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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

IN THE MATTER OF INVESTIGATION INTO QWEST CORPORATIONS' COMPLIANCE WITH CERTAIN WHOLESALE PRICING REQUIREMENTS FOR UNBUNDLED NETWORK ELEMENTS AND RESALE DISCOUNTS.	)	**DOCKET NO. T-00000A-00-0194 (PHASE II-A)**

STAFF'S POST-HEARING BRIEF

I. INTRODUCTION

By agreement among several of the parties, certain issues in Phase II were deferred to this phase (Phase II-A) of this proceeding. The rates that Staff recommends are shown on Schedule WD-1 of Staff Exhibit S-8 (Dunkel Direct). A copy of Schedule WD-1 is attached hereto.

II. DISCUSSION

A. The Commission Should Utilize the HAI Model to Develop Rates in Phase II(A) for Switching:

In order to arrive at its recommended local traffic rates (all rates under "7.6" on Schedule WD-1), port, and local usage rates (Items 9.11.1 through 9.11.3 and 9.11.8 on Schedule WD-1), Staff relied upon the same model it relied upon in Phase II of this proceeding, which is the HAI 5.2a model (Hatfield).

The Commission first established UNE rates in Decision No. 60635, released on January 30, 2001.[1] That Decision relied heavily upon the HAI model. In addition, the portion of the FCC's Synthesis Model that deals with usage, relies heavily on the HAI model (Exhibit Staff-8, page 3). The Administrative Law Judge's (ALJ) Recommended Opinion and Order (ROO) in Phase II of this proceeding also adopts the HAI 5.2a model to determine all UNE rates, other than switching rates.[2] Staff believes the record in both Phase II and Phase II(A) demonstrate that

[1] Exhibit Staff-8, page 3, Docket No. U-3021-96-448 et. al.
[2] Recommended Opinion and Order filed on or about November 8, 2001 in Docket No. T-00000A-00-0194.

the HAI Model is superior to the models proffered by Qwest and produces rates consistent with a forward-looking, least cost, efficient network.

B. The Commission Should Utilize the Same Inputs as those adopted for Phase II.

There are hundreds of inputs to the HAI models. For its proposed costs and resulting rates in this proceeding, Staff relied upon the inputs that the Commission had chosen in its Decision No. 60635. In that Decision, the ACC adopted numerous input values. For example, the ACC adopted 50% support facilities sharing with other utilities.[3] The ALJ's ROO in Phase II of this proceeding also adopts the 50% support facilities sharing with other utilities.

For those inputs that were not addressed by the Commission in Decision No. 60635, Staff proposed use of the inputs as determined by the FCC. The FCC's inputs resulted from extensive proceedings that were held to determine the appropriate input values to use in the Synthesis Model, which is the FCC Model used to determine the amount of federal universal service support for non-rural carriers. The FCC determined the specific values to be used as model inputs to the Synthesis Model in its 10th Report and Order (Order C 99-304). (Staff Exhibit S-8, pp. 3-4)

C. Overhead Factors

The "overhead cost" factor that Staff used in the HAI model was the same 15% overhead factor adopted by the Commission on page 13 of Decision No. 60635. However, the ALJ in Phase II of this proceeding recently issued a Recommended Opinion and Order ("ROO"), which adopts the HAI Model's default overhead value of 10.40%. (ROO, p. 21) If the 10.40% overhead factor is used in the HAI instead of Staff's proposed 15% factor, the cost would be four percent below the cost shown on Staff Schedule WD-1 for the costs which depend on the HAI model. (Local traffic rates (all rates under "7.6" on Schedule WD-1)[4], port, and local usage rates (Items 9.11.1 through 9.11.3 and 9.11.8 on Schedule WD-1).)

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[3] Exhibit Staff-8, page 5, (Page 20, ACC Decision No. 60635).
[4] The port rate is also affected by "features" costs, as discussed later.

D. Cost of Money and Depreciation

In the HAI and other models, Staff used the 9.61% overall cost of money and associated capital structure from the Commission's March 30, 2001 decision in the Qwest rate case, Decision No. 63487. Qwest's testimony in this phase of this proceeding states they also utilized the 9.61% overall cost of money from that Commission Decision.[5] (Staff Exhibit S-8 (Dunkel Direct), p. 6).

