimony you're referring to.

7 MS. FRAME: I believe it's in his answer
8 testimony.

9 A.L.J. JENNINGS-FADER: Thank you.

10 MS. FRAME: It's Exhibit 4.

11 A.L.J. JENNINGS-FADER: Thank you.

12 BY MS. FRAME:

13 Q Do you know if Covad has brought billing
14 issues in front of these other forums, the CMP, the
15 account manager, the wholesale service manager?

16 A Certainly they have, the wholesale
17 service manager and the service delivery coordinator.
18 They have also raised issues at the CMP, I believe.

19 Q Do you know what those issues have been
20 or are?

21 A Um, as you can imagine, over the
22 five-year relationship we have had with Covad, there
23 have been a number of billing issues. There may be
24 things as simple as, help me understand this bill, what
25 does it mean when it says this. There may be issues

1 that, jeez, we're thinking you are using the wrong rate
2 here. It can run the whole gamut of issues.

3 Q Are you familiar with Covad raising
4 collocation nonrecurring cost issues in the CMP?

5 A I am not familiar with that specific
6 issue, no.

7 Q Are you familiar with Covad raising any
8 other issues in the CMP?

9 A There was a recent CMP meeting that was
10 held to determine how CMP requests should be
11 prioritized. And during that meeting, I am aware that
12 Covad did bring up the two issues that appeared in this
13 testimony. It happened to be within a couple of weeks
14 of each other.

15 Q Do you know if any of those issues have
16 been resolved yet?

17 A Again, as I stated, the purpose of that
18 meeting was to prioritize issues that had already been
19 identified. So, that was not truly the proper forum to
20 bring that forward. And I don't know how much of that
21 was resolved, but I believe -- it was suggested that
22 Covad bring them forward at the appropriate CMP
23 meeting.

24 Q And calling your attention back to your
25 answer testimony, on page 4, lines 5 through 10, which

1 is Exhibit No. 4.

2 A Yes.

3 Q You testify that it's -- 6.5 percent of
4 Covad's billing is billed electronically. But isn't it
5 true that there's still plenty of work to be done
6 reviewing electronic bills? You stated that
7 previously, correct?

8 A There is work to be done.

9 Q And just because a bill is electronically
10 receivable, it doesn't mean that it's correct, does it,
11 or that it doesn't require manual effort?

12 A No. The intent, with the electronic
13 billing, is to make it easier for bill analysis and to
14 determine that -- whether billing is correct.

15 Q You testify, in your answer testimony,
16 Exhibit 4 on page 4, lines 13 through 16 -- and this is
17 what I started to get to earlier, but withdrew my
18 question -- that a 45-day payment window would put the
19 bill verification out of sync with the bill payment
20 process, but Qwest would still receive payment every 30
21 days, correct, after the first 45-day period went
22 through, correct?

23 A Now, I have to think it through here.
24 So, the first bill would be received, and Covad would
25 pay in 45 days. Thirty days from then, Covad would

1 receive a second bill and would make payment 45 days
2 from that date. So, that's how the process would work.
3 So, I believe you're correct. Ultimately, Qwest would
4 be receiving payments every 30 days, but they would be
5 receiving them 15 days later than they currently are.

6 Q Do you have an idea as to how much this
7 would actually cost Qwest?

8 A Well, obviously, there's the time value
9 of money, and concerns about cash flow, concerns that
10 Covad themselves have brought up in the testimony,
11 talking about why extending some of these time periods
12 is important to them. And I would argue that those are
13 equally important to Qwest.

14 Q In your answer testimony, again, Exhibit
15 4, on page 6, lines 15 through 17, you testify that,
16 essentially, Covad shouldn't worry about paying ahead
17 of schedule, even though it may not have spotted an
18 error right away, because it receives credits for
19 overpayment. I believe that's what you even testified
20 earlier to, just now, on cross, as well as what is the
21 standard for your retail customers on this issue.

22 A On which issue?

23 Q With respect to the customer -- do
24 customers pay, even though they have a dispute with
25 their bill and then get credit back, plus interest.

1 A Some do and some don't.

2 Q What possibly may occur? Do they get
3 cash back? Do they get credit?

4 A I don't know the exact procedures on the
5 retail side. I know we do issue credits on bills. I
6 don't know how interest might be handled there.

