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BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION

IDAHO PUBLIC  
UTILITIES COMMISSION

IN THE MATTER OF QWEST )  
CORPORATION'S PETITION ) CASE NO. QWE-T-08-07  
FOR APPROVAL OF NON-IMPAIRED )  
WIRE CENTER LISTS PURSUANT TO )  
THE TRIENNIAL REVIEW REMAND )  
ORDER )  
\_\_\_\_\_ )

DIRECT TESTIMONY OF VICTORIA HUNNICUTT  
QWEST CORPORATION

APRIL 17, 2009

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**I. IDENTIFICATION OF WITNESS**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION WITH QWEST CORPORATION.**

A. My name is Victoria Hunnicutt. My business address is 1801 California Street, Denver, Colorado. I am employed by Qwest Corporation as a Director supporting costs and issues management.

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.**

A. I have earned a Bachelor of Science in Electrical Engineering from the University of Virginia. In addition, I have taken numerous telecommunications seminars and classes including graduate courses in Telecommunications Management.

I have been employed by Qwest (formerly, US West) since 1998. My original position was with the transport modeling team in the Pricing and Regulatory Matters department as a Cost Analyst. In 1999, I assumed responsibility for the Collocation Cost Model, programming the model and producing the cost studies for the various Qwest Corporation cost dockets. In 2003, I began working on analyses and documentation as part of the Loop Modeling team. In 2004, I began work as a technical analyst and developer in the Public Policy department. Presently, my responsibilities include, but are not limited to, technical and cost analyses, as well as providing subject matter expert support on collocation issues in regulatory proceedings.

1           Prior to coming to Qwest, I worked as a computer consultant/programmer, as well  
2 as a resource management consultant for a software company.

3           **Q.    HAVE YOU TESTIFIED BEFORE THIS COMMISSION BEFORE?**

4           A.    No, I have not.

5



1           **III.    FCC GOVERNING RULES AND RATE JURISDICTION**

2           **Q.    IS QWEST ENTITLED TO RECOUP THE COSTS FOR SERVICES**  
3 **RENDERED ON BEHALF OF CLECs IN CONVERTING FROM UNE**  
4 **SERVICES TO FEDERALLY TARIFFED SPECIAL ACCESS/PRIVATE LINE**  
5 **(“PRIVATE LINE”) SERVICES?**

6           A.    Yes. Qwest incurs costs in the process of converting the requesting  
7 CLEC’s UNE transport or high-capacity loops to alternative facilities and arrangements  
8 and, therefore, should be permitted to assess an appropriate charge.<sup>4</sup> If the CLEC  
9 chooses to avail itself of facilities other than those offered by Qwest, the CLEC would  
10 not be charged because Qwest would not incur the costs of performing the tasks  
11 associated with conversion of UNE facilities to alternative facilities precipitated by a  
12 determination of wire center non-impairment.

13           **Q.    IS THIS DOCKET THE CORRECT VENUE TO DETERMINE**  
14 **THE APPROPRIATE RATE AMOUNT TO CHARGE FOR THE CONVERSION**  
15 **PROCESS?**

16           A.    No, I do not believe so. This docket addresses the non-impairment status  
17 of two Idaho wire centers. As I discuss in greater detail below, this is not the appropriate  
18 venue to address issues that fall under the FCC’s jurisdiction. Furthermore, the *TRRO* is

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The *TRRO* reversed the *TRO*, in part. The *TRRO* also clarified the impairment standard adopted in the *TRO* and modified its application of the unbundling framework. Please refer to Ms. Albersheim’s Direct Testimony (Idaho Case No. QWE-T-08-07, dated April 17, 2009) (“Albersheim Direct”) for a summary of the FCC’s *TRO* and the *TRRO*.

<sup>4</sup> Please see Albersheim Direct regarding UNE transport and high-capacity loops.

1 clear that with a non-impairment designation the parties must *negotiate*, in good faith,  
2 reasonable processes and procedures to ensure that the completion of the conversion  
3 process is timely.<sup>5</sup> As discussed in Ms. Albersheim's Direct Testimony, Qwest and a  
4 number of CLECs have negotiated these processes and procedures and arrived at a  
5 settlement that includes an appropriate conversion charge.

