BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Investigation into Qwest Wire Center Data	**)** **)** **)** **)**	**Docket No. 06-049-40**

DIRECT TESTIMONY OF

TERESA K. MILLION

FOR

QWEST CORPORATION

MARCH 24, 2006

TESTIMONY OF TERESA K. MILLION
TABLE OF CONTENTS

		Page
	EXECUTIVE SUMMARY	i
I.	**INTRODUCTION**	1
II.	**NONRECURRING COSTS**	2
III.	**CONCLUSION**	9

EXECUTIVE SUMMARY

My name is Teresa K. Million. I am employed by Qwest Services Corporation, parent company of Qwest Corporation ("Qwest"), as a Staff Director in the Public Policy organization and I am testifying on behalf of Qwest. In my testimony, I describe the work activities that Qwest must perform in the conversion of an Unbundled Network Element ("UNE") circuit to a private line circuit. Qwest is required to perform these work activities in order to transition circuits purchased by Competitive Local Exchange Carriers ("CLECs") from a UNE circuit to a private line circuit. This activity will take place in wire centers where the FCC-ordered criteria has shown that CLECs are not "impaired" without access to DS1 or DS3 UNE loops, or DS1 or DS3 inter-office transport.

Qwest advocates the use of the existing tariff charge which best approximates the costs that Qwest will incur when performing the conversion work activities. Qwest is asking the Commission to recognize that Qwest will incur costs when performing the UNE-to-private line circuit conversions, is entitled to recovery of those costs, and thus has a right to assess such a charge for the work that it performs.

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Teresa K. Million. I am employed by Qwest Services Corporation, parent company of Qwest Corporation ("Qwest"), as a Staff Director in the Public Policy organization. In this position, I am responsible for directing the preparation of cost studies and representing Qwest's costs in a variety of regulatory proceedings. My business address is 1801 California St., Room 4700, Denver, Colorado.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. I received a Juris Doctor from the University of Denver, College of Law in 1994 and am licensed to practice law in Colorado. I also have a Master of Business Administration from Creighton University and a degree in Animal Science from the University of Arizona.

I have more than 22 years experience in the telecommunications industry with an emphasis in tax and regulatory compliance. I began my career with Qwest (formerly Northwestern Bell Telephone Company and then U S WEST, Inc.) in 1983. Between 1983 and 1986, I administered Shared Network Facilities Agreements between Northwestern Bell and AT&T that emanated from the divestiture of the Bell System in 1984. I held a variety of positions within the U S WEST, Inc. tax department over the next ten years, including tax accounting, audit, and state and federal tax research and

planning. In 1997, I assumed a position that had responsibility for affiliate transactions compliance, specifically compliance with Section 272 of the Telecommunications Act of 1996 (the "Act"). 47 U.S.C. § 272. In September 1999, I began my current assignment as a cost witness. In this position, I am responsible for managing cost issues, developing cost methods and representing Qwest in proceedings before regulatory commissions.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been called upon as a cost expert to describe the work activities that Qwest undertakes in converting a UNE circuit to a private line circuit. Qwest performs these work activities in transitioning circuits that must be converted from UNEs to private line circuits in wire centers that the FCC has deemed "non-impaired." Qwest will utilize a Nonrecurring Charge ("NRC") to recover the costs that it incurs when implementing these conversions.

II. NONRECURRING COSTS

Q. IS QWEST ENTITLED TO CHARGE CLECs FOR THE NONRECURRING COSTS OF CONVERTING CIRCUITS FROM UNEs TO PRIVATE LINE SERVICES?

A. Yes. Qwest incurs costs in the process of converting UNE transport or high-capacity loops to alternative facilities and arrangements and therefore should be permitted to assess an appropriate tariffed charge. In the case of the conversions of UNEs to

alternative facilities, *but for* the conversion, Qwest would not have to incur the costs of performing the associated tasks.