7 Q Is it fair to say that a competitive
8 carrier would probably lose leverage if they go ahead
9 and pay their bill and dispute later?

10 A No, I don't believe that's true. That
11 certainly hasn't been my experience in the wholesale
12 business.

13 Q Could you explain, please.

14 A There are many cases -- well, the
15 interconnection language itself allows you to pay in
16 full and go back and dispute it later. Our billing
17 centers take those disputes very seriously, and, in
18 fact, if Covad or any other carrier believes that the
19 dispute is not being handled appropriately, they have
20 the recourse of going before the utility commissions
21 and addressing it there. To the extent that they have
22 paid, no, they haven't lost any leverage. They still
23 have the opportunity to come back, go through dispute
24 resolution, and ultimately, before the Commission, if
25 they are not satisfied.

1 Q Are you familiar with the AT&T bill
2 changes, that are involved in those arbitrations
3 proceedings?

4 A Yes, I was.

5 Q Now, those changes were handled through
6 arbitrations, correct, and not the CMP?

7 A When you say, "the billing changes,"
8 maybe I should be more specific. Language and payment
9 terms and conditions, such as we're discussing here
10 today, were negotiated in the interconnection
11 agreement. They were not disputed issues in the
12 arbitration.

13 Q Okay. Thank you. And AT&T -- you said
14 that they were not disputed issues in the arbitrations,
15 but they were negotiated in the new interconnection
16 agreement?

17 A They were negotiated in the
18 interconnection agreements, and AT&T agreed to the same
19 language that Qwest is proposing here. In fact, AT&T,
20 in their original interconnection agreement, had
21 somewhat more favorable language

22 Q Similar to Covad's, correct?

23 A No. What AT&T had in their original
24 language had to do with 30 days from the receipt of the
25 bill, as opposed to from the bill date.

1 A.L.J. JENNINGS-FADER: Excuse me. I'm
2 sorry. When you say, "original agreement," do you mean
3 the first interconnection agreement between --

4 THE WITNESS: Back in the.

5 A.L.J. JENNINGS-FADER: Between AT&T and
6 Qwest?

7 THE WITNESS: Back in the '90s.

8 A.L.J. JENNINGS-FADER: Thank you.

9 BY MS. FRAME:

10 Q I'm going to lead you back to your answer
11 testimony again, Exhibit 4. On page 9, lines 2 through
12 15, you testify that Covad mischaracterizes the short
13 dispute time frame, and that -- well, you characterize
14 it that way. Would you explain, again -- it's unclear
15 to me -- what disputes are subject to the 120-day time
16 frame versus the 15-day time frame?

17 A There are no specifics in the language in
18 the interconnection agreement, nor anywhere else, that
19 I'm aware of, of exactly what types of disputes are to
20 be handled in 15 days versus 120 days. My reading of
21 the agreement is any billing dispute could be brought
22 forward, as long as it's 120 days after the date of the
23 bill.

24 Q It looks to me, though, that -- let me
25 strike that.

1 All right. I'm going to call your
2 attention, again, to your answer testimony, Exhibit 4,
3 page 10, lines 17 -- well, line 17 through page 11,
4 line 2. You have stated that other parties could opt
5 in to Covad's language, if it's adopted, so -- I
6 assume. So, Covad's payment history is not the only
7 relevant issue here. And you state that it's also not
8 a guaranty of future payments, leaving Qwest with
9 significant risk of no remedy for nonpayment during
10 that period. Do you know what -- can you tell me what
11 -- could you quantify that risk for us?

12 A I can't quantify that risk, but as I
13 pointed out, you know, any CLEC would be able to opt in
14 to this agreement. And to the extent there are
15 extended time frames, and to the extent they ran into
16 payment difficulties at some point, it could cause
17 problems for Qwest. And we have had some cases, in the
18 industry, in the last several years, where there were
19 significant amounts of nonpayment; that Qwest, and
20 other ILECs were left holding the bag for.

21 So, that, I'm just saying that Covad's
22 past history isn't the only thing that we need to look
23 at when we're talking about deciding payment terms and
24 conditions.

25 Q But, in your answer testimony, again, in

1 Exhibit 4, on page 11, lines 7 through 15, you do go
2 into detail, particularly on some of these receivable
3 issues. You testified that Qwest was left with over 5
4 million in receivables. But what does that have to do
5 with the intervals in your interconnection agreement
6 with Covad, especially if Qwest voluntarily continued
7 or agreed to forego or to rearrange payment
8 arrangements with that particular CLEC. Doesn't that
9 undercut Qwest's concerns in this case?

