business. However, at the same time, competition remains robust – Qwest is no longer "the phone company," with the implications of a monopoly carried by that phrase. Qwest faces local competition from wireless carriers, CLECs, and cable companies. To the extent that the imputation of directory revenues has historically been associated with flowing the benefit of the publishing operation to the ratepayers, the Commission may note that many companies now have ratepayers side by side with Qwest. Customers have choices for local service.

Under the competitive and economic circumstances in the industry alone, the Commission could independently decide that imputation is no longer appropriate.

Q. HASN'T THE CHANGED TELECOMMUNICATIONS ENVIRONMENT AND MARKET CONDITIONS HURT THE GROWTH OF COMPETITION IN WASHINGTON?

A. No. It has affected the number of alternative carriers offering service in Washington but it has not effected the growth in lines served by alternative carriers. Confidential Exhibit TAJ-5C demonstrates the growth in unbundled services, resale and UNEs that has occurred over the last couple of years. It indicates a 124% ~~224%~~ growth in unbundled loops, a 184% ~~284%~~ growth in ported numbers and a 52% ~~152%~~ growth in UNE-P. Customers who have service from competitive providers no longer receive the benefit of imputation since the prices for these wholesale services do not include an imputation calculation. As more customers have a choice of telecommunications providers and as more customers obtain service priced by the market (as opposed to prices resulting from rate regulation), the benefit of and rationale for imputation is diminished.