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Ms. Carole Washburn
Executive Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Qwest's Annual ETC Certification Report and Plan for Universal Service Support Expenditures in accordance with WAC 480-120-070 and WAC 480-120-080

Dear Ms. Washburn,

In response to the requirements of newly adopted WAC 480-120-070 Annual certifications and reports and WAC 480-123-080 Annual plan for universal service support expenditures, Qwest provides the following information. For ease of reading, Qwest will list each of the requirements under the rules followed by its response.

WAC 480-123-070 Annual certifications and reports. Not later than July 31 of each year, every ETC that receives federal support from any category in the federal high-cost fund must certify or report as described in this section. The certifications and reports are for activity related to Washington state in the period January 1 through December 31 of the previous year. A company officer must submit the certifications in the manner required by RCW 9A.72.085.

Response: The declarations of Qwest officers certifying the data contained in this filing are in Attachments A1, A2, and A3.

(1) Report on use of federal funds and benefits to customers.

(a) For an ETC that receives support based only on factors other than the ETC's investment and expenses, the report must provide a substantive description of investments made and expenses paid with support from the federal high-cost fund.

For ETCs that receive any support based on the ETC's investment and expenses, the report must provide a substantive description of investment and expenses, such as the NECA-1 report, the ETC will report as the basis for support from the federal high-cost fund.

Response: In accordance with FCC Docket No. 96-45, Qwest Corporation received \$1.1M of Interstate Access Support (IAS) for the state of Washington in calendar year 2005.¹ Qwest has attached its letter of certification to the FCC (Attachment A1) certifying that it will use its IAS funding only for the provision, maintenance and upgrading of facilities and service for which the support is intended. A list of the wire centers on which the support is based is also attached (Attachment B). IAS funding was established in the FCC CALLS Order in CC Docket Nos. 96-45 / 96-262 (“Order”).² More specifically, the Order established an explicit interstate universal service support mechanism that provides support to replace implicit support previously collected through interstate access charges. In contrast to the FCC’s high-cost support mechanisms for rural and non-rural carriers, which provide support to enable states to ensure reasonable comparability of intrastate rates, the purpose of the IAS fund is to provide explicit support to replace the implicit universal service support in interstate access charges. IAS provides support to carriers serving lines in areas where they are unable to recover their permitted revenues from the subscriber line charges (“SLC”) that were revised as part of the CALLS Order.

(b) Every ETC must provide a substantive description of the benefits to consumers that resulted from the investments and expenses reported pursuant to (a) of this subsection.

Response: As explained in the response to 1(a), IAS funding is not tied to any specific investments or expenses, but rather is a replacement for lost interstate access charge revenues that provided implicit support to high cost areas. Consequently, IAS funding benefits customers by ensuring that the SLCs in high cost areas remain the same as in low cost areas. This, in turn, preserves affordable telephone service for all consumers.

(2) **Local service outage report.** ETCs not subject to WAC 480-120-412 and 480-120-439(5) are required to report local service outages pursuant to this subsection. The report must include detailed information on every local service outage thirty minutes or longer in duration experienced by the ETC. The report must include:

- (a) The date and time of onset and duration of the outage;
- (b) A brief description of the outage and its resolution;
- (c) The particular services affected, including whether a public safety answering point (PSAP) was affected;
- (d) The geographic areas affected by the outage;

¹ The \$1.1M that Qwest received in IAS funding for the state of Washington in calendar year 2005 is somewhat misleading because the initiation of IAS funding for Qwest was August of 2005. Consequently, the \$1.1M represents only 5 months of IAS funding in 2005. For the period of August 2005 through June 2006 Qwest received \$2.4M in IAS funding.

² In the CALLS order, the FCC adopted an integrated interstate access reform and universal service proposal put forth by the members of the Coalition for Affordable Local and Long Distance Service (CALLS). *In the Matter of Access Charge Reform*, CC Docket No. 96-262, Sixth Report and Order, FCC Order No. 00-193, ¶ 193 (Released May 31, 2000)

- (e) Steps taken to prevent a similar situation in the future; and
- (f) The estimated number of customers affected.

Response: Qwest is exempt from this requirements as it is subject to WACs 480-120-412 and 480-120-439(5).

