

**BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION**

Joint Application of Qwest Communications International, )  
Inc. and CenturyLink Inc. for Approval of Indirect Transfer )  
of Control of Qwest Corporation, Qwest Communications )  
Company, LLC and Qwest LD Corp. )

Application No. C-4280

**PREFILED TESTIMONY OF KIM HOWELL**

**ON BEHALF OF**

**COX NEBRASKA TELCOM, LLC**

**AUGUST 27, 2010**

**Intro/Background of Witness**

1 **Q. ON WHOSE BEHALF ARE YOU PROVIDING THIS TESTIMONY?**

2 **A.** I am testifying today on behalf of Cox Nebraska Telcom, L.L.C. Cox Nebraska Telcom  
3 is a subsidiary of Cox Communications, and is the local operating subsidiary certificated  
4 by the Nebraska Public Service Commission to provide telecommunications services in  
5 Nebraska. Throughout this testimony I refer to Cox Nebraska Telcom simply as “Cox.”

6 **Q. WHAT IS YOUR POSITION AND WHAT ARE YOUR DUTIES WITH COX?**

7 **A.** Director of Regional Operations Centers (ROC’s), my duties include: Standardizing and  
8 optimizing all business practices across the company for all functions within the ROC’s.  
9 Those functions include: E911, Directory, Porting, Quality, Care Records, and Number  
10 Management.

11 **Q. PLEASE DESCRIBE YOUR RELEVANT EMPLOYMENT AND**  
12 **EDUCATIONAL HISTORY.**

13 **A.** I have been employed by Cox for 30 years. My telephone experience began in 1998 as a  
14 training/project manager for Cox in Hampton Roads, VA. During the launch activities in  
15 the system, I trained Customer Service Representatives on Cox Digital Telephone Sales,  
16 and all Order Entry processes. In 2000, I was promoted to Call Center Manager for  
17 Telephone in Hampton Roads. Two years later, I was assigned to the “back-office” to  
18 support porting, and tech operations support functions. During my tenure in Hampton  
19 Roads, we launched the first ROC in support of all Virginia markets. From 2005 to date,  
20 my role has been standardizing ROCs, business practices, as well as development of  
21 automation tools in support of Porting, Directory, E911, Number Management, Third  
22 Party Verification, and Port Out.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 **A.** The purpose of my testimony is to share with the Commission certain concerns Cox has  
3 with the potential merger of CenturyLink and Qwest. In particular, my testimony looks  
4 at certain operational issues between carriers – Operation Support Systems (OSS) related  
5 to porting and ordering – that are important to a successful competitive environment.  
6 Cox is concerned, and believes the Commission should be concerned about the potential  
7 for the merged entity to hinder competition, and to move the competitive environment in  
8 Nebraska backwards if the merged entity reduces the speed or responsiveness of the  
9 existing Qwest wholesale OSS processes, or raises the costs or uncertainties of those  
10 same processes. Changes of this nature would be very detrimental to competitors,  
11 competition, and ultimately consumers in Nebraska.

12 **Background on Cox**

13 **Q. BRIEFLY DESCRIBE COX AND ITS PROVISION OF COMMUNICATIONS**  
14 **SERVICES IN NEBRASKA.**

15 **A.** Cox provides voice, data and video services in the Omaha metropolitan area in  
16 competition with Qwest.

17 **Q. WHAT HAS COX'S EXPERIENCE BEEN INTERCONNECTING,**  
18 **EXCHANGING TRAFFIC WITH, AND PORTING CUSTOMERS FROM**  
19 **QWEST IN NEBRASKA?**

20 **A.** Although Cox initially had some difficulties and disagreements with Qwest, Qwest has  
21 become increasingly responsible in fulfilling its obligations under the 1996 federal  
22 Telecommunications Act. In an environment where competition is reasonably fair, Cox  
23 has proven that customers want alternatives, that they want the value that Cox's bundles  
24 provide and they want Cox's high level of customer service. As a result, Cox has grown

1 to serve over 160,000 access lines in Nebraska. Simple ports are completed “same day,”  
2 or as scheduled to meet the needs of the customer. There have been no volume problems  
3 with porting in the relevant past. Qwest has an automated electronic data interface for  
4 porting, along with other Access Service Requests (ASRs) and Local Service Requests  
5 (LSRs) that facilitates smooth, quick and reliable exchange of information, and Qwest’s  
6 present system has posed few problems for Cox in the Nebraska market.

7 **Q. DOES COX ALSO HAVE EXPERIENCE WITH CENTURYLINK?**

8 **A.** Yes. Cox presently provides service in competition with CenturyLink in seven states:  
9 Arkansas, Florida, Kansas, Louisiana, Nevada, Oklahoma and Nevada.

10 **Concerns with CenturyLink**

11 **Q. DOES THAT EXPERIENCE IN CENTURYLINK STATES CAUSE COX ANY**  
12 **CONCERNS ABOUT QWEST’S MERGER WITH CENTURYLINK?**

13 **A.** It does, and much of the concern relates to CenturyLink’s OSS and issues that touch on  
14 the OSS like ordering (ASRs, LSRs) and especially porting.

15 **Q. YOU MENTIONED THAT COX HAS CONCERNS ABOUT THE MERGED**  
16 **ENTITY’S OPERATIONAL SUPPORT SYSTEMS, OR OSS. CAN YOU**  
17 **ELABORATE?**

18 **A.** Because Cox generally owns its own switching and uses Cox cable loop facilities, Cox  
19 primarily utilizes Qwest or CenturyLink’s OSS to migrate customers who wish to leave  
20 the incumbent for Cox’s competing voice services. To make that migration as seamless  
21 and secure as possible for the customer, the companies must have access both to  
22 preordering functions, such as timely access to accurate Customer Service Records  
23 (CSRs) and also to ordering functions necessary to port telephone numbers, ensure

1 accurate directory listings and E911 services, and order interconnection facilities. The  
2 inadequacy of CenturyTel's OSS and its adverse impact on competition was a major  
3 concern of both Cox and, ultimately, the FCC in CenturyTel's recent merger with  
4 Embarq. Unlike Qwest, neither CenturyTel nor Embarq had, at the time of their merger,  
5 fully automated OSS; CenturyTel's in particular was largely manual and non-interactive.<sup>1</sup>  
6 It is Cox's experience that Qwest's OSS is in many respects superior to the Embarq  
7 system CenturyLink is in the process of integrating as its core OSS for local service  
8 orders, so it is troubling that the Joint Applicants have, to my knowledge, been unwilling  
9 to firmly commit to using the Qwest OSS in Qwest legacy territories for a substantial  
10 post-merger time period, and to commit that at no point will the service levels made  
11 possible by the Qwest OSS be degraded even if the entity eventually goes to a unified  
12 OSS throughout its territories.

13 **Q. CAN YOU PROVIDE ADDITIONAL SPECIFICS ABOUT HOW A LESS-**  
14 **CAPABLE OSS ADVERSELY AFFECTS COMPETITION?**

15 **A.** I can give you two examples that are particularly obvious. In a competitive marketplace,  
16 the more of a hassle it is for a customer to change providers, the less likely they are to do  
17 so. The porting interval – the time between when a customer requests to move to Cox  
18 and the time in which their existing telephone number can actually be moved to Cox – is  
19 therefore important. Unlike Qwest, CenturyTel does not provide one-day porting.

20 Indeed, CenturyTel's capability to handle porting requests is such a concern that the FCC

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<sup>1</sup> See *Applications Filed for the Transfer of Control of Embarq Corporation to CenturyTel, Inc.*, Memorandum Opinion and Order, 24 FCC Rcd 8741, ¶¶ 22-24, 42 (2009) ("*Embarq Merger Order*")

1 capped the number of ports CenturyTel could implement in a day.<sup>2</sup> For both competitors  
2 and customers, this is not a good outcome: some customers who want to change carriers  
3 potentially are told “no, too many people have already switched this week.” A potential  
4 customer may be faced with having to arrange to be home for a separate appointment for  
5 installation of their telephone service after cable video and Internet services are already  
6 installed. The FCC attempted to improve this situation in its CenturyTel-Embarq merger  
7 order by requiring the use of Embarq’s OSS, which was better than CenturyTel’s,  
8 throughout the merged territory within 15 months. Just this summer, however,  
9 CenturyLink petitioned the FCC for a waiver of the one-day porting deadline, suggesting  
10 that integration of the CenturyTel and Embarq systems was not yet completed, providing  
11 new reasons for concern about the priority CenturyLink places on its competitive  
12 obligations and about the abilities of CenturyLink to timely and accurately handle large  
13 volumes of ports. These are issues that have long been worked through in the Qwest  
14 territory and under the Qwest OSS.

15 The second example is the local and access service ordering interfaces used by  
16 CenturyLink. Qwest’s OSS uses an “E-bonding” system that allows faster and more  
17 accurate exchange of local service ordering information and forms than CenturyLink’s  
18 systems. The superior Qwest system reduces transaction costs and delays by eliminating  
19 manual process errors and the re-processing that is thus required. Qwest allows electronic  
20 submission of LSRs and ASRs through E-bonding and a web-based portal, respectively.

21 CenturyLink, even in the Embarq territories, does not have e-bonding for most LSRs, and

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<sup>2</sup> *Embarq Merger Order* ¶ 25

1 uses a more manual, non-interactive Internet ordering process for ASRs for  
2 interconnection trunks.

3 **Q. WHAT HAS YOUR EXPERIENCE BEEN IN TRYING TO RESOLVE ISSUES**  
4 **LIKE THESE WITH CENTURYLINK?**

5 **A.** I have discussed these issues with others at Cox who handle OSS transactions and  
6 interfaces in CenturyLink states, and there remains frustration over the implementation  
7 and integration from the CenturyTel-Embarq merger. Cox switched over to  
8 CenturyLink's new "EASE" system in November 2009 and had months of growing  
9 pains with that system with respect to porting orders and directory listings. It was  
10 difficult for us to use because some of the functionalities we were used to with  
11 CenturyLink's prior system (IRES – developed and used by Embarq prior to the merger)  
12 were not available with EASE (the OSS system developed by Embarq and now being  
13 implemented throughout the combined service areas of the former Embarq and  
14 CenturyTel). Moreover, compared to Qwest, CenturyLink does not offer e-bonding on  
15 CSR requests or LSRs so our orders have to go through a batch process. Batch  
16 processing is slower and does not allow us to view our orders in their system to assure  
17 their receipt and accuracy. Also, in the beginning there were many issues with timing,  
18 such as orders not being processed or completed. We began having weekly calls with  
19 CenturyLink management and technical support to tackle the issues. It has been months,  
20 and we continue to have bi-weekly calls with the CenturyLink team because there are still  
21 a few open and ongoing issues identified nearly a year ago now. Given the difficulties in  
22 this smaller integration, we are very concerned about the impacts on Cox of CenturyLink

1 attempting a much larger OSS integration and doing so before the wrinkles in the Embarq  
2 merger are fully ironed out.

3 **Q. ARE THERE OTHER POLICIES AND PRACTICES OF CENTURYLINK THAT**  
4 **ARE LESS FAVORABLE TO COMPETITION THAN THOSE USED BY**  
5 **QWEST?**

6 **A.** Yes. CenturyLink assesses several anti-competitive charges for bottleneck functions that  
7 are not charged by other carriers, including Qwest. For example, CenturyLink charges a  
8 surcharge on customer acquisition when facilities-based carriers, like Cox are initially  
9 provisioning service. CenturyLink attempts to impose a fee to access the Network  
10 Interface Device (NID) at the customer premise, even though the installation occurs on  
11 the customer side of the NID. This is a charge on competitors that Qwest does not assess.

12 CenturyLink also charges to port the telephone number of a customer a competitor  
13 acquires from CenturyLink. This charge -- \$13 to \$20 per port request -- is imposed on  
14 every request submitted by competitors. In other words, every time a customer freely  
15 determines it wants to elect an option to CenturyLink's service or rates, CenturyLink  
16 nonetheless gets compensated by the new provider if the customer (understandably)  
17 wants to keep his existing phone number.

18 A third anti-competitive surcharge arises when competitors like Cox submit directory  
19 listing requests on behalf of their subscribers. This surcharge, assessed by the former  
20 Embarq companies, is imposed on each subscriber listing that certain competitors submit  
21 to Embarq. Embarq generally attempts to force some competitors to pay a monthly  
22 recurring "storage" charge of between \$0.40 and \$3.00 per subscriber listing. These

1 surcharges lack any cost justification, and do nothing more than increase competitors'  
2 costs of doing business. It is particularly troubling that Embarq does not assess this  
3 charge upon its own customers, or competitors who purchase Embarq's last-mile  
4 facilities (resellers or UNE-loop based CLECs). Again, Qwest does not impose such a  
5 charge.

6 These types of penalties to the competing carrier for winning a customer greatly increase  
7 the cost of competing with CenturyLink. They are anti-competitive almost by definition:  
8 they are a surcharge on successful competition. And once CenturyLink controls Qwest  
9 territories, there is no reason to think they won't import these "worst practices" into  
10 Qwest legacy territories.

11 **Q. DO YOU HAVE ANY OTHER CONCERNS ABOUT THE IMPACTS OF THE**  
12 **MERGER ON COMPETITORS LIKE COX?**

13 **A.** Another concern is business certainty. The string of consecutive mergers for  
14 CenturyLink is resulting in numerous changes in processes, and adequate notice to other  
15 impacted carriers is critical. Cox believes it is of utmost importance that the Commission  
16 require the Applicants to commit to following at least the industry standard of 90-days  
17 notification prior to implementing changes to any back-office systems that may impact  
18 CLECs.

19 **Q. CAN YOU SUMMARIZE HOW THE USE OF CENTURYTEL OR EMBARQ**  
20 **PROCESSES, RATHER THAN QWEST WHOLESALE PROCESSES, WOULD**  
21 **HARM COX?**

22 **A.** Currently, Qwest operates via an EDI (Electronic Data Interface) with all of Cox's  
23 systems. This enables Cox and Qwest to operate more efficiently without manual

1 intervention as compared to CenturyTel and Embarq markets which utilize the batch-  
2 processing File Transfer Protocol, or FTP. The inability to interface via EDI prohibits the  
3 pre-validations on CSRs that can help expedite a port and/or directory listing. In FTP  
4 markets, Cox employs additional representatives to push the work manually into those  
5 systems, as well as work exceptions or errors on the back end. Those are the types of  
6 OSS issues that inhibit competition, and the additional resources required are a burden on  
7 competitors. Moving to CenturyLink's OSS, practices, capacities, and charges in  
8 Nebraska as opposed to the way we presently do business with Qwest would be a large  
9 step backwards for Cox and all competitors and customers in Nebraska.

10 **Recommendations**

11  
12 **Q. WHAT SHOULD THE COMMISSION DO TO ADDRESS THESE CONCERNS?**

13 **A.** Cox has successfully competed across the country, including Nebraska, providing  
14 innovative, competitive choices to consumers and businesses. If the Commission does  
15 approve the merger of Qwest and CenturyLink, the Commission should obtain certain  
16 enforceable commitments from or impose certain binding conditions on the Applicants:

- 17 • The Merged Entity should be required to keep the existing Qwest OSS, wholesale and  
18 intercarrier processes and systems in place for at least three years;
- 19 • The Merged Entity should not be permitted to degrade services to competitors in  
20 Nebraska below what Qwest provides today in terms of porting intervals and volume  
21 capacities, and ordering and provisioning intervals and interfaces going forward;
- 22 • The Merged Entity should not be permitted to import to Nebraska worst practices  
23 from other parts of the territory, including imposing any charges on customer

1 acquisition, directory publishing, or any other extraneous charges that Qwest does not  
2 charge today;

- 3 • The Merged Entity should be required to provide at least 90 days notice for any  
4 changes in back-office systems or protocols that would impact CLECs in any adverse  
5 way or require material changes in the systems or processes of the CLEC.

6

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

8 **A.** Yes.