10 A Well, I think, in fact, it highlight
11 Qwest's concerns. It's been Qwest's experience that
12 the longer we wait before taking action in case of
13 nonpayment, the less likely we ultimately are to
14 receive payment.

15 And I think the lessons we may have
16 learned from the examples I cited here, is, that maybe
17 we shouldn't be quite so lenient, and that we should
18 follow the terms and conditions in the interconnection
19 agreement. We obviously, you know, want to work with
20 our carriers and want to be reasonable. On the other
21 hand, there are situations where you can delay too long
22 and end up limiting the amount of dollars you are going
23 to be able to recover.

24 Q Aren't there provisions in the
25 interconnection agreement, or the agreement being

1 negotiated, that specifically address bankruptcy and
2 insolvency issues?

3 A Yes.

4 Q With Competitive Local Exchange Carriers?

5 A Yes.

6 Q Didn't these situations we're talking
7 about, the old language in the SGAT, where we have a
8 30-day payment period, didn't these situations that you
9 describe in your testimony, specifically the CLEC that
10 left you with 5 million in receivables, and the second
11 CLEC that left you with 4 million in receivables,
12 didn't this happen underneath your current SGAT, where
13 you have a 30-day payment period?

14 A Yes, it did.

15 MS. FRAME: That is all for my questions
16 right now, Mr. Easton. Thank you.

17 A.L.J. JENNINGS-FADER: Mr. Easton, I do
18 have some questions.

19 THE WITNESS: Okay.

20 A.L.J. JENNINGS-FADER: So, bear with me.
21 I will try to stumble through them.

22 EXAMINATION

23 BY A.L.J. JENNINGS-FADER:

24 Q We start with your direct testimony,
25 Exhibit No. 3. And at page 4, line 19, through page 5,

1 line 4, and we discuss this with counsel for Covad, but
2 not here. I got that sense -- and it's later in your
3 testimony, direct testimony, that there haven't been,
4 in your opinion, changed circumstances that would
5 warrant relooking at the issue of whether the time for
6 bill payment, this -- we're going to focus on only Bill
7 Payment Issue No. 1.

8 A One.

9 Q Is that you don't think there's been a
10 change in circumstances that would warrant revisiting
11 the time available for payment of the bill; is that
12 correct?

13 A No. I don't believe so.

14 Q Okay. So, I just was curious as to
15 whether you think Covad raises the question about the
16 change in availability of line-sharing, and the fact
17 that Covad is now going to have to move to a
18 line-splitting arrangement, in view of the change
19 ordered by the Federal Communications Commission, and
20 the Triennial Review Order. Could you explain why you
21 don't think that is a change which is sufficient to
22 warrant reexamination of the question of the amount of
23 time Covad would have to pay the bill?

24 A I would argue that that is a business
25 decision that Covad has made, to partner with another

1 carrier, to provide their services. And, granted,
2 there will be some billing coordination issues those
3 two partners are going to have to work through, but I
4 would say it's up to the two partners to deal with
5 those issues. That's the business decision they made,
6 and that it shouldn't be up to Qwest to delay receiving
7 the payment for 15 days, because of a decision that
8 Covad has made.

9 Q And forgive me if you know this, but let
10 me tell you my understanding of the Federal
11 Communication Commission's decision with respect to
12 line-sharing and line-splitting. As I understand the
13 Triennial Review Order, the concept of the
14 line-sharing, that is, Qwest providing voice and Covad
15 being able to buy the data portion of the loop, is
16 available only through October 1st of 2004. And,
17 thereafter, Covad is being -- Covad, or any other Data
18 Competitive Local Exchange Carrier, will have to look
19 to partner, in your words, with other CLECs,
20 Competitive Local Exchange Carriers, if they wish to
21 provide only data service; that Qwest is no longer
22 required to provide line-sharing after October of 2004.

23 Now, I hope that's true, but, let's
24 assume that -- I hope that's a correct statement.
25 Let's assume that it is, for purposes of my question.

1 Can you explain how that change, which has been imposed
2 on the Data Competitive Local Exchange carriers, is, in
3 your opinion, the same as a business decision that's
4 been made by Covad?

