2 3 4 5 6 7 8 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION 9 10 IN THE MATTER OF THE REVIEW OF DOCKET NO. UT-023003 UNBUNDLED LOOP AND SWITCHING 11 RATES AND REVIEW OF THE **QWEST'S STATEMENT OF** DEAVERAGED ZONE RATE STRUCTURE SUPPLEMENTAL AUTHORITY AND 12 REPLY TO AT&T/MCI'S ANSWER 13 14

Qwest Corporation hereby requests leave to file this Statement of Supplemental Authority and Reply in regard to the issues under review in this matter. As grounds therefore, Qwest states as follows:

On August 12, 2003 Qwest filed a Motion to Compel AT&T and MCI to respond to certain data requests. Specifically, Qwest sought to compel responses to data requests seeking access to information and algorithms used in the AT&T/MCI-sponsored cost model in this proceeding, HM 5.3. In addition to presenting arguments on the merits about why the information should be produced, Qwest pointed out a recent decision in Oregon compelling AT&T/MCI to produce the very same information Qwest had requested in this proceeding.

On August 22, 2003, AT&T and MCI answered in opposition to Qwest's motion. They pointed out that the Oregon decision cited by Qwest was on appeal to the Oregon Commission and was not final. However, on August 28, 2003 the Oregon Commission entered a final order on this issue that affirmed the ALJ's ruling. The Commission noted specifically that:

QWEST'S STATEMENT OF SUPPLEMENTAL AUTHORITY AND REPLY TO AT&T/MCI'S ANSWER

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Here, AT&T and WorldCom have taken the illogical position that fundamental elements of their cost model should be shielded from discovery when the model itself is the focus of this docket. As the ALJ emphasized in his June 11 ruling, the Commission and other parties must be able to examine fully all of the formulas and algorithms essential to the operation of the model. Absent such information, the model is little more than a "black box," and cannot be accorded substantial weight.

\* \* \*

... AT&T and WorldCom's decision to employ a third party to supply important model inputs should not insulate them from the duty to disclose relevant information about their model. Under the circumstances, it was both logical and reasonable to expect that the commission and other parties would require access to the customer location data and clustering algorithm.

... AT&T and WorldCom have a fundamental obligation to make essential elements of their model available to the Commission and other parties for review and analysis. Without such information, the commission does not have an adequate basis upon which to judge the merits of the model. While there is certainly nothing improper about retaining a third party to develop model inputs, it does not relieve AT&T and WorldCom of their duty to produce data underlying their model.

Public Utility Commission of Oregon, UM-1025, Order No. 03-533, August 28, 2003, attached.

In addition to the supplemental authority provided here, Qwest would like to briefly reply to one point in the AT&T/MCI answer. At page 9 of the answer, AT&T/MCI seem to concede the point that Owest is entitled to test the accuracy the customer location process employed by HM 5.3 However, they would limit Qwest's ability to do so. They describe at length how Qwest could test the accuracy of the data, but miss two fundamental points. First, Qwest is entitled to test the accuracy of the customer location data through methods it finds to be most probative, not through methods recommended by the sponsors of the model. Second, the methods suggested by AT&T/MCI allow an analysis only of the outputs of the TNS results – what Qwest is seeking is to test is the accuracy of the inputs and methodology employed by TNS in producing the clusters in the first instance. What Qwest ought to be permitted to do is to test the accuracy of the customer

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location process by attempting to replicate the creation of the clusters. In order to do that, Qwest needs both the customer location data and the algorithms that produce the clusters – the very data that AT&T/MCI have refused to provide.

No prejudice will fall upon any party to this proceeding from including the attached Oregon decision in the materials reviewed. As such, Qwest asks that the Administrative Law Judge and Commission consider the final order from the Oregon Public Utility Commission in their deliberations on the motion to compel.

Respectfully submitted this 5th day of September, 2003.

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