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**BEFORE THE ARIZONA CORPORATION COMMISSION**

JIM IRVIN  
Chairman  
TONY WEST  
Commissioner  
CARL J. KUNASEK  
Commissioner

Arizona Corporation Commission

**DOCKETED**

**FEB 0 8 1999**

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	)	Docket No. T-00000B-97-0238
	)	
IN THE MATTER OF U S WEST	)	<b>U S WEST COMMUNICATIONS,</b>
COMMUNICATIONS, INC.'S	)	<b>INC.'S NOTICE OF INTENT TO</b>
COMPLIANCE WITH § 271 OF THE	)	<b>FILE WITH FCC AND</b>
TELECOMMUNICATIONS ACT OF	)	<b>APPLICATION FOR</b>
1996	)	<b>VERIFICATION OF § 271(c)</b>
	)	<b>COMPLIANCE</b>
	)	

1. U S WEST Communications, Inc. ("U S WEST") hereby serves notice to the Arizona Corporation Commission ("Commission") of its intent to file an application with the Federal Communications Commission ("FCC") to obtain approval for U S WEST to provide interLATA service in Arizona pursuant to § 271 of the Telecommunications Act of 1996 (the "Act"). That application shall be submitted to the FCC no sooner than 90 days from the date of this filing. U S WEST provides this notice to the Commission under the terms of the Commission's Decision No. 60218, issued May 27, 1997.

2. U S WEST requests that the Commission enter an Order verifying that U S WEST complies with the requirements of § 271(c) of the Act, and recommending FCC approval of U S WEST's application to provide interLATA service in the state of Arizona. This Application is submitted to the Commission pursuant to § 271(d)(2)(B) of the Act.

1           3. U S WEST also requests that the Commission expeditiously adopt the proposed  
2 Procedural Order that is submitted with U S WEST's motion for a procedural order. U S WEST  
3 asks that this Application be heard by the full Commission itself, and that its final decision be  
4 issued no later than July 12, 1999.

5  
6 **I. BACKGROUND**

7           4. Section 271(a) of the Act generally prohibits a Bell operating company ("BOC") from  
8 providing interLATA services originating in a particular in-region state unless and until the FCC  
9 approves its application to do so for that state pursuant to § 271(d).

10           5. Section 271(d) requires the FCC to issue a determination on any such application no  
11 later than 90 days after filing. Approval of such application is contingent upon the FCC finding  
12 that:

13                   (a) the BOC complies with § 271(c)(1), what has been come to be known as  
14 Track A or Track B (U S WEST has filed this petition under Track A, which requires a showing  
15 that the BOC provides access and interconnection under the terms of approved interconnection  
16 agreements to predominantly facilities-based local carriers providing residential and business  
17 service);

18                   (b) the BOC satisfies the "competitive checklist" contained in § 271(c);

19                   (c) the BOC will provide interLATA service through a separate affiliate under  
20 the terms of § 272 once 271 authority is obtained; and

21                   (d) approval of the application is consistent with the "public interest,  
22 convenience, and necessity."

1           6.       Section 272(d)(2)(B) mandates that the FCC – before making any determination  
2 on the BOC’s application – consult with the affected state commission “in order to verify the  
3 compliance of the Bell operating company with the requirements of subsection (c).” The  
4 referenced “subsection (c)” addresses the Track A/Track B determination and implementation of  
5 the competitive checklist.  
6

7           7.       The FCC has also asked state commissions to consider whether interLATA entry  
8 by the BOC would be in the public interest – really a § 271(d), not a § 271(c) determination – in  
9 view of the states’ better familiarity with local competitive conditions. The FCC has also asked  
10 state commissions to develop a record concerning whether the BOC is prepared to offer  
11 interLATA service pursuant to § 272 of the Act.  
12

13           8.       U S WEST understands and appreciates that this Commission has already  
14 developed a significant degree of knowledge and expertise in interconnection and competitive  
15 issues as a result of its many interconnection arbitrations and other related proceedings over the  
16 past few years. The purpose of this Application is to give this Commission an opportunity to  
17 develop a comprehensive § 271 record, so that the Commission can give meaningful input in its  
18 statutory consultation with the FCC once U S WEST's FCC § 271 application is submitted.  
19

20           9.       U S WEST will demonstrate to this Commission, through testimony at hearing,  
21 that (a) it has met the requirements of Track A; (b) it is fully implementing the competitive  
22 checklist; (c) it is prepared to offer interLATA service pursuant to § 272 of the Act; and (d) its  
23 provision of interLATA service would serve the public interest of subscribers in the state of  
24 Arizona.  
25  
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1           **II. THE ROLE OF THE STATE COMMISSION**