Staff utilized the depreciation rates that are calculated using the lives, net salvage, and other parameters as determined by the Commission in the Qwest's most recent depreciation case, Docket No. T-01051B-97-0689. (Staff Exhibit S-8 (Dunkel Direct), p. 6).

Staff recommends that the rates shown on Schedule WD-1, which are based on the HAI model (local traffic, port, and local usage rates) be adopted. These rates are based upon the HAI model, which is the model that was relied upon by this Commission in Decision No. 60635, the ALJ in the ROO in Phase II of this proceeding, and the FCC for the usage portion of its cost model. The inputs to this model are very reasonable. They are the inputs that the Commission has previously selected in its Decision No. 60635. Where the Commission had made no selection, the inputs selected by the FCC were utilized.

E. Non-Recurring Rates

The HAI model itself does not produce non-recurring costs. The parties to the case produced other cost studies that they used to calculate the non-recurring costs. The non-recurring costs calculated by the various parties varied greatly. For example, for the "Analog Port" Qwest alleges a non-recurring cost of $145.57[6], whereas AT&T/Worldcom/XO (Joint Intervenors) determined the non-recurring installation cost for the same item to be $1.68.[7] Qwest cost studies generally assume a relatively large amount of manual order activities by Qwest personnel, whereas the Joint Intervenors assume automated data transfer from the CLECs to

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[5] Exhibit Staff-8, page 6 (Qwest Exhibit Qwest-1 (Brigham Direct), page 7, line 14).

[6] Staff Exhibit S-8 (Dunkel Direct), page 9. Analog Line Side Port, first port. Qwest Exhibit RHB-1, page 1, attached to Exhibit Qwest-1 (Brigham Direct testimony in Phase IIA).

[7] Exhibit Staff-8, page 9; Exhibit RL-2, line 36, attached to Mr. Lathrop's Direct testimony in Phase II of this proceeding. Also see page 20 of Exhibit MH-1R attached to the Summary Testimony of Michael Hydock in Phase II of this proceeding. AT&T calculates the disconnect separately, as being $1.57 non-recurring. Even if the installation and disconnect are considered together, as Qwest does, the non-recurring cost for the installation and disconnection of an Analog Port is either $3.25 using AT&T's cost analysis, or $145.57 using Qwest's cost analysis.

Qwest. (Staff Exhibit S-8 (Dunkel Direct), p. 9) Because some of the key inputs are based upon one's best judgement, the resulting cost results are likely vary greatly.

Some of the time estimates and probabilities that Qwest has assumed are clearly excessive. For example, as shown on page 2 of Schedule WD-4 to Staff Exhibit S-8 (Dunkel Direct), Qwest assumed that it would require an average of five minutes of manual effort to "obtain telephone numbers", with a probability of "one." (The probability of "one" means this function would always occur.) It certainly is logical that obtaining a telephone number is a procedure that could be computerized.[8]

On the other hand, the Joint Intervenors non-recurring costs assumed a computerized interface between the CLECs and Qwest operates with virtually no fallout that requires manual processing. Staff's testimony concluded that the correct number is between the Joint Intervenors' and Qwest numbers. Since the goal is to have a computer interface between the CLECs and Qwest, Staff believes the appropriate non-recurring costs are closer to the Joint Intervenors' numbers than to Qwest's numbers. Staff concluded the reasonable assumption is an automated interface with some minor percent falling out, (and therefore requiring manual intervention). The Joint Intervenors' study is closer to this than is Qwest's study. Qwest's study assumes significant manual effort required on all orders, and includes very large time estimates for those manual functions, such as the previously referenced five minutes to "obtain telephone numbers." The current non-recurring charge for the analog line port is $42.58. This is clearly within the range the above analysis produces. (Staff Exhibit S-8 (Dunkel Direct), pp. 9-10) Therefore, Staff recommended the current non-recurring rate of $42.58 for the analog port be continued, as is shown on Schedule WD-5 of Staff Exhibit S-8 (Dunkel Direct).[9]

Since the time that the testimony in this case was presented, the ALJ in Phase II of this proceeding has issued the ROO. That ROO adopted the Joint Intervenors' non-recurring model. (Page 32, ROO).

