ORIGINAL NEW APPLICATION

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IN THE MATTER OF THE APPLICATION OF QWEST CORPORATION D/B/A CENTURYLINK-QC ("CENTURYLINK") TO CLASSIFY AND REGULATE RETAIL LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES AS COMPETITIVE, AND TO CLASSIFY AND DEREGULATE CERTAIN SERVICES AS NON-ESSENTIAL

DOCKET NO. T-01051B-11-0378

APPLICATION OF QWEST CORPORATION D/B/A CENTURYLINK-QC ("CENTURYLINK") TO CLASSIFY AND REGULATE RETAIL LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES AS COMPETITIVE, AND TO CLASSIFY AND DEREGULATE CERTAIN SERVICES AS NON-ESSENTIAL

Qwest Corporation d/b/a CenturyLink-QC ("CenturyLink") petitions the Arizona Corporation Commission (the "Commission") (1) for a determination pursuant to A.C.C. R14-2-1108 that all Commission-regulated retail local exchange services CenturyLink provides are competitive telecommunications services, as explained below, and (2) for a determination pursuant to A.R.S. §40-281(E) that certain of the retail services CenturyLink provides are not essential or integral to the public service and shall not be regulated by the Commission.

I. INTRODUCTION

1. Over fifteen years have elapsed since Congress enacted the Telecommunications Act of 1996 (the "Act"), "to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition[.]"[1] Prior to the federal Act, the Arizona Corporation Commission adopted a pro-competitive telecommunications regulatory philosophy, by authorizing the provision of competitive telecommunications services.[2] The Commission provided streamlined regulation and rate setting for carriers whose services were determined to be subject to competition,[3] rather than subjecting such companies to the more stringent regulations applicable to the formerly state-sanctioned monopoly service providers. As a result of these changes and the development of new technologies, competition for all forms of communications services has exploded throughout Arizona over the past decade. Local telephone service providers such as CenturyLink now must compete for customers with wireless, cable telephony and Voice over Internet Protocol (VoIP) providers as well as other wireline providers (e.g., CLECs). In addition, the voice services of CenturyLink and other providers face competition from non-voice forms of communication, such as e-mail, text messaging, and even social media.

2. The way CenturyLink's Arizona rates for regulated telecommunications services are set has not changed much since Arizona became a state, at which time telephone service was

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[1] Conference Report to S. 652, 104th Congress 2d Session, Report 104-458, January 31, 1996.
[2] A.A.C. Title 14, Article 11, Competitive Telecommunications Services, adopted effective June 27, 1995.

[3] A.A.C. R14-2-1108—1110. 1110.

a state-sanctioned, regulated monopoly. Today Arizonans can choose to obtain telephone service from literally dozens of other wireline communications companies; *yet the rates of these other providers are not regulated in the same manner as the rates of CenturyLink are regulated.* The rates of all competitive wireline providers, whether a small provider or a large provider such as Cox Telecom, are regulated under competitive rules that were established with the avowed purpose to break barriers to entry and allow these businesses to grow and flourish. The rates for these providers are set using a streamlined procedure, under the Commission's rules for competitive telecommunications services, that stands in stark contrast to the heavy regulatory constraints that are applied to CenturyLink. What's more, the Commission does not have any rate-setting authority over the wireless or VoIP providers who provide voice services to a large and increasing number of Arizonans today, often as complete substitutes for the telephone service previously purchased from CenturyLink. Because of the proliferation of competition in Arizona, CenturyLink now seeks to avail itself of the regulatory treatment provided by the Commission's competition rules. CenturyLink asks that the Commission set its rates the same way it sets the rates of the other competitive telecommunications companies the Commission oversees. Given the state of competition in CenturyLink's Arizona markets, the time is right to move to a uniform regulatory approach for all telecom providers in the CenturyLink service area.

3. The Commission's rules provide a path to accomplish regulatory parity in a competitive environment. Rule 1108[4] provides, "A telecommunications company may petition the Commission to classify as competitive any service or group of services provided by the company." The petition for competitive classification "shall set forth the conditions within the relevant market that demonstrate that the telecommunications service is competitive." In this

[4] A.A.C. R14-2-1108.

proceeding, CenturyLink will demonstrate that the market for its telecommunications services is extremely competitive, and that the criteria described in Rule 1108.B, subsections 1-6 have been met, as described below.

4. In addition to the request to declare services as competitive, CenturyLink asks that the Commission deregulate, pursuant to A.R.S. §40-281(E), those services included in Baskets 2 and 3 of the current revised Price Cap Plan,[5] because they are "neither essential nor integral" to the basic communications services which constitute the core public service rendered by CenturyLink. The Basket 2 and 3 services provided by CenturyLink, described more fully in Attachment B, represent optional features and services for basic calling capability, do not constitute the transmitting of messages or the furnishing of public telephone service, and are not essential or integral to public telephone service. Regardless of how these services may have been treated in the past, they are not now affected with the public interest such as to make the rates, charges and methods of provision of those services a matter of public concern. Accordingly, the Basket 2 and 3 services shown on Attachment B should be deregulated.

5. By this Application, CenturyLink demonstrates that there is no basis for the Commission to regulate its retail rates differently than it regulates the rates of its competitors. The lighter regulation the Commission exerts on CenturyLink's competitors should be applied to CenturyLink. To continue the disparate regulatory treatment in place today harms CenturyLink and its Arizona customers.

6. Regulatory parity benefits Arizona consumers. By reducing unneeded regulatory burdens, CenturyLink QC will be able to be more responsive to customer demand and

[5] Renewed Price Regulation Plan, approved by Decision Number 68604, March 23, 2006. (Docket No. T-01051B-03-0454).

competitive market conditions. CenturyLink QC will be better positioned to bring products, services, and targeted offers and promotions to the market with greater speed and effectiveness. In this competitive environment, prices for all services should reflect market conditions rather than the application of historical monopoly pricing models.

II. DETERMINATION OF A COMPETITIVE LOCAL EXCHANGE TELECOMMUNICATIONS MARKET

7. Rule 1108 states that the following information should be provided in a petition to classify services as competitive:

a. A description of the general economic conditions that exist which make the relevant market for the service one that is competitive;

b. The number of alternative providers of the service;

c. The estimated market share held by each alternative provider of the service;

d. The names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801;

e. The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions; and

f. Other indicators of market power, which may include growth and shifts in market share, ease of entry and exit, and any affiliation between and among alternative providers of the services.

The facts applicable to these six criteria show that abundant competition exists throughout CenturyLink's Arizona market areas, and that CenturyLink's services must be classified as competitive.

8. Virtually all customers in Arizona have competitive options to CenturyLink services. There are now a number of alternative providers offering services that are utilized as a substitute for CenturyLink's local exchange services in Arizona, and these competitive alternatives have garnered significant market share. These substitute services are provided by

well-capitalized cable, CLEC, wireless and VoIP providers and are available throughout the state at comparable rates, terms and conditions. CenturyLink's pricing is constrained and any remaining market power from the long-gone monopoly era has been erased due to the competitive alternatives available to customers. In addition, barriers to entry have been eliminated, as evidenced by the fact that alternative services are available from multiple providers in virtually all areas.

9. Arizona is one of the most competitive telecommunications markets in the U.S., and the mix of competitive telecommunications alternatives continues to grow and evolve. Companies competing with CenturyLink in the Arizona local exchange market include: (1) landline competitors, including cable TV companies such as Cox and Comcast, and CLECs such as Integra, AT&T, PAETEC, Level 3 and tw telecom; (2) wireless providers such as AT&T and Verizon Wireless, and (3) VoIP providers such as Vonage and Google. Some of these competitors offer services to customers via the purchase of wholesale services from CenturyLink (including unbundled network elements, Qwest Local Services Platform ("QLSP"), and the resale of CenturyLink's retail services) while many other competitors, including cable providers, wireless carriers and certain CLECs, offer services to customers over their own facilities. These competitive alternatives have gained a significant share of the telecommunications market in the state, and provide Arizona consumers and businesses with numerous alternatives for meeting their local voice calling needs. CenturyLink's wireline services also face competition from non-voice services such as email, texting, internet communication and social networking sites. These services provide users with the ability to communicate instantly across a wide variety of platforms and customer equipment.

10. There is no reason to conclude that this explosion of competitive alternatives will subside as new technologies are developed and customer preferences evolve. CenturyLink's "market power" is constrained by competition today, and will continue to be constrained by increasing competition in the future.

11. As competition for voice communications services has increased, CenturyLink has experienced a *significant decline in access line volumes*. Between December 2001 and December 2010, CenturyLink (Qwest) retail access lines in Arizona declined 54%.[6] At the same time, U.S. Census data shows that Arizona households increased 22% and the population of Arizona increased 24% over the past decade.[7] It may be conservatively assumed that the demand for voice communications services in Arizona has at least increased apace. The consistent trend of dramatic access line decreases in the face of large population increases shows that consumers are increasingly taking advantage of the expanding array of competitive alternatives to CenturyLink's wireline telephones services. More and more consumers are meeting their telecommunications needs by moving to services offered by cable telephony providers, wireless providers, VoIP providers and CLECs rather than CenturyLink.

12. CenturyLink's share of the voice market in Arizona has declined significantly over the past decade as customers have moved to cable, wireless, CLEC and VoIP options. Because CenturyLink does not have access to the confidential access line and other data from its competitors, it is not able to determine the exact market share of each of its competitors. However, FCC data can be used to calculate the voice telecommunications market share for all

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[6] Residential retail access lines have dropped 61% and business retail access lines have dropped 36% over this time frame.

[7] U.S. Census data See: http://www.census.gov/popest/states/tables/NST-EST2009-01.xls and[7] See: http://www.census.gov/popest/housing/tables/HU-EST2008-01.xls.

ILECs and non-ILECs in Arizona. This data demonstrates that for June 2010, the ILEC share of Arizona voice telecommunications connections was only 19.4%, as compared to 15.4% for wireline non-ILECs (including *reporting* VoIP providers) and 65.3% for wireless providers.[8] In addition, the National Center for Health Statistics (NCHS) found that 29.4% of adult Arizona wireless households were "wireless only," a significantly higher percentage of cord-cutting than the national average.[9] Based on this data, it is apparent that Arizona consumers commonly substitute cable telephony, wireless or VoIP-based services for CenturyLink services. This data demonstrates that competitors have the ability to make functionally equivalent or substitute services readily available at competitive rates, term, and conditions, and it can no longer be concluded that CenturyLink retains market power.

13. The market-opening laws and regulations at the federal and the state level have worked, providing a legal and economic environment in which other competitive wireline providers have flourished. Other communications modes, most notably wireless and VoIP, have thrived as well and these providers can enter markets with lower investment outlays than are required to build and maintain ubiquitous wireline networks. Most important for purposes of this Application, while CLEC rates are lightly regulated, wireless and VoIP providers are not subject to economic regulation at all. These conditions have produced a significant number of capable, well-capitalized competitors. In this environment, it makes no sense to apply traditional regulatory price constraints on only one of the players in the market—CenturyLink—whose share of the voice market in Arizona is less than 20%.

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[8] *Local Telephone Competition: Status as of June 30, 2010*; Industry Analysis and Technology Division, Wireline Competition Bureau, March 2011, tables 8 & 17.

[9] *Centers for Disease Control and Prevention, National Center for Health Statistics,* Wireless Substitution: State-level Estimates From the National Health Interview Survey, January 2007–June 2010, released April 20.2011, Table 3.

14. All of CenturyLink's services listed in Basket 1 of its current Revised Price Cap Plan, including but not limited to single residential lines and business lines, as well as PBX trunks, which are in Basket 2, should be classified as competitive under Rule 1108. The services for which CenturyLink asks competitive classification are listed in Attachment A to this Application.

III. DEREGULATION OF SERVICES

15. Pursuant to A.R.S. § 40-281(E), CenturyLink petitions the Commission to deregulate the services listed in Attachment B, and for the withdrawal of the filed tariffs applicable to such services. A.R.S. § 40-281(E) provides: "When the commission determines after notice and hearing that any product or service of a telecommunications corporation is neither essential nor integral to the public service rendered by such corporation, it shall declare that such product or service is not subject to regulation by the commission."