6 **Q. WHAT FCC RULES GOVERN THE PRICING OF UNES?**

7 A. Sections 251 and 252 of the Act under *Part II – Development of*  
8 *Competitive Markets*, address the carrier obligations and the standards for pricing UNES.  
9 Section 251, *Interconnection*, details the duties and obligations of all local exchange  
10 carriers, including the obligation of the ILEC to provide unbundled access to any  
11 requesting telecommunications carrier in order to further the development of competitive  
12 markets. Section 252 of that same Part, *Procedures for Negotiation, Arbitration, and*  
13 *Approval of Agreements*, sets forth the expectations associated with negotiations of rates,  
14 terms and conditions for interconnection, services, and network elements pursuant to  
15 section 251. Under Section 271 of the Act,<sup>6</sup> adherence to Sections 251 and 252 was a  
16 requirement for Bell Operating Companies (“BOCs”) to enter into interLATA services  
17 such as interLATA long distance. The FCC is clear in sections 251 and 252 that the state  
18 commissions have jurisdiction over UNE rates, terms and conditions.

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<sup>5</sup> See *TRRO*, ¶ 233, at page 133.

<sup>6</sup> Section 271, *Bell Operating Company Entry Into InterLATA Services*, falls under *Part III – Special Provisions Concerning Bell Operating Companies* and provides a competitive checklist with which each Bell Operating Company (“BOC”) was required to demonstrate compliance with in order to offer interLATA long distance services.

1           **Q.    ONCE COMPETITION HAS BEEN CONFIRMED THROUGH**  
2 **THE DESIGNATION OF A NON-IMPAIRED WIRE CENTER, WHAT PRICING**  
3 **RULES GOVERN THE RATES, TERMS AND CONDITIONS ASSOCIATED**  
4 **WITH THE NON-UNE ELEMENT?**

5           A.    Sections 201 and 202 under *Part I – Common Carrier Regulation*, of the  
6 Act address the standards for pricing elements that have been removed from the list of  
7 Section 251 UNEs (delisted UNEs). Section 201, *Service and Charges*, addresses the  
8 duties of every common carrier engaged in interstate or foreign communication to  
9 furnish such communication services such that all charges, practices, classifications, and  
10 regulations for and in connection with such communications service shall be just and  
11 reasonable.<sup>7</sup> The FCC has jurisdiction over delisted UNEs that fall under section 271 and  
12 which rates are filed in interstate tariffs.

13           **Q.    DOES THE FCC ADDRESS PRICING OF “DELISTED” UNEs**  
14 **(FORMER UNEs THAT HAVE BEEN REMOVED FROM THE LIST OF**  
15 **SECTION 251 UNEs)?**

16           A.    Yes, the FCC is clear on this issue. In paragraph 656 of the *TRO*, the FCC  
17 made the following statement addressing sections 251, 252 and pricing under a non-  
18 impairment scenario:

19           Where there is no impairment under section 251 and a network element is no  
20           longer subject to unbundling, **we look to section 271 and elsewhere in the Act**

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<sup>7</sup> See the FCC's *Communications Act of 1934, Title II – Common Carriers, Part I – Common Carrier Regulation*, Section 201(b), at page 36.

1           **to determine the proper standard for evaluating the terms, conditions, and**  
2           **pricing...**<sup>8</sup> (Emphasis added.)

