

Qwest Corporation 1600 7<sup>th</sup> Avenue, Room 3206 Seattle, Washington 98191 (206) 345-1568 Facsimile (206) 343-4040

Mark S. Reynolds Senior Director – Regulatory Affairs Public Policy

February 4, 2005

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

05 FEB -4 PN 2: 25

Re: Docket No. UT-041629, Rulemaking to consider Amendment of WAC 480-120-450, Enhanced 9-1-1 (E911), Obligations of Local Exchange Companies

Dear Ms. Washburn:

Qwest Corporation provides these comments in response to the Notice of Opportunity to Comment by February 4, 2005, filed by the Commission on January 14, 2005. Specifically, Qwest provides answers to the following questions posed by Commission Staff, regarding EMD's proposal.

## **Ouestions:**

1. What are the policy reasons for treating wireline and wireless carriers differently or alike for purposes of recovery from PSAPs of the cost of transport to the selective router (WITA page 2)?

Qwest Response: As Verizon stated in their December 4, 2004 comments, "Moreover, the King County [FCC] decision [referenced as determinative by EMD in its comments] expressly recognized that wireline carriers – especially incumbent local exchange carriers such as Verizon (ILECs) - could properly have different demarcation points because they do not have the same ability as wireless carriers to recover their transport cost from end user customers." Qwest believes that the fact that different cost recovery schemes evolved for regulated and unregulated companies for practical and economically rational reasons is an important policy consideration.

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2. How is the recovery of E911 implementation costs and specifically transport to the selective router, presently handled with respect to customers of competitively classified telecommunications companies?

Qwest Response: Qwest defers to CLECs to respond to this question as it pertains to services that they provision using at least their own switching equipment. For CLECs that resell Qwest's retail exchange services or that purchase UNE-P from Qwest, E911 costs are recovered by Qwest in its role as the underlying wholesale service provider.

a. What are the policy reasons for treating ILECs and CLECs differently or alike for purposes of recovery of the cost of transporting E911 calls to the selective router?

Qwest Response: Please see the response to #1.

b. Do competitive considerations favor treating CLECs and ILECs alike with respect to recovery of E911 service costs?

Qwest Response: Not necessarily. Qwest is fairly confident that CLECs would not trade their competitively classified status for the ability to recover, via a tariff, the E911 transport costs between their end offices and the selective router. Furthermore, significant differences exist between CLEC and ILEC networks that will require that more than just competitive considerations be considered in evaluating the merits of a common cost recovery scheme.

c. Should CLECs be entitled to charge PSAPs for the cost of transport to the selective router? If so, would those charges be subject to tariff or price list regulation; what kind of regulation should they be subject to?

Qwest Response: Qwest is not opposed to allowing CLECs to charge PSAPs for the cost of transport to the selective router if they incur such costs (also, see the response to 2b). As competitively classified companies, the charges could be subject to price list regulation.

3. Please comment on EMD's statement at page 3 that:

Technology has changed and new providers have entered the telecommunications market, each making decisions on market service territory and call transport technology. These new providers may have switches in other states and ILECs have consolidated SRs to the point that only ten SRs serve Washington State. Therefore, the PSAPs should not have to pay for any connections on the telecommunications company side of the SR.

Qwest Response: EMD's statement is a sweeping generalization that does not take into account the regulatory and technical differences that exist between providers.

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4. In reference to the statement in EMD's comments on page 2 that

The WUTC has established access to emergency services (E911) as a basic service to be supplied for voice grade telecommunications customers.

a. Could ILECs recover the cost of transport to the selective router (SR) as part of basic service costs in the general rate base?

Qwest Response: Yes, but unless explicit rate adjustments were instituted it is difficult to assess whether ILECs would indeed be made whole in transitioning from the current recovery scheme to a retail service based recovery scheme. In addition, there does not seem to be any need to change the cost recovery mechanism. Today, the costs are paid by the PSAPs, who receive funding via the taxes that Qwest collects and remits to the counties and the state. This is an explicit subsidy, which is favored by law and regulation and such a subsidy should not be "buried" in general rate recovery. Also, please see Qwest's initial comments filed December 9, 2004.

b. Assuming that the cost of transport to the selective router was no longer recoverable through PSAP tariffs, could rural carriers obtain reimbursement from Universal Service Funds for transport to the selective router as part of the Basic Services requirement? (State Universal Service Fund)

Qwest Response: For companies that receive state USF support, the WUTC has the authority to decide the appropriate use of the state support in Washington.

5. In reference to the statement in EMD's comments on page 2:

The Federal Communications Commission has also established E911 as the standard for access to emergency services (Attachments A&C). These standards apply to carriers offering local services regardless of the nature of the technology utilized or the regulatory classification of the company.

What cost reimbursement is there for access to emergency 911 services as part of the FCC's basic service requirements as part of the high cost support under the federal Universal Service Fund?

Qwest Response: None for companies like Qwest that do not receive high cost support. Section 254 (e) of the Telecommunications Act states that the FUSF shall only be used for the provision, maintenance, and upgrading of the supported service; and the basic service does include access to 911 and E911. For companies that receive support, the WUTC has the authority to decide the appropriate use of FUSF support in Washington.

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6. For your company (or companies), how much of the cost of E911 service is attributable to transport from the end office to the selective router (either in terms of total dollars in Washington, or as a percentage of costs that you currently recovery through rates and charges paid by PSAPs?

Qwest Response: In 2004, of the overall E911 costs to Qwest in Washington, approximately 8% of the current recovery supported the transport from the end office to the selective router.

7. Please address the comments filed by others in the docket.

Qwest Response: Qwest rests on its responses to the previous questions and its initial comments regarding the comments filed by EMD in support of its proposal. Qwest generally concurs in the initial comments filed by Verizon and WITA.

Sincerely,

for Mark Reynolds