5 A Well, I would -- granted that, certainly,
6 the way you phrased it, that change in their business
7 strategy was imposed upon them. But I get back to the
8 issue, why should Qwest now have to wait an additional
9 15 days for their money for services that they
10 provided, you know, in the month before, in many cases.

11 Q So, even in the most harsh light, as I
12 presented it, you don't see -- it's your opinion that
13 the change from the Triennial Review Order is not
14 sufficient to reexamine the question of the amount of
15 time that Covad would have to pay the initial bill?

16 A I don't know enough about how the Covad
17 process is going to work with the partner, which there
18 are potentially mechanized ways that the two partners
19 can handle that. I would need to hear more about that.

20 Q Okay. Just to clarify one statement in a
21 couple of places in your testimony, your direct
22 testimony. You do reference the AT&T and TCG
23 interconnection agreement, the newly negotiated, newly
24 framed agreement. Do you know whether that agreement
25 has been approved by the Public Utilities Commission of

1 Colorado?

2 A I believe it has, but I would defer to
3 Mr. McDaniel on that.

4 Q Thank you. In your direct testimony, at
5 page 9, lines 17 to 20, there's a reference -- you
6 discuss the performance measures relating to billing
7 completeness and accuracy.

8 A Yes.

9 Q That are part of the Colorado Performance
10 Assurance Plan. In your answer testimony, you
11 reference Performance Indicator Definition BI-3A. Is
12 that the performance measure that you had reference to
13 in your direct testimony?

14 A BI-3A has to do with accuracy. There's
15 another performance measure related to completeness of
16 billing.

17 Q Just -- do you happen to know what that
18 number is? I'm sure it's a BI something.

19 A It's either BI-2 or BI-1. I am sorry. I
20 don't recall. Well, actually give me a second here. I
21 am not sure whether I brought that with me or not.

22 Q Actually it's -- that's all right. It's
23 just -- there is a specific Performance Indicator
24 Definition that relates specifically to completeness of
25 the data.

1 A That's correct.

2 Q That's fine. Thank you. I don't recall
3 seeing, in the record, a copy of a bill sent -- or what
4 a bill looks like that goes from Qwest to Covad. I
5 understand -- I have seen a description that -- a
6 little multi-page document, leave it at that.

7 Is there a -- if you could help me to
8 understand what Covad gets from Qwest, what it looks
9 at. Is there a summary 4-page document that says, for
10 example, for this service, so much money, for this
11 service, so much money, with supporting documents
12 attached. Is that kind of how it. . .

13 A Actually, Covad and Ms. Doberneck can
14 probably give you the specifics, but it's receivables
15 billing out of two or three different systems,
16 depending on the type of service that's being billed.
17 And they would be receiving bills out of our CRIS
18 system for any UNE or resale or line-sharing products.
19 And that would have a somewhat different format, but
20 much like you're talking about.

21 And they would also be receiving, as I
22 mentioned in my testimony, bills out of our BART
23 system, for nonrecurring collocation type of charges.

24 Q And just so the record is clear, BART is
25 B-A-R-T?

1 A B-A-R-T.

2 Q Thank you.

3 A And, in addition, they may be receiving
4 billing out of our IABS system, I-A-B-S, for local
5 service that they may be purchasing.

6 Q Okay. Yeah. Now, could you turn to
7 your, please, to your direct testimony, Exhibit 3, at
8 page 11, and at lines 1 through 19 is Qwest's language
9 for Section 5.4.2. Are you -- I have the right
10 citation?

11 MR. NEWELL: (Nodding head in the
12 affirmative.)

13 THE WITNESS: I am there.

14 BY A.L.J. JENNINGS-FADER:

15 Q And this may be so obvious to the
16 parties, but it's not obvious to me, at least. The
17 first sentence -- which we should say, this talks
18 about -- the section relates to one party, and, in this
19 case, we'll say Qwest -- discontinuing processing
20 orders for failure of Covad to make payment; is that
21 correct?

22 A That would be an example of that, yes.

23 Q To make payment for the relevant
24 services. So, what does that mean? In other words,
25 could Covad pay part of the bill and not pay part of

1 the bill, and be disconnected for all ordering? Or
2 disconnected only for ordering related to the portion
3 of the bill for which Covad did not make payment,
4 assuming no dispute.

