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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Investigation Into
U S WEST COMMUNICATIONS, INC.'s
Compliance with Section 271 of the
Telecommunications Act of 1996.

Docket No. UT-003022

**RESPONSE OF COVAD, WORLDCOM,
AND METRONET TO XO MOTION TO
ADMIT NEW EXHIBITS AND FOR
ADDITIONAL PROCEEDINGS ON
COLLOCATION**

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Covad Communications Company ("Covad"), Worldcom, Inc. ("Worldcom") and MetroNet Services Corporation ("MetroNet") strongly support the XO Motion To Admit New Exhibits And For Additional Proceedings On Collocation. Covad and Worldcom have received the same "policies" from Qwest as XO offers into evidence in this proceeding. The new "policies" that Qwest purports to unilaterally impose on Covad and Worldcom will significantly affect their rights in relation to collocation, assuming that Qwest is successful in its efforts to impose these additional terms and conditions. Moreover, Qwest's actions raise two additional issues regarding compliance with the requirements of Section 271. First, the policies themselves raise compliance issues. More broadly, however, the fact that Qwest acts as though it can unilaterally impose additional terms and conditions on CLECs, notwithstanding previous positions and commitments in Qwest's SGAT, reflects a more serious issue regarding reliance on Qwest's SGAT for determining compliance with the requirements of Section 271.

Covad, Worldcom, and XO are not alone in their concerns regarding the never ending process of new "policy" pronouncements by Qwest. Recently, and after the conclusion of

1 the resale phase of Workshop 2 in this docket, Qwest informally informed MetroNet that
2 MetroNet would lose the stabilized rates of its retail Centrex Plus contracts at such time as
3 MetroNet switches from retail to wholesale resale. In a classic "Catch 22" situation, Qwest
4 informed MetroNet that MetroNet's wholesale rates would actually go up upon switching to a
5 wholesale environment rather than down, because (according to Qwest's "policy") the rate
6 increases that loss of the rate stability agreement would cause would exceed the 14.74 percent
7 wholesale discount. Once again, the new policy raises two Section 271 compliance issues. First,
8 MetroNet does not believe that Qwest would be in compliance with the requirement to offer
9 wholesale discounts off the "retail rate" because the true retail rate paid by most Qwest retail
10 customers (including MetroNet) is a rate-stabilized rate, not the currently published rate.
11 Second, Qwest's statements to MetroNet illustrate how many of the details that are critical to
12 CLECs' ability to compete are either not set forth in detail in Qwest's SGAT or are subject to
13 change by unilateral "policy" declarations by Qwest. Accordingly, the Commission really is not
14 in a position to rely on the SGAT, in lieu of actual competitive experience, to determine whether
15 Qwest in fact complies with Section 271 requirements.

16 Covad, Worldcom, and MetroNet urge the Commission not just to grant XO's
17 motion, but also to establish or explore a procedure for dealing with additional issues like the
18 specific issues raised by XO's motion in the future. MetroNet's recent revelation is another
19 current example, but certainly not likely to be the last.¹ Covad, Worldcom, and MetroNet
20 suggest that the Commission consider establishing a procedural framework for updating all
21 workshop issues near the conclusion of this docket. Additionally, Covad, Worldcom, and
22 MetroNet note that even after the conclusion of all workshops in this docket, issues will continue
23 to arise, such as those noted by XO and MetroNet. Their recent experiences indicate the
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25 ¹ MetroNet does not seek resolution of the resale issue it raises at this time. Qwest's
26 announcement to MetroNet was informal and the parties are continuing to negotiate issues.
Accordingly, MetroNet does not believe the issue of stabilized rates as the basis for wholesale
discounted rates is ripe for the Commission's consideration at this time.

1 importance of ensuring that strong anti-backsliding safeguards and mechanisms are put into
2 place before final Section 271 approval is given to Qwest.

3 Respectfully submitted this 6th day of March, 2001.

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9 Covad Communications Company; Worldcom, Inc.;
and MetroNet Services Corporation

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