

**WORLDCOM'S
LIS FORECASTING PROPOSAL**

WorldCom has expended a good deal of energy over the past year in an effort to resolve the LIS forecasting issues at the business table with Qwest. WCom proposes two alternatives to this impasse issue.

Current Forecast Process

It may be helpful to provide a brief overview of Qwest's current forecast process. Qwest's current forecasting for Local Interconnection Service (LIS) trunks imposes a forecast freeze period of anywhere from 6 – 9 months. For example, when Qwest and WorldCom meet during the first quarter (typically in January or February), the ***first*** quarter that Qwest will allow any forecast submission from WCom is the ***fourth*** quarter of the year. Certainly the most accurate portion of any forecast is the most immediate periods of time. The further out in the future, the less accurate any forecast will be. The moment a forecast is submitted, it becomes out of date due to the ever-changing needs of the telecom market. These changes can be either an increase or decrease to what local facilities are needed.

An example will help to illustrate this issue. As noted in the following example, when the parties meet during the first quarter of the year, Qwest will not allow any forecast submission or change to prior forecasts to the three shaded boxes. On Line A, WorldCom *would like to communicate to Qwest* that our needs have changed from prior quarters. WCom now knows that it will need additional 24 DS-0 level equivalents during the 2nd Quarter and 48 DS-0 equivalents during the 3rd Quarter of the year. In fact, WorldCom will place with Qwest, and hopefully Qwest will provision these orders during the 2nd and 3rd Quarters. However, Qwest's cumbersome LIS forecast process will not allow for this submission by WorldCom. The CLECs are told that this additional need must be "plugged" in the first "unfrozen" quarter. (See Line B below which is the current Qwest forecast requirement.) In other words, Qwest tells WCom that we should "plug" 72 DS-0s in the fourth quarter – when our need is actually in the 2nd and 3rd quarters of the year and WCom knows that fact when the forecast is submitted in January or February.

Line	Trunk Group	Current Circuits in Service	# of Circuits on Firm Orders	Total # in Service and On Order	1st Quarter 2001	2nd Quarter 2001	3rd Quarter 2001	4th Quarter 2001
A	VAILAZSODSO	96	24	120	0	24	48	0
B	VAILAZSODSO	96	24	120	0	0	0	72

WorldCom Proposed Alternatives

WorldCom appreciates Qwest’s willingness to move to a semi-annual forecast process. In addition, however, WorldCom strongly recommends that Qwest eliminate the 6 – 9 month freeze and allow for a cumulative (rather than an incremental) forecast process. WCom recommends two possible solutions to this impasse issue. Both alternatives would be a better solution to the current cumbersome and inaccurate LIS forecast process.

Option #1: Eliminate 6-Month Freeze and Retain Net Forecast Format

WCom’s first proposal would eliminate the six-month or greater freeze and allow CLECs to submit the **net change** or **incremental forecast** by quarter of DS-0 equivalents. An example of this proposal is highlighted below.

Line	Trunk Group	Circuits in Service	# of Circuits on Firm Orders	Total # in Service and On Order	1st Quarter 2001	2nd Quarter 2001	3rd Quarter 2001	4th Quarter 2001
C	VAILAZSODSO	96	24	120	0	24	48	0

The advantage of this first option is that CLECs could more accurately communicate to Qwest what the projected LIS needs are and when they will be needed. Qwest would then be better able to know when actual LIS trunk orders will be placed and need to be provisioned.

Option #2: Submit a Cumulative Forecast while Retaining the 6-Month Freeze

A second WCom proposed option would be for Qwest to change the LIS trunk forecast from a **net change** submission to a **cumulative** submission while retaining the 6 month freeze. This would allow CLECs to communicate the number of trunks that would need to be in service at the end of the quarter as noted below.

Line	Trunk Group	Circuits in Service	# of Circuits on Firm Orders	Total # in Service and On Order	1st Quarter 2001	2nd Quarter 2001	3rd Quarter 2001	4th Quarter 2001
D	VAILAZSODSO	96	24	120	Frozen	Frozen	Frozen	192

With Option #2, Qwest’s network planning organization would presumably be tracking actual CLEC orders placed during the frozen period and, thus, could calculate the **additional** trunks needed to arrive at the cumulative unfrozen quarter total at any point in time. The above approach would be beneficial to both Qwest and CLECs and result in a more accurate forecast.