Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by	)	
Qwest Communications International, Inc.	)	
for Authorization to Provide	)	WC Docket No. 02-189
In-Region, InterLATA Services	)	
Montana, Utah, Washington, and Wyoming	)	
_____	)	

COMMENTS OF WORLDCOM, INC. ON THE APPLICATION BY QWEST COMMUNICATIONS INTERNATIONAL, INC. TO PROVIDE IN-REGION, INTERLATA SERVICES IN MONTANA, UTAH, WASHINGTON, AND WYOMING

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INTRODUCTION AND EXECUTIVE SUMMARY

As WorldCom gains more experience in the local market it Qwest territory, it becomes increasingly clear that Qwest's applications for section 271 authority are premature and should be rejected. Qwest's Operation Support Systems (OSS) contain complexities that have not existed in any other region at the time the Bell Operating Company (BOC) received section 271 authority. WorldCom and other competitors therefore must expend scarce resources developing work-around solutions to Qwest's difficult OSS, spend time on the phone with customers gaining the additional information required by Qwest's processes, and respond to rejected orders.

Nothing in the multitude of *ex parte* filings submitted by Qwest over the past few weeks demonstrates that Qwest's OSS is now ready and that its unbundled network element (UNE) rates have been reduced to cost. Qwest's commercial experience with OSS remains limited because of the sky-high UNE rates that existed until shortly before Qwest's initial section 271 application. Nonetheless, the limited commercial experience of CLECs to-date demonstrates the existence of significant OSS difficulties that further explain why ordering volumes for residential UNE-P remain low. The CLEC with the most experience in the Qwest region, Eschelon, points to a host of OSS problems. The Department of Justice also raises concerns about OSS in its Qwest II Evaluation. WorldCom also continues to experience problems in placing orders (which it does in partnership with Z-Tel Communications, Inc. (Z-Tel)).

In WorldCom's experience, the complexity of Qwest's ordering process remains the primary obstacle to development of significant competition using UNE-Platform (UNE-P). Qwest's failure to adopt migration by name and telephone number and

industry-standard migrate-as-specified greatly increases CLEC reject levels, CLEC development costs, and the amount of time that CLEC customer service representatives must spend on the phone with customers. Every other BOC had in place migration by name and telephone number and industry-standard migrate-as-specified by the time it received section 271 authorization. But Qwest has chosen not to put these processes in place.

In addition, Qwest's high level of manual processing, inadequate change management process, and inauditable bills limit the ability of CLECs to compete, as do the non-TELRIC rates in many states and Qwest's refusal to provide customized routing. For all of these reasons, both of Qwest's multi-state applications must be denied. This is especially so because the almost region-wide scope of Qwest's two applications magnifies the import of any premature decision to grant Qwest section 271 authority.

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1	Sherry Lichtenberg	OSS
2	Chris Frentrup	Pricing

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FCC Orders	
Georgia/Louisiana Order	In re Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc. And BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Georgia and Louisiana, CC Docket No. 02-35, Memorandum Opinion and Order, FCC 02-147 (rel. May 15, 2002).
Louisiana II Order	In re Application of BellSouth Corporation, et al. Pursuant to Section 271 of the Communications Act of 1934, as Amended, to Provide In-region, InterLATA Services in Louisiana, CC Docket No. 98-121, Memorandum Opinion and Order, 13 F.C.C.R. 20599, FCC No. 98-271(1998).
UNE Remand Order	In re Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order, 15 F.C.C.R. 3696 (1999).

Declarations and Affidavits	
Frentrup Reply Decl.	Reply Declaration of Chris Frentrup on Behalf of WorldCom Inc. (Tab 2 hereto).
Lichtenberg Reply Decl.	Reply Declaration of Sherry Lichtenberg on Behalf of WorldCom Inc. (Tab 1 hereto)
Simpson Reply Decl.	Reply Declaration of Lori A. Simpson on Behalf of Qwest Communications Int'l, attachment to Reply Comments of Qwest Communications Int'l, In re Application of Qwest Communications Int'l et al Pursuant to Section 271 of the Communications Act of 1934, as Amended, to Provide In-region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota, WC Docket No. 02-148 (July 29, 2002).
DOJ Evaluations	
DOJ Qwest II Eval.	Evaluation of the DOJ, In re Application of Qwest Communications Int'l et al Pursuant to Section 271 of the Communications Act of 1934, as Amended, to Provide In-region, InterLATA Services in Montana, Utah, Washington and Wyoming, WC Docket No. 02-189 (Aug. 21, 2002).

Other Materials	
Eschelon Aug. 15 *ex parte* letter	Letter from Karen L. Clauson, Eschelon, to FCC, WC Docket No. 02-148, filed August 15, 2002.
HP Aug. 6 *ex parte* letter	Letter from Geoff May, Hewlett Packard, to Marlene Dortch, FCC, WC Docket No. 02-189, filed August 19, 2002.
Qwest July 15 *ex parte* letter	Letter from R. Hance Haney, Qwest, to Marlene Dortch, FCC, WC Docket No. 02-148, filed July 15, 2002.
Qwest Aug. 9 *ex parte* letter	Letter from Yaron Dori, Hogan & Hartson, to Marlene Dortch, FCC, WC Docket No. 02-189, WC Docket No. 02-148, filed Aug. 9, 2002
Qwest Aug. 13 *ex parte* letter	Letter from, R. Hance Haney, Qwest, to Marlene Dortch, FCC, WC Docket No. 02-189, filed Aug. 13, 2002
Qwest Aug. 14 *ex parte* letter	Letter from Yaron Dori, Hogan & Hartson, to Marlene Dortch, FCC, WC Docket No. 02-189, WC Docket No. 02-148, filed Aug. 14, 2002
Qwest Aug. 19 *ex parte* letter	Letter from Christopher Killion, Hogan & Hartson, to Marlene Dortch, FCC, WC Docket No. 02-148, filed Aug. 19, 2002.
Qwest Aug. 20 *ex parte* letter	Letter from R. Hance Haney, Qwest, to Marlene Dortch, FCC, WC Docket No. 02-148, WC Docket No. 02-189, filed Aug. 20, 2002
WorldCom Aug. 19 *ex parte* letter	Letter from Lori Wright, WorldCom, to Marlene Dortch, FCC, WC Docket No. 02-148, WC Docket No. 02-189, filed Aug. 19, 2002

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REPLY COMMENTS OF WORLDCOM, INC. ON THE APPLICATION BY QWEST COMMUNICATIONS INTERNATIONAL, INC. TO PROVIDE IN-REGION, INTERLATA SERVICES IN MONTANA, UTAH, WASHINGTON, AND WYOMING

Qwest's OSS contain numerous deficiencies that present significant hurdles for competitors and, not coincidentally, have not existed in any other BOC territory at the time of section 271 approval. Qwest's section 271 application should be rejected at least until Qwest eliminates these barriers to competition. In addition, Qwest's UNE prices are excessive and preclude a profitable mass-market entry in every zone in every state in question, with the single exception of zone 1 in Washington. Qwest also is not in compliance with the Act, the section 271 checklist, or Commission precedent in refusing to provide WorldCom with customized routing in the form we have requested.

Because the issues that WorldCom addresses below are common to Qwest's first multi-state application ("Qwest I") and Qwest's second multi-state application ("Qwest II"), WorldCom is filing these comments both as its reply comments in the Qwest II docket and as an *ex parte* in the Qwest I docket. In its comments, WorldCom will address Qwest *ex partes* that have been filed in either or both dockets.

I. QWEST MUST RESOLVE NUMEROUS OSS DEFICIENCIES

A. Qwest's Pre-ordering and Ordering Processes Are Far Too Complex.

Unlike every other BOC, Qwest has not adopted migration by name and telephone number or industry-standard migrate-as-specified. Lichtenberg Reply Decl. ¶ 2. The change that Qwest adopted recently with respect to migrate-as-specified does not alter this fact or the severe negative impacts of Qwest's alternative processes. *Id.* Specifically, in an August 13 *ex parte*, Qwest stated that as of August 15, 2002, it would permit CLECs to submit orders without listing existing features if a customer did not wish to retain those features. Setting aside for the moment that Qwest's change was made without proper notice to CLECs – in complete violation of the change management process, as we will discuss further below[1] -- Qwest's change does not resolve the primary problem with Qwest's present failure to allow industry-standard migrate-as-specified: CLECs must differentiate among features the customer already has and features the customer is adding for the first time. *Id.* This requires CLECs to sort through existing features on the Customer Service Record ("CSR"), determine which of those features the customer wishes to retain, and indicate with a code that they are existing features – all while the customer is waiting on the phone. The CLEC must separately list new features the customer wishes to add with a code to indicate they are new features. Combined with the need for CLECs to include a customer's service address on every order, this complexity increases the resources needed for OSS development, increases the time a

[1] That assumes, of course, that Qwest made an actual change to its systems on August 15. WorldCom believes Qwest did not do so. When WorldCom submitted its original Qwest I Comments, it believed based on Qwest's documentation that CLECs needed to list all existing features on every order. But by the time WorldCom submitted its Qwest II Comments, it had learned that CLECs did not have to list features that the customer did not wish to retain. Thus, Qwest's August 15 change was likely only a change to Qwest's documentation to make it conform to Qwest's actual systems. It therefore will not help resolve the

customer service representative must stay on the phone with the customer, and increases the reject rate. *Id.*

In various *ex parte* filings, Qwest attempts to downplay the harm its complex ordering process causes to CLECs. But Qwest entirely ignores much of the harm.[2] Because Qwest requires CLECs to place service addresses on each order and to retrieve CSRs based on a customer's address, CLECs must perform a service address validation on every order. The CLEC must type in the address to use this function. Use of the address validation function adds time to the pre-order process while the customer is on the phone and requires additional development work on the part of CLECs. The burden of using the address validation function is increased further by the fact that Qwest often returns multiple addresses in response to the address validation function, forcing CLEC customer service representatives to choose from among the listed addresses based on input from the customer.

Moreover, even at this point, the address the CLEC receives may not work in retrieving the CSR. Lichtenberg Reply Decl. ¶ 8. WorldCom has asked Qwest whether it can count on using the returned address in order to access the CSR given differences in Qwest's PREMIS and CRIS databases, and Qwest has indicated it needs to research the answer. *Id.* Qwest fails to discuss any of these problems in its *ex partes*.[3] All of these

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problem WorldCom had come to understand was the basic cause of the difficulties it was experiencing: the need to differentiate new features from existing features the customer wishes to retain.

[2] Qwest asserts that CLECs managed to process 9,799 migration LSRs for UNE-P POTs in June, for example. Qwest Aug. 13 *ex parte*. But 9,799 is a tiny number for an entire region and says nothing about the problems CLECs encountered during the process.

[3] Hewlett Packard ("HP") similarly fails to discuss these issues in the several *ex partes* it submits on pre-order/order integration. Indeed, HP acknowledged that for integration to succeed, the customer service representative would have had to have selected the appropriate address from among the multiple addresses often returned by Qwest. HP Aug. 19 *ex parte* Ex. A p. 6.

problems related to use of the address validation function would be eliminated on migration orders if Qwest adopted migration by name and telephone number.

Qwest's failure to adopt migration by name and telephone number and industry-standard migrate-as-specified also significantly increases the CLECs' dependence on CSRs. CLECs have no choice but to use the information on the CSR. But Qwest often returns to CLECs multiple CSRs with "live" accounts, forcing CLECs to choose among them by working in conjunction with the customer. And CLECs must develop the capacity to display multiple CSRs to customer service representatives. Qwest itself acknowledges that multiple CSRs were returned 3.1 percent of the time through IMA 10.0, 4.8 percent of the time through IMA 9.0 and 5.0 percent of the time through IMA 8.0.[4] These are not insignificant percentages given the harm that multiple CSRs cause CLECs.

The fact that CLECs must include on an order a customer's address, information on their existing features, and a customer code also significantly increases the difficulties of pre-order/order integration. HP submits several *ex partes* on pre-order/order integration. But HP's *ex partes* say that pre-order/order integration works only once the correct CSR has been chosen, once an "exact match" has been found, ignoring the fact that Qwest often returns multiple CSRs. HP also acknowledges that it had to create tables to populate the information in an order. This is because the pre-order fields are different than the order fields. Qwest uses non-standard fields for features and feature details at the pre-order stage that have to be matched to Qwest's ordering fields. Lichtenberg Reply Decl. ¶ 6. No other ILEC does this. In addition, Qwest buries the telephone numbers associated with a customer inside the feature information, unlike any

other ILEC. This means that CLEC must program its systems to go into every feature, extract the telephone number, and then go through again and extract the feature information. *Id.* This increases development costs and processing time while the customer service representative is on the phone. On average, it is taking 15 more seconds for WorldCom (through Z-Tel) to process CSR information in the Qwest region than in other regions – a critical difference in a mass markets environment that depends on volume. Moreover, for more complex orders, information such as hunting information and pulsing and signaling information is not returned in parsed format.

The difficulties presented by Qwest's ordering process not only require CLECs to expend development resources that they otherwise would not have to, they also lead to a high reject level. Lichtenberg Reply Decl. ¶ 6. As WorldCom has repeatedly explained, our reject level, which is typical of CLECs in the Qwest region, remains well over twice as high as in other regions where we submit orders through Z-Tel even though we are ordering through systems that ostensibly have been integrated. Lichtenberg Reply Decl. ¶ 5. The Department of Justice agrees that Qwest's reject rates remain high. DOJ Qwest II Eval. at 11.

Qwest has presented data ostensibly showing that CLECs are capable of achieving a low reject rate.[5] But only two of the CLECs that Qwest holds out as examples has even achieved an overall reject rates anywhere near an acceptable level placing orders via EDI. (CLECs B and H). And Qwest does not say what type of orders these CLECs are placing. Moreover, even if one or two CLECs have somehow managed

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[4] Qwest Aug. 13 *ex parte*.
[5] Qwest Aug. 14 *ex parte*.

to achieve a low reject level with today's relatively low order volumes, Qwest's complex ordering process certainly made it much more difficult to do so.

Qwest's complex ordering process remains the primary cause of the high reject rate that most CLECs are experiencing. Qwest's August 20 *ex parte* shows that rejects related to address information are the biggest source of manual rejects for the CLECs that Qwest identifies. Moreover, although Qwest does not list the reasons for automated rejects, the biggest cause of these rejects in WorldCom's experience (ordering in partnership with Z-Tel) are issues associated with multiple CSRs and the lack of migrate-as-specified. Indeed, of WorldCom's rejects in July, 36% related to address issues, 15% related to multiple CSRs and 7% related to feature activity.[6] The fact that one or two CLECs may have managed to surmount some of these difficulties does not mean that Qwest's process is even remotely adequate. And some of the difficulties are clearly impossible to surmount. Because Qwest requires CLECs to rely on feature information from the CSR, for example, and because the CSR information is often wrong, CLECs will inevitably face rejects no matter how perfectly they integrate pre-ordering and ordering.

In order to meaningfully reduce the number of rejects, reduce CLEC development costs, and reduce the amount of time CLEC customer service representatives must spend on the phone with customers, Qwest must do what every other BOC has done – adopt migrate by name and telephone number and industry-standard migrate-as-specified. The

[6] Qwest calculates very different numbers for Z-Tel in its Qwest I Reply Comments. See Ex. LN-18. These numbers appear very far off. WorldCom does not know how Qwest is categorizing the rejects. It may be, for example, that Qwest calculates errors related to features as ordering errors even though they stem from Qwest's requirements with respect pre-ordering. And even under Qwest's calculation, the percentage of total orders rejected for reasons related to pre-order issues is high (because Qwest calculates the total reject percentage as so high). In any event, what is absolutely certain is that the apples to apples

Department of Justice agrees, for example, that "reject rates would be lowered if Qwest made [these] two changes." DOJ Qwest II Eval. at 11.[7]

Qwest attempts to defend its current ordering process by arguing that CLECs only recently requested a different process in change management.[8] But Qwest acknowledges that "[w]hen Qwest first implemented IMA EDI and the IMA GUI, conversions "as specified" did not require specification of the existing features that would remain – the CLEC was required to specify only the Features that would remain after the conversion was completed."[9] In other words, Qwest once had industry standard migrate as specified in place. Qwest then amended its process in a way that can only be described as anti-competitive. It adopted the much more complicated ordering process that remains in place today. Qwest claims that it did this because "CLECs would not always pull the CSR to see what was on the account, and Qwest received a significant number of contacts to the Repair Center because features were discontinued."[10] But Qwest did not discuss – or even announce – this major modification with CLECs. Lichtenberg Reply Decl. ¶ 9. And Qwest's paternalistic justification is absurd. WorldCom and other CLECs use industry standard migrate as specified in every other region of the country without significant loss of features. It is Qwest's complex ordering process that harms CLECs and their customers – as CLECs in the Qwest region agree.

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comparison between WorldCom's experience with Z-Tel in the Qwest region and elsewhere shows a vastly higher reject rate in Qwest than elsewhere.

[7] The Department of Justice asserts, however, OSS performance should be improved due to Qwest's announcement that, as of August 15, CLECs need no longer list features to be eliminated. This assumes that Qwest was making a real systems change, which we do not believe it was, as we have explained above. Moreover, Qwest's "change" does not address the problems caused by the absence of migration by name and telephone number or the primary problem with Qwest's present failure to allow industry standard migration as specified, as we also have explained above.

[8] Qwest Aug. 13 *ex parte*.

[9] Qwest Aug. 13 *ex parte*.

[10] *Id*.

Thus, Qwest should never have adopted its current ordering process in the first place. Indeed, Eschelon has been protesting Qwest's move to the non-standard process since it was first implemented in 2001.[11] Eschelon's protests have been ignored by Qwest. And state commissions were not given the opportunity to consider the difficulties caused by Qwest's process because Eschelon was precluded from raising it during state section 271 proceedings as a result of the secret deal it had entered into with Qwest.

As for WorldCom, Qwest's sky-high UNE rates kept WorldCom out of the market until April 2002 when the Colorado Public Utilities Commission reduced rates and when it appeared other rate reductions would soon follow. It was only after entering the market that WorldCom, through its partnership with Z-Tel, began to understand Qwest's complex ordering process. Shortly thereafter, WorldCom submitted change requests for migrate by name and telephone number and industry-standard migrate-as-specified.

With respect to migrate by name and telephone number, Qwest notes that in the last change management meeting migrate by name and telephone number was ranked 19th among change requests.[12] This is a relatively high ranking that surely would have been higher if Qwest's Graphical User Interface (GUI) did not have so many problems that CLECs believed were important to correct.[13] Moreover, Qwest estimated that implementation of migrate by name and telephone number would take between 1,875 and 3,125 hours to develop, thus diminishing CLECs' incentive to rank it higher out of fear that other priorities would be never be addressed. Lichtenberg Reply Decl. ¶ 4. In contrast, BellSouth has stated that it took 999 hours of actual time to implement migrate

[11] Eschelon Aug. 15 *ex parte* at 14 & Ex. 7.
[12] Qwest Aug. 13 *ex parte*.

by telephone number, approximately half of the hours Qwest claims the change will take. *Id.*

Qwest indicates that CLECs have not requested that migrate-as-specified or migrate by name and telephone number be treated as "exceptions" to the change management process and thus receive expedited attention (under Section 16 of that process).[14] WorldCom subsequently has submitted such a request since Qwest has suggested some receptiveness to it. Lichtenberg Reply Decl. ¶ 3. To date, Qwest's response has been that it is considering the procedures by which the exception request will be considered. In any event, Qwest's reference to the possibility of an exception should not excuse the fact that Qwest should long have had in place the procedures used by every other BOC that vastly simplify the ordering process for CLECs. Until Qwest puts these processes in place, its section 271 application must be denied.

B. Qwest's Process For Placing Orders For Account Maintenance Also Is Too Complex.

Qwest's failure to adopt migration by name and telephone number also causes another severe difficulty for CLECs. Lichtenberg Reply Decl. ¶ 7. Because Qwest requires CLECs to submit customer codes on every order and Qwest changes these codes after a customer has migrated to a CLEC, CLECs must again access to Qwest's CSRs if they wish to submit supplemental orders to change features, due dates or perform other account maintenance. At this point, the customer belongs to the CLEC, so there is absolutely no reason they should have to track codes used internally by Qwest.

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[13] *See*, *e.g.* Eschelon Aug. 15 *ex parte* at 29-30.
[14] Qwest Aug. 13 *ex parte*.

In and of itself, this is a major problem, because account maintenance orders are very frequent. Once CLECs have submitted initial migration orders and imported customer record information into their own databases, they should not have to again access Qwest's databases. Qwest simply ignores this issue in the many *ex partes* it has filed.

Similarly, Qwest ignores the fact that CLECs are often prevented from being able to successfully submit a supplemental order for many days because Qwest takes far too long to update the CSR with the new customer code. Again this is a major problem because it precludes CLECs from submitting account maintenance orders in the period when customers most frequently desire them.

C. Qwest Manually Processes Too Many Orders

Qwest manually processes far too many orders and fails to show that it is capable of doing so without causing significant harm to CLECs. While the Commission has previously granted section 271 authority for BOCs with relatively low flow-through rates, it has only done so where the BOC showed it was capable of efficiently processing increasing order volumes despite its reliance on manual processing. Qwest has not made such a showing.

To begin with, it is important to note that to date Qwest is not processing a high volume of orders for UNE-P and thus cannot show that it is capable of doing so effectively with today's level of manual processing. Moreover, even with today's low order volume, Qwest is making numerous errors. Because WorldCom did not enter the Qwest region until April as a result of Qwest's high prices, and because WorldCom is submitting orders in the Qwest region through Z-Tel, WorldCom does not yet have its

own data on Qwest's order accuracy. But Eschelon, which has been in the Qwest region for a long time, shows in its August 15 *ex parte* that Qwest is making a multitude of errors.[15] HP similarly found significant errors in manual processing during testing.

Qwest has no performance data to show that it can accurately process orders manually. Qwest points to its new measure of service order accuracy, PO-20, and indicates that it will request that state commissions make this a Tier 2 measure.[16] This will only be helpful, however, if Qwest significantly improves the measure. At present, the measure excludes many essential fields, including all fields related to the accurate provisioning of features.[17] But even with this truncated measure of service order accuracy, Qwest's performance has been poor. Service order accuracy in June was less than 95 percent for resale and UNE-P orders with less than 10 circuits.[18] Although Qwest has promised to make some improvements, it has presented no new data showing better performance.

Qwest's data for the installation quality performance metric OP-5 also does not show accurate manual processing. Qwest asserts that these data show an accuracy level of 95.3 percent to 98.7 percent for manually processed orders.[19] But as the DOJ notes, OP-5, like PO-20, excludes errors associated with feature provisioning. DOJ Qwest II Eval. at 13. The data in OP-5 also are limited to troubles reported by CLECs in the first 30 days of installation, but many provisioning errors that do not lead to complete loss of dial tone will not be reported within 30 days of installation. Even so, the total trouble

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[15] Eschelon Aug. 15 *ex parte* at 8-9, 11-12.
[16] Qwest Aug. 9 *ex parte*.
[17] WorldCom, AT&T and Eschelon have all expressed concerns with the current draft of P0-20 since Qwest proposed it on June 11, but Qwest has never attempted to address this concern. Moreover, since individual CLECs are directly affected by service order accuracy, this should be a Tier 1 measure.
[18] Qwest Aug. 19 *ex parte*.
[19] Qwest Aug. 20 *ex parte*.

report rate under OP-5 for UNE-P is actually quite high – approximately 5 percent in recent months.

Qwest does submit some miscellaneous data on the errors it makes in provisioning features. When the errors Qwest acknowledges with respect to feature provisioning are added to the errors Qwest's PO-20 performance data reveals, the data suggest that the "percent of human error did approach 15 percent" as the DOJ explains. DOJ Qwest II Eval. at 13, n.63. A 15 percent error rate is astronomical. And Eschelon's experience shows that the error rate is likely even higher than this.

In addition to causing inaccurate provisioning of orders, manual processing also leads to erroneous rejects. Qwest suggests that it does not erroneously reject many orders. But Qwest bases this claim on the fact that it rarely transmits a FOC after a reject.[20] But that measurement says very little. Often when Qwest rejects an order in error, the CLEC will simply resubmit the order without making any changes, and Qwest will then transmit a FOC on the resubmitted order. Qwest never transmits a FOC on the original order. Thus, Qwest's measure will not show that Qwest rejected the order erroneously. Manual processing can also lead to errors in data collected for performance reports, which is what HP found during testing.

Qwest suggests that CLECs can avoid the problems caused by manual processing by submitting better orders, which will then flow through. Qwest submitted an *ex parte* letter on August 12 purporting to demonstrate that some high-volume CLECs, as well as low-volume CLECs, have achieved high flow through rates. What is most striking about Qwest's *ex parte*, however, is that none of the CLECs that Qwest characterizes as high-volume are transmitting anywhere close to a commercial volume of orders. With respect

to PO-2B, for example, the highest-volume CLEC that Qwest identifies is a Colorado CLEC submitting fewer than 400 orders per month. This is a paltry order volume from which no conclusions can be drawn. With order volumes these small, the variance among CLECs in flow-through rates is more likely the result of random variation than CLEC order quality. Moreover, even Qwest's so-called high volume CLEC in Colorado achieved a flow through rate of less than 85 percent for UNE-P orders under PO-2B in the last two months. And for PO-2A the results are even worse. The UNE-P CLEC that Qwest cites as submitting orders via EDI had a flow through rate of only 58 percent in Colorado, 50 percent in Idaho, and 40 percent in Nebraska. No data was reported in Iowa or North Dakota.

Qwest must improve its flow-through rate or, at a minimum, show that it is capable of processing a high volume of orders with few manual errors even with today's low flow-through rate. Until it does so, Qwest's section 271 application must be denied.

D. Qwest Is Deviating From Its Change Management Plan.

WorldCom has previously emphasized that Qwest has not yet "demonstrated a pattern of compliance" with its change management plan, in accordance with Commission precedent. *Georgia/Louisiana Order* ¶ 179. As an initial matter, Qwest's change management "redesign" sessions continue and are scheduled through September, meaning that no final plan is in place. Furthermore, it is now clear that Qwest is not following the plan as it exists today.

Qwest has made numerous CLEC-impacting changes in recent months without providing proper notice to CLECs. Lichtenberg Reply Decl. ¶ 9. Qwest's August 13 *ex parte*, for example, lists numerous changes Qwest was making almost immediately

[20] Qwest Aug. 15 *ex parte.*

without proper notice to CLECs. As discussed above, one of those changes was that CLECs would no longer have to submit features on orders if the customer did not wish to retain these features. Assuming this was a real change, as Qwest suggests, rather than simply a change to documentation, *see* n.1 *supra*, this change violated the change management process because Qwest did not provide notice of the change until the very day (August 15) it made the change. *Id.* Although this change provides some benefits for CLECs, it does not excuse Qwest from its obligation to notify CLECs of the change. This is clearly a CLEC-impacting change under any definition because it impacts the requirements for placing an order. It is therefore at least a Level 2 or 3 change within the meaning of Qwest's change management document and thus Qwest at a minimum was required to provide 21 days notice. CLECs need advance documentation in order to change their code to benefit from the change. Moreover, because any change to code can negatively impact related code, CLECs require advance knowledge of the change to prepare for possible problems (such as occurred with BellSouth's initial implementation of migrate by telephone number). But Qwest did not notify CLECs before making the change and did not provide documentation regarding the new ordering rules.

Qwest also apparently made a change with respect to remote call forwarding – again without providing advance notice to CLECs. On August 19, Qwest released a web change notification form stating that resale remote call forwarding would not flow through.

And Qwest has made a number of other changes in recent months without notifying CLECs, as Eschelon demonstrates.[21] It also has failed to notify CLECs of defects immediately after they occurred. Eschelon explains that after Release 10.0,

Qwest failed to notify CLECs of a defect that precluded them from electronically submitting CLEC-to-CLEC migration orders. Indeed, Qwest did not notify CLECs until almost two weeks after Eschelon and Allegiance submitted trouble tickets regarding the issue.[22] Eschelon also explains that Qwest began requiring completion of a directory listing form for Centrex 21 orders in August but still has not notified CLECs of this significant change.[23] Qwest also apparently made changes to the service order processor recently in order to limit the possibility of erroneous dispatch in conjunction with migration orders. But Qwest felt no need to notify CLECs.[24] And Qwest initiated a "clean up project" to stop double billing of features on CLEC lines that in some cases led to troubles on CLEC lines. Nonetheless, Qwest again failed to notify CLECs of the project.[25]

The Commission is well aware of the importance of notifying CLECs of CLEC-impacting changes, as this was a primary point of contention during BellSouth's recent section 271 filings for Georgia and Louisiana. In short, CLECs need to know of changes in order to prepare for them. They also need to be aware of such changes in order to discuss them in change management and provide input. Qwest's failure to comply with its change management plan regarding proper notification to CLECs warrants rejection of this application.

E. Qwest Fails to Address Numerous Other OSS Deficiencies.

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[21] Eschelon Aug. 15 *ex parte*.
[22] Eschelon Aug. 15 *ex parte* at 21-23.
[23] Eschelon Aug. 15 *ex parte* at 25-26.
[24] Eschelon Aug. 15 *ex parte* at 32.
[25] *Id*. at 36.

In previous filings with respect to the Qwest I and Qwest II applications, WorldCom explained that:

- Qwest's standard interval for processing UNE-P orders is far too long when feature changes are requested. Unlike every other BOC, Qwest's minimum interval is 3 days.
- Qwest continues to transmit jeopardies after FOCs that really should have been rejects transmitted before FOCs. Qwest also often fails to transmit jeopardies when it should.
- Qwest fails to repair too many troubles, as KPMG found during testing and as Qwest's performance data also reveal.
- Qwest has not shown that it provides auditable wholesale bills.
- Qwest lacks an independent test environment that mirrors production.
- Qwest has not shown that it waits to provide service order completion notices until after provisioning on UNE-P orders.

With respect to these issues, Qwest has not provided any significant new information since WorldCom filed its initial Qwest II Comments. All of these issues continue to be problematic. Indeed, with respect to wholesale bills, the Department of Justice agrees that Qwest still has not shown that it presents accurate, auditable wholesale bills and concludes that Qwest's initial BOS-BDT release contained problems. DOJ Qwest II Eval. at 14-16.

While the Department of Justice finds that Qwest's SATE test environment is sufficiently similar to production to satisfy this Commission's standard, it adds that the Commission should continue to monitor PO-19B, which measures the extent to which

SATE mirrors production. DOJ Qwest II Eval. at 18. WorldCom has previously shown that SATE does not mirror production and that this significantly impedes CLECs' ability to test.

Furthermore, WorldCom would like to clarify the record with respect to Qwest's July 15, 2002 *ex parte* in which it states that "Qwest will add to SATE any other error messages or test scenarios that a CLEC requests, ten days or less after being approved."[26] A Qwest representative at an Arizona TAG meeting on August 8, 2002, said that Qwest intended to state that, "Qwest will add to SATE any other *legacy system* error messages or test scenarios *for a given product already in SATE* that a CLEC requests, ten days or less after being approved." This modification further limits the extent to which Qwest's SATE mirrors production.

F. Qwest Continues to Improperly Issue SOCs Before Completing DSL Orders.

As explained in Qwest I and Qwest II pleadings, WorldCom has experienced problems with the accuracy of Qwest's Service Order Completions (SOC) for its DSL orders. Specifically, Qwest prematurely issues SOCs before completing DSL orders, which causes competitors provisioning and customer service problems.

It is unclear whether Qwest has resolved this problem. In response to concerns raised by competitors with regard to premature issuance of SOCs, Qwest explains that it has implemented a new process whereby it places in jeopardy status any order that will not be completed by 4 p.m. on a given day. This helps in notifying competitors when their orders are delayed, but does not answer the question of whether Qwest will continue to improperly issue SOCs even though an order has not been completed. *This* is the

[26] Qwest July 15 *ex parte*.

problem that must be fixed. If it is not, our systems will show that an order has been installed even if it has not been, which will cause customer service issues when a customer calls to find out about their delayed order. Qwest must commit fix this problem.

II. QWEST MUST REDUCE ITS UNE RATES

Qwest's UNE rates in most states for which Qwest has applied for section 271 authority are too high. As WorldCom has previously demonstrated, Qwest should have used state-specific minutes-of-use in benchmarking to Colorado rates. In addition, WorldCom agrees with Covad that the line sharing charge in Colorado and Washington should be zero.

A. Qwest Should Use State-Specific Minutes of Use in its Benchmark Analysis.

As WorldCom explained in initial comments, Qwest should use a state-specific minutes-of-use assumption in setting its switching rates. Doing so would be consistent with the most recent Commission precedent and would most accurately reflect market conditions in each of the states and the costs incurred by purchasers of UNEs in each of the states.

The reason that Qwest fights so hard for standard minutes-of-use is that this will result in significantly higher rates across the region as a whole. But Qwest should not be able to choose the method that results in higher rates. The Commission has made clear its preference for state-specific minutes of use under circumstances where this resulted in higher rates. It should also apply that preference here, where the result would be lower rates.

Qwest offers no new response to WorldCom's argument that Qwest should have used state-specific minutes of use in benchmarking rates to Colorado. Qwest argues that it already has refuted this argument in its Qwest I reply comments. Qwest's also repeats its claim that standardized minutes of use may be appropriate in particular circumstances.[27] But WorldCom already has explained why the Qwest I reply comments were incorrect. To reiterate, the particular circumstances in which standardized minutes of use may be appropriate are not present here. Qwest's state specific data is sufficient to use as a basis of generating rates.

Furthermore, Qwest's arguments in Qwest I fail to address the Commission's clearly stated justifications in the NJ 271 Order for use of state-specific minutes of use assumptions. Specifically, the Commission supported the use of state-specific minutes of use assumptions because UNE rates also are set using state-specific minutes.[28] The Commission also noted that the use of state-specific minutes of use best reflects the number of minutes used by an average potential customer of a CLEC, rather than the average use of a customer actually obtained by a CLEC.[29] The Commission should be consistent in its decisions about whether to use standard minutes of use or state-specific minutes of use, rather than simply agreeing with whatever assumption a BOC chooses to use, which surely will be the assumption resulting in higher rates for competitors.

B. Qwest's Line Sharing Rate Should Be Zero.

In addition, WorldCom agrees with Covad that the proper rate for line sharing should be zero. There is no doubt that this is so. Other BOCs, such as Verizon, do not charge CLECs anything for line sharing. And even Qwest proposed zero as an interim

[27] Qwest Aug. 19 *ex parte*.
[28] NJ 271 Order ¶¶ 52-53.

rate. Whatever the Colorado and Washington Commissions believe about the proper rate, Qwest has not provided any cost support either for the rates ordered by those commissions or for the new rates Qwest now says it will charge. The only rate supported in the record is zero.

Qwest cannot pretend to be helpless in the face of state commission orders setting the rate at more than zero. Qwest could offer CLECs a rate of zero in their interconnection agreements. It simply has chosen not to do so. Section 271 demands cost-based-rates as a condition of interLATA entry.

By charging non-zero rates, Qwest gains a significant advantage in providing DSL service. When Qwest sells DSL service to one of its retail voice customers, it does not have to charge that customer anything for use of the loop. There is no incremental cost to Qwest in using the high frequency portion of the loop for DSL and thus no cost that Qwest must pass on to the retail customer. But CLECs must pay to use the loop to provide DSL and thus they must pass this charge on to their customers in order to recover their costs. This makes it much more difficult to compete to provide DSL.

C. Qwest Should Reduce its Switch Usage Rate in All Four States to Reflect the New Port Rate in Colorado.

Qwest must reduce its switch usage rate in all four states at issue here to reflect the reduction in the switch port rate in Colorado. Qwest adjusted its UNE rates in its multi-state applications by doing a benchmark comparison to Colorado UNE rates. On August 2, 2002, Qwest filed a motion with the Colorado PUC to revise several of its rates, including the switch port rate, based on concerns expressed by certain CLECs. On August 14, 2002, the Colorado PUC approved Qwest's proposed reductions. Because it

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[29] *Id.*

has reduced the port rate in Colorado, Qwest must make corresponding rate reductions as part of its benchmarking analysis in the states for which it seeks section 271 authorization here, just as it did for the states included in Qwest I.

