

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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

SURREBUTTAL TESTIMONY

OF

DAVID L. TEITZEL

FOR

QWEST CORPORATION

JUNE 5, 2006

NON-PROPRIETARY

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I. INTRODUCTION

2 **Q. PLEASE STATE YOUR NAME, TITLE AND ADDRESS.**

3 A. My name is David L. Teitzel. I am employed by Qwest Services Corporation
4 (“QSC”),¹ parent company of Qwest Corporation (“Qwest”), as Staff Director-
5 Public Policy. My business address is 1600 7th Avenue, Room 3214, Seattle,
6 Washington 98191.

7 **Q. ARE YOU THE SAME DAVID L. TEITZEL WHO FILED DIRECT**
8 **TESTIMONY IN THIS DOCKET ON MARCH 24, 2006 AND RESPONSE**
9 **TESTIMONY ON MAY 24, 2006?**

10 A. Yes.

11

II. PURPOSE

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

13 A. The purpose of my surrebuttal testimony is to address certain issues raised in the
14 direct testimony of Mr. Casey Coleman filed in this proceeding on behalf of the
15 Utah Division of Public Utilities (“DPU”) on May 26, 2006, and my testimony
16 focuses strictly on the issue of compliance with the FCC’s Triennial Review
17 Remand Order (“*TRRO*”), specifically regarding the manner in which business
18 access lines should be counted at the individual wire center level. In many
19 instances, there is commonality in the positions that Mr. Coleman has taken and

¹ QSC performs support functions, such as regulatory support, for other Qwest entities.

20 those that Qwest has taken in this docket, but there are also areas in which Qwest
21 does not agree with Mr. Coleman. My surrebuttal testimony briefly discusses the
22 areas in which Qwest concurs with Mr. Coleman with respect to the proper means
23 for counting switched business lines, and also presents the rationale as to why the
24 Commission should find, contrary to Mr. Coleman's position regarding the use of
25 ARMIS data, that Qwest's method of counting switched business lines fully
26 complies with the FCC's *TRRO* and its associated implementation rules.

27 **III. MR. COLEMAN'S TESTIMONY**

28 **Q. AT PAGES 2 AND 3 OF HIS DIRECT TESTIMONY, MR. COLEMAN**
29 **CITES THE REQUIREMENTS OF PARAGRAPH 105 OF THE *TRRO*, AS**
30 **WELL AS THE ASSOCIATED IMPLEMENTATION RULES AT 47 C.F.R.**
31 **§ 51.5. HAS HE ACCURATELY PORTRAYED THE FCC'S**
32 **REQUIREMENTS IN BOTH INSTANCES?**

33 A. Yes. His citations exactly mirror those presented in my direct testimony in this
34 docket, and they correctly state what the *TRRO* requires with respect to counting
35 business lines to determine non-impairment at the individual wire center level.

36 **Q. DOES QWEST CONCUR WITH CERTAIN PORTIONS OF**
37 **MR. COLEMAN'S TESTIMONY?**

38 A. Yes. The areas of agreement between Mr. Coleman and Qwest are as follows:

- 39 • Digital lines, as discussed in 47 C.F.R. § 51.5, should be
40 adjusted to reflect the full capacity of the underlying DS1 or
41 DS3 circuit when such lines are being provided to wholesale
42 customers. (Direct Testimony of Casey J. Coleman
43 (“Coleman Direct”), at p. 5.)
- 44 • All wholesale UNE-based lines should be included in Qwest’s
45 business line count, regardless of whether those UNEs are
46 used to serve residential or business end users. (Coleman
47 Direct, at p. 6.)
- 48 • December 2003 data was the most current ARMIS data
49 available when Qwest filed its initial *TRRO* wire center non-
50 impairment list with the FCC, and this data vintage remains
51 appropriate as a basis for determining DS1 and DS3 loop non-
52 impairment for the Salt Lake City Main wire center.
53 Mr. Coleman’s testimony was silent on this point, but since
54 Mr. Coleman did not take issue with the business line data
55 vintage (although he did raise at least two other concerns
56 regarding line count methodology), Qwest assumes that
57 Mr. Coleman does not have any objections to the data vintage
58 that Qwest relied on in its initial non-impaired wire center list.

59 **Q. WHAT ARE THE AREAS OF DISAGREEMENT BETWEEN**
60 **MR. COLEMAN AND QWEST REGARDING THE METHOD OF**
61 **COUNTING BUSINESS LINES AS DEFINED BY THE *TRRO*?**

62 A. At page 4 of his direct testimony, Mr. Coleman states that “the Division
63 recommends that the Commission should use the actual Qwest business lines
64 reported in ARMIS 43-08 without adjusting for digital lines.” However, Qwest
65 used the digital line adjustment for lines served via DS1 or DS3 facilities in
66 establishing the number of business lines in the Salt Lake City Main wire center
67 (the only Utah wire center in which the number of business lines are used to
68 determine non-impairment), and thus is in full compliance with the FCC’s *TRRO*
69 implementation rules that Mr. Coleman cites.