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[8] Staff Exhibit S-8, page 10.

[9] If there is a concern that some CLECs might fax in orders instead of using the more efficient electronic interface, a lower rate could be established for those orders that are presented through the electronic interface, with a higher rate for those orders that are sent to Qwest from the CLECs by fax.

F. **Recurring Rates For Features**

Currently, the UNE rates in effect for Qwest in Arizona include no additional recurring charge for features. (Item 9.11.4 on Schedule WD-1) The cost of vertical features is recovered in the "port" recurring rates. All parties, including Qwest, proposed that there be no separate recurring charge for features.[10]

Currently, there is also generally no separate non-recurring charge for features. (Exhibit Staff-8, page 11 (Dunkel Direct))

G. **Port Cost**

As previously discussed, the "port" cost is calculated from the HAI model. However, since the "feature" costs are also to be recovered in the "port" rate, the key question becomes how much additional "feature" cost, if any, should be added to the port cost that is calculated from the HAI model. The sponsors of the HAI model state that the feature cost is already incorporated in the "port" cost in the HAI model, and therefore, they believed no additional charge for features is appropriate.[11] The HAI port cost includes the cost of at least the initial programming for features, according to the parties presenting the HAI model.[12] The switching inputs that the FCC adopted include the costs incurred at installation, and within three years of installation, but do not include later upgrades.[13] The FCC expenses are based on actual expenses. (Staff Exhibit S-8 (Dunkel Direct), pp. 11-12).

Exhibit RHB-3 attached to Exhibit Qwest-1 (Brigham Direct) shows the summary of the additional costs that Qwest proposes to include in the recurring port charge for features. Staff does not agree with these Qwest claimed costs for several reasons.

1. Exhibit RHB-3 attached to Exhibit Qwest-1 (Brigham Direct) shows Qwest includes significant costs for "Centrex 21" features. However, the list of services that are being offered to the CLECs, as shown on Exhibit RHB-1 attached to Exhibit Qwest-1 (Brigham Direct), does not show "Centrex 21" as being one of the services being offered. Therefore, "Centrex 21" costs should not be included in any additional features cost.

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[10] Qwest Exhibit RHB-1 attached to Exhibit Qwest-1 (Brigham Direct in Phase IIA).
[11] Exhibit Staff-8, page 11; Page 43, Hydock Direct; Page 31, Denney Direct; Phase II.
[12] Exhibit Staff-8, page 12; Page 31, Denney Direct, Phase II.
[13] Exhibit Staff-8, page 12; Paragraphs 295 and 301, FCC Order 99-304 (Tenth Order and Report, CC Docket No. 96-45, 97-160).

2. In addition, Qwest calculates the feature cost per line from the one study as 65 cents per line.[14] Qwest also calculates a 51 cent feature cost from a different study. The cost studies that Qwest provided do not provide any explanation as to why the sum of these two calculations of features should be added to the port costs that are derived from the Hatfield model, which already includes some feature costs.

3. Another problem is that Qwest's feature costs include the costs of amortizing over only a three year period.[15] There is no evidence that the software is in service an average of only three years. In fact, Qwest's witness Mr. Fleming's Rebuttal testimony in Phase II, on page 94, implies a life for features software that is significantly longer than three years.

Staff believes the appropriate additional features cost to add to the "port" cost, is less than Qwest's proposed addition, but greater than the Joint Intervenors' proposal, which is no addition. The current recurring charge for the Analog Line Side Port is $1.61.[16] The recurring port cost as calculated from the Hatfield model utilizing the ACC and FCC inputs is $1.10 per month per line, as shown on Schedule WD-2 to Exhibit S-8 (Dunkel Direct). If the current rate was continued, this would effectively include a 51 cent per line per month allowance for the cost of providing features, above the feature cost that is already included in the HAI port cost. This is a reasonable figure that is well within the range established by the other parties in this proceeding. Staff recommends the current recurring rate of $1.61 for line port be continued. This rate includes feature costs. Therefore, no additional recurring charge for features should be imposed. (Staff Exhibit S-8 (Dunkel Direct), p. 13)

