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**Brooks E. Harlow**  
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October 3, 2001

Ms. Carole J. Washburn  
Executive Secretary  
Washington Utilities and Transportation Commission  
Post Office Box 47250  
1300 S. Evergreen Park Dr. SW  
Olympia, Washington 98504-7250

Subject: Qwest Compliance Filings In Docket Nos. UT-003022 and UT-003040

Dear Ms. Washburn:

This letter provides the comments of MetroNet Services Corporation ("MetroNet") to Qwest Advice No. 3261T and Transmittal No. 3262L, which are Qwest's compliance filings pursuant to the 15<sup>th</sup> Supplemental Order in the above-referenced dockets.

Qwest's compliance filings are pursuant to the Commission directive to set forth Centrex Prime prices, which are currently priced only in contracts, in a tariff. Going forward, Qwest proposes that Centrex Prime will continue to be offered under contract, presumably under tariff/price listed terms and conditions. See proposed Section 9.1.18 C.1 (first revised sheet 38). Pursuant to the transmittal and advice letters, Centrex Prime "is a package service that includes competitive and non-competitive services." Thus, the Centrex Prime service is subject to the requirements of RCW 80.36.150(5), which provides, in relevant part:

If a contract covers competitive and non-competitive services, the non-competitive services shall be unbundled and priced separately from all other services and facilities in the contract.

It appears from Qwest's compliance filing that the filing violates this requirement because Qwest has failed to unbundle and price separately the competitively classified feature package from the station line and network access. Both the tariff and the price list provide:

Each Centrex *PRIME* station line will include an exchange access line and a standard station feature package. Proposed tariff Qwest Corporation WN U-40 Section 9.1.18 F1 and Qwest Corporation price list Washington Section 9.1.18.

While a customer might be able to purchase the bundled package from either the tariff or the price list, it does not appear that Qwest offers the option of purchasing either the features or the station line separately. Nor are there separate prices for the competitive and non-competitive elements, as required by RCW 80.36.150(3).

The second flaw in Qwest's compliance filing is that the bundled package of the station line and feature packages are priced on a per location basis. Id., Section 9.1.18 F2. This is directly contrary to the Commission's directives in Docket UT-950200 (15<sup>th</sup> Supplemental Order, at 127) and Docket UT-911488 (4<sup>th</sup> and 6<sup>th</sup> Supplemental Orders) to unbundle features from the NAC. The Commission in Docket UT-950200 also specifically directed Qwest to price the NAC on a per system basis, rather than a per location basis. 15<sup>th</sup> Supplemental Order, at 127. Per location pricing of Centrex affords the ability of Centrex resellers to obtain volume discounts. While the Commission has not acted to require Qwest to price the feature package on a system basis because of its competitive classification, the Commission's order in the 1995 rate case is still good law and requires Qwest to price all of the monopoly elements of Centrex Prime on a per system basis to reduce discrimination against resellers. Nothing in this record supports Qwest's ability to offer Centrex Prime on a bundled, per location basis contrary to the Commission's prior orders.

A third problem with Qwest's compliance filing is that Qwest has filed it as a banded filing. The Commission has not authorized a banded tariff for Centrex Prime in either the 15<sup>th</sup> Supplemental Order in this docket or in any other docket. Qwest asserts that a banded filing is beneficial to allow Qwest to "test its prices since this is a new service." However, Qwest has already offered the service for several years under contract so this argument is questionable. In any event, MetroNet believes it is inappropriate to combine the compliance filing with rate banding. Once Qwest has filed an acceptable tariff, it would be free to pursue tariff amendments in a subsequent docket.

There may be other defects with Qwest's compliance filing. These defects are the ones of most interest to MetroNet. Because MetroNet is a reseller of Centrex services, it is of critical importance to it that the Commission not allow Qwest to backtrack on its prior obligations to eliminate the discriminatory bundling and per location pricing of the monopoly portions of Centrex services.

In order to bring the Centrex Prime tariff and price list into compliance with the prior Commission orders, Qwest would need to do one of two things. First, Qwest could refile the tariff and price list and truly unbundle the competitively classified feature package from the monopoly station line and network access elements of the service in compliance with RCW 80.36.150(5). The monopoly elements would have to be priced on a per system, rather than a per location basis. This is how Qwest has priced Centrex Plus since the Commission's 15<sup>th</sup> Supplemental Order in UT-950200. Qwest has contended that it cannot unbundle the prices

Carole J. Washburn  
October 3, 2001  
Page 3

for Centrex Prime. If indeed this is the case, then Qwest has a second option. That would be that Qwest could withdraw the price list and modify the tariff to provide that the entire package of both the monopoly and competitive elements are priced on a per system, rather than a per location basis. While the Commission may wish to express a preference to Qwest, it need not do so.

For the foregoing reasons, MetroNet respectfully requests that the Commission reject Qwest's compliance filings dated September 24, 2001, and direct Qwest to refile its Centrex Prime compliance filing either with the monopoly and competitive elements unbundled or with the entire service being treated as a tariffed, monopoly service and priced exclusively on a per system basis.

Very truly yours,

Brooks E. Harlow

cc: All Parties of Record

Carole J. Washburn  
October 3, 2001  
Page 4

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