3           In that same paragraph of the *TRO*, the FCC is more specific in its discussion of  
4           transitional pricing issues:

5                   Congress established a pricing standard under section 252 for network elements  
6                   unbundled pursuant to section 251 *where impairment is found to exist*. Here,  
7                   however, we are discussing the appropriate pricing standard for these network  
8                   elements where there is no impairment. Under the no impairment scenario,  
9                   section 271 requires these elements to be unbundled, but not using the statutorily  
10                  mandated rate under section 252. As set forth below, we find that the appropriate  
11                  inquiry for network elements required only under section 271 is to assess whether  
12                  they are priced on a just, reasonable and not unreasonably discriminatory basis –  
13                  the standards set forth in sections 201 and 202. (Emphasis is original.)<sup>9</sup>

14          In the next paragraph, the FCC specifically addresses the appropriate application of  
15          sections 251 and 252 on network elements:

16                  Section 252(d)(1) provides the pricing standard “for network elements for  
17                  purposes of [section 251(c)(3)],” and does not, by its terms, apply to network  
18                  elements that are required only under section 271. Indeed, section 252(d)(1) is  
19                  quite specific that it only applies for the purposes of implementation of section  
20                  251(c)(3) – meaning *only where there has been a finding of impairment* with  
21                  regard to a given network element. [Footnote omitted.] (Emphasis added.)<sup>10</sup>

22          To summarize my point, before any conversion is required by the FCC ruling, there must  
23          be a non-impairment designation. Once a state commission has confirmed non-  
24          impairment, according to the FCC, the pricing standards set forth in sections 201 and 202  
25          of the Act (not those in sections 251 and 252) govern.

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<sup>8</sup> See *TRO*, ¶ 656, at page 409.

<sup>9</sup> See *TRO*, ¶ 656, at page 409. Although the *TRO* was reversed in part by the D.C. Circuit in the *USTA II* decision, this part of the *TRO* was not reversed.

<sup>10</sup> See *TRO*, ¶ 657, at page 409.

1           **Q.     FOR A NETWORK ELEMENT UNDER SECTION 271 AS**  
2 **DISCUSSED IN THE QUOTATION IN THE PREVIOUS ANSWER, WHAT IS**  
3 **THE BASIS FOR DETERMINING AN APPROPRIATE RATE?**

4           A.     The FCC has stated that such elements must “be priced on a just,  
5 reasonable and not unreasonably discriminatory basis – the standards set forth in sections  
6 201 and 202.” [Footnote omitted.]<sup>11</sup>

7           **Q.     HAS THE FCC ADDRESSED HOW A BELL OPERATING**  
8 **COMPANY (“BOC”) LIKE QWEST MIGHT SATISFY THIS STANDARD?**

9           A.     Yes, in the *TRO*, the FCC listed two examples of how a BOC might satisfy  
10 this standard:

- 11           1.     “[Demonstrate] that the rate for a section 271 network element is at or below  
12 the rate at which the BOC offers comparable functions to similarly situated  
13 purchasing carriers under its interstate access tariff, to the extent such  
14 analogues exist,”<sup>12</sup> or
- 15           2.     “[D]emonstrate that the rate at which it offers a section 271 network element  
16 is reasonable by showing that it has entered into arms-length agreements  
17 with other, similarly situated purchasing carriers to provide the element at  
18 that rate.”<sup>13</sup>

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<sup>11</sup> *TRO*, ¶ 656, at page 409.

<sup>12</sup> *TRO*, ¶ 664, at page 412.

<sup>13</sup> *Id.*

1           **Q.    REGARDING THE FIRST EXAMPLE, ABOVE, CAN QWEST**  
2 **DEMONSTRATE THAT THE CONVERSION CHARGE IT INTENDS TO**  
3 **ASSESS IS AT OR BELOW THE RATE AT WHICH QWEST OFFERS**  
4 **COMPARABLE FUNCTIONS TO SIMILARLY-SITUATED CARRIERS UNDER**  
5 **ITS INTERSTATE ACCESS TARIFF?**

6           A.    Yes. The \$25 conversion rate is based on the Design Change Charge  
7 found in Qwest's FCC Tariff No. 1<sup>14</sup> with a 50% rate reduction applied when assessed for  
8 the conversion of UNE services to finished Private Line services. The 50% reduction  
9 factor applied to the federally tariffed Design Change Charge was a negotiated amount,  
10 pursuant to the FCC transitional Rules, and agreed to in the settlement discussions  
11 described in Ms. Albersheim's Direct Testimony. The Settlement Agreement that  
12 resulted from those discussions has been approved in five states and provides for the  
13 conversion rate at \$25.

