BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Review of Unbundled Loop and Switching Rates and Review of the Deaveraged Zone Rate Structure	Docket No. UT-023003 QWEST'S ANSWER TO VERIZON'S MOTION FOR A DECLARATORY RULING RE TIME AND MOTION STUDIES

Pursuant to the schedule previously established in this matter, Qwest Corporation ("Qwest") hereby answers in support of Verizon's motion for a declaratory ruling regarding time and motion studies.

I. INTRODUCTION

On March 21, 2003, Verizon Northwest Inc. ("Verizon") filed with the Commission a Motion for a Declaratory Ruling, asking the Commission to confirm that Verizon need not perform time and motion studies to support nonrecurring costs associated with the rates for the virtual collocation elements the Commission rejected in Part D of Docket No. UT-003013 and included in this new proceeding. Verizon states that these rate elements are both low-volume and difficult to study, and that "extraordinary circumstances" exist which make performing statistically valid time and motion studies impossible or unduly burdensome.

Qwest supports Verizon's motion and asks the Commission to affirm to the parties that, in general, low volume and/or difficult to study nonrecurring activities do not need to be the subject of time and motion studies. Verizon has presented cogent arguments in support of its request, based on the Commission's previous recognition that extraordinary circumstances might exist which would excuse a

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party from conducting a time and motion study. Verizon has also presented facts specific to the virtual collocation elements that make a convincing case that time and motion studies would be impracticable for these rate elements, if not impossible.

Qwest's preliminary experience with time and motion studies also indicates that there will be a number of nonrecurring rate elements for which volumes will be either nonexistent or so low as to make a time and motion study impossible, impracticable, or not statistically valid. Qwest has reviewed order volumes for November and December 2002 and January 2003. In a number of cases, UNEs or UNE combinations have been ordered in such small quantities (i.e., less than 20) over this three-month period that Qwest will likely be unable to study those rate elements if the volumes are equally low, on average, during the study period.

To better explain why low volumes pose such a problem, the following brief summary of certain aspects of the time and motion study may be helpful. During such a study, Qwest must select a period of time during which it will send personnel into the service centers, central offices, and dispatch areas to measure the times associated with the nonrecurring activities required for particular orders. Qwest has no control over how many or what types of orders will be processed during that time. Even if Qwest observes activities in a service center or other location for a full week, or for a number of days at random, there is no guarantee that an order for a particular rate element will be processed during that time.

Further, Qwest does not plan to follow a single order through the entire ordering process, as doing so could disrupt or delay the order, and it would not be physically possible to have observation teams at all of the locations simultaneously or sequentially in order to conduct that type of observation.[1] Thus, Qwest will observe at the interconnect service center during the intake and processing of a particular number of orders for unbundled loops, and may observe the dispatch and installation process on an entirely different set of loops. If a single order for a low volume element comes through during this time, Qwest may capture times for some of the nonrecurring activities associated with that element, but

[1] For example, an order for an unbundled loop in Washington might come in to the interconnect service center in Phoenix, Arizona, but be physically connected in one of the Bellevue, WA central offices and require a dispatch to a neighborhood in Bellevue. A single observation team could not realistically follow that particular order, or even if they could, they could not do so for dozens of such orders.

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not necessarily all of them. Additionally, it is unlikely that a small number of observations would produce statistically reliable results.

Thus, while Qwest does not have exactly the same concerns as Verizon, because Qwest is not proposing rates for virtual collocation elements in this proceeding, Qwest believes that Verizon has identified legitimate concerns about those rate elements that actually apply more broadly to other rate elements as well. At this point in the process, Qwest cannot identify with certainty which rate elements will be affected by the problems associated with nonexistent or insufficient volumes to provide meaningful data. Qwest is planning on providing this information in the context of the overall time and motion study results in its direct testimony.

Qwest asks the Commission to grant Verizon's motion for a declaratory ruling and to hold generally that no/low-volume and/or difficult to study rate elements need not be the subject of time and motion studies.

Respectfully submitted this 1st day of April, 2003.

QWEST

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