2           10.     Why did Congress legally obligate the FCC to consult with the states? The § 271  
3 process focuses on, among other things, the extent of local telephone competition in the  
4 marketplace as one indicator of whether a BOC has in fact opened its network to access by its  
5 competitors under the checklist. Local competition is, first and foremost, a local matter. State  
6 commissions, not the FCC in Washington, are best positioned to be able to monitor the progress  
7 of local competitive conditions and carriers. Recognizing this to be the case, Congress placed  
8 the §§ 251 and 252 functions of reviewing (and, if need be, arbitrating) interconnection  
9 agreements and statements with the states, not the FCC. Through this review, and through the  
10 myriad related proceedings in which state commissions are continually involved, every state  
11 commission throughout the country has first-hand experience of how competition is taking hold  
12 in its state, dependent upon the local economic, customer and business environment. The  
13 Arizona Commission is the best situated to apply § 271 principles to the unique circumstances of  
14 the telecommunications markets in Arizona, and to verify U S WEST's compliance with § 271 in  
15 that important context.

16           **III. U S WEST MEETS THE REQUIREMENTS OF TRACK A IN ARIZONA**

17           11.     Section 271(c)(1)(A) (also known as Track A) requires U S WEST to  
18 demonstrate that it has at least one binding interconnection agreement with an operating  
19 facilities-based local exchange competitor. Specifically, Track A requires a BOC to have:  
20

21                   entered into one or more binding agreements that have been approved under  
22                   section 252 specifying the terms and conditions under which the [BOC] is  
23                   providing access and interconnection to its network facilities for the network  
24                   facilities of one or more unaffiliated competing providers of telephone exchange  
25                   service . . . to residential and business subscribers . . . either exclusively over their  
26                   own telephone exchange service facilities or predominantly over their own

1 telephone exchange service facilities in combination with the resale of  
2 telecommunications services of another carrier. . . .

3 12. The FCC has interpreted "binding agreement" to mean, among other things, any  
4 agreement approved by the state commission under the provisions of §252, whether or not that  
5 agreement covers every single checklist item. *FCC Ameritech Michigan 271 Order*, ¶ 72. For a  
6 competitive local exchange carrier ("CLEC") with such a binding agreement to qualify as a  
7 "competing provider" under this section, it must offer an actual commercial alternative to  
8 U S WEST in some (not every) location in the state; that is, it must be in the market and  
9 operational somewhere in the state. *FCC Ameritech Michigan Order*, ¶ 76. Competitive local  
10 exchange service must be available to both residential and business subscribers, a requirement  
11 that may be met through multiple CLECs (that is, a single provider need not be providing both  
12 residential and business service). Finally, a Track A competing provider must also be  
13 "facilities-based," providing service over its own facilities either in whole or in part (in  
14 combination with resale).  
15

16 13. The Arizona Commission has approved 24 wireline, 12 wireless and 26 resale  
17 agreements under §252 of the Act. As a result, U S WEST has "binding agreements" with the  
18 following CLECs who are actually providing services exclusively or predominantly over their  
19 own facilities: AT&T/TCG, MCI Worldcom (including Brooks Fiber), ELI, GST, Cox and  
20 e.spire. The services offered by these carriers result in an actual commercial alternative for a  
21 number of residential and business subscribers in U S WEST's Arizona service territory. The  
22 following facts demonstrate that U S WEST easily satisfies the Track A test:  
23

24 (a) As of the end of 1998, U S WEST had ported 27,837 numbers in Arizona.  
25  
26

1 (b) Cox Cable is aggressively marketing local phone and data service to an  
2 estimated 500,000 households in Maricopa County.

3 (c) U S WEST's competitors have the capacity to serve more than one million  
4 Arizona customers through their collocation within U S WEST facilities.

5 (d) AT&T/TCG, MCI WorldCom/Brooks Fiber, ELI, GST and e-spire all  
6 have large fiber networks in Arizona through which they are providing local facilities-based  
7 competitive service. Those companies are able to provide services in Phoenix, Tucson, Sky  
8 Harbor International Airport, Chandler, Mesa, Tempe, Paradise Valley, Scottsdale, Tolleson and  
9 Glendale.  
10

11 **IV. U S WEST ACTUALLY PROVIDES, OR IS LEGALLY AND**  
12 **PRACTICALLY ABLE TO PROVIDE EACH ITEM OF THE**  
13 **COMPETITIVE CHECKLIST**

14 14. Congress made a BOC's interLATA entry contingent upon its satisfaction of a  
15 fourteen-point "competitive checklist." The checklist is contained in § 271(c)(2)(B) of the Act.

16 15. A BOC may demonstrate that it is "providing" a checklist item in one of two  
17 ways: (a) by actually furnishing the item in a manner that complies with the 1996 Act; or (b) by  
18 making the checklist item generally available, legally and practically, where requests for that  
19 checklist item have not been made. *FCC Ameritech Michigan Order*, ¶ 110. This second  
20 alternative is absolutely critical because, without it, a BOC's ability to satisfy the checklist  
21 requirements could be foreclosed simply because competitors chose not to order all checklist  
22 items. The statute does not specify the types of measurements or methodologies needed to make  
23 these checklist compliance showings.  
24  
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1           16.     In the direct testimony to be filed, U S WEST will show that all checklist items  
2 are being fully implemented, either because one or more CLECs have actually requested and  
3 obtained the items pursuant to the terms of an approved interconnection agreement, or because  
4 U S WEST has legally bound itself to make the items available under one or more  
5 interconnection agreements or through its recently filed Statement of Generally Available Terms  
6 and Conditions (“SGAT”) and can demonstrate the practical wherewithal to fulfill that legal  
7 obligation.  
8

9           17.     In an April 13, 1998 filing in this docket, U S WEST has previously submitted  
10 affidavits demonstrating compliance with five checklist items: § 271(c)(2)(B)(vii) (911 and  
11 E911 services, directory assistance and operator services); § 271(c)(2)(B)(viii) (white pages  
12 listings); § 271(c)(2)(B)(ix) (access to numbers); § 271(c)(2)(B)(x) (access to databases and  
13 associated signaling); and § 271(c)(2)(B)(xii) (local dialing parity). In the direct testimony to be  
14 filed in support of this Application, U S WEST will update the already-submitted materials to  
15 reinforce the previously-made showing of compliance with these elements of the checklist. With  
16 respect to the remaining items, U S WEST’s direct testimony will demonstrate checklist  
17 implementation as briefly described below.  
18

19                   A.     Interconnection (Checklist Item i)

20           18.     U S WEST satisfies § 271(c)(2)(B)(i) of the Act if it provides “[i]nterconnection  
21 in accordance with the requirements of sections 251(c)(2) and 252(d)(1).” Section 251(c)(2)  
22 imposes the duty to provide, for the facilities and equipment of any requesting  
23 telecommunications carrier, interconnection with the incumbent local exchange carrier’s  
24 (“ILEC”) network “for the transmission and routing of telephone exchange service and exchange  
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26

1 access . . . at any technically feasible point within the [LEC's] network. . . that is at least equal in  
2 quality to that provided by the [ILEC] to itself. . .” Section 252(d) requires that the rates  
3 established by a state commission for interconnection under § 251(c)(2) be cost-based and  
4 nondiscriminatory, and expressly permits such rates to include a reasonable profit.

5  
6 19. U S WEST complies with this checklist item, in that it actually provides  
7 interconnection for the exchange of local wireline traffic under the terms of the various  
8 interconnection agreements between U S WEST and CLECs in Arizona, as well as through its  
9 SGAT.

10 20. In Arizona, U S WEST provides interconnection through four types of  
11 arrangements: physical collocation, virtual collocation, mid-span meet arrangements, and  
12 entrance facilities. The quantity and location of interconnection facilities are collaboratively  
13 determined by the CLEC and U S WEST, with CLECs being able to choose between providing  
14 their own interconnection facilities, purchasing U S WEST's facilities, using third parties'  
15 facilities, or a combination of the three. As a result of U S WEST's implementation of this  
16 checklist item in Arizona, U S WEST has interconnected its network with eleven CLEC  
17 networks, exchanging calls over 312 trunk groups involving 41,683 trunks.

18  
19 21. U S WEST offers a number of physical collocation options: caged, cageless, and  
20 interconnection distribution frame (“ICDF”) collocation. A caged arrangement permits a CLEC  
21 to surround its equipment by a cage or wall providing an increased level of security to the  
22 CLEC's equipment. A cageless arrangement allows a CLEC to place its equipment in the  
23 U S WEST central office without separation from other central office equipment by a cage or  
24 walls. ICDF collocation is offered to CLECs that do not require any of their own transmission  
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1 equipment to be placed in the U S WEST central office, but that only require access to and  
2 ability to combine U S WEST's unbundled network elements. U S WEST has provisioned over  
3 120 requests for space to eleven CLECs in more than 30 central office buildings under existing  
4 collocation agreements in Arizona.