14           **Q.    REGARDING THE SECOND EXAMPLE, ABOVE, HAVE**  
15 **SIMILARLY-SITUATED CARRIERS ENTERED INTO AN ARMS-LENGTH**  
16 **AGREEMENT TO PROVIDE THE ELEMENT AT THE SAME RATE?**

17           A.    Yes, numerous CLECs have entered into the Settlement Agreement,  
18 mentioned above, providing for the \$25 conversion charge. In addition, 146  
19 interconnection agreements containing the same conversion charge have been entered

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<sup>14</sup> See Qwest's FCC Tariff No. 1, Section 5.2.2.C, at 2<sup>nd</sup> Revised Page 23. Qwest's FCC Tariff No. 1 can be found at [http://tariffs.qwest.com:8000/Q\\_Tariffs/FCC/index.htm](http://tariffs.qwest.com:8000/Q_Tariffs/FCC/index.htm). The 50% reduction of the Design Change Charge is noted in the footnote associated with the rate.

1 into across Qwest's 14-state region. Of the 146 agreements providing the element at that  
2 rate, eight of them were with CLECs operating in Idaho.

3 **Q. IS QWEST ASKING THIS COMMISSION TO ACKNOWLEDGE**  
4 **ITS RIGHT TO ASSESS AN APPROPRIATE CHARGE FOR THE WORK THAT**  
5 **IT PERFORMS IN THE CONVERSION PROCESS?**

6 A. Yes. I am demonstrating with this testimony the nature and cause of the  
7 work activities that Qwest will perform in processing the conversions from UNE services  
8 to Qwest Private Line services that will occur at those wire centers the FCC has deemed  
9 non-impaired. For the reasons stated above and pursuant to the FCC rules, Qwest  
10 believes that its existing, federally tariffed Design Change Charge represents an  
11 appropriate, albeit conservative, charge to CLECs for costs incurred by Qwest to process  
12 these conversions on behalf of the CLECs. Qwest respectfully asks this Commission  
13 merely to acknowledge Qwest's right to assess such a negotiated and federally tariffed  
14 charge to recoup a portion of its costs incurred for the work that it performs on behalf of  
15 the CLEC.

16 **Q. IF QWEST BELIEVES THIS IS NOT THE PROPER**  
17 **JURISDICTION FOR RATE APPROVAL OF A FORMER UNE, WHY IS IT**  
18 **PRESENTING THE RATE TO THIS COMMISSION?**

19 A. The FCC declined suggestions to adopt rules establishing specific  
20 procedures that ILECs and CLECs must follow to convert to non-section 251 services,  
21 with the expectation that both parties have enough incentive to negotiate, and not litigate,

1 to establish any necessary procedures to perform conversions.<sup>15</sup> For this reason, Qwest is  
2 neither submitting a cost study nor is it requesting *approval* of a particular rate. Rather,  
3 Qwest is simply asking that this Commission acknowledge that Qwest is entitled to be  
4 compensated for the costs that it incurs in the seamless conversion from UNE services to  
5 alternative services (such as finished Private Line services) should a CLEC request to  
6 remain on Qwest facilities after a non-impairment designation. Qwest makes this request  
7 with the hope that such acknowledgement will serve the FCC's goal of encouraging  
8 ILECs and CLECs to negotiate in good faith regarding any *rates*, terms, and conditions  
9 necessary to implement the FCC rule changes,<sup>16</sup> and to ensure that parties do not engage  
10 in unnecessary delay in implementing the FCC's rule changes,<sup>17</sup> through litigation or by  
11 other means.

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<sup>15</sup> See *TRO*, ¶ 585, at page 371.

<sup>16</sup> See *TRRO*, ¶ 233, at page 133.