When using a state-specific minutes of use assumption to reduce the switch usage rate, Montana's switch usage rate should be reduced 18 percent; Utah's switch usage rate should be reduced 11 percent; Washington's switch usage rate should be reduced 25 percent; and Wyoming's switch usage rate should be reduced 13 percent. Frentrup Reply Decl., Table 1. As discussed above, WorldCom has advocated in Qwest I and Qwest II pleadings that Qwest use a state-specific minutes-of-use assumption, rather than a standard minutes of use assumption. If the Commission permits Qwest to use a standard minutes of use assumption, the switch usage reduction would of course be less -- between 5 and 10 percent depending on the state. Frentrup Reply Decl., Table 1.

III. QWEST MUST PROVIDE CUSTOMIZED ROUTING TO WORLDCOM, CONSISTENT WITH FCC PRECEDENT

Qwest has provided no further response to WorldCom's argument that Qwest must provide us customized routing over our Feature Group D trunks.[30] None of Qwest's prior responses carry any weight, as discussed in WorldCom's *ex parte* filing on August 19, 2002.[31]

The issue here is straightforward. WorldCom needs customized routing over our own Feature Group D trunks to route Operator Services and Directory Assistance (OS/DA) calls to our own platform. In this way, we can self-provision OS/DA. The Commission previously has determined that WorldCom is entitled to this form of customized

[30] *See* WorldCom Comments, WC Docket No. 02-189, at 36-38.
[31] WorldCom Aug. 19 *ex parte* letter.

routing.[32] Indeed, the Wireline Competition Bureau, acting on delegated authority from the Commission, recently determined in the Virginia Arbitration decision that Verizon must provide WorldCom such routing based on existing Commission rules and requirements.

Qwest is wrong that its refusal to provide customized routing should be resolved on a state-by-state basis rather than in a federal section 271 decision. Failing to provide customized routing in the form we have requested is a violation of the federal Act and Commission orders and therefore is an entirely appropriate subject for a federal section 271 proceeding and should not be confined to a matter of state interconnection agreement interpretation. Indeed, in the UNE Remand Order the Commission stated that, customized routing allows "the *requesting carrier* to specify that OS/DA traffic from its customers be routed over *designated trunks* which terminate at the requesting carrier's OS/DA platform or a third party's OS/DA platform."[33] In addition, the Commission recognized the ILECs' obligations to provide customized routing specifically over Feature Group D trunks in its review of a BellSouth Louisiana's section 271 application.[34]

Qwest's claim that it technically cannot provide customized routing[35] is inconsistent with Qwest's statements before the Washington UTC, where Qwest testified that no technical impediment exists to providing customized routing over WorldCom's Feature Group D trunks.[36]

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[32] *UNE Remand Order* ¶ 441 n.867.
[33] *UNE Remand Order* ¶ 441, n.867 (emphasis added).
[34] *Louisiana II Order* ¶ 221.
[35] Qwest I Reply Comments, Simpson Reply Decl. ¶ 28.
[36] WorldCom Aug. 19 *ex parte*.

Qwest's statement that WorldCom has not agreed "to work with Qwest in good faith" on this matter is untrue.[37] WorldCom has provided Qwest with the necessary technical information, as described above.[38] Regarding Qwest's suggestion that we pursue customized routing through the bona fide request (BFR) process, that process is essentially complete. WorldCom submitted its written request and technical specifications pursuant to Qwest's directions, technical experts have met to discuss these issues, and letters have been exchanged between company executives. The escalation process is complete, and Qwest has refused to provide WorldCom with customized routing over our Feature Group D trunks.[39]

Moreover, WorldCom disagrees with Qwest that our request for customized routing is actually a request for 411 presubscription, which is the subject of another proceeding before this Commission.[40] The 411 presubscription proceeding will decide whether customers may choose their OS/DA carrier regardless of which local carrier the customer chooses. This is a separate issue from our request for customized routing. Even if WorldCom does not prevail on the matter of gaining 411 presubscription, we would still require customized routing so that we can designate the trunks over which we want our customers' local OS/DA calls to be routed.

Qwest's refusal to provide customized routing to WorldCom over our Feature Group D trunks is grounds for denial of this section 271 application.

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[37] Qwest I Reply Comments, Simpson Reply Decl. ¶ 23.
[38] WorldCom Aug. 19 *ex parte*.
[39] WorldCom Aug. 19 *ex parte*.
[40] Qwest I Reply Comments, Simpson Decl. ¶¶ 31-32.

CONCLUSION

Qwest's section 271 application for Montana, Utah, Washington, and Wyoming should be denied for the reasons described above.

Respectfully submitted,

///s///

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August 26, 2002

Certificate of Service

I, Lonzena Rogers, do hereby certify, that on this twenty-sixth day of August, 2002, I have served a true and correct copy of WorldCom, Inc.'s Comments in the matter of WC Docket No. 02-189 on the following via United States Postal Service first class mail and electronic transmittal:

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