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BEFORE THE ARIZONA CORPORATION COMMISSION

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WILLIAM A. MUNDELE Arizona Corporation Commission
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AZ CORP COMMISSION
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IN THE MATTER OF INVESTIGATION
INTO U S WEST COMMUNICATIONS,
INC.'S COMPLIANCE WITH CERTAIN
WHOLESALE PRICING REQUIREMENTS
FOR UNBUNDLED NETWORK ELEMENTS
AND RESALE DISCOUNTS.

Docket No. T-00000A-00-0194

**COX ARIZONA TELCOM'S RESPONSE
TO QWEST'S EXCEPTIONS**

Qwest's exceptions regarding campus wire ignore the inherent unreasonableness of its subloop pricing proposals. In its exceptions, Qwest implies that campus wire is presently treated as "part of the subloop." [Qwest Exceptions at 45] In fact, Qwest's proposal in this docket is that campus wire should be priced at the *entire* distribution subloop price (*i.e.*, everything but the feeder subloop). That proposed price is 70% of the entire loop price, even though the record in this docket confirmed that campus wire can consist of a very small portion of the loop (often a few hundred feet or less). Qwest has not refuted evidence showing that such egregious over-pricing chills competition (particularly for MDU tenants), discourages CLEC investment in distribution network and overcompensates Qwest.

Cox presented a pricing proposal that is consistent with the FCC's view of "on premises" wiring, in contrast to Qwest's attempt to break the loop into campus wiring and intrabuilding wiring in such a manner as to inhibit competition. Cox's proposal to price "campus wire" or "intrabuilding cable" as "on-premises wire" at the intrabuilding cable rate makes sense given that an intrabuilding cable pair (in a 40-story office building, for

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1 example) can be significantly more extensive than a campus wire pair (in a small garden
2 apartment complex, for example). As Cox set forth in its Post-Hearing Brief (at 7),
3 Qwest's own studies reveal that the entire cost of a 1000-foot campus wire pair is nominal
4 – indeed, it is less than Qwest's proposed *monthly* rate.

5 Finally, Qwest reiterates its contention that if campus wire is not priced at the full
6 distribution subloop price, then the overall loop rate must be increased by some undefined
7 amount. These are the same vague allegations that Qwest made in its rebuttal testimony
8 about the impact of Cox's position on campus wire. Qwest has yet to provide a concrete
9 response even though Qwest has had plenty of notice about this issue and Cox's position –
10 not only in this docket, but also by the fact that the issue was deferred to this docket from
11 the 271 docket.

12 Cox believes the *ROO's* proposal regarding "on premises wire" will foster
13 competition and is supported by the record. Qwest's exceptions simply attempt to
14 perpetuate its anticompetitive and unreasonable subloop pricing proposal.

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16 RESPECTFULLY SUBMITTED February 1, 2002.

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18 COX ARIZONA TELCOM. L.L.C.

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