Q. DO CLECs HAVE A CHOICE OTHER THAN TO CONVERT THEIR UNE CIRCUITS TO QWEST PRIVATE LINE SERVICES?

A. Absolutely. For wire centers that the FCC has determined to be non-impaired, Qwest is no longer required to provide access to DS1 or DS3 UNE loops, or DS1 or DS3 inter-office transport. In making such a determination, the FCC has found that sufficient alternatives are available to CLECs in the affected wire centers to preclude CLEC reliance on ILEC facilities in order to maintain a competitive marketplace. What this means is that for such affected wire centers, CLECs have facilities available to them from other carriers, or they have the ability to construct their own facilities, thereby making reliance on Qwest's DS1 and DS3 UNEs unnecessary. Therefore, if a CLEC remains on Qwest's facilities, rather than disconnecting the UNEs and availing itself of alternative facilities, it necessarily does so because it has evidently determined that converting to Qwest's private line service is the most economic choice among the available alternatives. However, if Qwest were not allowed to charge the CLEC for its costs to perform the conversion, the CLEC's economic assessment of the alternatives would be distorted, possibly leading it to choose Qwest's facilities in situations where another alternative, such as building its own facilities, is more economically sustainable. In addition, if Qwest performs the activities associated with a conversion, but is not allowed to charge the CLEC for such activities, the cost burden is shifted to Qwest's end-user

customers, placing Qwest at a disadvantage in a marketplace which the FCC determined to be competitive. Thus, to the extent that Qwest incurs costs to facilitate the CLEC's conversion from a UNE to a private line service, Qwest should be entitled to assess an appropriate charge.

Q. WHAT STEPS ARE INVOLVED IN THE PROCESS OF CONVERTING A UNE CIRCUIT TO A SPECIAL PRIVATE LINE CIRCUIT?

A. The conversion of a UNE circuit to a special private line circuit involves three functional areas within Qwest's ordering and provisioning organizations. The personnel within these three functional areas involved with a conversion are: (1) the Service Delivery Coordinator ("SDC"), (2) the Designer and (3) the Service Delivery Implementor. Within each of these three job functions, there are a variety of steps that Qwest must undertake to assure itself that the data for the converted circuit is accurately recorded in the appropriate systems.

First, the SDC must review and confirm the data in the Access Service Request ("ASR") and assure that the data is accurately transferred into two service orders required to change billing from the CRIS (Customer Record and Information System) billing system to the IABS (Interactive Access Billing System) billing system.[1] The SDC is the primary

[1] 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 mails bills 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.

.

contact for the CLEC, and he/she provides the CLEC end-to-end order coordination from request to order completion. In addition, the SDC must change the circuit identifier ("circuit ID") to reflect the fact that the circuit will now be recognized as a private line rather than a UNE circuit once the order is complete.[2] Finally, the SDC must check the accuracy of Work Force Administration ("WFA") and Service Order Assignment Control ("SOAC") data.[3]

The Designer reviews and validates the circuit design and assures that the design records for the converted circuit match the current UNE circuit, as well as that no physical changes to the circuit are needed. The Designer also reviews the circuit inventory in the Trunk Integrated Record Keeping System ("TIRKS") database to ensure accuracy and database integrity.[4] This effort assists other Qwest departments that are "downstream" from the Designer to ensure that there is no service interruption for the CLEC's end-user customer.

[2] The circuit ID is an alpha/numeric identifier whose sequence of letters and numbers define the characteristics of a particular circuit and which 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 standards and allows lower-level tracking for maintenance and reporting purposes.

[3] WFA is a mechanized system which supports and simplifies the coordination, tracking, pricing, and assigning of work requests, while 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.

[4] The 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.

Finally, the Service Delivery Implementer has overall control for order provisioning. He/she verifies the Record-In and Record-out orders and completes the update of the circuit orders in the WFA system.[5]

Q. WHY MUST THE "CIRCUIT ID" BE CHANGED WHEN CONVERTING A UNE TO A PRIVATE LINE CIRCUIT?

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

> (b) The company's financial records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in these accounts. The detail records shall be filed in such manner as to be readily accessible for examination by representatives of this Commission.
>
> (c) The Commission shall require a company to maintain financial and other subsidiary records in such a manner that specific information, of a type not warranting disclosure as an account or subaccount, will be readily available. When this occurs, or where the full information is not otherwise recorded in the general books, the subsidiary records shall be maintained sufficient detail to facilitate the reporting of the required specific information. The subsidiary records, in which the full details are shown, shall be sufficiently referenced to permit ready identification and examination by representatives of this Commission [FCC].

