

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

In the Matter of the	)
	) DOCKET NO. UT-003013
	)
Continued Costing and Pricing	)
Proceeding for Interconnection,	) FORTY-NINTH
Unbundled Network Elements,	) SUPPLEMENTAL ORDER
Transport and Termination, and	) REJECTING AND
Resale	) AUTHORIZING REILING OF
	) COMPLIANCE TARIFFS
.....	)

**BACKGROUND**

- 1 On June 21, 2002, the Commission entered its Thirty-Second Supplemental Order (“Part B Order”) in this proceeding. On September 23, 2002 and October 7, 2002, the Commission entered its Thirty-Eighth and Fortieth Supplemental Orders, respectively, resolving issues on petitions for reconsideration. The Fortieth Supplemental Order directed Qwest to submit compliance filings on or before November 7, 2002. The Commission subsequently granted Qwest’s request for an extension of time until December 6, 2002.
- 2 Qwest, on December 6, 2002, filed Advice No. 3364T containing tariff revisions for its Tariff Nos. WN U-42 and WN U-43.
- 3 Advice 3364T includes the following pages:

**INTERCONNECTION SERVICES**  
**WN U-42**

<b><u>SECTION</u></b>	<b><u>SHEET</u></b>	<b><u>REVISION</u></b>
3	1	1 <sup>st</sup>
3	2	1 <sup>st</sup>
3	4	1 <sup>st</sup>
3	5	1 <sup>st</sup>
3	8	5 <sup>th</sup>
3	8.1	2 <sup>nd</sup>
3	9	4 <sup>th</sup>
3	9.1	2 <sup>nd</sup>
3	9.2	1 <sup>st</sup>
3	9.3	1 <sup>st</sup>
3	9.4	1 <sup>st</sup>
3	9.5	1 <sup>st</sup>
3	9.6	1 <sup>st</sup>
3	10	2 <sup>nd</sup>
3	10.1	2 <sup>nd</sup>
3	11	4 <sup>th</sup>
3	12	4 <sup>th</sup>
3	13	3 <sup>rd</sup>
3	14	3 <sup>rd</sup>
3	14.1	2 <sup>nd</sup>
3	14.2	2 <sup>nd</sup>
3	14.3	2 <sup>nd</sup>
3	14.4	1 <sup>st</sup>
3	14.5	1 <sup>st</sup>
3	15	2 <sup>nd</sup>
3	16	3 <sup>rd</sup>
3	17	4 <sup>th</sup>
3	18	3 <sup>rd</sup>
3	19	4 <sup>th</sup>

<b>3</b>	<b>20</b>	<b>4<sup>th</sup></b>
<b>3</b>	<b>21</b>	<b>4<sup>th</sup></b>
<b>3</b>	<b>22</b>	<b>3<sup>rd</sup></b>
<b>3</b>	<b>23</b>	<b>3<sup>rd</sup></b>
<b>3</b>	<b>24</b>	<b>1<sup>st</sup></b>
<b>3</b>	<b>25</b>	<b>1<sup>st</sup></b>
<b>3</b>	<b>26</b>	<b>2<sup>nd</sup></b>

**RESALE OF REGULATED TELECOMMUNICATIONS SERVICES**  
**WN U-43**

<b><u>SECTION</u></b>	<b><u>SHEET</u></b>	<b><u>REVISION</u></b>
<b>3</b>	<b>1</b>	<b>1<sup>st</sup></b>

4 Commission Staff reviewed the Company’s compliance tariff filings, and filed comments on January 13, 2003, and supplemental comments on February 6, 2003. Commission Staff states that the filings appear to comply in nearly all substantive respects with the Commission’s Order. No other party filed comments. Qwest filed its response to Staff’s comments on February 13, 2003. Qwest has agreed to make numerous changes to Advice 3364T to address concerns raised by Commission Staff. However, Qwest and Staff either disagree or request clarification regarding three nonrecurring cost (“NRC”) issues:

- How should Qwest calculate Local Service Request (“LSR”) manual order processing work times?
- How should Qwest calculate Access Service Request (“ASR”) electronic order processing work times?
- How should Qwest calculate electronic order-processing work times for UNE-P POTS Existing Services Initial Install and UNE-C New Service Initial Connection?