5  
6 22. U S WEST complies with the "equal in quality" standard of § 251(c)(2) by  
7 applying the same standards for engineering CLEC interconnection trunk groups as it engineers  
8 for itself. In addition, U S WEST has implemented performance measures to ensure that its  
9 provision of interconnection to competitors is at least equal in quality to that which it provides to  
10 itself.

11 23. U S WEST's prices for its interconnection and collocation offerings are contained  
12 in its approved interconnection agreements and SGAT and were developed pursuant to  
13 appropriate forward-looking cost methodology in the consolidated cost docket.

14  
15 B. Access to Unbundled Network Elements ("UNEs") (Checklist Item ii)

16 24. U S WEST satisfies § 271(c)(2)(B)(ii) of the Act if it provides  
17 "[n]ondiscriminatory access to network elements in accordance with the requirements of sections  
18 251(c)(3) and 252(d)(1)." Section 251(c)(3) obligates incumbent LECs to provide such access  
19 on an unbundled basis at any technically feasible point "in a manner that allows requesting  
20 carriers to combine such elements in order to provide [a] telecommunications service." Section  
21 252(d)(1) requires the pricing for UNEs to be at a just and reasonable rate that is cost-based  
22 (including a reasonable profit) and nondiscriminatory, as determined by a state commission.

23  
24 25. In its First Report and Order, the FCC required that a BOC make available the  
25 following UNEs, at a minimum: local loop, network interface device ("NID"), switching  
26

1 capability (including local switching, vertical features, and tandem switching), interoffice  
2 transmission facilities (including unbundled dedicated interoffice transport and shared interoffice  
3 transport), call-related databases and signaling systems, operator services and directory  
4 assistance, and operation support systems. However, the Supreme Court recently held that the  
5 FCC applied the wrong standard when developing this list and ordered that the FCC's rule  
6 concerning unbundled elements be vacated. U S WEST anticipates that the FCC will produce a  
7 shorter list when it revisits the issue. Nevertheless, numerous UNEs listed by the FCC in its First  
8 Report and Order have been made legally and practically available to CLECs under the terms of  
9 approved interconnection agreements and the SGAT in the state of Arizona. For example,  
10 U S WEST is currently providing over 1,000 unbundled loops to CLECs in Arizona.

12           26.     A CLEC is able to access U S WEST's UNEs through virtual collocation, and  
13 through caged or cageless physical collocation. CLECs may also access U S WEST's UNEs at  
14 the ICDF, without having physically to collocate any of their own transmission equipment at the  
15 U S WEST central office. In addition, a CLEC may use the bona fide request ("BFR") process  
16 to request unique or nonstandard access to UNE configurations. Today, CLECs are collocated in  
17 31 of U S WEST's Arizona central offices, through 55 collocation cages and 66 virtual  
18 collocations, through which 58% of the total Arizona access lines currently served by U S WEST  
19 can be reached and targeted, and through which access to U S WEST's UNEs for that purpose  
20 can be and is obtained.

22           27.     U S WEST's UNE and related collocation prices are contained in its approved  
23 interconnection agreements and SGAT.  
24  
25  
26

1           28.     U S WEST also provides nondiscriminatory access to its operations support  
2 systems (“OSS”), covering preordering and ordering, provisioning, maintenance/repair, and  
3 billing functions, as previously required by the FCC. U S WEST has deployed the necessary  
4 systems and personnel to provide sufficient access to each of these OSS functions, through  
5 human to computer electronic interfaces (Interconnect Mediated Access or IMA) and computer  
6 to computer electronic interfaces (e.g., Electronic Data Interchange or EDI and Electronic  
7 Bonding). The access to functions analogous to those provided to U S WEST retail customers  
8 (e.g., ordering of resale) is provided in substantially the same time and manner to CLEC, while  
9 the access to functions with no retail analogue (e.g., ordering of UNEs) is provided so as to allow  
10 an “efficient competitor a meaningful opportunity to compete.” U S WEST adequately assists  
11 CLECs in understanding how to implement and use all of the OSS functions available to them,  
12 through access to account executives and managers, specifications and other documentation  
13 (both hard copy and on-line), training and other fora. Finally, U S WEST can show that its OSS  
14 functions are operationally ready as a practical matter, by providing results from carrier-to-  
15 carrier, third party, and internal testing, and/or actual performance results demonstrating that  
16 U S WEST's OSS meet current demand and have capacity sufficient to meet reasonably  
17 foreseeable demand.