16. The legal basis for deregulating telecommunications services in Arizona derives from Article 15, § 2 of the Arizona Constitution and the judicial decisions interpreting it. The Constitution and case law establish the principle that the power of the Commission to regulate a service depends on the following questions: (1) whether the service constitutes "transmitting messages or furnishing public telegraph or telephone service" under Article 15, §2 of the Arizona Constitution; (2) if so, whether the service is presently an essential and integral part of the "transmitting message or furnishing public telegraph or telephone service;" (3) whether the service is clothed with a public interest, such as to make the rates, charges and methods of provision a matter of public concern, and (4) whether the service is a common-carriage operation. All four questions must be answered in the affirmative for the Commission to have the authority to regulate a service.

17. The services listed in Attachment B do not satisfy the criteria for Commission regulation. The essence of telephone service is the primary access line that transmits communications on the public switched telephone network. Features that provide a basic line subscriber some enhanced ability, such as Call Waiting to give but one example, can be purchased as an option, and are not necessary to the provision of basic telephone service. In the words of A.R.S. § 40-281(E), such features are not "essential or integral to the public service." To the extent that such features are packaged with access lines, the fact that the access lines and the features can be purchased separately means that neither the features nor the packages are essential and integral to the transmitting of messages or the furnishing of telephone service.

18. The widespread availability of alternative communications services also includes associated features, and accordingly the availability of such services and the rates, charges and methods of provision of such services are not matters clothed with such public concern as to require regulation.

19. For the foregoing reasons, CenturyLink asks that the services listed in Attachment B be deregulated and that CenturyLink be permitted to withdraw the tariffs for those services. However, at a minimum, those services should be classified as competitive, and CenturyLink hereby asks that they be competitively classified for the reasons stated in Section II above, should deregulation not be ordered. In support of that alternative, CenturyLink asks the Commission to take notice that the streamlined rules for rate setting under A.A.C. R14-2-1109 and 1110 have already been extended to all of the services in Baskets 2 and 3 under the current Price Cap Plan, either due to a prior Commission determination that they are competitive, or

because the Commission had approved the offering of those services under a pricing flexibility plan.[10]

IV. COMPETITION AND PRICING

20. In a competitive environment such as that which now exists for telecommunications in Arizona, the public interest in rate regulation is met by market pricing. In today's market, wireline, wireless and VoIP-based competitors offer a multitude of local services that may be distinguished based on several dimensions, including price, service quality, mobility, features, packaging and bundling, and integration with other features. When a customer makes a buying decision, he or she will consider all of these attributes along with the value offered based on the price charged for each alternative. Since all of these services are readily available at competitive rates, terms, and conditions to Arizona customers, they serve as effective price-constraining substitutes for CenturyLink's services. If CenturyLink sets rates too high, then customers will simply leave CenturyLink for another option. In this way, the competitive market protects Arizona retail consumers.[11] As noted above, over half of CenturyLink's customers have already chosen to move to a competitive option over the past decade—proving that reasonably priced options to CenturyLink services are ubiquitously available to consumers.

21. If the Commission provides competitive classification for basic exchange services, the Commission will still have jurisdiction over rates. CenturyLink's rates will be regulated on the same basis as the CLECs with which it competes. Maximum rates for competitive services are set based on A.A.C. R14-2-1109(A), and the maximum rate must be

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[10] Decision No. 68604, Attachment A, Sections 3(f), 4(a), and 4(i).
[11] This point was underscored by Chairman Pierce during the September 6 Open Meeting in connection with an application by Cox to increase its maximum rates under R14-2-1109.

approved by the Commission. Thus, CenturyLink prices would be regulated in the same manner as cable and other CLEC providers, but would still be far more regulated than wireless or VoIP-based services.

22. By this Application CenturyLink does not seek deregulation or competitive classification for those services listed in Basket 4 of the current Revised Price Cap Plan, which are provided to other telecom providers. Basket 4 services include intrastate switched access, wholesale interconnection services (including UNES) and Public Access Line (PAL) service.

23. CenturyLink's proposal does not negatively impact important safety net features that the Commission has previously approved, including:

a. Lifeline programs, which provide discounts to low income individuals;

b. CenturyLink's Service Quality Tariff, which provides service standards in connection with the Company's basic service offerings, as well as penalties and incentives in connection with actual performance levels; and

c. General Terms and Conditions, which contain important customer and company safeguards in connection with the ordering, billing, and provisioning of the Company's services.