Thus, Qwest is required to maintain subsidiary records in sufficient detail to align specific circuits with the billing, accounting, and jurisdictional reporting requirements related to the services that these circuits support. These subsidiary records include cable engineering and assignment records, one of which is the circuit identification. In order to sufficiently maintain its subsidiary records to support its accounting for UNEs versus its

[5] 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.

private line services, Qwest must have accurate circuit identifiers that properly track circuits separately.

In addition, the unique circuit ID is maintained as a means of measuring the different *service performance requirements* that apply to UNEs and private line services. For example, UNEs are measured using the "PID/PAP" methodologies established in each of the states during the Section 271 approval process prior to Qwest's re-entry into the interLATA long distance market pursuant to Section 271 of the Telecommunications Act of 1996.[6]

Q. WHY IS QWEST ADVOCATING THE USE OF THE DESIGN CHANGE CHARGE INSTEAD OF A UNIQUE CHARGE FOR THE UNE-TO-PRIVATE LINE CONVERSION PROCESS?

A. The Design Change charge involves functional areas and work tasks that are similar to those associated with the conversion of a UNE to a private line service or facility. In addition, it provides a conservative estimate of the costs that Qwest will incur when converting CLEC high-capacity loop and transport UNEs to their private line counterparts. The existing Design Change charge reflects the costs and activities associated with Qwest personnel reviewing ASRs, communicating with CLECs and intra-

---

These in and out service orders also reflect the updated circuit data for all the various databases which track circuit status/activity.

[6] PIDs are Performance Indicator Definitions, which are measures that provide an objective method to judge Qwest's ability to provide wholesale services. The PAP, or Performance Assurance Plan (also known as the QPAP), provides a series of key measures designed to assure CLECs and regulatory bodies of Qwest's commitments to performance in key areas as determined by the PIDs. Each state commission in Qwest's 14-state ILEC region oversees its own PAP,

company contacts, validating rates and billing systems, checking WFA and completing the service orders in Qwest's various billing and tracking systems. Similar activities take place when Qwest processes the orders for the conversion of a UNE to a private line circuit. Due to the systems involved in the separate tracking of UNE and private line services, as well as the additional manual efforts that Qwest undertakes to ensure there are no service disruptions for CLEC customers, the UNE-to-private line conversion orders are typically more costly to process than a typical Design Change. The use of the existing Design Change charge avoids the complexity of adding a new charge to Qwest's billing systems, and gives CLECs the benefit of a very conservative charge when compared with the actual activities that Qwest undertakes during this conversion process.

Q. IS QWEST ASKING THIS COMMISSION TO DETERMINE THE REASONABLENESS OF APPLYING THE DESIGN CHANGE CHARGE TO THE CONVERSION PROCESS?

A. No. Qwest is simply demonstrating with this testimony the nature of the work activities that it will perform in processing the conversions from UNEs to private line circuits that will occur at those wire centers that the FCC has deemed non-impaired. For the reasons stated above, Qwest believes that its existing tariffed Design Change charge represents an appropriate charge to CLECs for Qwest's processing of these conversions. Qwest asks that this Commission acknowledge Qwest's right to assess such a charge for the work that it performs.

---

and enforces each of the five functional areas (including electronic gateway availability, pre-order/order, ordering

III. CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. My testimony describes the work activities that Qwest must perform with the conversion of a UNE circuit to a private line circuit, and provides the Commission the rationale why Qwest should be allowed to recover its costs for those activities. Qwest is required to perform these work activities in order to transition circuits purchased by CLECs when a UNE is converted to a private line circuit. The FCC has determined that CLECs are not impaired without access to DS1 and DS3 UNEs in these wire centers, and this determination means that there are sufficient alternatives to those UNEs, as well as to Qwest's private line services. If a CLEC uses Qwest private line services and facilities, Qwest should be allowed to charge the CLEC for the activities it undertakes to convert those circuits from UNEs to private line services.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes it does.

---

and provisioning, maintenance and repair, and billing) and approximately 41 PIDs that make up the PAP.