DOCKET CONTROL
ACC – UTILITIES DIVISION
1200 WEST WASHINGTON STREET
PHOENIX, AZ 85007

RE:  ACC Docket No. T-00000A-00-0194

Dear Sir or Madam:

Please find enclosed an original and ten copies of the Summary of the Direct Testimony and Surrerbuttal Testimony of Randy G. Farrar in the above-reference docket. Confidential pages are being supplied to the parties who have signed the Protective Agreement as well as the Commissioners, their respective Advisors, and the presiding Administrative Law Judges. Please do not hesitate to contact me should you have any questions in this regard.

Sincerely,

[Signature]

Eric S. Heath
Arizona Corporation Commission

ESH/st
Enclosure
Cc: File
    Service List
SUMMARY OF THE DIRECT TESTIMONY AND SURREBUTTAL TESTIMONY OF RANDY G. FARRAR ON BEHALF OF SPRINT COMMUNICATIONS COMPANY L.P.
As noted in my Direct Testimony, Sprint Communications Company L.P.'s (“Sprint”) interest in this proceeding is in its capacity as a competitive local exchange carrier (CLEC). However, Sprint is also affiliated with several incumbent local exchange companies through its corporate parent, including Central Telephone Company of Nevada, dba Sprint of Nevada (“Sprint/NV”) and Carolina Telephone and Telegraphy Company (“Sprint/NC”). All in all, Sprint-affiliated ILECs operate in 18 states, and serve more than 8 million access lines. With its “ILEC” and “CLEC” perspectives, Sprint brings a unique focus to this proceeding, which require it to arrive at balanced positions that support the pro-competitive goals of the Telecommunications Act of 1996 (“the Act”).

In my capacity as Senior Manager - Network Costing, I routinely perform cost studies for unbundled network elements (UNEs) for Sprint's ILEC operations. As a result, I have direct experience with the underlying costing methodologies required to comply with the FCC's TELRIC guidelines. Furthermore, I have direct experience with the development of many of the inputs to a properly completed UNE cost study. This experience in preparing UNE cost studies on behalf of an ILEC provides an independent, fact-based standard for evaluating the reasonableness of Qwest's cost methodologies, inputs and resulting prices.

Attachment RGF1 of my Direct Testimony and its errata filed on July 6, 2001 in this docket compares Qwest's propose rates with those of Sprint/NV and Sprint/NC. Attachment RGF1-R is a revision of this document, reflecting Qwest's revised proposed rates. Attachment RGF3-R is identical to Attachment RGF-3, except for the addition of two percentage sums at the bottom of the attachment.
Sprint’s areas of concern are as follows:

**Unbundled Loops**

As mentioned above, Sprint is an ILEC with extensive experience providing loops for its own end users and as UNEs for CLECs. Although most of Sprint’s loops are in rural areas, Sprint does serve several dense urban areas, including Las Vegas, NV.

Sprint/NV’s cost studies, using its own model and inputs, indicated that Sprint/NV can provide unbundled loops in Las Vegas, NV, for only $9.51 in Zone 1, and $12.59 in Zone 2; a weighted rate of $11.61. The Nevada Public Utility Commission approved rates of $9.98 and $11.57, respectively with a weighted rate of $10.77. In Phoenix, however, an area with similar access line density as Las Vegas, Qwest’s proposed rates for unbundled loops are $15.50 in Zone 1, and $21.18 in Zone 2, a weighted urban loop rate of $20.72. (To accurately compare Qwest’s rates to Sprint/NV’s, I removed Qwest’s rate for the Network Interface Device). Thus, Qwest’s loop rate in dense, urban areas is approximately 75% greater than Sprint’s.

I would like to point out that while I am not proposing the Commission adopt any particular model or set of inputs, Sprint/NV rates can be used as a benchmark to determine the reasonableness of Qwest’s loop rates.

**Loop Cost Associated With Line Sharing**

Sprint opposes Qwest’s proposed loop cost allocation of $5.00 for line sharing. Simply put, there is no incremental cost attributable to line sharing. TELRIC principles require that the cost be borne by the cost-causer. Since there is no incremental cost caused by line sharing, there is no incremental loop cost to allocate anywhere.
Qwest’s rates for loop conditioning are excessive. Qwest proposes a loop conditioning rate of $652.83. Qwest’s cost study does not properly recognize bulk deloading for loops less than 18,000 feet in length. Sprint/NC conditions loops less than 18,000 feet in length for only $38.51. In addition, Qwest’s cost studies contain excessive engineering and work times, do not properly recognize the lower cost of deloading/conditioning in aerial and buried environments, and do not properly recognize the economies of conditioning additional pairs at the same time and location.

Finally, Qwest’s cost study includes excessive shared and common costs. Qwest’s combined factors for “Directly Assigned”, “Directly Attributed”, and “Common” costs total 38.0%. Sprint/NC’s equivalent factor is only 22.4%. Qwest uses these excessive factors throughout their cost studies, affecting many areas other than loop conditioning.

