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ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

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CARL J. KUNASEK Arizona Corporation Commission
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COMMISSIONER

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AZ CORP COMMISSION
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IN THE MATTER OF INVESTIGATION)
INTO U S WEST COMMUNICATION,)
INC.'S COMPLIANCE WITH CERTAIN)
WHOLESALE PRICING REQUIREMENTS)
FOR UNBUNDLED NETWORK ELEMENTS)
AND RESALE DISCOUNTS.)

DOCKET NO: T-00000A-00-0194

**ERRATA TO WORLDCOM'S RESPONSE TO MOTION OF COMMISSION STAFF
FOR CLARIFICATION OF PROCEDURAL ORDER AND FOR
EXTENSION OF THE DEADLINE FOR FILING TESTIMONY, OR IN THE
ALTERNATIVE, MOTION TO REVIEW ALL WHOLESALE PRICES PREVIOUSLY
APPROVED BY THE COMMISSION IN 1997, AND LIST OF ISSUES FOR PHASE III**

WorldCom, Inc., on behalf of its regulated subsidiaries ("WCom"), responded to Staff's Motion for Clarification. However, on page 4 WCom cited to some Minnesota rates that were wrong. WCom submits a new page 4 with corrected rates for Minnesota. No other changes have been made.to page 4.

WCom requests the parties substitute the attached page 4 for that originally filed.

RESPECTFULLY SUBMITTED this 28th day of November, 2000.

WORLDCOM, INC.

By: 

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1 cases those prices have not been based on the relevant costs of the network elements.¹ Since the
2 DOJ raised pricing issues in the Massachusetts 271 application, it would likely raise the issue in
3 an Arizona 271 application.

4 In Massachusetts, the DOJ challenged deaveraged loop rates are \$7.54 - metro; \$14.11 -
5 Urban; \$16.12 -Suburban; and \$20.04 - Rural. In Washington, the deaveraged loop rates for
6 Qwest are Zone 1 - \$7.50 (5.52% of lines) (Seattle Elliott and Seattle Main); Zone 2 - \$13.89
7 (19.65 % of lines) (Bellevue, more Seattle and two Tacoma wire centers); Zone 3 - \$ 15.73
8 (20.62 % of lines) (more Seattle, more Tacoma, Spokane); Zone 4 - \$ 17.78 (20.65 % of lines);
9 and Zone 5 - \$24.18 (33.36% of lines). In Minnesota, the deaveraged loop rates for Qwest are
10 Zone 1 - \$8.90 (wirecenter 1, Downtown Minneapolis), Zone 2 - \$12.39 (13 wirecenters), Zone 3
11 - \$14.69 (15 wirecenters) and Zone 4 - \$21.94 (123 wirecenters). Whereas in Arizona the interim
12 deaveraged loop rates for Qwest are \$18.96 Metro (20% of lines), \$34.94 Suburban (59% of
13 lines) and \$56.53 Rural (21% of lines). In addition, because the Commission adopted Qwest's
14 proposed rates for the zones proposed by Staff, the statewide average loop rate is \$36.28, not
15 \$21.98.²

16 Therefore, getting the right prices has a rippling effect within the competitive
17 environment, and the actions of this Commission on pricing, among other critical factors, will
18 drive entry and unfortunately exit from the Arizona local exchange market. WCom is an
19 international company that acts in a rational economic manner, and its investment dollars will be
20
21
22

23 ¹ (DOJ Footnote) First, there has been a disparity between the prices of UNEs in Massachusetts and the
24 prices of those same elements in the other states. While the prices of UNEs may well differ somewhat from state to
25 state, as each state commission sets UNE prices independently, there is no obvious reason for the magnitude of the
26 disparity between Massachusetts and other states in the Verizon region. Second, CLECs have raised several facially
27 reasonable arguments suggesting that the UNE rates were incorrectly calculated in the MA DTE's 1996 order, the
28 most striking of which concerns the failure to incorporate the initial switch vendor discount. *See, e.g.,* WorldCom
Comments at 12-18. Third, in July 2000, Verizon reduced rates for UNE-platform used to serve residential lines.
See Verizon Mudge Decl. Attach. A Ex. 1. We are not aware of evidence that the cost of these elements differs
depending on whether the end user is a business customer or a residential customer, and the price differential could
be interpreted as evidence that the UNE rates for business platform lines at that time were not cost based.

2 $\$18.96 \times .21 = 3.792$; $\$34.94 \times .59 = 20.6146$; $\$56.53 \times .21 = 11.8713$. $3.792 + 20.6146 + 11.8713 =$
 $\$36.2779$ for statewide average loop rate.

CERTIFICATE OF SERVICE

This is to certify that I served, on this 28th day of November 2000, **ERRATA TO
WORLDCOM'S REPSONSE TO MOTION OF COMMISSION STAFF FOR
CLARIFICATION OF PROCEDURAL ORDER AND FOR EXTENSION OF THE
DEADLINE FOR FILING TESTIMONY, OR IN THE ALTERNATIVE, MOTION
TO REVIEW ALL WHOLESALE PRICES PREVIOUSLY APPROVED BY THE
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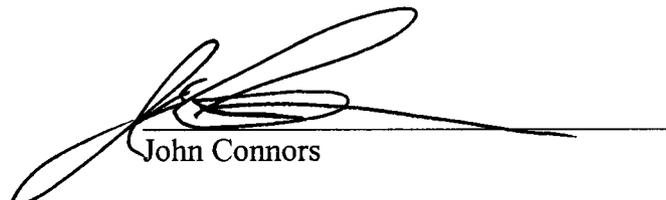
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