<sup>17</sup> *Id.*

1                                   **IV.    UNE TO PRIVATE LINE CONVERSION**

2           **Q.    GIVEN A NON-IMPAIRMENT FINDING, DOES A CLEC HAVE**  
3 **CHOICES OTHER THAN TO CONVERT ITS UNE SERVICES TO QWEST**  
4 **PRIVATE LINE SERVICES?**

5           A.    Absolutely. A determination of non-impairment means that substantial  
6 competition exists. For non-impaired wire centers, CLECs have facilities available to  
7 them from other carriers and no longer remain reliant on the ILEC.

8           For wire centers that this Commission has confirmed to be non-impaired, the FCC  
9 has found that sufficient alternatives are available to CLECs in the affected wire centers  
10 to preclude CLECs' exclusive reliance on Qwest facilities in order to maintain a  
11 competitive marketplace. Not only do CLECs have facilities available to them from  
12 other carriers, but CLECs have the option to construct their own facilities, thereby  
13 making reliance on Qwest's, or any other providers', DS1 and DS3 facilities unnecessary.

14           **Q.    SHOULD IT CHOOSE TO DO SO, COULD A CLEC REMAIN ON**  
15 **QWEST'S FACILITIES RATHER THAN DISCONNECTING AND USING ITS**  
16 **OWN FACILITIES OR THOSE OF OTHER CARRIERS?**

17           A.    Yes, it can. As a result of a non-impairment determination, Qwest is no  
18 longer *required* to provide UNE access to DS1 or DS3 loops, or DS1 or DS3 inter-office  
19 transport in wire centers that have met the FCC thresholds for non-impairment.

20 However, comparable facilities are still offered as Private Line services instead of as  
21 UNE services. A CLEC may request to remain on Qwest's facilities, but its existing  
22 UNE facilities must be converted to federally tariffed Special Access/Private Line

1 Services. When a CLEC requests to remain on Qwest facilities rather than disconnecting  
2 entirely and availing itself of alternative facilities, the CLEC has implicitly decided that  
3 converting from UNE services to Qwest's Private Line services is the most attractive  
4 business choice among various alternatives. If Qwest were not permitted to charge  
5 CLECs for the costs incurred to perform the conversion, such no-cost conversions could  
6 distort the appropriate economic assessments and create an inappropriate incentive for the  
7 CLECs to convert to Qwest's facilities, rather than explore other alternatives, such as  
8 building its own facilities. Furthermore, if Qwest were required to perform the activities  
9 associated with the conversion, but were prevented from recovering the costs of such  
10 activities, the economic burden would be inappropriately shifted to Qwest. This  
11 inappropriate shift of the economic burden would ultimately and negatively affect  
12 Qwest's end-user customers, thus, placing Qwest at a disadvantage in a marketplace that  
13 the FCC deemed to be competitive and undermining important goals of the Act.

14 Therefore, to the extent that Qwest incurs costs to facilitate the CLEC's  
15 conversion from a UNE service to a Special Access/Private Line service, Qwest is  
16 entitled to assess an appropriate, nonrecurring charge to recover its costs.

17 **Q. TO GET A BETTER UNDERSTANDING OF THE PROCESS,**  
18 **WHAT STEPS ARE INVOLVED IN CONVERTING A UNE SERVICE TO A**  
19 **SPECIAL ACCESS/PRIVATE LINE SERVICE?**

20 A. The conversion of a UNE service to a Special Access/Private Line service  
21 involves three functional areas within Qwest's ordering and provisioning organizations.  
22 The personnel within the three functional areas involved with a conversion are: (1) the

1 Service Delivery Coordinator (“SDC”), (2) the Circuit Designer, and (3) the Service  
2 Delivery Implementer. Within each of these three job functions, there are a variety of  
3 steps that Qwest must undertake to ensure the data for the converted service is accurately  
4 recorded and tracked in the appropriate systems.