20                   C.     Poles, Ducts and Conduits (Checklist Item iii)

21           29.     U S WEST satisfies § 271(c)(2)(B)(iii) of the Act if it provides nondiscriminatory  
22 access to the poles, ducts, conduits, and rights-of-way owned or controlled by it at just and  
23 reasonable rates in accordance with § 224 (the 1978 Pole Attachment Act). U S WEST complies  
24 with this checklist item through broad joint-use agreements into which U S WEST has entered  
25  
26

1 with other telecommunications carriers pursuant to the 1978 Pole Attachment Act. The resultant  
2 Pole and Anchor Attachment and/or Duct Occupancy Agreements – which U S WEST has been  
3 successfully negotiating for years – contain the terms and conditions pursuant to which  
4 competing providers of telecommunications services may obtain nondiscriminatory access to  
5 U S WEST's poles, ducts, conduit, and rights-of-way. Under those agreements, U S WEST  
6 provides access to poles, conduits, and rights-of-way on a first-come, first-served basis, and  
7 CLECs may obtain relevant plats, maps, engineering records and other data upon making a bona  
8 fide request. The fees associated with such access are consistent with § 224, and with the FCC  
9 rules.  
10

11 30. U S WEST is currently providing duct in five locations to five CLECs in  
12 Arizona. Three CLECs have also attached to U S WEST's poles in Arizona.

13 D. Unbundled Loops (Checklist Item iv)

14 31. U S WEST satisfies § 271(c)(2)(B)(iv) of the Act if it provides “local loop  
15 transmission from the central office to the customer’s premises, unbundled from local switching  
16 or other services.” Two separate UNEs are associated with provision of this checklist item: (a)  
17 the local loop itself, defined as “a transmission facility between a distribution frame (or its  
18 equivalent) in an incumbent LEC central office and an end user customer premises”; and (b) the  
19 network interface device (“NID”), defined as “a cross-connect device used to connect loop  
20 facilities to inside wiring.”  
21

22 32. U S WEST provides access to the following types of local loops: (a) 2 and 4-wire  
23 analog loops; (b) 2 and 4-wire non-loaded loops; and (c) digital capable loops for services such  
24 as basic rate ISDN or DS1-level services. A CLEC may choose among three different  
25  
26

1 installation options for these loops: a basic installation option for existing service; a basic  
2 installation with performance testing option for new service; and a coordinated installation with  
3 cooperative testing option.

4 33. For access to the NID, U S WEST provides two options: the CLEC may install  
5 its own NID, and run a jumper from its NID to the U S WEST NID; or, space permitting, a  
6 CLEC may terminate its loops directly into the U S WEST NID. The CLEC also has the option  
7 to order a modular NID to replace an existing non-modular NID, for ease in end-user testing.  
8

9 34. U S WEST has successfully installed more than 1,000 unbundled loops for  
10 CLECs in Arizona.

11 E. Unbundled Local Transport (Checklist Item v)

12 35. U S WEST satisfies § 271(c)(2)(B)(v) of the Act if it provides “[l]ocal transport  
13 from the trunk side of a wireline local exchange carrier switch unbundled from switching or other  
14 services.” In its rules that the Supreme Court has ordered vacated, the FCC has defined two  
15 general categories of local transport: dedicated transport – incumbent LEC transmission  
16 facilities dedicated to a particular customer or carrier; and shared transport – transmission  
17 facilities shared by more than one carrier, including the incumbent LEC.  
18

19 36. As reflected in the recently filed SGAT, U S WEST provides unbundled dedicated  
20 transport through its “unbundled dedicated interoffice transport” (“UDIT”) element, at all  
21 technically feasible transmission capability levels, such as DSO, DS1, DS3, SONET and optical  
22 carrier levels (e.g., OC-3/12/48/96), that a CLEC could use to provide telecommunications  
23 services. Interoffice facilities are provided, at a minimum, between end offices and serving wire  
24 centers (“SWCs”), SWCs and interexchange carriers’ points of presence, tandem switches and  
25  
26

1 SWCs, end office or tandems of U S WEST, and the wire centers of U S WEST and requesting  
2 carriers. Although no CLEC in Arizona has placed an appropriate order for UDIT to date, UDIT  
3 is available under U S WEST's SGAT, ordering processes are in place, and testing has been  
4 performed to ensure that UDIT will be successfully installed when ordered.

