

March 29, 2004

By E-Mail & U.S. Mail

Ms. Carole J. Washburn
Washington Utilities & Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive SW
Olympia, Washington 98504-7250

RE: In the Matter of the Review of Unbundled Loop and Switching Rates and
Review of the Deaveraged Zone Rate Structure
Docket No. UT-023003
Issues List

Dear Ms. Washburn:

Covad Communications Company (“Covad”) responds to Administrative Law Judge Theodora M. Mace’s request regarding whether Covad agreed to eliminate rates related to Verizon’s transfer of installed splitters in the above-referenced proceeding. At this point in time, Covad does not agree to eliminate from the proceeding rates related to Verizon’s transfer of installed splitters. Covad would like to take additional time to explore this issue further. Covad believes it has a good faith argument for taking another look at this issue in light of the following facts: (1) there has been a change in Covad’s network architecture, and Covad needs to be able to fully understand the element and whether it fits into Covad’s future plans; (2) Covad has new and additional product offerings; and (3) there has been a significant shift in the regulatory landscape since Covad may have agreed to eliminate this element from this docket.

With respect to the issues posed by the parties to this docket, Covad agrees with Staff that with the exception of revised geographically deaveraged rates for 2/4-wire analog loops and sub loops, all Qwest issues should be removed from the issues list. Covad also agrees that the issues list for OSS/All Nonrecurring Costs should be addressed at the prehearing scheduling conference to be conducted following the evidentiary hearings on the recurring cost issues. Covad proposes no other revisions to the issues list.

Please feel free to contact me if you have any further questions.

Very truly yours,

Karen Shoresman Frame, WSBA #33859
Senior Counsel
Government & External Affairs

Cc: Service List