5       Upon the request from a CLEC to remain on Qwest facilities and, therefore,  
6 convert its UNE services to Qwest Private Line services, the SDC reviews and confirms  
7 the data in the Access Service Request (“ASR”) and ensures the data is accurately  
8 incorporated into the two service orders required to transfer from the Customer Record  
9 and Information System (“CRIS”) billing system (for UNE services) to the Integrated  
10 Access Billing System (“IABS”) billing system (for Private Line services).<sup>18</sup> The SDC is  
11 the primary contact for the CLEC and provides end-to-end order coordination from  
12 request to order completion. In addition, the SDC must change the circuit identifier  
13 (“circuit ID”) to reflect the fact that the circuit will be tracked, handled and maintained as  
14 a Private Line service rather than a UNE service upon completion of the conversion  
15 process.<sup>19</sup> This change in the circuit ID is critical since the circuit identifier determines  
16 the processes and personnel that handle, bill and maintain the circuit going forward. I

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<sup>18</sup> An ASR is an industry-standard order form used by a carrier, such as a CLEC, for the ordering of a carrier-to-carrier service. The CRIS billing system is used for the majority of residential and business account bills for exchange services. It calculates, prints, and prepares the bills to be sent to individual retail end-user customers for retail products, and to CLECs for some interconnect (wholesale) products. The IABS billing system is focused on access or facility-driven billing, whose functionality includes switched and special service orders, meet-point billing, mechanized adjustments for interexchange carriers and other facilities-based CLEC accounts.

<sup>19</sup> The circuit identifier (“circuit ID”) is an alpha/numeric identifier whose sequence of letters and numbers define the characteristics of a particular circuit and indicates attributes of the circuit, such as the LATA and jurisdiction, as well as the type of circuit, service code and service modifiers. In addition, the circuit ID contains a serial number for the circuit to ensure that no duplication occurs, and an identifier for the region in which the circuit is physically located. The circuit ID follows Telcordia (formerly Bell Labs) standards and allows lower-level tracking for maintenance and reporting purposes.

1 discuss this in further detail later in this testimony. The SDC must then perform the  
2 validation of Work Force Administration (“WFA”) and Service Order Assignment  
3 Control (“SOAC”) data.<sup>20</sup>

4 The Circuit Designer reviews and validates the circuit design and ensures that the  
5 design records for the converted, non-UNE service match the original UNE service. The  
6 Circuit Designer also ensures that no physical changes to the circuit are needed and  
7 reviews the circuit inventory in the Trunk Integrated Record Keeping System (“TIRKS”)  
8 database to ensure accuracy and database integrity.<sup>21</sup> This effort assists other Qwest  
9 departments that are “downstream” from the Circuit Designer to ensure that there is no  
10 service interruption for the CLEC’s end-user customer.

11 Finally, the Service Delivery Implementer assumes overall control for the order  
12 provisioning. The SDI verifies the “record-out” and “record-in” orders and completes the  
13 update of the circuit orders in the WFA system.<sup>22</sup>

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<sup>20</sup> The Work Force Administration (“WFA”) is a mechanized system that supports and simplifies the coordination, tracking, pricing, and assigning of work requests, while the Service Order Assignment Control (“SOAC”) is a Telcordia system that controls the flow of service order activity from Qwest service order processors (“SOPs”) to other “downstream” systems. Based on the service order input, SOAC determines which operations systems need to be involved in activating service, and provides instructions and sequencing to those operations systems.

<sup>21</sup> The Trunk Integrated Record Keeping System (“TIRKS”) database is a Telcordia application that tracks and inventories central office and outside plant facilities. TIRKS contains the inventory information to update equipment components, frame data, circuit assignments, and other data related to telephone equipment.

<sup>22</sup> Record-in and Record-out orders are the in- and out-service orders that establish the “new” private line service for the CLEC and that disconnect the existing UNE by moving the circuit data from one billing system to another. These in- and out-service orders also reflect the updated circuit data for all the various databases which track circuit status/activity.

1           **Q.     WHY MUST THE “CIRCUIT ID” BE CHANGED WHEN**  
2 **CONVERTING FROM A UNE SERVICE TO A PRIVATE LINE SERVICE?**

3           A.     The FCC rules require that telephone carriers accurately maintain records  
4 that track inventories of circuits. Specifically, 47 C.F.R. 32.12(b) and (c) provides as  
5 follows:

6           (b) The company’s financial records shall be kept with sufficient particularity to  
7 show fully the facts pertaining to all entries in these accounts. The detail  
8 records shall be filed in such manner as to be readily accessible for  
9 examination by representatives of this Commission.

