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Arizona Corporation Commission
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FEB 29 2000

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IN THE MATTER OF US WEST)
COMMUNICATIONS, INC.'S)
COMPLIANCE WITH § 271 OF THE) DOCKET NO. T-00000A-97-238
TELECOMMUNICATIONS ACT)
OF 1996)

**MCI WORLDCOM'S ADDITIONAL COMMENTS ADDRESSING
SECTION 271 CHECKLIST ITEMS 3 AND 13
AND US WEST'S SGAT PROVISIONS**

MCI WorldCom, Inc. "MCIW" provides the following supplemental comments in accordance with the Notice issued by David Motycka, Assistant Director, Utilities Division, on February 25, 2000, concerning Checklist Items 3 and 13 and relevant provisions of the Statement of Generally Accepted Terms ("SGAT") filed by US WEST Communications, Inc. ("US WEST"). Part 1 provides general comments about the procedures being used in this proceeding for review of the SGAT. Part 2, Section A describes the additional comments that relate to Checklist Item 3. Section B of Part 2 describes additional comments that relate to Checklist Item 13.

1. **GENERAL COMMENTS ON SGAT REVIEW PROCESS**

MCIW believes that because the SGAT is being reviewed as part of this 271 process, this matter, and the consequent review of the various checklist items for US WEST compliance, has become more contentious and tedious. Because the SGAT is being reviewed for compliance with Section 271, MCIW is concerned that in the event this Commission approves the SGAT for purposes of 271, it will become a precedent or template for future arbitration proceedings in Arizona. Many of the current interconnection agreements (“ICA”) were approved in 1997 and are due to expire in 2000. Even though MCIW has an existing ICA, if the Commission has approved US WEST’s SGAT for Section 271 purposes, MCIW believes US WEST will have little or no incentive to deviate from an approved SGAT. Accordingly, MCIW feels compelled to address the SGAT, rather than focusing on US WEST’s compliance with Section 271 checklist items.

Thus, where MCIW has not presented evidence that asserts US WEST is not in compliance with checklist items 3, 7, 8, 9, 10, 12, and 13, it has nonetheless been required to address the provisions found in the SGAT which implement those checklist items. Therefore, to the extent the Staff believes that the Commission should consider the SGAT in a separate SGAT proceeding, MCIW agrees and believes that reviewing the SGAT in a separate SGAT proceeding will expedite the review of the checklist items.

2. ADDITIONAL SPECIFIC COMMENTS ON CHECKLIST ITEMS 3 AND 13

A. Additional Comments on Checklist Item 3 And Provisions in US WEST's SGAT

Section 10.8.1.2: MCIW will allow US WEST to own the innerduct.

Section 10.8.2.18: In MCIW's initial comments MCIW argued that if a CLEC terminates an order and has already paid the initial non-recurring fees such as an inquiry fee and make-ready fee, particularly if the CLEC has paid these fees in advance, the CLEC should get a pro rata portion of its money back if it terminates. US WEST may then lease the space to someone else and is, therefore, not harmed financially. US WEST expressed concerns that it would never recover the refunded make ready fee.

Additional Comments: If a CLEC terminates an order and US WEST completes the make ready, US WEST should recover the completion cost from the next occupant as that occupant would have had to pay for make-ready if same had not been initiated by the previous occupant. Therefore, MCIW believes that CLECs should receive a pro rata portion of their money back as argued earlier because allowing US WEST to retain the money would be a windfall for US WEST.

Section 10.8.4.5: MCIW argued the this provision must be modified to require US WEST to notify a CLEC if the cost exceeds 10% of the estimate. US WEST should also be required to provide a CLEC with a credit for any cost difference within 30 days following completion of the work.

Additional Comments: MCIW contends that US WEST must notify a CLEC if the actual cost exceeds the estimate by more than 10%. MCIW is not arguing that a CLEC should not pay US WEST for its costs unless the estimate is greater than 110%

of the estimate. Rather a CLEC should be notified so that it can adjust budgets.

CLECs should not find themselves in a situation where the actual cost is two or three times the estimate due to soil conditions, for example, and the CLEC is caught by surprise.

Section 10.8.4.6: MCIW argued that it was not clear whether US WEST intends to grant the license before or after the completion of make-ready work. If it is after US WEST completes its make ready work, then a CLEC should start paying the fee following completion of the make-ready when the poles or innerduct are ready for occupancy.

Finally, CLECs should not be required to pay any fees in advance. However, if payment of fees is required in advance, the CLEC should be permitted to pay those fees at the first and middle of the year (following receipt of invoice) to give the CLEC more flexibility in case it terminates, in which case the CLEC is only waiting for a refund of a portion of 1/2

Additional Comments: A CLEC should start paying once it is awarded the facility.

Section 10.8.5: A CLEC should not be required to pay a years worth of preparation fees in advance with no refund if it decides to terminate two or three months later.

To date, MCIW and US WEST have not been able to meet to discuss the time limit issues (e.g. 10.8.2.4) that were deferred during the last workshop.

B. Additional Comments on Checklist Item 13 and Provisions in US WEST's SGAT

Section 4.11.1 – The existing End Office ("EO") definition is too restrictive. End office switches are not limited to terminating station loops and perform much broader functions and services.

US WEST asked what broader functions an end office switch serves other than to terminate end user station loops.

Additional Comments: MCIW's change provides a more encompassing definition. It avoids the confusion over the definition of end user station loop by incorporating language which provides for all local services that can be provided by a switch.