70 The second area of disagreement regarding the method of counting business lines is
71 in regard to Mr. Coleman’s suggestion at page 9 of his direct testimony that Qwest
72 should be compelled to notify the Commission and the Division when any wire
73 center Qwest believes may qualify for non-impairment “gets within 5,000 business
74 lines of any of the thresholds.” Qwest witness Renee Albersheim discusses
75 Qwest’s concerns with Mr. Coleman’s suggestion in her surrebuttal testimony.

76 **Q. WHAT SPECIFICALLY DOES THE FCC REQUIRE WITH REGARD TO**
77 **THE COUNTING OF DS0-LEVEL CHANNELS IN SERVICES USING DS1**
78 **OR DS3 LOOP FACILITIES?**

79 A. The FCC's *TRRO* implementation rules, at 47 C.F.R. § 51.5 as cited by
80 Mr. Coleman, are very clear on these requirements. First, the FCC defines a
81 "business line" as follows:

82 *A business line* is an incumbent LEC-owned switched access line used to
83 serve a business customer, whether by the incumbent LEC itself or by a
84 competitive LEC that leases the line from the incumbent LEC. (Emphasis
85 added.)

86 Then, in subsection 3 of that same rule, the FCC states:

87 Among these requirements, *business line* tallies shall account for ISDN
88 and other digital access lines by counting each 64 kbps-equivalent as one
89 line. For example, a DS1 line corresponds to 24 64-kbps equivalents, and
90 therefore to 24 *business lines*. (Emphasis added.)

91 The FCC's rules could not be clearer: a "business line" is defined as lines used by
92 either LECs or CLECs to serve customers. Subsection 3 specifically states that
93 "business lines," which include, by the FCC's definition, both wholesale and retail
94 lines, are to be adjusted to reflect the 64 kbps equivalents (which are also known as
95 DS0-channels) contained within each digital facility.

96 **Q. WHAT DOES MR. COLEMAN RECOMMEND THE COMMISSION**
97 **REQUIRE WITH RESPECT TO ADJUSTING THE DIGITAL LINE**
98 **COUNTS TO REFLECT DS0-LEVEL CAPACITY?**

99 A. Apparently, Mr. Coleman believes that the FCC's rules regarding 64 kbps
100 equivalence applies only to wholesale DS1 and DS3 services. At page 5 of his
101 direct testimony, he states:

102 The Division believes the adjustment for digital lines as discussed in 47
103 C.F.R. § 51.5(3) should be used when considering UNE loops that are
104 being sold wholesale but adjusting business lines by a factor of 24 for
105 DS1s or 672 for DS3s should not apply to ILEC customers.

106 In taking this position, Mr. Coleman acknowledges that Qwest's method for
107 identifying the full DS0-level capacity of UNE DS1 and DS3 loops is in
108 compliance with the FCC's requirements. However, his position ignores the fact
109 that subsection 3 of the FCC's *TRRO* implementation rules, cited above, explicitly
110 applies to both wholesale and retail digital services (e.g., subsection 3 specifically
111 describes how "business line" digital services should be counted, and defines a
112 "business line" as encompassing retail and wholesale services). Although
113 Mr. Coleman recommends that the Commission diverge from the FCC's
114 requirements, Qwest contends that its method for counting business lines is in full
115 compliance with the implementation rules associated with the *TRRO*.

116 **Q. WHAT DOES MR. COLEMAN CONCLUDE REGARDING THE NON-**
117 **IMPAIRMENT STATUS OF THE SALT LAKE CITY MAIN WIRE**
118 **CENTER, ASSUMING HIS RECOMMENDATION IS ACCEPTED BY THE**
119 **COMMISSION?**

120 A. Mr. Coleman concludes that, if the Commission adopts his interpretation of the
121 FCC's rules regarding business lines (in which he defines Qwest business lines as
122 actual ARMIS 43-08 business lines in service, but in which he assumes full DS0-
123 level capacity of all channels in wholesale digital DS1 and DS3 services), "the Salt
124 Lake City Main wire center would fall below the 60,000 business lines required to
125 meet the non-impaired status for DS1 loops." (Coleman Direct, at p. 6.)

126 **Q. UNDER MR. COLEMAN'S OWN DEFINITIONS, IS HIS CONCLUSION**
127 **CORRECT?**

128 A. No. At the statewide level, Qwest's tally of retail digital DS1 and DS3 "in service"
129 channels is correct. However, as I discussed in my response testimony at page 19,
130 the value that Mr. Coleman elected to use as "ARMIS" Qwest business digital lines
131 in service does not capture actual digital business channels in service associated
132 with the Salt Lake City Main wire center. This is especially so because in many
133 instances, an ISDN-Primary Rate ("ISDN-PRI") subscriber could have service
134 originating in the Salt Lake City Main wire center, but could have the actual ISDN
135 DS0 terminations associated with that service in a different wire center.