**MEMORANDUM****How should Qwest calculate LSR manual order-processing work times?****Discussion**

- 5 The Commission in the Part B Order directed Qwest to use the Commission's prior determination of a six-minute order-processing work time for LSRs, and to use a 75% probability for electronic orders and a 25% probability for manual orders, when calculating non-recurring charges.<sup>1</sup>
- 6 In the Thirty-Eighth Supplemental Order ("Part B Reconsideration Order"), the Commission reversed the decision that Qwest should develop a unified order processing rate, and affirmed that the cost of manual access to incumbent local exchange carriers' ordering systems is greater than electronic access.<sup>2</sup> The Part B Reconsideration Order directed Qwest to establish separate nonrecurring charges for orders submitted electronically and orders submitted manually. *Part B Reconsideration Order, at para. 68.*
- 7 In the Fortieth Supplemental Order the Commission clarified that "Qwest must revise its nonrecurring charges, not its OSS cost recovery rates, for service orders, so that anywhere there are nonrecurring charges for UNEs, the service ordering, or disconnection ordering, portion of the UNE charge is separated to reflect whether the order was manually or electronically submitted." *Fortieth Supplemental Order, at para. 19.*
- 8 Qwest used the six-minute order-processing work time for processing all electronic orders submitted via LSRs, except in two instances.<sup>3</sup> But a quandary

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<sup>1</sup> Part B Order, at para. 125 and 129.

<sup>2</sup> Part B Reconsideration Order, at para. 68, citing Docket No. UT-960369, *Seventeenth Supplemental Order*, at para. 112.

<sup>3</sup> Those two UNEs – UNE-P Existing Service and UNE-C New Service – are separately discussed below.

occurs regarding work times for manual orders because, according to Qwest, there is no evidence of record regarding manual processing work times for the UNEs at issue. Qwest contends that its only recourse is to rely on its original time estimates to reflect manual processing, in spite of the fact that the Commission rejected those work times in favor of perpetuating the six-minute work time previously approved.

### **Decision**

9 These issues regarding work times will ultimately be resolved by the submission of time and motion studies in Docket No. UT-023003; however, interim nonrecurring charges for electronic and manual order processing must be established in this proceeding. Although the Commission has not previously characterized the six-minute work time as either electronic or manual order processing, we accept Qwest's proposed use of the six-minute work time for electronic order processing. But it does not follow that manual processing work times must be Qwest's proposed – and rejected – work times.

10 Qwest proposed separate electronic and manual work times for two elements in the Part B proceeding: “UNE-C Existing POTS First Line” and “UNE-C New POTS First Line.”<sup>4</sup> As demonstrated by Exhibit No. C-1002, similar activities comprise both manual and electronic order processing for both elements. Thus, manual processing work times should be reasonably related to electronic processing work times for the same UNEs. There is no such relationship between Qwest's proposed use of six minutes for electronic processing and its proposed work times for manual processing. Accordingly, we reject Qwest's proposed work times for manual processing.

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<sup>4</sup> See Exhibit No. C-1002, *Nonrecurring Cost Detail Summary*, pages 10 through 45 of 322. Qwest also provided electronic and manual work times for adding additional lines for both elements, but consideration of additional line activities and work times does not advance a decision on this issue.

- 11 Qwest concedes that the record does not contain specific work times for Qwest's manual processing on an element-by-element basis. However, the Commission approved Verizon UNE rates in Part B for semi-mechanized and manual order processing. The proportionate time to electronically process a UNE order compared to the time to manually process a UNE order should be reasonably comparable for Qwest and Verizon.<sup>5</sup> We order Qwest to calculate nonrecurring rates for its UNEs in UT-960369 and Part B of this docket, so that the ratio of electronic-to-manual work times is equal to that of Verizon's ratio in Part B for comparable UNEs. Qwest is ordered to make those adjustments, including identification of each comparable Verizon UNE in Part B and all associated calculations, in a compliance filing. Qwest's compliance filing must identify each input modified and the source of Verizon's data to calculate ratios, including the exhibit or tariff page and line number where modifications are made and source data is located.
- 12 Qwest's nonrecurring UNE rates based on the six-minute work time for electronic order processing and derivative work times for manual order processing are interim rates. Permanent rates will be established in the new generic cost case (Docket No. UT-023003) based on time and motion studies.

**How should Qwest calculate Access Service Request ("ASR") electronic order-processing work times?**

**Discussion**

- 13 Qwest's compliance filing uses the company's proposed electronic order processing work times for the following UNEs: DS-1/3 Entrance Facilities, Multiplexing, and CCS links. Qwest represents that these UNEs are processed via ASRs. Commission Staff cites the 32<sup>nd</sup> Supplemental Order, at para. 162,

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<sup>5</sup> The Commission in Part B reached a similar conclusion regarding the proportionate call work-time that it takes to process a disconnect order compared to the call work-time that it takes to add service. See Part B Order, at para. 133.

where the Commission addresses the Multiplexing element: “We approve Qwest’s proposed non-recurring rates for multiplexing subject to adjustments based on the Company’s NRC methodology as ordered.” Staff contends that the referred to “adjustments” include the six-minute order-processing work time. Accordingly, Staff also contends that the Part B Order directs Qwest to adopt the six-minute work time in developing NRCs for other UNES submitted via ASRs.

- 14 Qwest responds that the six-minute work time should not apply to UNE orders submitted via ASRs because ASR processing differs from LSRs, and ASRs are processed at a different service center. Qwest contends that the six-minute work time has, at all times, applied to UNEs processed in its Interconnection Service Center (“ISC”) via LSRs.

### **Decision**

- 15 Commission Staff’s suggests that adjustments referred to in the Part B Order, at paragraph 162, include the six-minute work time for elements processed via ASRs. This suggestion is inconsistent with adjustments to Qwest’s work times regarding Enhanced Extended Loops<sup>6</sup> at paragraph 147.
- 16 Commission orders do not require Qwest to apply the six-minute work time to NRCs for UNEs that are processed via ASRs. Further, the record in the Part B proceeding supports Qwest’s position. The Commission accepts Qwest’s proposed order-processing work times for UNEs processed via ASRs as stated in Qwest’s compliance filing.

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<sup>6</sup> An Enhanced Extended Loop (“EEL”) is a combination of an unbundled DS-1 or DS-3 capable loop, multiplexing equipment, and dedicated interoffice transport.

**How should Qwest calculate electronic order-processing work times for UNE-P POTS Existing Services Initial Install and UNE-C New Service Initial Connection?**

**Discussion**

- 17 Qwest processes orders for UNE-P POTS Existing Services Initial Install and UNE-C New Service Initial Connection via LSRs in its ISC. However, Qwest did not use the six-minute work time to develop nonrecurring rates for the electronic order processing of these elements in its compliance filing. Rates for these elements include a probability that a relatively large percentage of orders will flow through the electronic process without requiring any handling, but that a small percentage will fall out during the process and require some handling. Qwest contends that application of both the six-minute work time and a probability factor would cause Qwest to first assume reduced processing time due to increased mechanization at a higher rate than might actually be achieved, and then reduce the time again due to flow-through at a higher rate than also might actually be achieved.
- 18 Commission Staff comments that an order that flows through the electronic process requires zero processing time. According to Staff, the fall-out rate should then apply to the six-minute work time that the Commission has established to produce the appropriate nonrecurring rate.

**Decision**

- 19 The six-minute order-processing work time that the Commission has established is not an assumption of reduced processing time due to increased mechanization as suggested by Qwest. Six minutes *is* the work time to process an order, based on the record that has been established in the generic cost proceedings. Application of the six-minute work time for these elements does not result in an unfair compound probability as suggested by Qwest. The ongoing requirement



that Qwest use the six-minute work time results from Qwest's failure to present persuasive evidence that some other work time is more accurate.

20 Qwest must refile tariffs and revise its nonrecurring charges for UNE-P POTS Existing Services Initial Install and UNE-C New Service Initial Connection using the six-minute electronic order-processing work time.

**ORDER**

THE COMMISSION ORDERS That:

21 The tariff revisions filed by Qwest Corporation under Advice No. 3364T on December 6, 2002, in accordance with the Thirty-Second, Thirty-Eighth and Fortieth Supplemental Orders in this proceeding, are rejected.

22 Qwest Corporation is authorized and required to refile its tariffs consistent with this Order, and consistent with its agreements with Commission Staff, no later than 10 business days after the date this Order is entered. Qwest's filing must bear an effective date of 14 business days after the date it is filed.

23 Commission Staff is directed to comment in writing within 10 business days after Qwest refiles its tariffs on whether the filing complies with the terms of this and other orders in this proceeding. Other parties may respond to Commission Staff's filing no later than five business days after Staff makes its filing. Qwest's compliance filing will not become effective unless and until authorized for effect by further Commission order.

24 THE COMMISSION ORDERS FURTHER That it retains jurisdiction over the subject matter and the Parties to effectuate the provisions of this and prior orders in these proceedings.

DATED at Olympia, Washington, and effective this \_\_\_\_ day of March, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK OSHIE, Commissioner