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August 12, 2002

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Qwest Communications International, Inc. Colorado/Idaho/Iowa/Nebraska/North
Dakota, WC Docket No. 02-148; Qwest Communications International, Inc.
Montana/Utah/Washington/Wyoming, WC Docket No. 02-189

Dear Ms. Dortch:

On August 9, 2002, the undersigned, together with Charles E. Hoffman, President and Chief Executive Officer of Covad Communications Company, made an *ex parte* presentation in the above-referenced dockets to Commissioner Kathleen Q. Abernathy and Matthew Brill.

The presentation covered material already set out in Covad's written submissions in these dockets. The attached outline of Covad's oral presentation was distributed during the meeting. The twenty-page limit does not apply as set forth in DA 02-1390 and DA 02-1666.

Respectfully submitted,

/s/ Praveen Goyal

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August 9, 2002

Qwest's Non-Compliance with Section 271 in ROC I and ROC II states

I. Introduction

A. Covad's presence in Qwest region.

1. Over 38,000 Covad lines in service in 7 Qwest states: Arizona, Colorado, Minnesota, New Mexico, Oregon, Utah, Washington. (46% line shared loops)
2. Colorado: over 10,000 lines in service (48% line shared loops).
3. Washington: over 11,000 lines in service (45% line shared loops).

(figures as of 7/26/02)

B. Covad continues to roll out innovative broadband service offerings.

1. Telesurfer Link product offers consumer broadband service at the lowest price point yet: \$21.95 for first four months, \$39.95 after that.
2. The work of the FCC and the state commissions makes this possible.
3. Section 271 process is crucial in obtaining BOC compliance with unbundling and pricing obligations.

C. Covad raises several deficiencies in Qwest's applications. Two of the issues Covad raises are critical for providing consumers with low-cost broadband alternatives. Covad views resolution of these issues as a significant step forward in promoting xDSL competition in the Qwest region.

1. Zero line shared loop rate required under TELRIC.
2. Qwest must provide non-discriminatory line sharing provisioning.

II. Line Shared Loop Rate

A. Both CO and WA commissions decided to require positive line shared loop rates, in spite of Qwest's own proposed zero rate.



1. No cost study used in determining rate. No cost allocation methodology developed for determining rate.
 2. Rate amounts were basically picked out of a hat.
- B. Qwest itself proposed a zero rate because Qwest treats the high frequency portion of the loop as causing no incremental cost.
1. Qwest allocates zero cost to the loop in its federally tariffed retail line shared DSL service.
 2. This is because Qwest already recovers all of its loop costs before offering a line shared DSL service.
- C. CO and WA line shared loop rates fail to meet 271 checklist compliance.
1. No evidentiary showing that rates are cost-based.
 2. Rates discriminate against competitors by artificially inflating competitors' costs for line shared services above Qwest's own costs.

III. Loop Provisioning: the Router Test

- A. Covad raises a host of deficiencies with Qwest's loop provisioning and performance.
1. Fake Service Order Completion notices (SOCs): Qwest's SOCs are sent out automatically, without being triggered by a work event.
 2. Poor Performance: The performance data show that Qwest provides discriminatory performance on most of the maintenance and repair measures for line shared loop UNEs.
- B. Many of these problems could be addressed by Qwest providing Covad the same router test Qwest uses for its own line shared loops.
- C. The router test would establish that Qwest delivers a working loop:
1. Circuit continuity from Covad's DSLAM to the end user's loop.
 2. Proper wiring of splitter and cross-connects.



3. SOC notice would be triggered by actual work event (router test).

D. The touchstone of the Act is non-discrimination. Qwest should use for competitors the same provisioning processes it uses for itself.

IV. Additional Deficiencies in Qwest's applications

A. Loop information OSS: KPMG never tested whether Qwest provides competitors access to all of the loop information available to its personnel.

1. FCC should require audit of loop information OSS.

2. Qwest should be required to provide pre-order MLT testing of loops.

B. Fake Firm Order Confirmation notices (FOCs): Qwest repeatedly changes the due dates on loop orders.

1. Qwest should be required to physically verify facilities before sending out a FOC.

C. New Build Policy: Qwest does not report on the number or percentage of Covad orders that are cancelled or rejected due to lack of facilities. These orders are not captured in Qwest's existing performance metrics.

1. Qwest should be required to report the number and percentage of Covad orders that go into held status due to lack of facilities.