(3) Report on failure to provide service. ETCs not subject to WAC 480-120-439 are required to report failures to provide service pursuant to this subsection. The report must include detailed information on the number of requests for service from applicants within its designated service areas that were unfulfilled for the reporting period. The ETC must also describe in detail how it attempted to provide service to those applicants.

Response: Qwest is exempt from this requirements as it is subject to WAC 480-120-439(5).

(4) Report on complaints per one thousand handsets or lines. The report must provide separate totals for the number of complaints that the ETC's customers made to the Federal Communications Commission, or the consumer protection division of the office of the attorney general of Washington. The report must also generally describe the nature of the complaints and outcome of the carrier's efforts to resolve the complaints.

Response: Attachment C provides Washington complaints to the FCC and to the Consumer protection division of the attorney general of Washington lines for the years 2004 and 2005. Qwest reports multiple years of data to provide the Commission with a frame of reference regarding Qwest's efforts to reduce complaints. The complaint categories include billing, buried drop, call handling, held order, installation, repair, treatment, and other. Qwest has been successful in its efforts to reduce FCC complaints overall by 26% between 2004 and 2005. Qwest has been successful in reducing attorney general of Washington complaints by 47% between 2004 and 2005. Further, as the Commission is well aware, Qwest has been successful in reducing WUTC Commission complaints in all complaint categories by over 60% during the past 5 years. Qwest's success in reducing complaints is a testament to its Spirit of Service commitment which constantly focuses on all improving all aspects of serving our customers.

(5) Certification of compliance with applicable service quality standards. Certify that it met substantially the applicable service quality standard found in WAC 480-123-030 (1)(h).

Response: Qwest certifies that it substantially meets the applicable service quality standard found in WAC 480-123-030 (1)(h). Qwest's officer certification for this section is in Attachment A2.

(6) Certification of ability to function in emergency situations. Certify that it had the ability to function in emergency situations based on continued adherence to the standards found in WAC 480-123-030 (1)(g).

Response: Qwest certifies that has the ability to function in emergency situations based on continued adherence to the standards found in WAC 480-123-030 (1)(g). Qwest's officer certification for this section is in Attachment A2.

(7) Advertising certification, including advertisement on Indian reservations.

Certify it has publicized the availability of its applicable telephone assistance programs, such as Lifeline, in a manner reasonably designed to reach those likely to qualify for service, including residents of federally recognized Indian reservations within the ETC's designated service area. Such publicity should include advertisements likely to reach those who are not current customers of the ETC within its designated service area.

Response: Qwest certifies that it has publicized the availability of its applicable telephone assistance programs, such as Lifeline, in a manner reasonably designed to reach those likely to qualify for service, including residents of federally recognized Indian reservations within Qwest's designated service area. Such publicity includes advertisements likely to reach those who are not current customers of Qwest within its designated service area. Qwest's officer certification for this section is in Attachment A3.

WAC 480-123-080 Annual plan for universal service support expenditures. (1) Not later than July 31 of each year, every ETC that receives federal support from any category in the federal high-cost fund must report on:

(a) The planned use of federal support related to Washington state that will be received during the period October 1 of the current year through the following September; or

(b) The planned investment and expenses related to Washington state which the ETC expects to use as the basis to request federal support from any category in the federal high-cost fund.

(2) The report must include a substantive plan of the investments and expenditures to be made with federal support and a substantive description of how those investments and expenditures will benefit customers.

Response: Qwest expects its IAS funding for the specified funding period to be consistent with its funding for 2005/2006 funding period. As Qwest explained in its response to WAC-123-070 (1)(a) of this report, in contrast to the FCC's high-cost support mechanisms for rural and non-rural carriers, which provide support to enable states to ensure reasonable comparability of intrastate rates, the purpose of the IAS fund is to provide explicit support to replace the implicit universal service support in interstate access charges. IAS provides support to carriers serving lines in areas where they are unable to recover their permitted revenues from the SLCs that were revised as part of the CALLS Order. IAS funding benefits customers by ensuring that SLCs in high cost areas remain the same as in low cost areas. This, in turn, preserves affordable telephone service for all consumers.