5  
6 37. As also reflected in the recently filed SGAT, U S WEST offers shared transport  
7 including all transmission facilities connecting U S WEST's switches – facilities between an end  
8 office and a tandem switch, between two end offices, or between two tandem switches. Shared  
9 transport is available only in conjunction with unbundled switching, because switches  
10 necessarily perform the routing functions for access to the shared transport network. Through a  
11 CLEC's use of U S WEST's shared transport, that CLEC's end users will use the same local  
12 network as U S WEST's retail customers. Although no Arizona CLEC has ordered shared  
13 transport to date, U S WEST has included shared transport in its SGAT, and has put in place all  
14 necessary processes for shared transport to be ordered and installed.

15  
16 F. Unbundled Local Switching (Checklist Item vi)

17 38. U S WEST satisfies § 271(c)(2)(B)(vi) of the Act if it provides nondiscriminatory  
18 access to “[l]ocal switching unbundled from transport, local loop transmission, or other  
19 services.”

20  
21 39. As reflected in its recently filed SGAT, U S WEST offers both unbundled local  
22 switching and unbundled tandem switching; access to all vertical features installed in the switch  
23 (with the CLEC using the BFR process to request features installed but not yet activated in the  
24 switch); and customer routing (to the extent technically feasible). Although no Arizona CLEC  
25 has appropriately ordered unbundled local switching or features to date, U S WEST is legally  
26

1 committed to provide local switching under approved interconnection agreements and to provide  
2 all vertical features on an unbundled basis under its recently filed SGAT. All necessary  
3 processes are in place to enable a CLEC to order unbundled local switching and features, and  
4 installation has been successfully tested.

5  
6 G. 911/E911; Directory Assistance; and Operator Services (Checklist  
Item vii)

7 40. U S WEST satisfies § 271(c)(2)(B)(vii) if it provides nondiscriminatory access to  
8 911 and E911 services, directory assistance services to allow a CLEC's customers to obtain  
9 telephone numbers, and operator call completion services. In its April 13, 1998 filing in this  
10 Docket, U S WEST submitted affidavits demonstrating that U S WEST fully implements this  
11 checklist item. That showing will be updated in the testimony to be filed in support of this  
12 Application.  
13

14 H. White Pages Directory Listings (Checklist Item viii)

15 41. U S WEST satisfies § 271(c)(2)(B)(viii) of the Act if it provides access to white  
16 pages listings for customers of a CLEC's telephone exchange services. In its April 13, 1998  
17 filing in this Docket, U S WEST submitted affidavits demonstrating that U S WEST fully  
18 implements this checklist item. That showing will be updated in the testimony to be filed in  
19 support of this Application.  
20

21 I. Telephone Numbers (Checklist Item ix)

22 42. U S WEST satisfies § 271(c)(2)(B)(ix) of the Act if it provides nondiscriminatory  
23 access to telephone numbers for assignment to a CLEC's telephone exchange service customers.  
24 In its April 13, 1998 filing in this Docket, U S WEST submitted affidavits demonstrating that  
25 U S WEST fully implements this checklist item. That showing will be updated in the testimony  
26

1 to be filed in support of this Application.

2 J. Databases and Signaling (Checklist Item x)

3 43. U S WEST satisfies § 271(c)(2)(B)(x) of the Act if it provides  
4 “[n]ondiscriminatory access to databases and associated signaling necessary for call routing and  
5 completion.” In its April 13, 1998 filing in this Docket, U S WEST submitted affidavits  
6 demonstrating that U S WEST fully implements this checklist item. That showing will be  
7 updated in the testimony to be filed in support of this Application.  
8

9 K. Number Portability (Checklist Item xi)

10 44. U S WEST satisfies § 271(c)(2)(B)(xi) of the Act if it provides “interim  
11 telecommunications number portability through remote call forwarding, direct inward dialing  
12 trunks, or other comparable arrangements, with as little impairment of functioning, quality, and  
13 convenience as possible.” This section also requires full compliance with the FCC’s permanent  
14 or long-term number portability (“LNP”) regulations; the FCC has required LNP deployment in  
15 the nation’s 100 largest metropolitan areas (“MSAs”) – including the Phoenix and Tucson  
16 MSAs – by the end of 1998. Beyond the top 100 MSAs, LNP will be deployed within six  
17 months of a bona fide request.  
18

19 45. U S WEST has specific legal commitments to make number portability available  
20 under its various approved interconnection agreements and under its recently-filed SGAT.  
21

22 46. Preparations for the provision of LNP in Arizona were timely completed for the  
23 Phoenix MSA on August 3, 1998, and for the Tucson MSA on November 2, 1998. As a result,  
24 LNP is now available to approximately 90% of U S WEST's Arizona access lines. U S WEST's  
25 procedures for LNP are fully documented, and LNP may be ordered both manually and  
26

1 electronically. Pricing for LNP will be pursuant to two federally tariffed charges (a monthly end-  
2 user charge to last for no more than five years, and an inter-carrier charge for query services)  
3 through which the FCC has provided for LNP cost recovery. U S WEST filed federal tariffs for  
4 these charges, pursuant to FCC rules, on January 26, 1999.