Section 4.11.2 and 7.3.4.1.2: - The tandem definition should be changed so that a CLEC switch could be classified as a tandem. US WEST did not agree to MCIW's language defining tandem office switch.

US WEST wants the phrase "actually serve".

Additional Comments: MCIW supports its existing proposal. The requirement to "actually serve" forces the CLEC to already possess a replica of US WEST's existing network. Such a requirement is unreasonable and inconsistent with competitive requirements. MCIW's CLEC switch had already been deemed a tandem switch by the Commission.

US WEST had no comment on sentence regarding central office switches.⁶
MCIW assumes it is acceptable.

Section 4.22 - The definition of "Exchange Service" should be modified to remove the words "as defined by US WEST's then-current EAS/local serving areas". This language is not necessary as the local calling area is determined by the Commission (as stated in US WEST's definition), and further allowing US WEST the unilateral right to modify this definition (i.e. through tariff) is inappropriate.

US WEST asked whether MCIW is concerned about the CLEC or ILEC local service area? In other words, is it MCIW's intention that reciprocal comp would be paid by US WEST on calls to Flagstaff which is in the MCI local area, but not the US WEST local area. US WEST believes that the parties had already agreed that each company would set its own local calling area for purposes of its billing. However, for interconnection agreement purposes, parties agreed to use the US WEST area.

Additional Comments: US WEST misstates MCIW's concern. At issue is the definition of the local calling area for compensation purposes between the parties, which should be subject to mutual agreement or to Commission decision. The definition of local should not be subject to unilateral change by US WEST. MCIW's proposed change results in a reciprocal basis for purposes of payment between the ILEC and CLEC by using the Commission definition.

Section 7.3.1 and 7.3.6 The reference to "US WEST's tariffed Switched Access rates" should be removed and replaced with "the billing Party's tariffed Switched Access rates." CLECs should be able to bill IXC customers and the ILEC based on a CLEC tariff, not US WEST's. Each party is permitted by law to establish their own Access Tariff rates. To require a CLEC to use US WEST's tariff is contrary to that right, and places an unfair administrative burden on the CLEC. The

requested change is also consistent with the following sentence in the same paragraph, which provides that each party will bill third parties pursuant to each party's respective tariffs.

US WEST refused to agree to MCIW's proposed language because they do not want to have to pay more for access than they charge for access. They believe this issue is outside the scope of the 271 checklist and section 251.

Additional Comments: Industry practice allows the parties to establish rates specific to services offered by that entity. Forcing an entity to operate under the terms of another entity's tariff is unreasonable and anticompetitive.

Section 7.3.1.2 Since the Entrance Facility ("EF") is used for local interconnection purposes, it should be priced at TELRIC rates and included in the pricing appendix (Exhibit A) and not taken from US WEST's access tariffs. Hence, 7.3.1.1.2 should be rewritten to read, "If CLEC chooses to use an existing facility purchased as Private Line Transport Service from the state or FCC Access Tariffs the tariff rates shall be ratcheted to reflect the local usage and the recurring rate for Entrance Facility shall be priced at the TELRIC based rates contained in Exhibit A."

US WEST refused to adopt MCIW's proposed language and said this issue was directly addressed in the UNE remand decision.

Additional Comments: US WEST misunderstands the issue. The Entrance Facilities (EF) comments relate to EF used for interconnection purposes. The underlying language was not intended to address EF when it is used as a loop.

Sections 7.3.1.1.3.1, 7.3.1.2.2. and 7.3.2.3 US WEST is rewriting the way CLECs compensate for facilities used for 2-way trunking. This new language is

different from other MCIW/US WEST Interconnection agreements and others. The following changes below are necessary to establish that payments be made based on actual traffic flows, rather than an arbitrary, negotiated amount. Additionally, in existing markets where a CLEC already has traffic data, the above method should apply. In new markets where a CLEC has never exchanged traffic, there is no traffic data. For those markets, CLECs should be able to wait one quarter and then bill in arrears based on the relative traffic flow for that quarter.

Additional Comments: The interconnection facilities should be paid by the cost-causer. Hence, if an entity is originating the majority of the traffic riding over the EICT, MUXs, etc., then that entity should bear the proportionate share of those costs. In this manner, both the ILEC and CLEC pays their fair and reasonable share of the cost.

Section 7.3.4.2.2 US WEST must apply tandem transmission (transport charges) for local traffic in a manner consistent with how this is applied in the access world. If this is what is intended by US WEST's current language, then this language should be clarified to explicitly state this. If a CLEC is not required to pay this under access, a CLEC should not be required to pay an additional tandem transmission component in local.

Additional Comments: This is a typo. MCIW intended these comments to address Section 7.3.4.2.3.

Section 7.3.8 The last 2 sentences (beginning "Traffic sent without CPN") should be deleted because US WEST should be able to identify this traffic at its tandem or US WEST has the ability to work with the originator of the traffic to

determine the jurisdiction of the traffic and be made whole. In addition, MCIW proposes one alternative solution to calls passed without CPN. The parties could use a "charge-to-number" as a proxy for CPN. This is a standard industry solution.

US WEST agreed to MCIW's proposal on "charge-to-number," but refused to delete the final sentence. US WEST said, however, they would take our concern back to their technical people.

Additional Comments MCIW agrees to US WEST's request to have our technical staff discuss this issue.

Dated this 29th day of February, 2000

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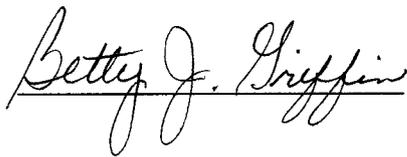
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