

APPENDIX A

PUBLIC COUNSEL AFOR PROPOSAL

QWEST AFOR DOCKET UT-061625

A. Term and Effective Date

1. The AFOR will have a four year term, unless extended or modified by Commission order.
2. The AFOR shall be effective upon approval by the Commission and acceptance by Qwest.

B. Pricing Flexibility for Telecommunications Services

1. Qwest is allowed pricing flexibility for its bundled services, subject to the following:
 - a. A La Carte. Residential Exchange service; Residential Exchange Service Features, and any other component jurisdictional services within Qwest bundles or packages will remain available as stand-alone services ("a la carte") which can be purchased without purchasing other Qwest services. Qwest will provide clear and conspicuous notification to its customers of the availability of stand-alone residential and other services, including in its marketing of bundles.
 - b. Stand-alone DSL. Qwest will continue to offer stand-alone DSL during the term of the AFOR.
 - c. Features Cap. Increases in rates for Residential Exchange Service Features, other than stand-alone Caller ID—Number,¹ purchased independently of Qwest packages are capped at no more than the change in the Consumer Price Index less 2 percent.
 - d. Bundle Maximum. Prices for Qwest bundles of services which include regulated or competitively classified services may not exceed the sum of the prices for the stand-alone components of the bundle.
 - e. Averaged Pricing. Qwest would not be permitted to de-average the non-recurring and monthly recurring rates for its services during the term of the AFOR. This provision would not modify or restrict Qwest's ability to enter into individual contracts for multi-line business service that specify rates other than state-wide average rates.

¹ WN U-40, Section 5, 1st Revised Sheet 80.

2. Qwest is allowed pricing flexibility for services listed under the heading beginning on p. 2, Exhibit MSR-3, with the exception of Residential Directory Assistance Service WN-U-40 Section 6.2.4 DA Free Call Allowance.
3. Price Information. Qwest will maintain clear, conspicuous, accurate, and accessible price information on its website for bundled services and for stand-alone services. The format for the information will be developed in consultation with Commission Staff and Public Counsel. Qwest will regularly archive the website pricing information for bundled and stand-alone services and make the archives available for review by the Commission, its Staff, or Public Counsel on request.
4. Price Floor. For the services for which pricing flexibility is allowed in this plan, prices or rates for services shall not be set below Total Service Long Run Incremental Cost.
5. If the Commission determines, after an appropriate proceeding, to revoke the previously-granted competitive classification for a Qwest service, Qwest will not contend that the provisions of this AFOR nonetheless require those services to be treated as competitively classified. In such instance, the parties reserve their rights to advocate that an appropriate mechanism be established to ensure that rates for such services are fair, just and reasonable.

C. Protection of Residential Customers

1. Tariffed Services. The following Qwest services remain under tariff:
 - a. Stand-alone Residential Exchange Services, including Exchange Areas; Flat/Measured Exchange Service Options; Hunting Service; Public Response Calling Service; (WN U-40, Sections 5.1 - 5.2.6)
 - i. Directory Services – Listing Services (WN U-40, Section 5.7.1) and Custom Number Service (WN U-40, Section 5.7.7)
 - ii. Operator Services – Local Operator Service Surcharges (WN U-40, Section 5.8.2); Intercept Service (WN U-40, Section 5.8.4); and Operator Verification/Interrupt Service (WN U-40, Section 6.2.8)
 - b. Washington Telephone Assistance Program (WTAP) (WN U-40, Section 5.2.6 A.)
 - c. Tribal Lifeline (WN U-40, Section 5.2.6 B.)
 - d. Link-up Programs (WN U-40, Sections 5.2.6 C. & D.)
 - e. Basic and Enhanced Universal Emergency Number Service – 911 (WN U-40 Section 9.2.1)
 - f. Interconnection Service (WN U-42)
 - g. Resale Service (WN U-43)
 - h. Access Service (WN U-44)
 - i. Public Access Line Service
 - j. Customer Service Guarantee Programs (WN U-4-, Section 2.2.2. B)
 - k. Directory Assistance Free Call Allowance (WN U-40 Section 6.2.4)