24. As part of the relief from unnecessary, unequal regulation, CenturyLink asks that the Commission vacate the order establishing the Revised Price Cap Plan in favor of the pro-competitive actions described above. While the proceeding is underway, CenturyLink will of course operate under the Revised Price Cap Plan.

V. NOTICE

25. Rule 1108 requires notice of this application be given to customers and to regulated telecommunications companies serving in the geographic area. CenturyLink will make its proposals for required notifications to the Commission, in connection with procedural and scheduling conferences.

VI. CONCLUSION

26. WHEREFORE, CenturyLink respectfully requests that the Commission enter its order determining that (1) CenturyLink's retail local exchange services listed on Attachment A are competitive telecommunications services subject to streamlined regulation under Rule 1108, and (2) CenturyLink's retail services listed on Attachment B are not essential or integral to the public service rendered by CenturyLink and shall not be regulated by the Commission

SUBMITTED, this 13th day of October, 2011.

QWEST CORPORATION d/b/a CENTURYLINK-QC

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ATTACHMENT A

ATTACHMENT A
COMPETITIVE SERVICES

Tariff Section (1)	Description	BASKET
E10.10.8	DISASTER RECOVERY SERVICES	1
E10.11.3	N11 SERVICE	1
E10.4.4	TOLL RESTRICTION	1
E10.4.6	900 SERVICE ACCESS RESTRICTION	1
E10.4.7	BLOCKING FOR 10XXX1+/10XXX011+	1
E10.7.1	CALLER IDENTIFICATION BLOCKING-PER CALL	1
E10.7.2	CALLER IDENTIFICATION BLOCKING-PER LINE	1
E105.2.5.B	OBOSLETE SERVICE STATIONS	1
E109.2.1	OBSOLETE EMERGENCY REPORTING SERVICE	1
E2.2.10	TEMPORARY SUSPENSION OF SERVICE - CUSTOMER INITIATED	1
E2.2.7	ASSIGNING & CHANGING TELEPHONE NUMBERS	1
E2.2.9	TERMINATION OF SERVICE - COMPANY INITIATED	1
E2.3.2	RETURNED CHECK CHARGE	1
E3.1.1	NONRECURRING CHARGES	1
E3.1.7	DUAL SERVICE	1
E3.1.8	EXPRESS SERVICE	1
E5.1.6	LOCAL SERVICE INCREMENTS	1
E5.2.1	MEASURED USAGE CHARGES	1
E5.2.2	LOW USE OPTION SERVICE - PRIMARY LINE	1
E5.2.4	FLAT RATE SERVICE - PRIMARY LINE	1
E5.2.5.A	SERVICE STATION LINES	1
E5.2.6	TELEPHONE ASSISTANCE PROGRAMS	1
E9.2.1	UNIVERSAL EMERGENCY NUMBER SERVICE - 911	1
E9.2.5	EMERGENCY TRANSPORT BACKUP	1
C5.3.3	FLAT RATE TRUNKS	2

NOTE 1: Price Cap Tariff Section Prefix Codes
E = Exchange and Network Services
C = Competitive Exchange and Network Services
Q = Competitive Private Line Transport Services
ACS = Competitive Advanced Communications Services

ATTACHMENT B

ATTACHMENT B
NON ESSENTIAL SERVICES

Tariff Section (1)	Description	BASKET
C10.10.1	MESSAGE DELIVERY SERVICE	2
C10.10.2	MESSAGE WAITING INDICATION	2
C10.3.2	CENTRAL OFFICE MAKE BUSY/STOP HUNT	2
C10.4.1	CUSTOMNET SERVICE	2
C105.10	OBSOLETE RESALE/SHARING OF COMPANY SERVICES	2
C105.2.5	OBSOLETE LOCAL SERVICE OPTIONS	2
C105.3.4	OBSOLETE DID SERVICE	2
C105.3.5	OBSOLETE IDENTIFIED OUTWARD DIALING	2
C105.4.10	CUSTOM RINGING SERVICE	2
C105.4.11	OBSOLETE HUNTING SERVICE	2
C105.4.3	OBSOLETE CUSTOM CALLING SERVICES	2
C105.7.1	OBSOLETE LISTINGS	2
C109.2.3	OBSOLETE EMERGENCY ALARM AND REPORTING SERVICE	2
C110.3.1	OBSOLETE ARRANGEMENTS FOR NIGHT, SUNDAY, HOLIDAY SERVICE	2
C110.4.2	OBSOLETE TOLL DIVERSION	2
C110.8	OBSOLETE NETWORK CONNECTING ARRANGMENTS	2
C125.1	OBSOLETE CUSTOMIZED SERVICES OF EQUIPMENT OR SERVICE ARRANGEMENTS	2
C15.1	DIGITAL SWITCHED SERVICES (DSS)	2
C25.1	CUSTOMIZED SERVICE EQUIPMENT OR SERVICE ARRANGEMENTS	2
C5.10	RESALE/SHARING OF COMPANY SERVICES	2
C5.2.2	LOW USE OPTION SERVICE - ADDITIONAL LINES	2
C5.2.4	FLAT RATE SERVICE - ADDITIONAL LINES	2
C5.2.5.A	PUBLIC RESPONSE CALLING SERVICE	2
C5.2.5.A	PUBLIC RESPONSE CALLING SERVICE	2
C5.3.4	DIRECT INWARD DIALING (DID) SERVICE	2
C5.4.10	CUSTOM RINGING SERVICE	2
C5.4.11	HUNTING SERVICE	2
C5.4.19	NUMBER FORWARDING	2
C5.4.2	TOUCHTONE CALLING	2
C5.4.3	CUSTOM CALLING SERVICES	2
C5.4.5	BASIC EXCHANGE ENHANCEMENT	2
C5.4.8	OPEN SWITCH INTERVAL PROTECTION	2
C5.4.9	CALLER IDENTIFICATION - BULK	2
C5.7.1	LISTING SERVICES	2
C5.7.7	CUSTOM NUMBER SERVICE	2
C5.8.4	INTERCEPT SERVICES	2
C9.4.6	NEXT CONNECTS	2
ACS10.5	RATES AND CHARGES	3
ACS107.5.1	GENERAL	3
ACS109.5	RATES AND CHARGES	3
ACS5.4.1	GENERAL	3
ACS5.4.2	OPTIONAL FEATURES AND FUNCTIONS	3
ACS5.5.1	GENERAL	3
ACS5.5.2	OPTIONAL FEATURES AND FUNCTIONS	3
ACS7.5.1	GENERAL	3
C10.10.4	TRAFFIC DATA REPORTING SERVICE	3
C10.10.5	CALL EVENT AND MANAGEMENT SIGNALING SERVICE (CEMSS) SUBSCRIBER	3
C10.5.2	CODE BILLING	3
C105.2.13	OBSOLETE BUSINESS LINE VOLUME PURCHASE PLAN	3
C105.4.14	OBSOLETE CUSTOM SOLUTIONS	3
C105.4.15	OBSOLETE SINGLE NUMBER SERVICE	3
C105.4.17	OBSOLETE SELECT CALL ROUTING SERVICE	3
C105.6	OBSOLETE JOINT USER SERVICE	3
C105.9.1	OBSOLETE PACKAGES ASSOCIATED WITH BASIC EXCHANGE SERVICE	3
C105.9.2	OBSOLETE PACKAGES NOT ASSOCIATED WITH BASIC EXCHANGE SERVICE	3

NOTE 1: Price Cap Tariff Section Prefix Codes
E = Exchange and Network Services
C = Competitive Exchange and Network Services
Q = Competitive Private Line Transport Services
ACS = Competitive Advanced Communications Services

