

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**In the Matter of the Petition by AUTOTEL)
for Arbitration of an Interconnection)
Agreement with QWEST CORPORATION) **DOCKET NO. 03-049-19**
Pursuant to Section 252(b) of the)
Telecommunications Act)**

**SUPPLEMENTAL TESTIMONY OF
WILLIAM R. EASTON
FOR
QWEST CORPORATION**

SEPTEMBER 30, 2003

2nd Draft 9/26

TABLE OF CONTENTS

I.	IDENTIFICATION OF WITNESS	1
II.	PURPOSE OF SUPPLEMENTAL TESTIMONY	1
III.	RESOLVED ISSUES	2
IV.	ISSUE NO. 5: RECIPROCAL COMPENSATION CREDIT AND ISSUE NO. 14: PAYMENT	4
V.	ISSUE NO. 11: UNES	5
VI.	CONCLUSION	10

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

I. IDENTIFICATION OF WITNESS

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

A. My name is William R. Easton. My business address is 1600 7th Avenue, Seattle Washington. I am employed as Director – Wholesale Advocacy. I am testifying on behalf of Qwest Corporation (“Qwest”).

Q. ARE YOU THE SAME WILLIAM EASTON WHO FILED DIRECT TESTIMONY IN THIS DOCKET?

A. Yes.

II. PURPOSE OF SUPPLEMENTAL TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?

A. At the direction of the Administrative Law Judge in this docket, the parties have held further settlement discussions. The purpose of my testimony is to report on the progress made during these discussions, noting the issues that have now been closed and the agreed upon language. In addition, as a result of the settlement discussions, Qwest now has a clearer understanding of the specific concerns of Autotel regarding two of the open issues: Issue 5 – Reciprocal Compensation Credit and Issue 11 – Unbundled Network

1 Elements (UNEs). In light of this new understanding, my testimony also provides further
2 clarification on these two issues.

3 **III. RESOLVED ISSUES**

4 **Q. WHICH ISSUES WERE RESOLVED DURING THE SETTLEMENT**
5 **DISCUSSIONS?**

6 A. The parties resolved the following issues:

- 7
 - Issue 6: Charges/Facilities Ineligible for Reciprocal Compensation
- 8
 - Credit
- 9
 - Issue 7: Miscellaneous Charges
- 10
 - Issue 8: Negotiation of Mid Span Meet POI
- 11
 - Issue 12: Bona Fide Request Process
- 12
 - Issue 15: Rates – Appendix A

13 **Q. WHAT LANGUAGE DID THE PARTIES AGREE TO IN SETTLING ISSUE 6?**

14 A. The parties agreed to the following changes in language in the proposed interconnection
15 agreement:

16 IV.I.3. Delete

17 [IV.C.3.d. Reciprocal Compensation does not apply to Transit Traffic.](#)

18 IV.J. Miscellaneous Charges

19 [Reciprocal Compensation does not apply to Miscellaneous Charges.](#)

1 IV.M. Testing

2 [Reciprocal Compensation does not apply to Testing.](#)

3 **Q. WHAT LANGUAGE DID THE PARTIES AGREE TO IN SETTLING ISSUE 7?**

4 A. The parties agreed to the following changes in language:

5 J. Miscellaneous Charges

6 Cancellation charges will apply to cancelled Type 1 and Type 2 trunk orders,
7 based upon critical dates, terms and conditions in accordance with [Exhibit A](#) and
8 the Trunk Nonrecurring Charges referenced in this Agreement.

9 **Q. WHAT LANGUAGE DID THE PARTIES AGREE TO IN SETTLING ISSUE 8?**

10 A. The parties agreed to the following changes in language:

11 V.B. A Mid-Span Meet POI is a negotiated Point of Interface, [requiring new](#)
12 [construction by Qwest and is](#) limited to the Interconnection of facilities between
13 one Party's Switch and the other Party's Switch. The actual physical Point of
14 Interface and facilities used will be subject to negotiations between the Parties.
15 Each Party will be responsible for its portion of the build to the Mid-Span Meet
16 POI. These Mid Span Meet POIs will consist of facilities used for the
17 Provisioning of one or two way Type 2 and Jointly Provided Switched Access
18 Interconnection trunks, as well as Ancillary trunks such as, OS, DA, and 911
19 trunk groups.

20 **Q. WHAT LANGUAGE DID THE PARTIES AGREE TO IN SETTLING ISSUE 12?**

21 A. The parties agreed to delete both the Network Interconnection and Unbundled Element
22 Request ("NIUER") provision and Qwest's proposed Bona Fide Request ("BFR")
23 provision from the interconnection agreement.

1 **Q. HOW DID THE PARTIES AGREE TO SETTLE ISSUE 15?**

2 A. The parties agreed that Exhibit A to the interconnection agreement will include prices at
3 the rates approved by the Commission only for those interconnection services or UNEs
4 for which terms and conditions are provided in the interconnection agreement.

5 **IV. ISSUE NO. 5: RECIPROCAL COMPENSATION CREDIT**

6 **AND ISSUE NO. 14: PAYMENT**

7 **Q. IS QWEST PROPOSING NEW LANGUAGE TO ADDRESS THE CONCERNS**
8 **EXPRESSED BY AUTOTEL ABOUT ISSUE 5?**

9 A. Yes. In response to Autotel's concerns that it was not clear how calculations would be
10 made under the reciprocal compensation credit method, Qwest proposes the following
11 clarifying language for this issue:

12 IV.I.2.a. A Party providing two-way dedicated facilities will pay the other Party
13 the rate set forth in Exhibit A less 50%. Qwest will use its Reciprocal
14 Compensation Credit Method of Billing to calculate the rate described above if
15 Qwest is providing the two-way facility to Autotel based on the following criteria.

16 2.a.1. The Reciprocal Compensation Credit for two-way dedicated facility charges
17 provided by Qwest shall be based on the rates listed on Exhibit A for three
18 components: the Entrance Facility, Dedicated Transport (Mileage) and
19 Multiplexing. The sum of these charges will be reduced by a factor of .50 (fifty
20 percent) as a credit to reflect that the traffic on these facilities is relatively
21 balanced. The two-way facility charges and the facilities credit will appear on the
22 current month's bill to Autotel.

23 This language clarifies that the reciprocal compensation method will be used when Qwest
24 is providing a two-way facility to Autotel and details how the calculation will be made.

1 **Q. IS QWEST ALSO WILLING TO AGREE TO REMOVE RECIPROCAL**
2 **COMPENSATION LANGUAGE FROM SECTION XXII.D.1 OF THE**
3 **AGREEMENT?**

4 A. Yes. To attempt to settle Issue 14, Qwest is willing to remove the reciprocal
5 compensation language from Section XXII.D.1. This section would now read as follows:

6 XXII.D.1. Amounts payable under this Agreement are due and payable within
7 thirty (30) days after the date of invoice. Billing and collection of usage charges
8 by either Party from its customers shall have no bearing on the amount or
9 timeliness of either Party's payment obligation to the other Party.

10 **V. ISSUE NO. 11: UNES**

11 **Q. WHY IS QWEST FILING SUPPLEMENTAL TESTIMONY ON THIS ISSUE?**

12 A. As a result of further discussions with Autotel, it is now Qwest's understanding that
13 Autotel intends to use UNES to connect locations on its network, for example, between
14 Autotel's own switches. Autotel proposes to do this by ordering loops, subloops or
15 network interface devices (NIDs). Based on this understanding, Qwest wishes to make it
16 clear that Autotel's proposed use of UNES in this manner is inappropriate under the
17 Telecommunications Act of 1996.

18 **Q. HOW DOES THE FCC DEFINE UNBUNDLED LOOPS?**

19 A. In its First Report and Order, the FCC defines unbundled loops:

1 We further conclude that the local loop element should be defined as a
2 transmission facility between a distribution frame, or its equivalent, in an
3 incumbent LEC central office, and the network interface device at the customer
4 premises.¹

5 The FCC's clear intent is that the purpose of unbundled loops is to allow a CLEC to
6 access the incumbent carrier's end-user customers. Autotel's intent to use unbundled
7 loops or subloops to connect portions of its own network does not satisfy this definition.

8 **Q. DID THE FCC ALSO DEFINE NIDS AS BEING RELATED TO END-USER**
9 **CUSTOMERS?**

10 A. Yes. In its *UNE Remand Order*, the FCC stated:

11 Specifically, we define the NID to include any means of interconnection of
12 customer premises wiring to the incumbent LEC's distribution plant, such as a
13 cross-connect device used for that purpose.²

14 **Q. IF AUTOTEL WERE REQUESTING UNES TO SERVE END-USER**
15 **CUSTOMERS, WOULD QWEST BE OBLIGATED TO PROVIDE THESE**
16 **UNES?**

17 A. Yes. It is important to note, however, that to the extent Autotel is serving end-user
18 customers through UNEs, it would no longer be solely a wireless carrier exempt from
19 regulation in Utah. Autotel would also need to enter into a wireline interconnection

¹ ~~FCC~~ First Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98, 11 FCC Rcd 15499 (released August 8, 1996) ¶ 380.

1 agreement with Qwest. In addition, I have been informed by counsel that Autotel would
2 become subject to the jurisdiction of the Commission and be required to obtain a
3 certificate of public convenience and necessity and comply with several other rules and
4 regulations applicable to wireline Local Exchange Carriers in Utah.

5 **Q. DOES THE FCC'S *TRIENNIAL REVIEW ORDER* ADDRESS ILEC'S**
6 **OBLIGATIONS TO PROVIDE DEDICATED TRANSPORT BETWEEN**
7 **SWITCHES?**

8 A. Yes. The recent *Triennial Review Order* narrowed the ILEC's bundling obligation for
9 dedicated transport to transmission facilities between ILEC switches.³ In this regard, it is
10 worth quoting paragraph 365 in its entirety:

11 **We limit our definition of dedicated transport under section 251(c)(3)**
12 **to those transmission facilities connecting incumbent LEC switches and wire**
13 **centers with a LATA.** The Commission previously defined dedicated transport
14 as:

15 Incumbent LEC transmission facilities dedicated to a particular customer
16 or carrier that provide telecommunications *between wire centers owned by*
17 *incumbent LECs or requesting telecommunications carriers, or between*
18 *switches owned by incumbent LECs or requesting telecommunications*
19 *carriers.*
20

² *UNE Remand Order*, 15 FCC Rcd 3696 at ¶ 233.

³ Report and Order and Order on Remand and Further Notice of Proposed Rulemaking. *In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*. CC Docket No. 01-338 FCC 03-36 (rel. August 21, 2003) (“*Triennial Review Order*”) ¶¶ 359-369.

1 We conclude that our previous definition was overly broad. As we explain in this
2 Part, competitive LECs often use transmission links including unbundled
3 transport connecting incumbent LEC switches or wire centers in order to carry
4 traffic to and from its end users. These links constitute the incumbent LEC's own
5 transport network. However, in order to access UNEs, including transmission
6 between incumbent LEC switches or wire centers, while providing their own
7 switching and other equipment, competitive LECs require a transmission link
8 from the UNEs on the incumbent LEC network to their own equipment located
9 elsewhere. Competitive LECs use these transmission connections between
10 incumbent LEC networks and their own networks both for interconnection and to
11 backhaul traffic. **Unlike the facilities that incumbent LECs explicitly must**
12 **make available for section 251(c)(2) interconnection, we find that the Act**
13 **does not require incumbent LECs to unbundle transmission facilities**
14 **connecting incumbent LEC networks to competitive LEC networks for the**
15 **purpose of backhauling traffic.**⁴

16 Thus, dedicated transport is only those transmission facilities connecting ILEC wire
17 centers and switches to each other. Moreover, in paragraph 368 of the order, the FCC
18 clearly stated this definition of transport applied to wireless carriers:

19 We note that the change in definition applies to all competitors alike, including
20 intermodal competitors. We find that no requesting carrier shall have access to
21 unbundled inter-network transmission facilities under section 251(c)(3). Thus,
22 assuming *arguendo*, that a CMRS carrier's base station is a type of requesting
23 carrier switch, CMRS carriers are ineligible for dedicated transport from their
24 base station to the incumbent LEC network. However, all telecommunications
25 carriers, including CMRS carriers, will have the ability to access transport
26 facilities *within* the incumbent LEC's network, pursuant to section 251(c)(3), and
27 to interconnect for the transmission and routing of telephone exchange service
28 and exchange access, pursuant to section 251(c)(2). (Footnotes omitted, emphasis
29 in original.)

30 This language clarifies that Qwest's obligation to provide unbundled dedicated transport
31 does not extend to transmission between Qwest's switches and those of Autotel and, by
32 logical extension, to elements within Autotel's own network. Therefore, Qwest does not
33 have an obligation to provide the UNE²s that Autotel is seeking.

⁴ *Triennial Review Order* ¶ 365 (bold added, italics in original, footnotes omitted).

1 **Q. DOES AUTOTEL HAVE OTHER OPTIONS TO GAIN ACCESS TO THE**
2 **FACILITIES IT DESIRES?**

3 A. Yes. Other companies purchase access to the type of facilities Autotel desires by
4 purchasing these services through Qwest tariffs. It would be completely inappropriate for
5 Qwest to make an exception for Autotel and allow ~~it~~ them to buy such services as
6 combinations of UNEs.

7 **Q. DOES QWEST PROVIDE ACCESS TO UNES SUCH AS THOSE SOUGHT BY**
8 **AUTOTEL TO OTHER WIRELESS CARRIERS?**

9 A. No. Other wireless carriers either provide their own facilities to interconnect portions of
10 their own networks or purchase special access services from Qwest under its state or
11 federal tariffs. Again, it would not be appropriate for the Commission to allow Autotel to
12 do what other wireless carriers cannot do. Given the robust growth in the wireless
13 industry today, it is clear that these companies are not being disadvantaged by not being
14 allowed to purchase UNEs to connect portions of their own network.

15 **Q. DOES THE FACT THAT AUTOTEL IS A SMALL CARRIER AFFECT THE**
16 **FOREGOING?**

17 A. No. I understand that Autotel attempts to justify special treatment on the basis that it will
18 only have a few customers and that it is too expensive for it to operate if it must play by
19 the same rules as other wireless carriers. However, Qwest cannot treat Autotel
20 differently than it treats other carriers. It cannot discriminate in how it provides service

1 to carriers. Furthermore, if it allows Autotel to receive unique treatment, that treatment
2 will be available to all other carriers through opt-in requirements.

3 **VI. CONCLUSION**

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

5 A. Yes it does.

6

DOCKET NO. 03-049-19

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing SUPPLEMENTAL TESTIMONY OF WILLIAM R. EASTON was served on the following by electronic mail and by U.S Mail, postage prepaid, on September 30, 2003:

Richard L. Oberdorfer
Autotel
114 North East Penn Avenue
Bend, OR 97701
oberdorfer@earthlink.net

Michael Ginsberg
Assistant Attorney General
160 East 300 South, Suite 500
Heber M. Wells Building
Salt Lake City, UT 84111
