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2 combined company will somehow have additional market  
3 power and be able to act in an anticompetitive manner  
4 when the company will look exactly as it looks today.

5           The market in Utah is very competitive today.  
6 It will be competitive in the future. Competition is  
7 thriving. Qwest will not dom -- the post-merger  
8 company will not dominate the market just as Qwest  
9 does not dominate it today.

10           Briefly I'd like to talk a bit about the  
11 retail market. Mr. Gates argues that incumbent local  
12 exchange carriers such as Qwest control 70 percent of  
13 the market in the State of Utah today. And he argues  
14 that this means that Qwest has a lot of market power.

15           Essentially the problem with this is that  
16 market share is not a full indicator of the level of  
17 market power because first of all it's a historical  
18 snapshot of a point in time. It does not consider  
19 market trends.

20           In addition, it does not consider the fact  
21 that there may be all sorts of alternatives despite a  
22 particular market share. .

23           Now, I think that another major problem with  
24 Mr. Gates analysis is that he basically comes up with  
25 a wireline market share and ignores wireless service

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2   entirely. As we're all aware wireless is a substitute  
3   for wireline service. Many people in fact 25 percent  
4   of Americans have dropped their wireline service.

5           I believe that no reasonable competitive  
6   analysis can ignore wireless substitution. Fact in  
7   Utah today, incumbent local exchange providers  
8   including Qwest have only 25 percent of the voice  
9   market.

10           I think it's important to realize that  
11   Mr. Coleman of the DPU also stated that, and I quote,  
12   customers have many different options. And those  
13   would include cable, such as Comcast, voice over  
14   Internet protocol providers, and wireless providers.  
15   I also point out that the legislature in Utah has  
16   determined that retail rates for Qwest would not be  
17   price regulated which is an acknowledgment that there  
18   is a high level of competition in addition the State of  
19   Utah and that's not going to change.

20           I'd also point out that broadband services,  
21   Qwest today provides service through DSL type  
22   technologies, and if you look at the share of the  
23   market that DSL has in Utah according to the FCC it's  
24   only a third of the market, as there's cable modem and  
25   there's wireless alternatives that are available. So

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2 providing service and being responsive to our CLEC  
3 customers.

4           In addition, one of the things that has come  
5 out recently within the last several weeks is we have  
6 made what we call Tier 2 staffing announcements, which  
7 are the direct reports to the president of the  
8 wholesale markets. There, there seems to be concern  
9 that you know we're going to abandoned Qwest personnel  
10 through this division.

11           What the Tier 2 position announcements  
12 clearly demonstrate is that we're committed to keeping  
13 both the expertise of CenturyLink and the expertise of  
14 Qwest in the new combined company. And in fact, three  
15 personnel were named to key positions within the  
16 combined company in regards to working with the CLECs  
17 and the wholesale customers. And those were in the  
18 years of product management, product development that  
19 will be a Qwest individual that will be leading that.

20           We also have a Qwest individual who will be  
21 leading our wholesale operations, including our  
22 operations support systems or OSS. And we also have a  
23 Qwest person that will be leading our provisioning  
24 group which will also, which will handle the provision  
25 of services for the CLEC customers.

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2                   I think the bottom line is that CenturyLink  
3 wants the best of the best from an employee  
4 perspective, and we recognize that it is in our best  
5 interest to staff of the wholesale organization with  
6 employees from both companies not just from one  
7 company or the other. .

8                   It's my, it's our want and certainly our  
9 direction that this philosophy will continue as we  
10 move through the organization regarding staffing  
11 decisions.

12                   One thing I want to point out is that  
13 CenturyLink and Qwest's current wholesale  
14 organizations are not built on a state by state basis  
15 they're built on a national basis to handle orders and  
16 interact with our customers across a national scale  
17 not just in an individual state. .

18                   As such the CLEC comparisons in their  
19 testimony failed to account for the volumes and for  
20 the service quality CenturyLink has provided on a  
21 national basis. As stated in my testimony CenturyLink  
22 has almost 2000 active interconnection and resale  
23 agreements from place today.

24                   We're on pace to process almost 1 million  
25 orders through our operations support systems. And we

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2   there can -- we allow carriers to fax in orders. And  
3   when they fax in orders we have to take those and  
4   input them into the system for the carrier rather than  
5   the carrier being able to put them into the system  
6   directly.

7           Q.    Have you heard swivel chair used to describe  
8   a way of moving information that include -- that  
9   requires taking the information manually from one  
10   system and rekeying it into another system?

11          A.    That's what I was referring to there because  
12   again the orders are coming in a fax mode so they have  
13   to be look at a piece of paper and then take those and  
14   put them into the system.

15          Q.    But you don't know I take it whether any of  
16   the red dotted lines that connect any of these boxes  
17   are a fax communication or something else?

18          A.    I don't know whether they're fax  
19   communication, I don't know whether they apply in all  
20   cases because there's also green lined. This could be  
21   a very small percentage of, of what we're talking  
22   about. I have no knowledge of what, what that really  
23   represents.

24          Q.    You've heard of the concept flow through used  
25   in connection with OSS?

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2           A.    Yes.

3           Q.    What does flow through refer to?

4           A.    Flow through is, means that the order comes  
5 into the system, and it goes into the system -- it'll  
6 flow through into other systems without human  
7 intervention.

8           Q.    And swivel chair is something that would not  
9 be flow through, correct?

10          A.    That, again, based on the fax order I think  
11 that's correct, yes.

12          Q.    Flow through is something that is desirable  
13 in OSS; is that right?

14          A.    Yes, we're always seeking to improve flow  
15 through and actually when we implemented the e-system  
16 last year in CenturyLink that is one of the most  
17 significant gauging factors that we were looking at  
18 what impact that has on flow through.

19          Q.    What has CenturyLink done thus far if  
20 anything to analyze how its OSS compares with Qwest in  
21 terms of flow through?

22          A.    I'm not aware of any analysis that's been  
23 done, but I wouldn't be privy to, that I wouldn't  
24 necessarily be privy to that analysis anyway.

25          Q.    Do you know whether LSRs submitted by CLECs