ATTACHMENT B
NON ESSENTIAL SERVICES

Tariff Section (1)	Description	BASKET
C106.2.3	OBSOLETE 1-800 CALLING SERVICE	3
C106.2.5	OBSOLETE SPECIAL REVERSED CHARGE LONG DISTANCE SERVICE	3
C106.3.1	OBSOLETE METROPOLITAN PREFERRED AREA CALLING SERVICE	3
C106.3.18	OBSOLETE CALLING CONNECTION PLANS	3
C107.1.1	OBSOLETE OUTWARD WATS	3
C109.1.1	OBSOLETE CENTREX SERVICE	3
C109.1.10	OBSOLETE OPTIONAL FEATURES	3
C109.1.12	OBSOLETE CENTRON 6 AND 30 SERVICE	3
C109.1.13	OBSOLETE CENTRON CUSTOM SERVICE	3
C109.1.16	OBSOLETE CENTREX PLUS SERVICE	3
C109.1.2	OBSOLETE ESS SERVICE	3
C109.1.6	OBSOLETE AIRPORT INTERCOMMUNICATING SERVICE	3
C109.1.7	OBSOLETE CUSTOMIZED MANAGEMENT SERVICES/CENTRON I	3
C113.3	OBSOLETE RESIDENCE MAINTENANCE PLANS	3
C113.4	OBSOLETE BUSINESS MAINTENANCE PLANS	3
C114.3.2	OBSOLETE PURCHASE PLUS REWARD PLAN FOR ISDN	3
C115.2	OBSOLETE SWITCHNET 56 SERVICE	3
C13.2	PREMISES WORK CHARGES	3
C13.2.1	NETWORK PREMISES WORK CHARGES	3
C13.3	RESIDENCE MAINTENANCE PLANS	3
C13.4	BUSINESS MAINTENANCE PLANS	3
C14.2.1	SINGLE LINE SERVICE	3
C14.3.1	PRIMARY RATE SERVICE	3
C14.4	INDIVIDUAL CASE ISDN SERVICE	3
C15.3	UNIFORM ACCESS SOLUTION SERVICE	3
C15.4	INTEGRATED T-1 SERVICE	3
C3.1.9	EXPRESS CHANGE CHARGES	3
C5.11.1	LINE VOLUME PLAN	3
C5.11.2	CORE CONNECT 1	3
C5.11.3	PURCHASE PLUS REWARD PLAN	3
C5.2.10	TENANT SOLUTIONS	3
C5.2.11	COMPETITIVE RESPONSE	3
C5.2.5.B	STANDBY LINE	3
C5.2.8	HOME BUSINESS LINE SERVICE	3
C5.4.4	MARKET EXPANSION LINE - USAGE	3
C5.4.4	MARKET EXPANSION LINE	3
C5.4.7	INTRACALL SERVICE	3
C5.9.1	PACKAGES ASSOCIATED WITH BASIC EXCHANGE SERVICE	3
C5.9.2	PACKAGES NOT ASSOCIATED WITH BASIC EXCHANGE SERVICE	3
C6.2.1	TWO-POINT MESSAGE TELECOMMUNICATIONS SERVICe	3
C6.2.4	DIRECTORY ASSISTANCE SERVICE	3
C6.2.8	OPERATOR VERIFICATION/INTERRUPT SERVICE	3
C6.3.17	GUARANTEED RATE CALLING CONNECTION	3
C6.3.18	CALLING CONNECTION PLANS	3
C7.1.2	800 SERVICE	3
C7.1.5	LARGE USER DISCOUNT - 800 SERVICE	3
C9.1.10	OPTIONAL SERVICE FEATURES	3
C9.1.18	CENTREX PRIME SERVICE	3
C9.1.7	CUSTOMIZED CALL MANAGEMENT SERVICES/CENTRON I	3
C9.4.4	UNIFORM CALL DISTRIBUTION	3
C9.4.5	CO-AUTO CALL DISTRIBUTION (CO-ACD)	3
Q10.1	SPECIAL PROMOTIONS	3

NOTE 1: Price Cap Tariff Section Prefix Codes
E = Exchange and Network Services
C = Competitive Exchange and Network Services
Q = Competitive Private Line Transport Services
ACS = Competitive Advanced Communications Services

ATTACHMENT B
NON ESSENTIAL SERVICES

Tariff Section (1)	Description	BASKET
Q105.2.10	OBSOLETE DATAPHONE DIGITAL SERVICE	3
Q105.2.14	OBSOLETE VOICE GRADE SERVICE	3
Q105.2.18	OBSOLETE GEOMAX SERVICE	3
Q105.2.2	OBSOLETE SERIES 5000 CHANNELS	3
Q105.2.3	OBSOLETE DATAPHONE SELECT-A-STATION	3
Q105.2.9	OBSOLETE TELEPHONE ANSWERING SERVICE	3
Q21.4.1	SWITCHED ACCESS SERVICE VIRTUAL EI	3
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NOTE 1: Price Cap Tariff Section Prefix Codes
E = Exchange and Network Services
C = Competitive Exchange and Network Services
Q = Competitive Private Line Transport Services
ACS = Competitive Advanced Communications Services