2. Hard Rate Cap. The stand-alone Residential Exchange Service recurring rate is capped at \$12.50 for the term of the AFOR. The stand-alone Caller ID—Number service recurring rate is capped at the current rate (\$5.50) for the term of the AFOR.
3. Installation/Connection. Rates for any installation, or connection, service associated with residential local service may not be increased during the term of the AFOR.
4. Directory assistance.
 - a. Directory Assistance Free Call Allowance – for each residential line and Centrex-type dormitory station line, one direct dialed call to directory assistance per month will be provided without charge.
 - b. IntraLATA and National Directory Assistance charges will not be applicable to requests originating from telephone services Qwest has determined are used on a continuing basis by a person(s) certified incapable of using a published telephone directory. IntraLATA Directory Assistance charges will not be applicable for calls that originate from hospitals. (WN U-40, Section 6.2.4 (c) and (d))
5. DEX Sale Customer Share. The provisions of the Qwest DEX sale settlement order in UT-021120 shall remain in full force and effect and are not modified by the adoption of this AFOR, or by its subsequent termination, modification, or extension.
6. Privacy. This AFOR plan does not in any way alter the Commission's jurisdiction over or Qwest's obligations under federal and state law regarding Customer Proprietary Network Information.

D. Retail Service Quality

1. Service Quality Incentive Plan (SQIP). The AFOR will include a Service Quality Incentive Plan as described in the testimony and exhibits of Mary Kimball.
2. Qwest's Customer Service Guarantee
 - a. Qwest's Customer Service Guarantee Programs (WN U-40, Section 2.2.2 B) will remain in effect for the term of the AFOR.
 - b. Public Counsel recommends that Qwest's Customer Service Guarantee Program providing customer credits for out-of-service conditions be clarified. (WN U-40, Section 2.2.2 B.3) The tariff language should clearly specify that appropriate pro-rata credits are automatically applied to the customer's bill if the customer's service is interrupted and remains out-of-service for more than twenty four hours after being reported by the customer, or found to be out-of-service by the Company (whichever occurs first).

3. Service Quality Reporting Requirements

- a. Except as modified by the requirements of the Service Quality Incentive Plan, Qwest's service quality reporting will be consistent with the Commission's reporting requirements for Class A companies.
 - b. Qwest will continue to file reports with the Commission on the Customer Service Guarantee Program, albeit quarterly rather than monthly. Qwest will work with Staff and Public Counsel to develop an appropriate format to ensure the customer service guarantee reports reflect current program offerings.
4. Major Outages. Public Counsel agrees with the Staff recommendation regarding major outages in Exhibit No. ___ (TLW-3 at p.2).

E. Investment, Infrastructure and Reliability

1. DSL Deployment. Within 90 days of the initiation of the AFOR, Qwest will file a DSL deployment plan.
 - a. Under the plan, Qwest will commit that by the end of the AFOR period that all wire centers will be served by DSL, and at minimum, 75 percent of its lines in every wire center are broadband capable.
 - b. The plan should discuss Qwest's plans to satisfy the following milestones, and identify necessary investments and technology deployments. (1) Within two years, all Qwest wire centers which currently do not have DSL service should have DSL service available. (2) Within three years, 70 percent of lines in every wire center should be broadband capable. (3) By the end of the fourth year, 75 percent of its lines in every wire center should have broadband capability.
 - c. Qwest will file an annual progress report during each year of the AFOR providing specific details regarding progress on each milestone. This annual report should identify the percentage of lines, and the increase in the percentage of lines, in each wire center which are DSL-capable.
 - d. At the end of the AFOR, for the review process, Qwest will file a report on the broadband infrastructure development informing the commission and parties about completion of the infrastructure plan.
2. DSL For Underserved Populations. Within 60 days of accepting the AFOR, Qwest will choose one of these two options to address underserved populations and will notify the Commission of the selection.
 - a. Broadband Lifeline. