

In this response, Qwest addresses the Escalations submitted jointly by Eschelon Telcom, Inc., Covad Communications, and Allegiance Telecom Inc. on December 6, 2001 regarding CR#PC100101-5 on Clarification of Additional Testing Process.¹

BACKGROUND

Qwest's clarification of the testing and test diagnostic requirements for the trouble ticket initiation process, including the option to have Qwest perform these test services, is driven by three primary business reasons: improved repair performance, which benefits both the CLECs and Qwest operationally; increased end user customer satisfaction; and consistent and streamlined communication between CLECs and Qwest.

Testing prior to initiating the trouble report will reduce the number of unnecessary trouble reports CLECs submit to Qwest. This will allow Qwest to allocate its resources into other maintenance and repair areas. The requirement that CLECs perform test isolation allows them to identify and repair cases of trouble that are not in the Qwest network. These trouble isolation steps are the most efficient manner of dealing with service issues.

Testing will also result in reduced repair time and lead to improved customer satisfaction. Circuit repair involves two steps: initial testing to isolate the trouble to a particular network and trouble repair. Accurate information provided by CLECs at the time a trouble report is submitted will focus Qwest's efforts on the network segment that needs to be repaired.

In addition, Qwest is entitled as a matter of law to reasonable cost recovery and when the CLEC authorizes Qwest to perform the testing, Qwest should be reasonably compensated for the costs it incurs to perform that function.

Several meetings were held with CLECs before deployment of the stated process ensued. At the October 17, 2001 CMP Meeting, this process was introduced. Qwest took questions from the audience and scheduled a follow-up meeting to address issues. On October 31, 2001 Qwest presented the Clarification of Additional Testing Process to the CLECs at a CMP meeting and answered questions related to the presentation. The presentation and subsequent questions and answers were issued and posted on the CMP web site following that session. In response to a request from Eschelon, Qwest and Eschelon personnel met on November 12, 2001 to review the information shared at the October 31, 2001 CMP Redesign meeting and to answer additional questions. Finally, on November 26, 2001 Qwest met again with the CLECs to finalize all Questions and Answers. Qwest stayed at this last meeting until there were no unanswered questions. The questions and final responses were posted to the web site as supporting documentation. Those Questions and Answers can be found in the attached Q&A document or at the CMP web site.

¹ Although this response does not specifically address KMC's Escalation because it was received later, Qwest believes that it is equally applicable and serves as a response to that Escalation as well.

At each meeting, the deployment schedule was fully discussed. CLECs were allowed 15 days to try the process out without billing and full billing began on December 1, 2001. Although there was discussion about effective dates, at no time prior to implementation was it implied or suggested that the implementation date would be postponed or cancelled due to objection.

In its escalation, Eschelon and the other CLECs takes issue with the way this CR has been handled, the rates Qwest proposes to charge, and the way the charge appears on the bill. Each of these issues is addressed below.

Qwest's handling of this CR.

Qwest submitted CR #PC100101-5, Clarification of Additional Testing Process, in accordance with its good faith interpretation of the Interim Qwest Product/Process Change Management Process that was agreed to by the Change Management Redesign Core Team.² In addition, the CLECs requested that Qwest formally notify them through the change management processes when Qwest was tightening adherence to existing requirements. Because CLECs were not consistently complying with the requirement to provide test results prior to opening a trouble ticket, Qwest submitted a CR to put CLECs on notice that it would be enforcing that requirement for the reasons noted above. Qwest also outlined an elective testing option available upon CLEC authorization to complement the ticket initiation process for which charges will apply.

As stated above, Qwest implemented this change only after several weeks' notice and several meetings with the CLECS. In each meeting, Qwest offered to negotiate an amendment to a CLEC's interconnection agreement if it disagreed with the rates Qwest has proposed for Optional Testing.

As this CR is a clarification of an existing process, Qwest did provide to CLECs who asked specific cites from the CLEC contracts for the language requested. Additionally, Qwest specifically provided such cites to Eschelon.

It is standard in the industry for each party to test their own facilities and for the CLECs to provide these test results to the ILECs when reporting trouble. CLECs in Qwest's region, including these CLECs, have stated that they are generally in compliance with the standard industry practice. However, it has been Qwest's experience that many CLEC trouble tickets result in No Trouble Found or trouble isolated beyond the demarcation point to the CLEC network. If the testing and trouble isolation steps are not performed by the CLEC, Qwest will not have enough information to issue a trouble report for the CLEC end user. At

² While there has subsequently been disagreement regarding the applicability of the interim process, at the time Qwest issued the CR, it believed in good faith that it applied to process changes that affect a CLEC's operating procedures.

this point, the CLEC can choose to either conduct these tests for their end user or request Qwest to conduct the tests on the CLEC's behalf.

The Rates.

Qwest will not conduct nor bill a CLEC for Optional Testing unless agreed to by the contact personnel at the CLEC business at the time the request is made. If the CLEC does not provide test diagnostics to Qwest, the Qwest representative asks if the CLEC desires for Qwest to perform the Optional Testing on its behalf and validates with the CLEC representative that a testing charge will apply. Thus, every time a CLEC authorizes Qwest to perform Optional Testing, it has also authorized Qwest to charge the CLEC. The CLEC will receive the benefit of this Optional Testing in that the test results will be provided to the CLEC either verbally or electronically.

Qwest is entitled to recover its costs. To this point, Qwest has, until now, borne the entire cost of testing and trouble isolation where the CLECs have not met their requirements to test. These efforts include dispatch into the central office to separate CLEC network troubles from Qwest network troubles or dispatched to the field to separate Qwest network troubles from end-user customer equipment troubles.

As the option for the CLEC to request Qwest to test on a CLEC's behalf is a new offering, if a CLEC should so choose, the CLEC will be billed for the labor expended to conduct the test. Once the test is complete, the test results will be related back to the CLEC. The CLEC can then choose to amend these test results to its initial request and submit a trouble ticket to Qwest or can then choose to resolve the trouble without Qwest's assistance. If Qwest receives a complete trouble ticket and begins trouble resolution, and subsequently determines that the trouble is in the CLEC portion of the network, then the CLEC will be billed the Additional Labor charge for the labor expended on trouble that is not in the Qwest network. This charge is in addition to the Optional Testing charge defined above. Additionally, if the CLEC asks the Qwest technician to perform work to repair trouble in the CLEC network, that CLEC will be billed the Maintenance of Service charge. Again, this charge is in addition to both of the charges identified above. The CLEC only pays for any work that Qwest performs on its behalf.

The Maintenance of Service charge and the Optional Testing charge are separate issues. Maintenance of Service is billed when CLEC authorizes work to be conducted on the CLEC side of the Network. Again, this work is not performed nor billed if not authorized by the CLEC. Additional Labor is requested by the customer and agreed to by the Company. This element is incurred to accommodate a specific customer request that involves only labor, including testing and maintenance. Therefore, this charge applies to a request to test to achieve Trouble Isolation as well as to trouble resolution on a circuit reported to Qwest subsequent to Trouble Isolation. Qwest implemented billing for the Trouble Resolution in June. Qwest believes that some of the concerns that Eschelon has raised about charges that have appeared on the Eschelon bill relate to this implementation, since the bill identified by Eschelon does not include Optional Testing charges. If a CLEC disputes any of the

aforementioned charges, they should continue to do so under the applicable provisions of their interconnection agreements.

Since all of these charges cover different forms of work, there is no double recovery.

Qwest does not bill Retail rates for these services. Qwest will bill only:

1. From the CLEC Contract if a rate is available
2. From the SGAT if a rate is not available. The SGATs contain generally available rates filed by Qwest.³ This ensures non-discriminatory treatment of all CLECs.

Billing Issues.

Concerns have been raised about Qwest's plan to show the charges on the bill as "miscellaneous" charges. Qwest agreed not to begin billing the Optional Testing charge until December 2001. Thus, the charges to which Eschelon refers are not Optional Testing charges. Once Qwest Systems are modified, a unique line item will be available on each bill for the CLEC. This modification is in direct response to the Eschelon concern for line item identification. In the interim the billing for optional testing will appear under additional labor basic. This new line item is planned to read "Additional Labor – Basic Optional Testing". A sample of how Qwest intends to present this information on the bill is set forth below.

³ The SGAT rates are interim in nature until finally approved and may be subject to true-up upon approval, if a commission determines that is necessary.

ESCHELON FORMERLY ATI	BILL DATE: XX/XX/XX PAGE: 1 ACCOUNT NO: X-###-####-###X
ACCOUNT DETAIL	
MONTHLY SERVICE CHARGES	###.##
ACCOUNT ACTIVITY	###.##
TAXES	.##
QWEST RESALE/INTERCONNECT TOTAL	###.##
<hr/>	
MONTHLY SERVICE - NOV 25 THRU DEC 24	##.##
QWEST RESALE/INTERCONNECT SUBTOTAL MONTHLY SERVICE CHARGES	\$\$\$.
SERVICE ADDITIONS AND CHANGES	
1 SERVICE ORDER NO R##### ADDITIONAL LABOR OTHER-BASIC – OPTIONAL TESTING ON 10-16-01 PON ##### 1 BASIC TIME, PER TECHNICIAN, ALGXX EA 1/2 HR OR FRACTION THEREOF	##.##
A WHOLESALE DISCOUNT HAS BEEN APPLIED.	
QWEST RESALE/INTERCONNECT SUBTOTAL OF ACCOUNT ACTIVITY	\$\$\$.
TAX SUMMARY	
STATE TAX	.##
QWEST RESALE/INTERCONNECT SUBTOTAL OF TAXES	\$.##
QWEST RESALE/INTERCONNECT CURRENT CHARGES	\$\$\$.

Proposed Method for Resolution

As set forth above, Qwest believes that it has appropriately clarified the testing and test diagnostic requirements for the trouble ticket initiation process and the Optional Testing charge. However, in the spirit of collaboration, Qwest proposes that the CLECs work together with Qwest to resolve the CLECs' concerns regarding the appropriate rate for the Optional Testing. Qwest's proposal is as follows.

The parties will meet to discuss and, if possible, reach agreement on the following issues:

1. What are the appropriate rates for Optional Testing?
2. When will Optional Testing rates apply?

3. How do the parties appropriately implement the rate (i.e., use individual contract rates, the SGAT rate, amend agreements to reflect the rate)?
4. How are the charges for Optional Testing presented on the CLEC bills?

If the CLECs agree to this proposal, Qwest will suspend billing the Optional Testing charge until January 31, 2002 in order to allow the parties to discuss and reach agreement on these issues. The suspension of billing the Optional Testing will begin at a mutually agreed time and end on January 31, 2002. During that period, Qwest will continue to follow the Optional Testing process as it has been clarified, but will not bill the Optional Testing charge to the CLECs when the CLECs authorize Qwest to perform the Optional Testing. Billing will resume following the suspension. Issues not addressed or closed prior to January 31, 2002 will be considered through CMP.

Qwest requests that the CLECs advise Qwest by December 21, 2001 whether they agree to this collaborative approach.