5  
6 47. U S WEST still provides interim number portability in areas outside of Phoenix  
7 and Tucson through four different mechanisms: remote call forwarding, direct inward dialing,  
8 route indexing (both direct and tandem), and local exchange routing guide reassignment.  
9 U S WEST has documented procedures for INP ordering (which may be done either manually or  
10 electronically) and provisioning, and proactively manages the provisioning of INP and  
11 coordination of related service orders to provide the service with as little impairment of quality,  
12 reliability, and convenience as possible.

13  
14 48. As of the end of 1998, U S WEST had ported 27,837 numbers in Arizona: 12,978  
15 through INP, and 14,859 through LNP.

16 L. Local Dialing Parity (Checklist Item xii)

17 49. U S WEST satisfies § 271(c)(2)(B)(xii) of the Act if it provides  
18 “[n]ondiscriminatory access to such services or information as are necessary to allow the  
19 requesting carrier to implement local dialing parity in accordance with the requirements of  
20 section 251(b)(3).” Section 251(b)(3) requires each LEC “to provide dialing parity to competing  
21 providers of telephone exchange service. . . , and the duty to permit nondiscriminatory access to  
22 telephone numbers, operator services, directory assistance, and directory listing, with no  
23 unreasonable dialing delays.” In its April 13, 1998 filing in this Docket, U S WEST submitted  
24  
25  
26

1 affidavits demonstrating that U S WEST fully implements this checklist item. That showing will  
2 be updated in the testimony to be filed in support of this Application.

3 M. Reciprocal Compensation (Checklist Item xiii)

4 50. U S WEST satisfies § 271(c)(2)(B)(xiii) of the Act if it provides “reciprocal  
5 compensation arrangements in accordance with the requirements of section 252(d)(2).” Under  
6 §252(d)(2), “just and reasonable” reciprocal compensation must (1) provide for the mutual and  
7 reciprocal recovery by each carrier of costs associated with the transport and termination of local  
8 calls originating on the network facilities of the other carrier, and (2) be based upon a reasonable  
9 approximation of the additional costs of terminating such calls.

10 51. Reciprocal compensation describes a billing arrangement for the transport and  
11 termination of local exchange traffic between the U S WEST and CLEC networks. The basic  
12 premise of reciprocal compensation is that the originator of a local call is responsible for the  
13 costs of completing that call, including call transport.

14 52. U S WEST's approved interconnection agreements bind parties to mutual  
15 compensation on a reciprocal basis in a manner consistent with the checklist requirement.  
16 U S WEST has made all required reciprocal compensation payments in a timely fashion (with  
17 the exception of payments for traffic delivered to internet service providers – an issue still  
18 pending and unresolved before the FCC and this Commission), and has billed CLECs in a timely  
19 fashion as well.

20 N. Resale (Checklist Item xiv)

21 53. U S WEST satisfies § 271(c)(2)(B)(xiv) of the Act if it makes available  
22 “telecommunications services for resale in accordance with the requirements of sections  
23  
24  
25  
26

1 251(c)(4) and 252(d)(3).” Section 251(c)(4) requires incumbent LECs “to offer for resale at  
2 wholesale rates any telecommunications service that the carrier provides at retail to subscribers  
3 who are not telecommunications carriers,” and “not to prohibit, and not to impose unreasonable  
4 or discriminatory conditions or limitations on, the resale of such telecommunications service.”  
5 Section 252(d)(3) provides that “wholesale rates” must be based upon “retail rates charged to  
6 subscribers for the telecommunications service requested, excluding the portion. . . attributable to  
7 any marketing, billing, collection, and other costs that will be avoided. . . .”