H. Remote Collocation in the Qwest Model

Another cost that is not calculated in the HAI model is the cost for "remote collocation." (Item 8.8 on Schedule WD-1 of Exhibit Staff-8 (Dunkel Direct)) The Qwest calculation of the cost for remote collocation contained a number of errors including:

1. The Qwest "Collocation: Remote Terminal" cost study includes the claimed calculated cost of a "cabinet" that would be installed outdoors. Since the cabinet would house

[14] Exhibit Staff-8, page 12; See Qwest Exhibit RHB-3, attached to Exhibit Qwest-1 (Brigham Direct testimony in Phase II-A).
[15] Staff Exhibit 1 (Qwest response to Staff Request 264).
[16] Exhibit Staff-8, page 14; Schedule WD-17 attached to Rebuttal testimony of William Dunkel in Phase II.

certain equipment, the "cabinet" is effectively the "building" for the equipment that it houses. However, Qwest's calculation improperly increases the cabinet investment cost using a "building" cost factor. A "building" cost factor is used to add the cost of any buildings that house equipment to the cost of the equipment. Therefore, Qwest calculated the cost of the cabinet, which is itself a "building", and then increased that cost as if that outdoor cabinet was inside a building. Since the outdoor cabinet is itself the "building" that houses equipment, and since the cabinet is not itself located inside another building, Qwest is effectively double charging for the building/cabinet.

2. In its "Collocation: Remote Terminal" cost study, Qwest used fill factors as low as 33%.[17] Staff believes Qwest's use of a 33% fill factor is inappropriately low. The use of this fill factor would effectively require the CLEC to pay for three times as much space as they utilized. The TELRIC standards, as well as the standards that the ACC has adopted in the past, require the assumption of the efficient provision of service.[18] As part of its explanation as to why it was using such a low fill factor, Qwest alleged "by law" they were required to set aside 15% of their "DA Hotel" space for CLECs. (Tr. 288) Qwest testified that the CLECs were not using much of the space that was "by law" set aside for them, and therefore Qwest claimed there was a low utilization of the space that was allegedly set aside for the CLECs. However, under cross-examination, Qwest admitted that they were actually building the DA Hotels for their own needs. (Tr. 275) Qwest admitted that "there is no FCC rule or statute or legal requirement" that requires Qwest to set aside 15% of the DA Hotels for CLECs. This requirement had been imposed on the parties in the SBC/Ameritech merger, but Qwest was not a party to that merger, and therefore this requirement does not apply to Qwest in any way. (Tr. 297/298)

3. Staff recommends replacing Qwest's 33% fill factor with a 61.25% fill factor for efficient operation and to be more consistent with ACC Decision No. 60635. While the ACC's decision 60635 did not address all fill factors, for the fill factors that it did address, the ACC adopted fill factors significantly higher than those that Qwest proposed. In that prior case, Qwest

[17] Page 7, Qwest Cost Study 5635 Collocation: Remote Terminal, "Space Utilization Factor."

[18] Paragraph 690, FCC 96-325, CC Docket No. 96-98 released August 8, 1996 ("Interconnection" Order). Also see page 5 of Decision No. 60635.

claimed that "approximately 35% of its plant is currently in use" for cable.[19] In that Decision, the Commission adopted the fill factors that were used in the Hatfield model, which were 71.5% for feeder, and approximately 51% for distribution cable, after sizing for standard cables was considered.[20] (Staff Exhibit S-8 (Dunkel Direct), pp. 6-7).

4. The overhead factors that Qwest used in this cost study resulted in a 32% overhead increase over the direct costs. In Decision No. 60635, the ACC adopted a factor for attributed, joint, and common costs that was 15% over the direct costs.[21]

Staff corrected Qwest's Collocation: Remote Terminal study by,

1. Changing the space utilization factor from Qwest's 33% factor to 61.25%;

2. Eliminating the building factors, since that cost was already directly included as the cost of the cabinet (which is effectively the building);

3. Utilizing the 15% overhead factor, instead of Qwest's factors that had the effect of increasing the costs by approximately 32% for overhead costs;

4. Using the cost of money and income tax factors that are based upon a 9.61% cost of money; and

5. Using the depreciation expense that is determined using the Commission prescribed depreciation parameters. In some cases, the depreciation factors that Qwest used were slightly different than the figures that are properly calculated using these inputs.