5 A Okay. This has to do with discontinuing
6 processing orders as opposed to disconnecting service.

7 Q Yes.

8 A They have the same language in there in
9 terms of relevant services. What that is intended to
10 mean is, if it's collocation bills that you were not
11 paying, it's your collocation orders that we would
12 not -- that we would discontinue processing orders for.

13 Q And that answer anticipated the question
14 with respect to discontinuation of service -- providing
15 service. It has the same language and it would have
16 the same relationship?

17 A That's correct.

18 Q On that same page, in your direct
19 testimony -- it's page 11. At lines 29 and 30, you
20 talk about Qwest providing some services in advance of
21 the invoice date; and, therefore, having yet longer
22 periods of time waiting for payment. Does Qwest
23 provide services to Covad in advance of the invoice
24 date?

25 A In some cases, yes.

1 Q Okay. This is not a general statement.
2 This is --

3 A No. An example.

4 Q A Covad-specific statement?

5 A An example of that would be nonrecurring
6 charges, installing service. So we have installed it,
7 they have incurred a nonrecurring charge, and we would
8 bill it the following month.

9 Q Okay. With respect to repeatedly --
10 dispute over the issue for repeatedly delinquent
11 provisions. Is it a 12-month period? Is there a
12 rolling 12-month period or a calendar year?

13 A I believe it is a rolling --

14 Q Thank you.

15 A -- period.

16 Q Staying on page 7 -- or, excuse me, 17 of
17 your direct testimony. Am I correct in reading your
18 testimony, on lines 10 to 19, as meaning that if the
19 Commission were to change the 30-day time period in --
20 with respect to Issue 1, that it should also then
21 change the repeatedly delinquent definition? In other
22 words, that those two provisions are tied together?

23 A I think that makes sense. In other
24 words, if you are allowed 45 days to pay, and you
25 hadn't paid on the 30th day, I would not consider you

1 delinquent.

2 Q Just so -- well, with respect to your
3 answer testimony at page 6, lines 3 to 11, and also --
4 I'm sorry. Continuing through line 17. That is a
5 discussion of the impact of the Colorado Performance
6 Assurance Plan, as showing that there are billing issue
7 Performance Indicator Definitions, as we discussed
8 earlier, and that if Qwest fails to meet those
9 indicators, that there is a -- there are monetary
10 assignments assigned or associated with those failures.

11 It's true, is it not, that the
12 Performance Indicator BI-3A is based on statewide
13 performance and not CLEC-specific performance?

14 A No. It is based on CLEC-specific
15 performance. So, payments for this particular measure,
16 that went to Covad, would be based on performance with
17 regard to Covad and Qwest billing.

18 Q I would like to discuss with you what,
19 based on my reading, is a major theme of Qwest's
20 concern with respect to the billing issues. And it
21 seems to me that that major issue is the opportunity of
22 other Competitive Local Exchange Carriers to opt in to
23 these billing provisions in an interconnection
24 agreement, and Qwest's concern that if the Commission
25 were to extend the time periods, as requested by Covad,

1 that other carriers, seizing the opportunity, would
2 also opt in to those provisions; is that a fair
3 statement of the concern?

4 A That's a concern, but I would also argue
5 that I believe these are the appropriate payment terms
6 for Covad as well. And despite the change in situation
7 that we talked about earlier, in fact, Qwest does offer
8 line-splitting/loop-splitting products today, and other
9 carriers are ordering that, going through the same kind
10 of partnership relationships that Covad talks about in
11 their testimony. And those folks are being allowed 30
12 days, to date, not the 45 that Covad is proposing.

13 Q So, Qwest is not concerned about opting
14 in?

15 A No. We are concerned about opting in.
16 The reason I raise the point about opting in is Covad
17 made the point, correctly so, that the billing
18 relationship with Qwest has not been problematic. In
19 fact, Covad has always paid.

20 Q I am -- no, sir. I am sorry. I do
21 understand that, but I gathered from your answer
22 testimony, when you said that while Covad had not had a
23 difficult or problematic relationship with Qwest, other
24 carriers had. And to the extent that an extended
25 payment provision were given to Covad, it would then be

1 available to other, potentially, problematic carriers,
2 for purposes of opting in. Did I misunderstand?

3 A That is correct. That is a concern. And
4 the point there is that Covad's billing performance
5 isn't the only relevant measure we would look at when
6 deciding what we should be using for payment terms.

7 Q So, is it Qwest's -- is it your
8 testimony, then, that if, in looking at interconnection
9 agreements for the purposes of arbitrating provisions
10 of interconnection agreements, the Commission should
11 look at the impact of -- or potential impact of opting
12 in to those provisions, the impact that that might have
13 on Qwest?

14 A I believe that's correct. I can tell
15 you, when Qwest negotiates an interconnection
16 agreement, we are very aware of the potential for folks
17 opting in, and we want to make sure that's something
18 that we could live with.

19 Q And, so, in a similar vein, the
20 Commission should also look at that in determining the
21 arbitration or making the arbitration decisions?

22 A I believe so, yes.

23 Q Does Qwest's concern about the billing
24 issues, 1 through 4 -- I'm sorry. Would Qwest's
25 concerns about Billing Issues 1 through 4 be reduced,

1 in any way, if the provisions relating to bill payment,
2 timing of discontinuing ordering -- or processing of
3 orders, timing of disconnecting service, and repeatedly
4 delinquent were specific to, or added as conditions to
5 specific types of services, such as providing, just as
6 an example, providing line-sharing, even though I know
7 that's going by the wayside; but, in other words, if it
8 were no longer provisioned in the general provision
9 section, which is where it's found now, but rather were
10 put into and made condition-specific, with specific
11 conditions as to specific products or types of
12 products.

13 A I think that would be very problematic,
14 given the billing systems we have. And, as I mentioned
15 earlier, the CRIS system bills for several of the
16 products we're talking about here. And when you start
17 differentiating one product within the system from the
18 other, and say, on this one, you allow 45 days for them
19 to pay, but on the others, on this same bill, you only
20 allow 30 days, I believe, you know, you create kind of
21 a nightmare, from a processing problem point of view.

22 A.L.J. JENNINGS-FADER: Thank you,
23 Mr. Easton. I have no additional questions. Covad, do
24 you have any questions, based on what I asked
25 Mr. Easton?

1 MR. NEWELL: May we have a moment, Your
2 Honor?

3 A.L.J. JENNINGS-FADER: Certainly.

4 (Discussion off the record between
5 Covad's attorneys.)

6 MS. FRAME: Covad doesn't have any
7 further questions for this witness.

8 A.L.J. JENNINGS-FADER: Okay. Thank you.
9 Qwest -- I am sorry, staff.

10 MR. NOCERA: None from staff, no problem.

11 CROSS EXAMINATION

12 BY MS. WAXTER:

13 Q With respect to the discussion you were
14 having with the ALJ earlier, about the line-splitting
15 and the TRO on the October 1st date coming up in --
16 here in 2004. Are you aware that under -- or pursuant
17 to section -- or paragraph 264 of the TRO, that there's
18 a three-year phaseout of line-sharing?

19 A I understand there is some sort of
20 phaseout. I can't tell you exactly how that works,
21 however.

22 Q Okay. Are you also aware that the number
23 of lines for line-splitting is substantially smaller
24 than the number of lines for line-sharing?

25 A I would accept that.

1 A.L.J. JENNINGS-FADER: I am sorry, do
2 you know that?

3 THE WITNESS: I don't know that for a
4 fact.

5 A.L.J. JENNINGS-FADER: Thank you.

6 THE WITNESS: No.

7 MS. WAXTER: I am done with my questions.
8 Thank you.

9 A.L.J. JENNINGS-FADER: Thank you.
10 Mr. Easton, thank you so much. You have been very
11 helpful. We appreciate your testimony and your time
12 this afternoon. So, you are excused.

13 Covad, I believe it's your --

14 MS. FRAME: Yes.

15 A.L.J. JENNINGS-FADER: You're up.

16 MS. FRAME: Covad is calling Ms. Megan
17 Doberneck to the stand.

18 (Discussion off the record.)

19 (Whereupon Megan Doberneck was sworn.)

20 A.L.J. JENNINGS-FADER: Thank you, ma'am.

21 Have a seat. Please state your name and spell your
22 last name for the record.

23 THE WITNESS: Certainly. My name is
24 Megan Doberneck. That is "D," as in "David," o-b, as
25 in "boy," e-r, neck, "n" as in "Nancy," e-c-k.