9       54. Through its Commission-approved resale agreements with CLECs in Arizona (of  
10 which there are currently 43) and its SGAT, U S WEST makes all of its retail  
11 telecommunications services available for resale, including: residence exchange service; business  
12 exchange service and PBX; ISDN; toll; vertical features; private line; public access lines;  
13 optional calling plans; volume discounted services, contract service arrangements; listings; AIN  
14 services; and WATS. The wholesale discount rates were set in the consolidated cost docket, at  
15 12% for residential exchange access, and 18% for business and PBX, ISDN, toll, vertical  
16 features, non-recurring charges, and private line.  
17

18       55. Any resale limitations are consistent with those permitted by the Act. Services  
19 that are not retail telecommunications services – including customer premises equipment,  
20 enhanced services, inside wire, calling card, promotions of 90 days or less, lifeline, and technical  
21 trials – are not available for resale. In addition, some services may be resold only to the same  
22 class of customers eligible to purchase them from U S WEST (e.g., residential service).  
23

24       56. U S WEST has procedures in place for CLEC ordering of services for resale  
25 (either manually or electronically), and provides extensive documentation and assistance  
26

1 (through on-line resource guides, training programs, help desk, account manager support, etc.) to  
2 assist CLECs in ordering and obtaining services for resale.

3 57. U S WEST's provisioning and maintenance procedures are nondiscriminatory as  
4 between CLECs and U S WEST's retail operations. Reseller CLECs receive the same  
5 provisioning/installation intervals and the same maintenance/repair commitments for the same  
6 services as do U S WEST end users. The same technicians and other personnel handle CLEC  
7 and U S WEST installation orders and repair orders using the same systems, processes and  
8 procedures. U S WEST has also developed extensive performance indicators to ensure that  
9 nondiscriminatory service is provided to CLECs.  
10

11 58. At present, 25 CLECs are actively reselling U S WEST services in Arizona.  
12 CLECs have resold over 7,000 residential lines and over 2,000 business lines in Arizona.  
13

14 **V. U S WEST'S PROVISION OF INTERLATA SERVICE IN THE STATE OF**  
15 **ARIZONA WOULD SERVE THE PUBLIC INTEREST**

16 59. Section 271(d)(3)(C) of the Act precludes the FCC from approving a BOC's  
17 interLATA entry application unless it finds that such entry would be consistent with the "public  
18 interest, convenience, and necessity." The Arizona Commission is well situated to advise the  
19 FCC about the public interest considerations associated with U S WEST's § 271 application,  
20 because it understands both the realities of the competitive telecommunications marketplace in  
21 Arizona, and the needs and desires of Arizona's subscribers regarding telecommunications  
22 services.  
23

24 60. The public interest weighs heavily in favor of allowing U S WEST to provide  
25 interLATA services in the state of Arizona. It would produce a panoply of public benefits to  
26

1 residential and business consumers. These benefits include: access to one-stop shopping for an  
2 array of telecommunications services; lower long distance prices, as a result of the entry of new  
3 and significant competitor into an otherwise highly concentrated long distance market; and an  
4 increased incentive for nationally recognized IXC's to provide local exchange services as a  
5 defensive countermeasure to avoid loss of long distance customers.

6  
7 61. Moreover, U S WEST's incentive to accelerate investment in Arizona's  
8 telecommunications infrastructure would be increased with its interLATA entry. If authorized to  
9 provide interLATA services, U S WEST will realize legitimate economies of scale and scope,  
10 permitting it to expand its offerings of innovative products and services and to invest in the  
11 infrastructure to support them.

12  
13 62. The public interest determination does not present even a close question. The  
14 public interest is overwhelmingly in favor of allowing U S WEST to provide interLATA services  
15 in Arizona. This Commission should so find and make that determination part of its favorable  
16 recommendation to the FCC.

17 **VI. PROPOSED PROCEDURAL ORDER**

18  
19 63. Finally, U S WEST moves that the Commission expeditiously adopt its proposed  
20 Procedural Order, which is submitted with the accompanying motion, setting forth a schedule for  
21 discovery, filing of direct and rebuttal testimony, hearing dates, and issuance of a final  
22 Commission decision on the Application. In order to expedite matters, and to ensure that this  
23 Commission's deliberations are complete prior to the filing of U S WEST's § 271 application  
24 with the FCC, U S WEST also requests that this Application be heard by the full Commission  
25 itself, and that its final decision be issued no later than July 12, 1999.

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DATED this 8<sup>th</sup> day of February, 1999.

Respectfully submitted,

**U S WEST COMMUNICATIONS, INC.**

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Re: Service List for Docket No. T-00000A-97-0238

Please update the above service list as follows:

Remove: Penny Bewick  
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Vancouver, WA 98662

And replace with: Penny Bewick  
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Thank you for your attention to this request.

Sincerely,

Avis Grudi  
Records Management

cc: Timothy Berg  
Paul Bullis  
Ray T. Williamson  
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