Qwest’s rates for DC Power, Power Cables, Space Construction, Grounding, and Security are excessive.

- DC Power

Qwest’s proposed rates for DC power range from $14.64 to $18.35 are excessive in comparison to Sprint’s singular charge of $14.94. Qwest assumed investment per amp that is 60% greater than Sprint/NV’s investment. This excessive investment is primarily due to Qwest’s assumption of a 1,000 amp power plant. In reality, collocation will occur in larger central offices with a larger power plant, and lower per amp
1 investment. Sprint supports a per load-amp basis. It is still not clear how Qwest intends to apply its power rate.

3 • Power Cables

4 Qwest's rate for DC Power Cables on a per foot basis is 11 times that of Sprint/NV.

5 • Space Construction

7 Qwest's proposed NRC is 15 times that of Sprint/NV. This is offset somewhat by a lower proposed MRC. The primary difference between Qwest's and Sprint/NV in this example is that Sprint/NV recovers many costs on an MRC basis while Qwest proposes recovering them on a NRC basis. I would point out that excessive NRCs can be a barrier to entry for CLECs. Additionally, Qwest's proposed rates for grounding are excessive, primarily because of a failure to recognize a sufficient degree of investment sharing between CLECs. Sprint's study assumes ground wire is shared by four CLECs where Qwest assumes each CLEC will require its own ground wire.

15 • Security

16 Sprint believes that Qwest's proposed rates for security are excessive. Sprint - NV has an NRC of $15 per card, and no MRC. Qwest has two MRCs, one of $8.07 per "Access Card per Employee, Per Office", and another $0.87 per "Access Card per Employee".
SURREBUTTAL TESTIMONY OF RANDY G. FARRAR
ON BEHALF OF SPRINT COMMUNICATIONS COMPANY L.P.

Surrebuttal to the Rebuttal Testimony of James C. Overton

At the end of Section V of his Rebuttal Testimony, Mr. Overton states that, "... it is not feasible to deoload the loops of customers whose loops depend on loading for voice service." This is true for removing bridge taps; and for removing load coils on loops over 18,000 feet in length. However, loops below 18,000 feet do not require load coils. In order to provide high-speed services to as many customers as possible, and in an as efficient manner possible, loops should be bulk deoloaded in all loops less than 18,000 feet in length.

Mr. Overton also states that, "... this fact makes it very unlikely that Qwest can condition entire binder groups at one time." This statement seems to conflict with Qwest's so-called Bulk Deoload Project.

Surrebuttal to the Rebuttal Testimony of Teresa K. Million

- Loop Conditioning Rate Comparison:

On pages 10 – 12 of her Rebuttal Testimony, Ms. Million states that Sprint failed to recognize that Qwest's loop conditioning rate applies to as few as one loop to as many as 25 loops at a time, and then claims that Qwest's rates compare favorably to those of Sprint. Her comparisons, however, are based on a “best-case” scenario where 25 loops will always be deoloaded, which does not reflect real-world situations. Ms. Million also ignores Sprint/NC's $38.51 loop conditioning charge for loops under 18,000 feet in length. In order to benefit from Qwest's rate structure, the CLEC would have to
order and receive loop conditioning on an entire binder group of 25 loops (or at least a
majority of those loops) at the same time.

In the real world, CLECs typically request loop conditioning one or two loops at a
time. When a CLEC does request loop conditioning for ten loops, they will likely be
distributed over several central offices and different binder groups.

Following are some real-world examples:

- For loops less than 18,000 feet in length, Sprint/NC recognizes bulk deloading in
  its cost studies. If a CLEC requests one conditioned loop, Sprint/NC's cost study
  reveals a cost to the CLEC of $38.51. Qwest proposes to charge the CLEC
  $652.83, or 17 times that of Sprint/NC.

- For loops over 18,000 feet in length, if a CLEC requests two conditioned loops,
  and each loop has two bridge taps in two different locations, Sprint/NC will
  charge the CLEC a total of $84.12. Qwest will charge $652.83, or eight times
  that of Sprint/NC.

By charging a full $652.83 for deloading one individual loop under 18,000 feet in
length, Qwest will realize a windfall. According to the cross-examination of Ms.
Torrence, and Qwest’s response to Sprint Data Request No. 7 (see, ACC Staff Exhibit
25), Qwest will actually deload the entire binder group if possible. In this case, Qwest
will have recovered the entire cost of deloading the binder group from one CLEC. The
other 24 loops can be used by Qwest (or other CLECs) to provide their own high-speed
services.
Outside Plant Environment (Aerial / Buried / Underground):

On page 11 of her Rebuttal Testimony, Ms. Million states, "Qwest does not believe that there is a significant amount of buried or aerial cable in its feeder routes to be unloaded in its region, and that the vast majority of unloading activity in Arizona will be for underground cable." This statement is unsupported, counter-intuitive, and ignores distribution plant.

Where present, load coils are placed at 6,000 feet intervals. Thus longer loops such as those over 18,000 feet in length, which are more likely to have load coils, will have load coils in the distribution cable. Distribution cable is more likely to be aerial and buried than is feeder.

Bridge taps exist in order to increase loop appearances in distribution plant. Thus bridge taps are more likely to occur in distribution plant where aerial and buried plant is more common. Even if a bridge tap occurs in underground plant, there is often an above-ground terminal near-by, where the bridge tap can be removed without entering the underground vault.

Loop conditioning will not take place in a TELRIC outside plant network, which will have less aerial and buried plant than the real-world network. In fact, by definition, the TELIC network will not have any load coils or bridge taps. Thus loop conditioning will occur in the real-world network, which has a greater occurrence of aerial and buried plant.

Finally, on page 10 of her Rebuttal Testimony, Ms. Million states that there is no engineering charge when the splitter is placed in a CLEC's collocation space. Sprint acknowledges this correction.
1  Surrebuttal to the Rebuttal Testimony of Garret Y. Flemming

2  On page 37 of his Rebuttal Testimony, Mr. Flemming states that while Qwest's
3  cost study assumes two bays per collocation, Qwest offers a discount for a single bay
4  collocation. Sprint acknowledges this correction.

5  Sprint applies its DC power rate element on a load-amp basis, not on fuse-amp.

6  In other words, Sprint will only charge CLECs for the actual power they use. It is still not
7  clear how Qwest will apply their DC power rate. During cross-examination, Mr.
8  Flemming made it clear that Qwest will not charge on a fuse-amp basis. However, he
9  then stated that Qwest will charge based on amps ordered. This not necessarily the
10  same as a load amp. It is not clear that a CLEC may order only the power they will
11  actually use. Sprint is currently paying Qwest for power far in excess of its actual use.

12

13  This concludes my summary and surrebuttal testimony.
## COMPARISON OF MRCs / NRCs

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<th>DESCRIPTION</th>
<th>Sprint - NC</th>
<th>Sprint - NV</th>
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<tr>
<td>Each Buried location</td>
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<tr>
<td>Each additional Bu Bridged Tap, same time, location &amp; cable</td>
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<td>Power Plant, Per Amp</td>
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<td>Security - Access Card per Employee</td>
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<td>Virtual Collocation</td>
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<td>20 Amp Power Feed, per feed</td>
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<td>Cage - Up to 100 Sq. Ft. &amp; 1 - 60 Amp Power Feed (b)</td>
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<td>Per 100 Sq Ft Cage</td>
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<tr>
<td></td>
<td>Per Cageless or Virtual Bay</td>
<td>$2.92</td>
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</table>

Notes:  
(a) Sprint's $14.94 Power Plant rate includes AC usage for DC power plant. Sampler's power charge for HVAC is included in our floor space charges.  
(b) Sprint's comparable charges include a 60 amp power feed.  
(c) Sprint's engineering charges are included with specific line sharing elements.  
(d) Excluding NID
REVISED CONFIDENTIAL EXHIBIT RGF-3R NOT INCLUDED

PROVIDED TO ALL PARTIES WHO HAVE SIGNED THE PROTECTIVE ORDER
BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
INVESTIGATION INTO QWEST
CORPOREAION'S COMPLIANCE WITH
CERTAIN WHOLESALE PRICING
REQUIREMENTS FOR UNBUNDLED
NETWORK ELEMENTS AND RESALE
DISCOUNTS

DOCKET NO. T-00000A-00-0194

AFFIDAVIT OF RANDY FARRAR

STATE OF KANSAS

COUNTY OF JOHNSON

Randy Farrar, of lawful age being first duly sworn, deposes and states:

1. My name is Randy Farrar. I am employed as Senior Manager – Network Costs for Sprint/United Management Company. I have caused to be filed written testimony and exhibits in support of Sprint Communications Company, L.P. in Docket No. T-00000A-00-0194.

2. I hereby swear and affirm that my answers contained in the attached Summary and Surrebuttal Testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Further affiant sayeth not.

Randy Farrar

Subscribed and sworn to before me this 25th day of May 2001.

Name: SUSAN SKAHAN
Notary Public in and for the State of KANSAS residing at JOHNSON COUNTY.

My Commission expires: 2/18/05.
CERTIFICATE OF SERVICE

I hereby certify that on July 25, 2001, I placed the foregoing Summary of Direct Testimony and Surrebuttal Testimony and Exhibits of Randy G. Farrar on behalf of Sprint Communications Company L.P. via overnight delivery to the following addressees:

The Honorable William A. Mundell,
Chairman
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

The Honorable Lyn Farmer,
Chief Administrative Law Judge
ACC – Hearings Division
1200 W. Washington Street
Phoenix, AZ 85007

The Honorable Jim Irvin
Commissioner
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

The Honorable Dwight Nodes,
Administrative Law Judge
ACC – Hearings Division
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The Honorable Marc Spitzer
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