

escalationPC032801-4.txt

flpowers@eschelon.com on 01/03/2002 03:57:59 PM

To: flpowers@eschelon.com
cc:

Subject: Eschelon Telecom Inc. --- CR#PC032801-4 --- P

Escalation

Company: Eschelon Telecom Inc.

CR#: PC032801-4

Status Code: P

Qwest Action Requested:
stop impacted activities

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Description:

This escalation deals with the simple proposition that a customer has a right to know when rates and terms pursuant to its contract and business relationship are altered. The customer also should be told the basis for the change and be given an opportunity in advance to dispute the change, if the customer can show a basis in the contract or otherwise for doing so. At a minimum, the customer should be able to identify when and how rates and terms are changed. Despite the simplicity of these fundamental business concepts, Eschelon has been pursuing this issue since at least January of 2000, to no avail. Now, after two formal CRs and many requests to Eschelon's account team, Qwest has embarked upon a bill "validation" process that makes the very kinds of changes that Eschelon has protested without implementing any of the safeguards that Eschelon has requested. Eschelon once again asks Qwest to suspend Qwest's bill "validation" process

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and work cooperatively with Eschelon and other CLECs to develop a workable process. Eschelon escalates Qwest's failure to process CR # PC032801-4 (and CR # 5043204) in a timely manner, failure to follow CMP processes for system and process changes affecting Eschelon's rates and profile, and Qwest's recent refusal to suspend a bill "validation" process that will result in rate and profile changes without advance notice and opportunity to dispute changes.

History of Item:

On August 31, 2000, Eschelon submitted CR # 5043204 to Qwest. The description of the requested change provides:

Eschelon seldom receives notification of billing changes (rates/terms/etc.). Qwest simply makes the changes with no explanation of why the changes were made. Proper notification should include the rate change or rate structure change with references to specific tariff sections, interconnection sections, or contract sections of applicable documents.

As indicated in an Eschelon email to its then account manager at Qwest on September 6, 2000, at that time, Eschelon had already been pressing the issue of advance notification of rate changes for eight months ? since at least January of 2000. ("During the past 8 months, Eschelon has informally approached Qwest on these issues with either yourself, billing reps or our former account rep. . . .")

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(Qwest listed CR # PC032801-4 in the distribution packages for CMP meetings dated October 18, 2000, November 15, 2000, December 20, 2000, and January 17, 2001. The most recent of these distribution packages lists the CR as being on "hold" for discussion in the Product/Process CMP. Eschelon could not find this CR in Qwest's list of CRs currently on the web. Notes in the distribution packages indicate that Eschelon should attempt to obtain notice of rate changes through its account team. Eschelon has tried to do so, but Qwest has nonetheless failed to provide such notice.) On March 26, 2001, Eschelon submitted CR # PC032801-4 to Qwest. The description of the requested change provides: Qwest requires CLECs to complete customer questionnaires/profiles, in addition to entering into interconnection agreements with Qwest, when CLECs enter a Qwest state. Periodically, the questionnaires/profiles are updated, agreements are amended, or rates change. When these documents are completed or rates change, Qwest generally makes changes in its systems to reflect such changes. For example, if a CLEC signs an amendment to its interconnection agreement that contains new rates, Qwest may load additional USOCs with those rates into a table that is specific to that CLEC in that state. Before the USOCs and rates are loaded, Qwest's systems reject orders for items associated with those USOCs. After they are loaded, the systems will process the orders. While some of these changes may be apparent to the CLEC because they coincide with execution of such documents, sometimes Qwest makes unanticipated changes to the system or

the codes. For example, Eschelon has been ordering! coordinated cutovers in Minnesota for some time. Suddenly, without notice to Eschelon, Qwest's systems began to reject those orders. Upon inquiry, Qwest's representatives indicated that Qwest had performed a "scrub on interconnect contracts" pursuant to which Qwest unilaterally determined that Eschelon could not order coordinated cutovers in Minnesota because Eschelon had not signed a contract amendment proposed by Qwest. Only after Eschelon demonstrated that its existing contract, without amendment, provides for coordinated cutovers did Qwest restore Eschelon's ability to use the functionality of IMA to order coordinated cutovers. In the meantime, Eschelon's orders were disrupted. If Qwest had notified Eschelon sufficiently in advance of its "scrub" of Qwest's plans, Eschelon could have addressed the issue at that time and avoided the disruption to its ordering and provisioning processes. Qwest should implement a process to provide advance notice to CLECs before changes are made to the CLEC's profile and rates in Qwest's systems. The notice should be sufficiently detailed to allow the CLEC to understand the implications of the change and should be provided sufficiently in advance of any change to allow the CLEC to object, if necessary. A process should be put in place to handle objections to changes before the changes are made. (emphasis added)