10          (c) The Commission shall require a company to maintain financial and other  
11 subsidiary records in such a manner that specific information, of a type not  
12 warranting disclosure as an account or sub-account, will be readily available.  
13 When this occurs, or where the full information is not otherwise recorded in  
14 the general books, the subsidiary records shall be maintained sufficient detail  
15 to facilitate the reporting of the required specific information. The subsidiary  
16 records, in which the full details are shown, shall be sufficiently referenced to  
17 permit ready identification and examination by representatives of this  
18 Commission [FCC].

19          Thus, Qwest is required to maintain subsidiary records in sufficient detail to align  
20 specific circuits with the billing, accounting, and jurisdictional reporting requirements  
21 related to the services that these circuits support. These subsidiary records include cable  
22 engineering and assignment records, one of which is the circuit ID. In order to  
23 sufficiently maintain its subsidiary records to support its accounting for UNE services  
24 versus its Private Line services, Qwest must maintain accurate circuit IDs that properly  
25 track circuits separately. Further, the unique circuit ID is maintained as a means of  
26 measuring the different service performance requirements that apply to UNE services and  
27 Private Line services.

1           **Q.     IS QWEST’S PROCESS FOR CONVERTING A UNE SERVICE TO**  
2 **A PRIVATE LINE SERVICE TRANSPARENT TO THE CUSTOMER?**

3           A.     Yes. The process that Qwest has established for converting UNE services  
4 to Private Line services is specifically designed to *ensure* that the conversion is seamless,  
5 or transparent, to both the end-user customer and the CLEC serving that customer.  
6 However, it is important to note that the efforts to ensure the seamless nature of the  
7 conversion require some manual intervention.

8           **Q.     TO ENSURE THAT THE CONVERSION PROCESS IS**  
9 **TRANSPARENT TO THE CLEC AND THE CLEC CUSTOMER, WHAT**  
10 **MANUAL FUNCTIONS MUST QWEST PERFORM?**

11          A.     Because conversion necessitates a change from a UNE product to a  
12 Private Line service, and because these services are billed, inventoried and maintained  
13 differently in Qwest’s systems, Qwest must process them as a “record-out” and a “record-  
14 in,” and change the circuit IDs to move them from one product category to the other. In a  
15 number of Qwest’s systems, the TIRKS database and the WFA system, circuit IDs  
16 identify, among other things, whether a circuit is classified as a UNE or a private line,  
17 what type of testing parameters apply, and which maintenance and repair center is  
18 responsible for that circuit.

19          To be certain that the conversion process is transparent (no service disruption) to  
20 the CLEC and its customers, Qwest interjects a number of manual activities into the  
21 process so that certain automated steps (designed to aid in the provision of other types of  
22 services) do not occur that could otherwise result in disruption of those services. The

1 purpose of many of the tasks included in the conversion process is to avoid placing the  
2 CLECs' end-user customers' service at risk. To date and to my knowledge, after more  
3 than 1500 conversions involving this type of service change, there have been no  
4 complaints from CLECs about customers whose service has been disrupted as a result of  
5 this conversion process.

6

1           **V.     APPLICATION OF UNE PRICING STANDARDS TO NON-UNEs**

2           **Q.     IS THE FORWARD-LOOKING TELRIC COST METHODOLOGY**  
3 **APPROPRIATE FOR QWEST'S CONVERSION CHARGE?**

4           A.     No. Assigning a Total Element Long Run Incremental Cost  
5 (“**TELRIC**”)<sup>23</sup> rate for the nonrecurring charge associated with a federally tariffed Private  
6 Line service would be both an inappropriate application of TELRIC rates and outside the  
7 scope of this Commission's jurisdiction. Nonrecurring TELRIC charges are only  
8 associated with the establishment of UNE products. In this case, the product being  
9 established is a federally tariffed Private Line service.