The result of this analysis is a Staff proposed non-recurring charge of $406.50 for remote collocation "space" (per standard mounting unit) as compared to Qwest's proposed rate of $868.13.[22] (Staff Exhibit S-8 (Dunkel Direct), pp. 7-8) The corrected recurring rate for this item is 63 cents, as compared to Qwest's proposal of $1.35, as is shown on Schedule WD-3 of Staff Exhibit S-8 (Dunkel Direct).

III. CONCLUSION

In conclusion, Staff recommends that the Commission adopt the rates shown on Exhibit Staff-8, Schedule WD-1. These rates are reasonable. Staff used the HAI model, which is the

[19] Page 16, Decision No. 60635.
[20] Page 16, Decision No. 60635.
[21] Page 13, Decision No. 60635.
[22] Qwest Exhibit RHB-1, page 1, Item 8.8, attached to Qwest Exhibit Qwest-1 (Brigham Direct testimony in Phase II-A).

model on which this Commission has previously relied. The FCC heavily relied upon the HAI model in the "usage" portion of the FCC Synthesis Model. The inputs to the HAI model that Staff used are the inputs that the Commission or FCC have previously adopted. For the rates that do not depend on the HAI model, Staff's recommendations are also reasonable. Staff uses fill factors that assume reasonably efficient operation, and which are consistent with this Commission's previous fill factor decision. Staff's proposed treatment of features is also consistent with past Commission approved practices.

RESPECTFULLY submitted this 19th day of December, 2001

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STAFF RECOMMENDED RATES

		Recurring Fixed		Recurring	Non-Recurring	
7.0	Interconnection					
	7.6 Local Traffic					
	7.6.1 End office call termination, per minute of use			$0.00147		
	7.6.2 Tandem Switched Transport					
	7.6.2.1 Tandem Switching, per Minute of Use			$0.00059		
	7.6.2.1 Tandem Transmission, per Minute					
	of Use, all Mileage bands					
	0 to 8 miles, per mile, per minute	$0.00048		$0.00008		
	8 to 25 miles, per mile, per minute	$0.00048		$0.00004		
	25 to 50 miles, per mile, per minute	$0.00048		$0.00002		
	Over 50 miles, per mile, per minute	$0.00048		$0.00001		
8.0	Collocation					
	8.8 Remote Collocation					
	Space (per Standard Mounting Unit)			$0.63000	$406.50	
	FDI Terminations (per binder group [25-PR])			$0.71000	$485.82	
9.0	Unbundled Network Elements (UNEs)					
	9.11 Local Switching					
	9.11.1 Analog Line Side Port, First Port	$1.61	(1)		$42.58	(1)
	9.11.2 Analog Line Side Port, Each Additional	$1.61	(1)		$42.58	(1)
	9.11.3 Local Usage, Per Minute of Use			$0.00155		
	9.11.4 Vertical Features					
	10XXX Direct Dialed Blocking			$0.00	$0.00	
	Account Codes - per system			$0.00	(2)	
	Attendant Access Line - per station line			$0.00	(2)	
	Audible Message Waiting			$0.00	(2)	
	Authorization Codes - per system			$0.00	(2)	
	Auto Callback			$0.00	$0.00	
	Automatic Line			$0.00	(2)	
	Automatic Route Selection-Common Eq. Per system			$0.00	(2)	
	Blocking of pay per call services			$0.00	$0.00	
	Bridging			$0.00	$0.00	
	Call Drop			$0.00	(2)	
	Call Exclusion - Automatic			$0.00	(2)	
	Call Exclusion - Manual			$0.00	(2)	
	Call Forward Don't Answer - All Calls			$0.00	$0.00	
	Call Forwarding Incoming Only			$0.00	$0.00	
	Call Forwarding Intra Group Only			$0.00	$0.00	
	Call Forwarding Variable Remote			$0.00	$0.00	
	Call Forwarding: Busy Line (Expanded)			$0.00	$0.00	
	Call Forwarding: Busy Line (External			$0.00	$0.00	
	Call Forwarding: Busy Line (External) Don't Answer			$0.00	$0.00	
	Call Forwarding: Busy Line (Overflow)			$0.00	$0.00	
	Call Forwarding: Busy Line (Overflow) Don't Answer			$0.00	$0.00	
	Call Forwarding: Busy Line (Programmable)			$0.00	$0.00	
	Call Forwarding: Busy Line/Don't Answer Programmable Svc. Establishment			$0.00	(2)	
	CF Don't Answer/CF Busy Customer Programmable - Per Line			$0.00	(2)	
	Call Forwarding: Busy Line/Don't answer (Expanded)			$0.00	(2)	