136 For example, Internet Service Providers (“ISPs”) commonly subscribe to ISDN-
137 PRI service to serve end users, and they could have primary ISDN service
138 provided from the Salt Lake City Main wire center, and the 24 DS0 channels
139 associated with that service could terminate in another wire center (e.g., the Salt
140 Lake City West wire center), with the two locations linked by DS1 interoffice
141 transport. In this example, the active DS0 digital channels associated with the
142 ISDN-Primary Rate service would be tracked by Qwest’s systems as being in the
143 other (Salt Lake City West) wire center, instead of in the Salt Lake City Main wire
144 center. Since all RBOCs file the ARMIS 43-08 data with the FCC on a *statewide*
145 (not wire center) basis, this tracking issue would not affect the actual “in service”
146 digital business channel count at the statewide level (that is, the ISDN-PRI facility
147 would not be counted in the ARMIS 43-08 report as an “access line”— only the
148 active channels would be so counted). However, at the *wire center* level, Qwest’s
149 tracking systems would misleadingly show the ISDN-PRI DS0-level “in service”
150 channels as belonging to the Salt Lake City West wire center, even though the
151 ISDN-PRI service is served by the Salt Lake City Main wire center. A more
152 appropriate way to quantify “in service” digital business channels (assuming
153 Mr. Coleman’s advocacy were to comport with the *TRRO*, which it does not)
154 would be to apply the statewide ratio of in-service digital business channels to the
155 number of DS1 or DS3 digital business switched facilities in the Salt Lake City

156 Main wire center. This ratio would ensure that “in-service” digital business
157 service channels were attributed to the “home” wire center.

158 **Q. HAVE YOU CALCULATED THE TOTAL NUMBER OF QWEST**
159 **BUSINESS LINES IN THE SALT LAKE CITY MAIN WIRE CENTER,**
160 **USING THE LOGIC OUTLINED IN YOUR PRECEDING RESPONSE**
161 **REGARDING TRACKING “IN SERVICE” DS0 CHANNELS TO THE**
162 **ORIGINATING SALT LAKE CITY MAIN WIRE CENTER?**

163 A. Yes. With the strong caveat that Qwest does not concur with Mr. Coleman that
164 such a method complies with the FCC’s rules, I have determined that using the
165 method discussed in my previous response would yield a lower “business line” tally
166 for the Salt Lake City Main wire center. However, the resulting business line count
167 would *still exceed* the FCC’s threshold of 60,000 business lines as a trigger for non-
168 impairment classification for DS1 unbundled loops. I have revised the business line
169 counts for the Salt Lake City Main wire center shown on Highly-Confidential
170 Exhibit DLT-1 attached to my direct testimony, and have created a new exhibit,
171 Highly-Confidential Exhibit DLT-2, attached to this surrebuttal testimony showing
172 the effect of using “actual DS0 channels in service” for Qwest digital business
173 services served by the Salt Lake City Main wire center. This exhibit shows that,
174 using the revised count of Qwest retail business lines, coupled with the previous
175 count of EELs, Public Lines, UNE loop and UNE-P lines for December 2003, the

176 number of “business lines” in the Salt Lake City Main wire center is *still greater*
177 *than 60,000.*

178 **IV. CONCLUSION AND RECOMMENDATION**

179 **Q. PLEASE SUMMARIZE YOUR SURREBUTTAL TESTIMONY.**

180 A. In my surrebuttal testimony, I summarized the areas of agreement between
181 Mr. Coleman and Qwest, as well as a significant area of disagreement, regarding the
182 means of counting business lines in accordance with the FCC’s *TRRO* requirements
183 and its associated implementation rules. Qwest appreciates Mr. Coleman’s
184 recognition that Qwest’s method for counting business lines in the Salt Lake City
185 Main wire center complies with the FCC’s requirements that all channels in
186 wholesale DS1 and DS3 services should be included in the count, that all UNE-
187 based lines should be included (whether those lines are used to serve residential or
188 business customers), and that December 2003 data is an appropriate basis for the
189 initial Utah non-impaired wire center list. Qwest disagrees, however, with Mr.
190 Coleman’s interpretation of the FCC’s rules as excluding Qwest retail business lines
191 from the FCC’s requirement that all channels in digital “business lines” (which
192 include both retail and wholesale lines, according to the FCC’s definition) should be
193 included in the business line count. Rather, the FCC’s rule at 47 C.F.R § 51.5(3)
194 clearly encompasses both retail and wholesale services, and thus the Commission
195 should reject any attempt to bifurcate the application of this rule.

196 However, even if Mr. Coleman’s suggestion is considered, the tally of DS0-level
197 channels associated with DS1 and DS3 retail digital business services served by the
198 Salt Lake City Main wire center causes the total number of “business lines” in that
199 wire center to decline, as compared to the total business lines reflected in my
200 Highly Confidential Exhibit DLT-1, but the revised number of business lines
201 nevertheless continues to exceed the threshold of 60,000 that the FCC established
202 as the trigger for non-impairment for DS1 UNE loops.

203 **Q. WHAT IS YOUR RECOMMENDATION?**

204 A. I recommend that the Commission find that Qwest’s business access line data
205 presented in my direct testimony supports the non-impairment classification of DS1
206 and DS3 unbundled loops in the Salt Lake City Main wire center, and that the
207 processes that Qwest employed to calculate the number of business lines in that
208 wire center conform fully to the requirements of the *TRRO* and its associated
209 implementation rules.

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

211 A. Yes, it does.