10          **Q.     HAS THE FCC ADDRESSED THE APPLICATION OF TELRIC**  
11 **PRICING FOR NETWORK ELEMENTS THAT ARE NO LONGER SUBJECT**  
12 **TO UNE PRICING?**

13          A.     Yes. In paragraph 656 of the *TRO*, at page 409, the FCC spoke  
14 specifically to the application of TELRIC to delisted UNEs:

15                 Contrary to the claims of some commenters, TELRIC pricing for checklist  
16 network elements that have been removed from the list of section 251 UNEs is  
17 neither mandated by statute nor necessary to protect the public interest.<sup>24</sup>

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<sup>23</sup>TELRIC is a calculation method that the FCC requires ILECs to use to charge CLECs for interconnection and collocation that results in forward-looking rates based on economic cost principles applicable to UNEs. It provides a price ceiling for UNE services.

<sup>24</sup> *TRO*, ¶ 656, at page 409.

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**VI. CONCLUSION**

**Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

A. In non-impaired wire centers, Qwest is required to convert the former UNE service to a finished Private Line service in order to transition the services purchased by CLECs when they request to continue these services with Qwest. The FCC has determined that CLECs are not impaired without access to DS1 and DS3 UNEs in these non-impaired wire centers. This determination reflects the fact that there are sufficient, competitive alternatives to those UNE services beyond Qwest's finished Private Line service offerings. Should a CLEC request to remain on Qwest, finished Private Line facilities, Qwest respectfully asks that this Commission *acknowledge* Qwest's right to assess an appropriate charge for the activities that it performs in the requisite conversion process performed on behalf of the CLEC. The rate Qwest intends to assess for CLEC conversion requests is half of an existing, federally tariffed rate, the Design Change Charge.

Congress established a pricing standard under section 252 for network elements that are unbundled pursuant to section 251 *where impairment is found to exist*. Once a state commission has confirmed *non-impairment*, however, sections 201 and 202 of the Act (which, unlike sections 251 and 252, fall under the jurisdiction of the FCC), apply and the requisite conversions are triggered. At that point, the FCC has stated that such elements must be priced on a just, reasonable and not unreasonably discriminatory basis and are not subject to UNE rate restrictions such as TELRIC pricing.

1 I have demonstrated that the rate amount at which Qwest offers the conversion  
2 charge, a rate associated with a network element provided under section 271, is  
3 reasonable, albeit conservative, by showing that it has been included in a Multi State  
4 Settlement Agreement approved by various state commissions and interconnection  
5 agreements with other, similarly-situated carriers. Further, the rate is below the rate at  
6 which Qwest offers comparable functions to similarly-situated carriers under its interstate  
7 access tariff, specifically Qwest's FCC Tariff No. 1.

8 Further still, the FCC declined suggestions to adopt rules establishing specific  
9 procedures that ILECs and CLECs must follow to convert to non-section 251 services,  
10 with the expectation that both parties have enough incentive to negotiate, and not litigate,  
11 to establish any necessary procedures to perform conversions.<sup>25</sup> For this reason, Qwest is  
12 neither submitting a cost study nor a rate for *approval*. Rather, as stated above, Qwest is  
13 simply asking that this Commission acknowledge that Qwest is entitled to be  
14 compensated for the costs that it incurs in the seamless conversion from UNE services to  
15 alternative services (such as finished Private Line services). Qwest makes this request  
16 with the hope that such acknowledgement will serve the FCC's goal of encouraging  
17 ILECs and CLECs to negotiate in good faith regarding any *rates*, terms, and conditions  
18 necessary to implement the FCC rule changes,<sup>26</sup> and to ensure that parties do not engage

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<sup>25</sup> See *TRO*, ¶ 585, at page 371.

<sup>26</sup> See *TRRO*, ¶ 233, at page 133.

1 in unnecessary delay in implementing the FCC's rule changes,<sup>27</sup> through litigation or by  
2 other means.

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

4 **A. Yes, it does.**

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<sup>27</sup> *Id.*