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STAFF RECOMMENDED RATES

		Recurring Fixed		Recurring	Non-Recurring	
7.0	Interconnection					
	7.6 Local Traffic					
	7.6.1 End office call termination, per minute of use			$0.00147		
	7.6.2 Tandem Switched Transport					
	7.6.2.1 Tandem Switching, per Minute of Use			$0.00059		
	7.6.2.1 Tandem Transmission, per Minute					
	of Use, all Mileage bands					
	0 to 8 miles, per mile, per minute	$0.00048		$0.00008		
	8 to 25 miles, per mile, per minute	$0.00048		$0.00004		
	25 to 50 miles, per mile, per minute	$0.00048		$0.00002		
	Over 50 miles, per mile, per minute	$0.00048		$0.00001		
8.0	Collocation					
	8.8 Remote Collocation					
	Space (per Standard Mounting Unit)			$0.63000	$406.50	
	FDI Terminations (per binder group [25-PR])			$0.71000	$485.82	
9.0	Unbundled Network Elements (UNEs)					
	9.11 Local Switching					
	9.11.1 Analog Line Side Port, First Port	$1.61	(1)		$42.58	(1)
	9.11.2 Analog Line Side Port, Each Additional	$1.61	(1)		$42.58	(1)
	9.11.3 Local Usage, Per Minute of Use			$0.00155		
	9.11.4 Vertical Features					
	10XXX Direct Dialed Blocking			$0.00	$0.00	
	Account Codes - per system			$0.00	(2)	
	Attendant Access Line - per station line			$0.00	(2)	
	Audible Message Waiting			$0.00	(2)	
	Authorization Codes - per system			$0.00	(2)	
	Auto Callback			$0.00	$0.00	
	Automatic Line			$0.00	(2)	
	Automatic Route Selection-Common Eq. Per system			$0.00	(2)	
	Blocking of pay per call services			$0.00	$0.00	
	Bridging			$0.00	$0.00	
	Call Drop			$0.00	(2)	
	Call Exclusion - Automatic			$0.00	(2)	
	Call Exclusion - Manual			$0.00	(2)	
	Call Forward Don't Answer - All Calls			$0.00	$0.00	
	Call Forwarding Incoming Only			$0.00	$0.00	
	Call Forwarding Intra Group Only			$0.00	$0.00	
	Call Forwarding Variable Remote			$0.00	$0.00	
	Call Forwarding: Busy Line (Expanded)			$0.00	$0.00	
	Call Forwarding: Busy Line (External			$0.00	$0.00	
	Call Forwarding: Busy Line (External) Don't Answer			$0.00	$0.00	
	Call Forwarding: Busy Line (Overflow)			$0.00	$0.00	
	Call Forwarding: Busy Line (Overflow) Don't Answer			$0.00	$0.00	
	Call Forwarding: Busy Line (Programmable)			$0.00	$0.00	
	Call Forwarding: Busy Line/Don't Answer Programmable Svc. Establishment			$0.00	(2)	
	CF Don't Answer/CF Busy Customer Programmable - Per Line			$0.00	(2)	
	Call Forwarding: Busy Line/Don't answer (Expanded)			$0.00	(2)	

STAFF RECOMMENDED RATES

	Recurring Fixed	Recurring	Non-Recurring
Call Forwarding: Don't Answer		$0.00	(2)
Call Forwarding: Don't Answer (Expanded)		$0.00	$0.00
Call Forwarding: Don't Answer (Programmable)		$0.00	$0.00
Call Forwarding: Variable		$0.00	$0.00
Call Forwarding: Variable - no call complete option		$0.00	$0.00
Call Hold		$0.00	$0.00
Call Hold/3-Way/Call Transfer		$0.00	$0.00
Call Park (Basic - Store & Retrieve)		$0.00	$0.00
Call Pickup		$0.00	$0.00
Call Transfer		$0.00	$0.00
Call Waiting Dial Originating		$0.00	$0.00
Call Waiting Indication - per timing state		$0.00	(2)
Call Waiting Originating		$0.00	$0.00
Call Waiting Terminating - All Calls		$0.00	$0.00
Call Waiting Terminating - Incoming Only		$0.00	$0.00
Call Waiting/Cancel Call Waiting		$0.00	$0.00
Centrex Common Equipment			(2)
Centrex Management System (CMS)		$0.00	$0.00
Centrex Plus DID numbers per number		$0.00	$0.00
Centrex Plus to Centrex Plus		$0.00	$0.00
Centrex Plus to IC Carrier		$0.00	$0.00
Centrex Plus to PBX/Key Blocked		$0.00	$0.00
Centrex Plus to PBX/Key Non-Blocked		$0.00	$0.00
CFBL - All Calls		$0.00	$0.00
CFBL - Incoming Only		$0.00	(2)
CFDA Incoming Only		$0.00	$0.00
CLASS - Anonymous Call Rejection		$0.00	$0.00
CLASS - Call Trace		(2)	$0.00
CLASS - Call Waiting ID		$0.00	$0.00
CLASS - Calling Name & Number		$0.00	$0.00
CLASS - Calling Number Delivery		$0.00	$0.00
CLASS - Calling Number Delivery - Blocking		$0.00	$0.00
CLASS - Continuous Redial		$0.00	(2)
CLASS - Last Call Return		$0.00	(2)
CLASS - Priority Calling		$0.00	(2)
CLASS - Selective Call Forwarding		$0.00	(2)
CLASS - Selective Call Rejection		$0.00	(2)
Common Equipment per 1.544 Mbps facility (DS1)		$0.00	0
Conference Calling - Meet Me		$0.00	(2)
Conference Calling - Preset		$0.00	(2)
Custom Ringing First Line (Short/Long/Short)		$0.00	$0.00
Custom Ringing First Line (Short/Short)		$0.00	$0.00
Custom Ringing First Line (Short/Short/Long)		$0.00	$0.00
Custom Ringing Second Line (Short/Long/Short)		$0.00	$0.00
Custom Ringing Second Line (Short/Short)		$0.00	$0.00
Custom Ringing Second Line (Short/Short/Long)		$0.00	$0.00
Custom Ringing Third Line (Short/Long/Short)		$0.00	$0.00
Custom Ringing Third Line (Short/Short)		$0.00	$0.00
Custom Ringing Third Line (Short/Short/Long)		$0.00	$0.00
Data Call Protection (DMS 100)		$0.00	$0.00
Dir Sta Sel/Busy Lamp Fld per arrangement		$0.00	(2)
Directed Call Pckup with Barge-in		$0.00	(2)

