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July 3, 2000

**VIA FACSIMILE (360) 586-1150**  
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Ms. Carole J. Washburn  
Carole J. Washburn, Executive Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia WA 98504-7250

Re: New Cost and Pricing Proceeding, Docket No. UT-003013

Dear Ms. Washburn:

Pursuant to the June 23, 2000 prehearing conference in the above-referenced proceeding, NEXTLINK Washington, Inc., Electric Lightwave, Inc., Advanced TelCom Group, Inc., NorthPoint Communications, New Edge Networks, Inc., McLeodUSA Telecommunications Services, Inc., AT&T Communications of the Pacific Northwest, Inc., and TCG Seattle (collectively "Joint CLECs"), provide the following comments on the scope of the costing issues to be determined in Parts A and B of this proceeding.

## U S WEST

U S WEST Communications, Inc. ("U S WEST") provided a list of rate elements from its Statement of Generally Available Terms ("SGAT") filed in Docket Nos. UT-003022 & UT-003040 that have not yet been the subject of a pricing proceeding.<sup>1</sup> While this list includes rates the Commission has yet to establish or approve, the list is not exhaustive of the issues the Commission needs to address in the New Cost Docket. Specifically, the Commission should ensure that the following are included in the Commission's consideration of cost issues in this

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<sup>1</sup> U S WEST also filed a list of provisions in its SGAT that it proposes to address in Docket No. UT-003040 apart from the workshops established to review U S WEST's compliance with Section 271 in Docket No. UT-003013. The parties are discussing options for addressing non-cost, non-Section 271 SGAT provisions and plan to discuss these procedural issues further during the July 6 follow-up workshop.

proceeding:

(1) Nonrecurring Charges (“NRCs”) – U S WEST identifies several elements for which the Commission has yet to establish prices, including subloops and dark fiber, without specifying the need for both recurring and nonrecurring rates. The Commission should clarify that *all* rates U S WEST seeks to impose for these elements should be included in its Part B filing.

(2) Loop NRCs – U S WEST specifically identifies NRCs for loop installation that have not yet been established, including NRCs for DS-1 and DS-3 loop installation and coordinated installation of a DS-0 loop without cooperative testing. The Commission and the parties cannot realistically review these charges without including coordinated installation and testing of DS-0 loops. As discussed at the prehearing conference, the Commission needs to examine issues related to activities U S WEST undertakes to coordinate loop installation – “hot cuts” – both with and without testing. Such an examination is particularly appropriate in light of the anticipated volumes of service orders on which U S WEST bases its OSS cost recovery projections and the lack of any searching scrutiny of testing or coordinated loop provisioning issues in the prior proceeding. The Commission recognized the need for a reevaluation of NRCs, but U S WEST declined to address unbundled network element (“UNE”) NRCs in its Part A filing. The Commission, therefore, should require U S WEST to address all NRCs for coordinated provisioning and testing of all loops as part of its Part B filing.

(3) UNE Combination NRCs – Federal law requires U S WEST to provide UNEs in existing combinations, and the Commission in a decision recently upheld by the Ninth Circuit has required U S WEST to combine UNEs on behalf of requesting CLECs. With the exception of enhanced extended loops (“EELs”), U S WEST’s list does not include NRCs for UNE combinations. These charges also need to be established in Part B.

(4) UNE Conversion Charges – Because neither the Commission nor U S WEST had established TELRIC rates for high capacity loops or EELs, CLECs have had to obtain these facilities from U S WEST by ordering them as retail services from U S WEST at tariffed rates. U S WEST has informed carriers that have investigated converting these facilities to UNEs or UNE combinations in the wake of recent FCC orders that if these facilities are used to provide local service, they are subject to monthly recurring charges of \$25 per DS-0, \$600 per DS-1, and \$16,800 per DS-3 retroactive to the date when they were provisioned as a tariffed service. If U S WEST seeks to impose charges for converting existing retail services into UNEs or UNE combinations, U S WEST should present its proposed rates for Commission determination in Part B.

