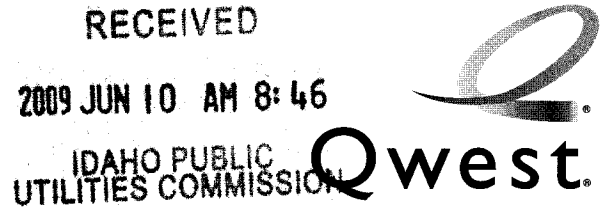


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Alex M. Duarte
Corporate Counsel



June 9, 2009

VIA UPS NEXT DAY DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

RE: Docket No. QWE-T-08-07

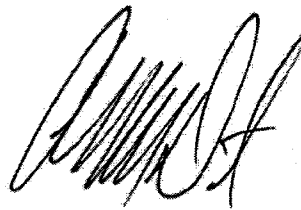
Dear Ms. Jewell:

Enclosed for filing with this Commission are nine copies of Qwest's Direct Testimony on Rebuttal of Qwest witnesses Renee Albersheim, Rachel Torrence and Victoria Hunnicutt, and confidential exhibit thereto.

Qwest's Confidential Exhibit 11, and Qwest's Confidential Page 22 to the Rebuttal Testimony of Renee Albersheim are being filed separately and under an Attorney's Certificate.

If you have any questions, please contact me. Thank you for your cooperation in this matter.

Very truly yours,



Alex M. Duarte

Enclosures
cc: Parties of Record

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing **DIRECT REBUTTAL TESTIMONY OF QWEST WITNESSES RENEE ALBERSHEIM, RACHEL TORRENCE, and VICTORIA HUNNICUTT** (together with exhibits as noted) was served on the 9th day of June, 2009 on the following individuals:

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Alex M. Duarte
Attorney for Qwest Corporation

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE
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 REBUTTAL TESTIMONY OF VICTORIA HUNNICUTT
QWEST CORPORATION

JUNE 10, 2009

TABLE OF CONTENTS

	Page
I. IDENTIFICATION OF WITNESS	1
II. PURPOSE OF REBUTTAL TESTIMONY	2
III. CLARIFICATION OF UNE-TO-PRIVATE LINE SERVICE CONVERSIONS	3
IV. CONCLUSION	12

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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: DID YOU PREVIOUSLY SUBMIT DIRECT TESTIMONY IN THIS CASE ON APRIL 17, 2009?

A: Yes, I did.

1 **III. CLARIFICATION OF UNE-TO-PRIVATE LINE SERVICE CONVERSIONS**

2 **Q: DO THE JOINT CLECs AGREE WITH QWEST’S ASSERTION THAT**
3 **THE FORMERLY-AVAILABLE UNE SERVICES MUST BE CONVERTED TO AN**
4 **ALTERNATIVE, NON-UNE ARRANGEMENT AS A RESULT OF A NON-**
5 **IMPAIRMENT AFFIRMATION BY THIS COMMISSION?**

6 A: Yes, but only if the CLEC *requests* to remain on Qwest facilities. The Joint
7 CLECs, through Mr. Denney in his Direct Testimony, agree that a “conversion [is possible]
8 when a circuit that was formerly available as a UNE must be converted to a non-UNE
9 alternative arrangement, as the result of a finding of ‘non-impairment.’”² For clarification,
10 two corrections need to be made to Mr. Denney’s characterization of UNE-to-private line
11 conversions. First, in quoting Mr. Denney above, I replaced “happens” with “is possible.”
12 Mr. Denney implies that the conversion automatically occurs without affirmative input from
13 the CLEC leasing the facilities. Qwest cannot assume the CLEC leasing the facilities wants
14 to remain on Qwest facilities and thus unilaterally convert CLEC-leased facilities. Choosing
15 to remain on Qwest’s facilities and choosing the non-UNE services that the former UNEs are
16 converted to are business decisions that only the CLEC leasing the Qwest facilities can make.

17 Second, a key variable is missing from Mr. Denney’s conversion definition: *choice*.
18 With a finding of non-impairment, there is affirmation that competition exists, thereby
19 recognizing the fact that CLECs have alternatives to remaining on Qwest’s facilities. Should
20 the CLEC decide it is in its best interests to remain on Qwest facilities, in lieu of its other
21 options, the CLEC then formally requests to do so.

² Denney Direct, at page 50, lines 13-15.

1 To summarize, clarify and correct Mr. Denney's statement (at page 50, lines 13-15),
2 I would say as follows: A UNE-to-private line conversion is *one* of *three* options available to
3 the CLEC as a result of a finding of non-impairment. That is, a circuit that was formerly
4 available as a UNE must either be (1) obtained through Qwest by formally requesting the
5 conversion of former UNE services to non-UNE alternative arrangements on Qwest's
6 facilities, (2) obtained through facility providers other than Qwest, or (3) obtained through
7 self-provisioning the facilities.