STAFF RECOMMENDED RATES

	Recurring Fixed	Recurring	Non-Recurring
Directed Call Pickup without Barge-in		$0.00	(2)
Distinctive Ring/Distinctive Call Waiting		$0.00	(2)
Distinctive Ringing		$0.00	$0.00
EBS - Set Interface - per station line		$0.00	$0.00
Executive Busy Override		$0.00	$0.00
Expensive Route Warning Tone - per system		$0.00	(2)
Facility Restriction Level - per system		$0.00	(2)
Feature Display		$0.00	$0.00
Group Intercom		$0.00	(2)
Hot line - per line		$0.00	(2)
Hunting: Multiposition Circular Hunting		$0.00	$0.00
Hunting: Multiposition Hunt Queuing		$0.00	(2)
Hunting: Multiposition Series Hunting		$0.00	$0.00
Hunting: Multiposition with Announcement in Queue		$0.00	(2)
Hunting: Multiposition with Music In Queue		$0.00	(2)
Incoming Calls Barred		$0.00	$0.00
International Direct Dial Blocking		$0.00	$0.00
ISDN Short Hunt		$0.00	(2)
Line Side Answer Supervision		$0.00	$0.00
Loudspeaker Paging - per trunk group		$0.00	(2)
Make Busy Arrangements - per group		$0.00	(2)
Make Busy Arrangements - per line		$0.00	(2)
Message Center - per main station line		$0.00	(2)
Message Waiting Indication Audible/visual		$0.00	$0.00
Message Waiting visual		$0.00	(2)
Music On Hold - per system		$0.00	(2)
Network Speed Call		$0.00	$0.00
Night Service Arrangement		$0.00	$0.00
Outgoing Calls Barred		$0.00	$0.00
Outgoing Trunk Queuing		$0.00	$0.00
Privacy Release		$0.00	(2)
Query Time		$0.00	(2)
Speed Calling 1 Digit Controller		$0.00	$0.00
Speed Calling 1 Digit User		$0.00	$0.00
Speed Calling 1# List Individual		$0.00	$0.00
Speed Calling 2 Digit Controller		$0.00	$0.00
Speed Calling 2 Digit User		$0.00	$0.00
Speed Calling 2# List Individual		$0.00	$0.00
Speed Calling 30 Number		$0.00	$0.00
Speed Calling 8 Number		$0.00	$0.00
Station Camp-On Service - per main station		$0.00	(2)
Station Dial Conferencing (6 Way)		$0.00	$0.00
Station Message Detail Recording (SMDR)		$0.00	$0.00
Three Way Calling		$0.00	$0.00
Time and Date Display		$0.00	$0.00
Time of Day Control for ARS - per system		$0.00	(2)
Time of Day NCOS Update		$0.00	(2)
Time of Day Routing - per line		$0.00	(2)
Toll Restriction Service		$0.00	$0.00
Trunk Answer Any Station		$0.00	$0.00
Trunk Verification from Designated Station		$0.00	(2)
UCD in hunt group - per line		$0.00	(2)

STAFF RECOMMENDED RATES

	Recurring Fixed	Recurring	Non-Recurring
UCD with Music After Delay		$0.00	$0.00
CMS - System establishment - Initial Installation			(2)
CMS - System establishment - Subsequent Installation			(2)
CMS - Packet Control Capability, per system			(2)
SMDR-P - Service establishment charge, Initial Installation			(2)
SMDR-P - Archived Data			(2)
9.11.5 Subsequent Order Charge			$0.00
9.11.6 Digital Line Side Port (Supporting BRI ISDN)			
First Port		NR	NR
Each Additional Port		NR	NR
9.11.7 Digital Trunk Ports			
DS1 Local Message Trunk Port		NR	NR
Message Trunk Group, First Trunk		NR	NR
Message Trunk Group, Each Additional		NR	NR
DS1 PRI ISDN Trunk Port		NR	NR
DS1/DID Trunk Port		NR	NR
9.11.8 DS0 Analog Trunk Port			
First Port			$42.58
Each Additional Port			$42.58 or less
9.12 Customized Routing			
9.12.1 Development of Custom Line Class Code-DA or Operator Svs. Routing Only			NR
9.12.2 Installation Charge, per Switch DA or Operator Svc. Routing Only			NR
9.12.3 All Other Custom Routing			NR
9.24 Unbundled Packet Switching			
9.24.1 Unbundled Packet Switch Customer Channel		NR	$0.00
DSLAM Functionality		NR	$0.00
9.24.2 Customer Channel and Shared Distribution Loop		$0.00	NR
Customer Channel and Unbundled Distribution Subloop		$0.00	NR
Customer Channel and CLEC Provided Loop		$0.00	NR
9.24.3 Unbundled Packet Switch Port			
DS1 Interface		NR	NR
DS3 Interface		NR	NR

(1) Continue present rate.

(2) Staff is not making a specific recommendation for these non-recurring rates for features. However, they generally should be significantly less than the Qwest proposal. Qwest proposes non-recurring charges for these elements. The Qwest studies generally assume significant manual efforts. In Phase II, Joint Intervenors proposed a zero non-recurring charge for features (AT&T Exhibit MH-1). Their studies generally assumed automated interface. Qwest rates would be reduced by 13% if the only correction was to the overhead factors. With other adjustments, the Staff recommends a non-recurring rate for analog line side port that is approximately 30% of the Qwest proposed non-recurring rate.

"NR" Indicates Staff is presenting no recommendation on this rate.