(5) Interconnection – U S WEST has identified rates for interconnection facilities, including LIS EICT, Installation Options, and Interconnection Tie Pairs as not having been addressed in the prior costing and pricing proceeding, and the rates for interconnection Entrance Facilities as having been established. As the discussion in the initial workshops in Docket Nos. UT-003022 & UT-003040 demonstrated, there is a lack of consensus with respect to the interconnection facilities the costs of which should be shared between the interconnecting carriers. U S WEST also includes tariff and individual case basis (“ICB”) pricing for Miscellaneous Charges in its SGAT. Other than Direct Trunked Transport and Multiplexing, interconnection facilities should be included among the collocation elements to be priced in Part A and high capacity circuits priced in Part B. The Commission, however, needs to address two issues, one in each part of the New Cost Docket: (a) Part A – the rate for interconnection Entrance Facilities applicable to interconnection should be subject to modification based on the Commission’s decisions with respect to the same costs associated with Entrance Facilities as an element of collocation; and (b) Part B – the Commission should determine not only the rates for facilities used for intercarrier interconnection (including rates U S WEST currently prices through tariffs or ICB) but also which facilities are subject to cost sharing between the carriers.

(6) Reciprocal Compensation – The Commission has required the parties to address a flat-rated form of reciprocal compensation for the exchange of local traffic. At the prehearing conference, the parties raised the issue of whether additional forms of reciprocal compensation would be considered, and the presiding officer’s

understanding was that the Commission would entertain all proposals for reciprocal compensation mechanisms. The Commission should confirm this understanding and authorize parties to propose such mechanisms so that the Commission can establish the appropriate rates.

(7) Poles, Ducts, Conduits NRCs – U S WEST properly lists charges for space availability inquiry and field verifications for poles, ducts, and conduits, an issue that arose during the initial workshops in Docket Nos. UT-003022 & UT-003040. The parties in those consolidated dockets are attempting to negotiate a resolution to this issue, but in the meantime the Commission should include these charges as part of the New Cost Docket.

#### **GTE**

GTE Northwest Incorporated (“GTE”) has not provided any list of elements, facilities, and services it provides to CLECs that need Commission-approved rates established in the New Cost Docket. To the extent that GTE offers or is required to offer the same or similar elements, facilities, and services that U S WEST has identified, GTE’s Part B filing should include proposed rates and cost support for those same items. Similarly, the Joint CLECs’ comments above with respect to NRCs (including loop and UNE combination NRCs), UNE conversion charges, interconnection, and reciprocal compensation apply equally to GTE. There are two additional issues, however, that are unique to GTE and that the Commission should address.

(1) Loop Conditioning – The Commission authorized GTE to submit loop conditioning rate proposals and cost support in Part B of the New Cost Docket. GTE, however, submitted its loop conditioning proposal as part of its line sharing testimony and exhibits in Part A. The Commission should confirm that loop conditioning will be addressed in Part B and that parties need not file responsive testimony or otherwise address GTE’s testimony and exhibits on this topic until that time.

(2) Collocation Tariff – GTE has filed (and refiled) a collocation tariff with the Commission that include charges other than those the Commission approved as interim rates in its orders in the generic costing and pricing proceeding, as well as collocation terms and conditions that the Commission has not previously reviewed or approved. As discussed at the prehearing conference, the Commission should request, or if necessary require, that GTE withdraw its tariff filing at least until collocation charges have been established in the New Cost Docket (if not also until the Commission completes its collocation rulemaking). Alternatively, the Commission should suspend and investigate GTE’s collocation tariff, consolidating the pricing issues in that tariff with the New Cost Docket.

The Joint CLECs appreciate the opportunity to comment on these procedural issues. Please contact me if you have any questions about these comments or need additional information.

Very truly yours,

Davis Wright Tremaine LLP

Gregory J. Kopta

cc: Service List  
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