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BEFORE THE ARIZONA CORPORATION COMMISSION

ORIGINAL

Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION  
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CARL J. KUNASEK  
Chairman  
JIM IRVIN  
Commissioner  
WILLIAM A. MUNDELL  
Commissioner

IN THE MATTER OF INVESTIGATION ) DOCKET NO. T-00000A-00-0194  
INTO U S WEST COMMUNICATIONS, )  
INC.'S COMPLIANCE WITH CERTAIN ) COVAD'S AND NEW EDGE  
WHOLESALE PRICING ) NETWORKS'  
REQUIREMENTS FOR UNBUNDLED ) RECOMMENDATIONS RE:  
NETWORK ELEMENTS AND RESALE ) ADDITIONAL ISSUES  
DISCOUNTS. )

In accordance with the Hearing Officer's March 30, 2000 procedural order, intervenors Covad Communications Company ("Covad") and New Edge Networks ("New Edge") submit the following list of additional costing/pricing issues that should be addressed and resolved during additional phases of this docket. Covad and New Edge also briefly address procedural issues regarding the additional phases.

In general, Covad and New Edge support the recommendations filed by other CLECs and intervenors regarding additional issues to be decided (including subsequent phases). Covad and New Edge also believe the Commission should establish/review (1) cost-based recurring and non-recurring charges for CLEC purchases of network elements, (2) charges for access to and the combination of separate network elements, (3) costs of all network elements, and (4) various costing issues stemming from recent Court decisions and FCC orders. More specifically, Covad and New Edge believe that at least the following items and elements should be priced by the Commission:

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- Line Sharing: The Commission should determine the cost of various elements relating to line sharing, including primarily the high frequency spectrum network element. Other elements that will need to be examined are the installation cost of shared lines and splitter collocation costs (including equipment costs). In addition, the Commission will need to assess the cost of operation support systems (OSS) upgrades necessary for line sharing after those systems are put in place. These various costs may have both or either a recurring and/or non-recurring element. This list is not intended to be comprehensive and there may be additional line sharing issues that should be addressed and resolved in this docket.
  - Sub-loop Elements: The Commission should determine the costs related to provision of sub-loop elements, including distribution and feeder loops.
  - Loops: The Commission should determine the costs for high capacity loops including DS1, DS3 and Ocx capacity customer circuits and IOT.
  - Dark fiber: The Commission should evaluate various costing and pricing issues related to dark fiber.
  - Packet Switching UNEs: In situations where U S WEST is obligated to make packet switching unbundled network elements available to CLECs, the Commission should establish cost-based rates for packet switching.

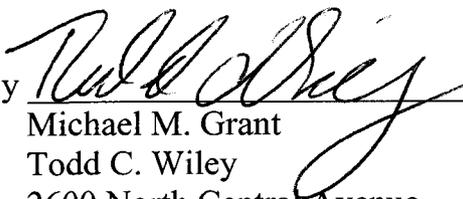
16 In addition, U S WEST's latest SGAT (Statement of Generally Available  
17 Terms and Conditions) dated April 7, 2000 raises numerous costing and pricing issues.  
18 Covad and New Edge reserve the right to raise these additional costing issues as  
19 appropriate.  
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21 Given all of the potential costing issues that should be addressed in this  
22 docket, Covad and ELI suggest that the Hearing Officer utilize a 3 or 4 phase approach.  
23 Phase I would address the geographic deaveraging for wholesale rates on an interim basis.  
24 Covad and New Edge suggest that line sharing costs be addressed as quickly as possible in  
25 Phase II, particularly given the anticipated demand for line sharing and its rapid  
26 implementation.  
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RESPECTFULLY submitted this 24 day of April, 2000.

GALLAGHER & KENNEDY, P.A.

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ORIGINAL and 10 copies of the foregoing  
filed this 24 day of April, 2000, with:

Docket Control  
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THREE COPIES of the foregoing hand-delivered  
this 24 day of April, 2000 to:

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