8 **Q: WILL THE CLECs BEAR THE TOTAL COSTS ASSOCIATED WITH**
9 **THE CONVERSION, AS MR. DENNEY IMPLIES?³**

10 A: No, they will not. The UNE-to-private line conversion rate is a *negotiated*
11 rate. As a result, both parties bear the costs incurred as a result of the conversion process. In
12 the case of the \$25 conversion charge, however, Qwest actually assumes a larger portion of
13 the conversion costs incurred.

14 **Q: DO THE JOINT CLECs ACKNOWLEDGE THE FACT THAT THE**
15 **\$25 UNE-TO-PRIVATE LINE CONVERSION RATE IS A NEGOTIATED RATE**
16 **VERSUS A COST-BASED RATE?**

17 A: Yes, as confirmed through Mr. Denney's Direct Testimony, the Joint CLECs
18 concede that the \$25 UNE-to-private line conversion charge was agreed to during a

³ Denney Direct, at page 62, lines 23-24.

1 negotiations process, and Mr. Denney further states that the CLECs agreed to allow Qwest
2 “leeway as to how it implements that charge.”⁴

3 **Q: HOW DID QWEST CHOOSE TO IMPLEMENT THE UNE-TO-**
4 **PRIVATE LINE CONVERSION RATE?**

5 A: The negotiated UNE-to-private line conversion rate be found in Qwest’s FCC
6 No. 1 tariff, in Section 5.2.2(C), Design Change Charge. This rate has been in effect and has
7 remained unchallenged since April 29, 2006.

8 **Q: IS QWEST’S IMPLEMENTATION OF THIS CONVERSION RATE**
9 **APPROPRIATE?**

10 A: Yes. Mr. Denney acknowledges (as shown above) that Qwest was given
11 “leeway” by the CLECs to choose how to implement the negotiated rate, but the Joint CLECs
12 (by way of Mr. Denney’s Direct Testimony) then criticize Qwest’s implementation of that
13 same rate.⁵ Although Mr. Denney implies otherwise, for Qwest’s special access customers,
14 including Qwest’s retail customers who purchase out of Qwest’s special access tariff, the
15 Design Change Charge is applicable when the “customer requests a design change to the
16 service ordered” *and* when a CLEC requests a “conversion of a UNE circuit to a special
17 private line service.”⁶ This would have been apparent in Mr. Denney’s Direct Testimony⁷

⁴ Denney Direct, at page 64, fn. 93 (“The CLECs did agree to a \$25 charge and allowed Qwest leeway as to how it implements that charge, which Qwest has chosen to do so through the Federal tariff and a factor.”).

⁵ Denney Direct, at page 65, lines 6-7.

⁶ See Qwest Tariff FCC No. 1, Section 5.2.2(C), which states:

Design Change Charge

The customer may request a design change to the service ordered. A design change is any change to an

1 had he not neglected to include the last sentence in his citation of the Design Change Charge
2 definition. The final sentence states: “The Design Change Charge *also* covers activities
3 associated with the conversion of a UNE circuit to a special private line service.” (Emphasis
4 added.)

5 **Q: SHOULD QWEST FILE COST SUPPORT TO SUBSTANTIATE ITS**
6 **PROPOSAL TO CHARGE CLECs FOR UNE-TO-PRIVATE LINE CONVERSIONS,**
7 **AS MR. DENNEY IMPLIES?⁸**

8 A: No, it would not be appropriate to file a cost study here for a federally-tariffed
9 rate. Further, more importantly, and as mentioned above, the UNE-to-private line rate is a
10 *negotiated* rate to help cover costs incurred as a direct result of the CLEC-requested
11 conversion process. It is not a cost-based rate.

Access Order which requires engineering review. An engineering review is a review by Company personnel of the service ordered and the requested changes to determine what change in the design, if any, is necessary to meet the changes requested by the customer. Design changes include such things as a change of end user premises within the same serving wire center, the addition or deletion of optional features, functions, BSEs or a change in the type of Transport Termination (Switched Access only), type of channel interface, type of Interface Group or technical specification package. The Design Change Charge also covers activities associated with the conversion of a UNE circuit to a special private line service.”

This section of Qwest’s FCC tariff can be accessed at:

http://tariffs.qwest.com:8000/idc/groups/public/documents/tariff/fcc1_s005p021.pdf#Page=1&PageMode=bookmarks

⁷ Denney Direct, at page 65, lines 10-19.

⁸ Denney Direct, at page 63, lines 16-17.

1 **Q: MR. DENNEY REFERS TO SECTION 7 OF THE FCC NO. 1 TARIFF**
2 **IN HIS DISCUSSION OF QWEST’S “INTERSTATE ACCESS DESIGN CHANGE**
3 **CHARGE.”⁹ IS THIS SECTION OF THE TARIFF APPLICABLE TO THE UNE-**
4 **TO-PRIVATE LINE CONVERSION CHARGE?**

5 A: No, the section that Mr. Denney references has no reference to, nor does it
6 include, the UNE-to-private line conversion charge. The correct section of Qwest’s FCC No.
7 1 tariff is section “5.2.2(C) Design Change Charge.” Apparently from Mr. Denney’s
8 excerpt, the section is referring to “administrative changes,” not activities associated with the
9 conversion of a UNE circuit to a special private line service as specifically indicated in the
10 definition of “Design Change Charge” in section 5.5.2.

