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per “service order” bears no relationship to the costs U S WEST incurs (incurred) to provide OSS access. In Paragraph 3 they argue that the OSS charge should “at least bear some reasonable relationship to the CLECs’ use of the ILECs’ OSS.”

These points illustrate exactly why U S WEST believes that service orders are the most equitable and fair method for recovering cost. It is correct that there is no cost-based relationship between the OSS costs incurred and the activities related to service orders. However, the service orders do provide a way to determine fairly who is using/accessing the systems and therefore benefiting from the modification, development, enhancement and maintenance of the OSS. In other words, at least a “per service order” charge identifies users of the OSS systems and recovers costs from those users.

Notably, even though the Commission has affirmed the principle of cost recovery on several occasions, the CLECs’ argument is essentially that they should not have to pay at all. However, this issue has already been decided, and a petition for reconsideration is not the appropriate place to reargue that issue. The real question that should be addressed is whether the CLECs have a better method for determining their use of U S WEST’s OSS, and thus a better mechanism for recovering the OSS costs. U S WEST would be interested in exploring any such proposals, and would welcome that discussion in Part A of Docket No. UT-003013. To date, no such proposal has been forthcoming from the Joint CLECs or any other party.

The Joint CLECs also claim, in Paragraph 2, that because carriers have a mutual obligation to ensure sufficient trunk capacity, ILECs should not be permitted to recover OSS costs to fulfill that mutual obligation and therefore should not charge the “per service order” charge on orders for LIS (local interconnection service) trunks. However, the Joint CLECs misunderstand the nature of

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the OSS cost recovery mechanism. The mutual obligation to ensure sufficient trunk capacity has no bearing on the mechanism used to spread the recovery of OSS costs, i.e., by “service order.” This is because the OSS charge per order is not related to the act of ordering trunks nor any of the underlying activities associated with ordering/provisioning interconnection trunks; it is merely a mechanism for recovery of a set amount of OSS costs.

In Paragraph 3, the Joint CLECs ask that U S WEST identify each and every “service order” that generates OSS cost recovery. Service order demand includes connections (both as is and new installs), change orders, disconnections, transfers to and transfers from, pending and record orders. U S WEST believes that these issues have also already been explored on the record, including in the response to Bench Request 113, and during cross examination, and it is unclear what the Joint CLECs hope to accomplish, other than delay, by continued discussion.

At Paragraph 4 of the request, the Joint CLECs reiterate that the Commission did not address their claim for recovery of their own costs as an offset to U S WEST’s OSS charges. The Joint CLECs are also concerned about being required to pay OSS charges that do not reflect their actual usage of ILEC’s OSS. This issue has, as the Joint CLECs point out, been raised before. However, the Joint CLECs apparently fail to appreciate the difference between the ILECs’ right to recover mandated costs, and their own responsibility for the costs of entering a business they choose to enter.

U S WEST and other ILECs do not have the option of not incurring OSS costs – those costs are mandated by the Telecommunications Act and the FCC. Thus, the ILECs have a right to cost recovery of the costs, a right which does not extend to the CLECs who choose to enter the business and may therefore incur OSS costs as a cost of entry which they themselves must bear.

In paragraph 5 the Joint CLECs ask the Commission to ensure that each CLEC does not

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pay more than its share of OSS costs and that ILECs do not over-recover in the aggregate. Again, this argument simply reinforces U S WEST's position that using service order activity should help to ensure that each CLEC pays their fair share on the basis of how much each one uses or accesses the OSS. The Commission has already ordered a true up of the OSS rates, so it is unclear what more the Joint CLECs are asking. In any event, given that the projected recovery period is three years, U S WEST believes that it is unlikely that there will be any over-recovery between the time the interim rates are effective and the new rates are implemented as a result of Docket No. UT-003013.

Respectfully submitted this 5th day of June, 2000.

U S WEST Communications, Inc.

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