Qwest's Status History (on the web) provides:

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"03/26/01 - CR Received from K. Clauson of Eschelon
03/28/01 - CR Logged and status changed to New ? To be Evaluated
04/06/01 - Status changed to Reviewed ? Under Consideration
04/06/01 - Discussed in April CR Review Meeting
04/16/01 - Qwest will address this during the April CICMP Industry Team Meeting (TK - SC)
04/18/01 - Qwest is currently working this issue (AZ)
05/14/01 - Qwest has identified 3 circumstances (1) Contract amendment or new contract in which the Qwest Service manager will provide notification,
(2) Cost Dockets or state PUC rulings in which letters are mailed to effected CLECs, (3) Internal maintenance required in which a process is currently being developed in which the Qwest Service managers will provide notification to the CLEC. Written documentation will be prepared by Qwest and communicated externally, tentative time frame for notification TBD. (AZ)
08/09/01 - CR Response sent to the CICMP team via email and included in the August CICMP Distribution Package. (MR)
08/15/01 - CLEC CMP Meeting Product & Process Qwest's response dated 08/03/01 was presented
09/19/01 - CMP Meeting -Qwest provided status update.
09/27/01 - Qwest's draft response posted to database.
10/17/01 - CMP Meeting: Qwest presented draft response. Qwest to revisit response and address "Clarification on how CLEC gets notification on rate and USOG changes." No "Current Status" change.
11/09/01 - Revised Draft Response dated 11/09/01sent to Eschelon and posted in dBase.
11/14/01 - CMP Meeting - Qwest presented its revised response. CLECs

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expressed concern over changes to rate table without advance notifications.

Qwest requested that this subject be reviewed off-line. It was agreed that

this would be an agenda item for next month's CMP meeting.

12/12/01 - CMP Meeting - Alan Zimmerman, Qwest presented an update to the

current Qwest response regarding advance notice of profile and rate table

changes. A written summary of this update has been posted in the CMP database. Qwest indicated that an internal validation (scrub) of the profile and rate tables is currently in progress for all CLECs. This validation addresses USOCs and SGAT rates, and should be completed this year. The CLEC community requested a redline of the validation changes prior to incorporation into billing. Qwest indicated that no feasible mechanism is available to provide advance notification for the validation

exercise. However, Qwest will provide final USOG and SGAT rates for all CLECS when the validation effort is completed. Eschelon requested that the

current validation effort by Qwest be stopped until an advanced notice procedure is in place. Discussions resulted in Qwest committing to re-look

ways to provide advance notice for the validation exer!

cise. Qwest committed to instituting a new process by March 1, 2002 to provide advance notice to the CLECs

for the following rate change catalysts: (1) future rate validation efforts, (2) cost dockets, (3) new/existing interconnect agreements, (4) bill errors/disputes, and (5) new product implementation and product price

changes. "Current Status" of CR remains in "Presented" status."

Reason for Escalation / Dispute:

Eschelon has requested notice of rate and term changes for at least two

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years. CR # PC032801-4 has been pending since March 26, 2001. Nonetheless, after all of these requests, Qwest implemented its bill "validation" process and proceeded with rate and profile changes without advance notice to Eschelon and over Eschelon objections. (To the extent that Qwest has provided any notice, the notices have been general documents saying that some changes are or had occurred without providing specific information identifying the changes, support (such as citations to interconnection agreements) for the changes, or supporting documentation. In an email dated November 26, 2001, Eschelon informed Qwest's CMP Managers that the notices Qwest was sending did not address the concerns raised by Eschelon in this CR. Eschelon said: "Just to confirm:
The mailouts described below do not address the concern raised in our CR on Advanced Notice of Profile and Rate Changes. (In fact, the mailouts increase the concern.) We need specific notice of each change to Eschelon's rates or profile (with the basis for the change). A general notification that a validation [sic] is happening simply means that specific notice will be needed sufficiently in advance of any change, if any changes are made as a result of the validation." ! Eschelon cannot even identify the date(s) on which changes were made much less identify each change. This makes it impossible to confirm whether the changes were proper or to assess the financial impact on Eschelon's business. In its CR, Eschelon asked for meaningful, advance notice of each change. Eschelon also asked that objections be handled before changes were implemented. Without such a process, there is no way to confirm compliance with Eschelon's interconnection agreements.)
At the CMP meetings in November and December of 2001, Qwest said that it

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was proceeding with a bill "validation" process that would result in rate and profile changes without advance notice to CLECs as to the specific nature of the changes. Qwest has not provided any citations to provisions of Eschelon's interconnection agreements showing Qwest has authority to make each change. A very real possibility exists that Qwest may be unilaterally imposing terms on Eschelon that are inconsistent with Eschelon's interconnection agreement with Qwest. Qwest's bill "validation" process was started after Eschelon submitted its CRs asking Qwest for notice and opportunity to object before such changes were made. Qwest said that it does not plan to provide a red-line or other documentation showing each change made to date. Without such documentation, identifying and verifying the changes manually will be virtually impossible. (If Qwest cannot identify them, how are CLECs supposed to do so?) At a minimum, doing so will be a labor intensive process that will force Eschelon and other CLECs to expend resources and money needlessly. At both CMP meetings, in November and December of 2001, Eschelon's President and Chief Operating Officer, Rick Smith, emphasized the importance of this issue to Eschelon's business and asked Qwest to suspend its bill "validation" process until Qwest implemented a better process. Other CLECs joined in these comments. But, Qwest has not suspended the process. Therefore, by the time that Eschelon receives a complete response to its CR, most or all of Qwest's project will be completed. Eschelon repeats its request that Qwest suspend the validation process and work cooperatively

with CLECs to implement a workable process.

Business Need and Impact:

The business impact is substantial. In the situation that prompted CR #PC032801-4, provisioning of Eschelon's cutovers in Minnesota was brought to a standstill until Qwest reversed a profile change that never should have been made. This directly and adversely affected Eschelon's end-user customers. Had Eschelon been given advance notice and procedures been in place to deal with objections before implementation of changes, as requested, Eschelon's end users and Eschelon's business would not have been adversely affected. The whole situation could have been avoided.

The inability to identify, analyze, plan for, dispute, and respond to rate and profile change is a legitimate, important business need. Eschelon needs to be able to identify potential changes and, if they are valid, plan for them in its budgeting and provisioning processes. These are simply a good, efficient business practices. Qwest is preventing Eschelon from operating efficiently by not providing sensible information in advance of proposed changes. Qwest is not even planning to identify specific changes after the fact for changes that it has recently made. Therefore, an additional business impact is the expenditure of time and resources to manually attempt to find the changes and determine their financial impact.

A very real possibility exists that Qwest may be unilaterally imposing terms on Eschelon that are inconsistent with Eschelon's interconnection

agreement with Qwest. Qwest has prevented Eschelon from verifying this by making validation of Qwest's bills a time-consuming and unrealistic effort. Qwest should not be able to unilaterally impose such an unnecessary burden on Eschelon and other CLECs.

For all of the reasons listed above, the business need is great and the impact is substantial.

Desired CLEC Resolution:

Suspend Qwest's bill "validation" process and work cooperatively with Eschelon and other CLECs to develop a workable process.

Identify changes made to date and provide basis and documentation for each change.

Before implementing rate and profile changes, make the changes requested in CR #PC032801-4, including providing adequate, specific information in advance of changes to allow CLECs to determine the financial and business impacts of the changes, providing basis (authority) for the changes, and handling objections before implementing changes.

Ensure compliance with interconnection agreements and provide sufficient information to Eschelon and other CLECs to allow them to verify this.

Adhere to CMP processes before making such changes.

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