11 **Q: MR. DENNEY ASSERTS THAT “QWEST REQUIRES CLECs TO**
12 **PLACE AN ORDER.”¹⁰ DO YOU AGREE WITH HIS ASSERTION?**

13 A: No, I do not agree at all. For the same reasons, I do not agree with Mr.
14 Denney’s assertion that the conversion, and thus, its requisite processes, is “not a change
15 requested by a CLEC.”¹¹ Although Qwest would prefer to retain a CLEC as a customer, it
16 cannot “require” a CLEC to remain on its facilities. With a finding of non-impairment, there
17 is affirmation that competition exists, thereby recognizing the fact that CLECs have
18 alternatives to remaining on Qwest’s facilities. Should a CLEC decide it is in its best

⁹ Denney Direct, at page 64, lines 4-7 and fn. 93.

¹⁰ Denney Direct, at page 66, line 5.

¹¹ Denney Direct, at page 68, lines 6-7.

1 interests to remain on Qwest facilities, in lieu of its other options, the CLEC then formally
2 requests to do so.

3 Further, the FCC, in both the *TRO* (*Triennial Review Order*) and the *TRRO*, referred
4 to the CLEC as the “requesting carrier,” a label referred to numerous times arising from the
5 fact that the CLEC makes a conscious business decision in light of competition to *request* to
6 remain on Qwest’s facilities, thereby forgoing its other options of availing itself of other
7 facilities in a marketplace that is deemed competitive, or of self-provisioning with its own
8 facilities.¹² This CLEC decision to either remain on Qwest’s facilities, both expected by the
9 FCC and initiated by the CLEC, clearly demonstrates that the CLEC determines whether or
10 not the conversion will take place.

11 **Q: MR. DENNEY POINTS OUT¹³ THAT THE RATE DOES NOT**
12 **REFLECT THE TASKS INVOLVED IN THE CONVERSION. DO YOU AGREE**
13 **WITH HIS OBSERVATION?**

14 A: Yes, I do, but for completely different reasons. Qwest maintains, and the
15 Joint CLECs have confirmed, that the \$25 UNE-to-private line conversion charge is a
16 negotiated rate, *not* a cost-based rate. In recognition of the fact that this is not a cost docket,
17 nor is it the proper venue for a fact-intensive inquiry as to the reasonableness of a federally-
18 tariffed rate, along with the fact that the \$25 conversion rate is a negotiated rate, Qwest did
19 not submit a cost study in support of the \$25 rate amount. Having said that, however, and as

¹² The following phrase is but one example of the many instances in the *TRO* and *TRRO* where the FCC has referred to the CLEC as the “requesting carrier”: “. . . the list of UNEs that incumbent LECs must provide to *requesting carriers* . . .” *TRRO*, ¶ 10, at p. 8. (Emphasis added.)

¹³ Denney Direct at page 66, line 9 through page 67, line 16.

1 a show of good faith that Qwest incurs substantial costs in the conversion process, I have
2 previously summarized in my direct testimony the myriad tasks that Qwest employs in a
3 proven conversion process. Furthermore, this \$25 rate amount reflects only a fraction of the
4 costs that Qwest incurs.

5 **Q: MR. DENNEY ADVOCATES¹⁴ THAT THE CONVERSION RATE**
6 **SHOULD BE “SET TO ZERO.” HOW DO YOU RESPOND TO THIS ARGUMENT?**

7 A: I respond in three parts: (1) the \$25 UNE-to-private line conversion rate is a
8 negotiated rate that is included in multiple interconnection agreements, (2) a “zero rate”
9 would be unreasonably discriminatory to other, similarly-situated carriers, which is
10 disallowed under the FCC Rules,¹⁵ and (3) the resulting effect of a “zero rate” on economic
11 incentives and its impact on facilities-based competition does not support the preferable goal
12 of the Act.

13 To begin, the \$25 UNE-to-private line conversion rate was agreed to in negotiations,
14 and is included in 146 interconnection agreements across Qwest’s 14-state region. Of the
15 146 agreements providing the element at that \$25 rate, eight of the approved agreements are
16 with CLECs operating in Idaho.

¹⁴ Denney Direct, at page 52, line 3.

¹⁵ The FCC is specific in its discussion of transitional pricing issues:

Congress established a pricing standard under section 252 for network elements unbundled pursuant to section 251 *where impairment is found to exist*. Here, however, we are discussing the appropriate pricing standard for these network elements where there is no impairment. Under the no impairment scenario, section 271 requires these elements to be unbundled, but not using the statutorily mandated rate under section 252. As set forth below, we find that the appropriate inquiry for network elements required only under section 271 is to assess whether they are priced on a just, reasonable and not unreasonably discriminatory basis – the standards set forth in sections 201 and 202. *TRO*, ¶ 656, at p. 409. (Emphasis in original.)

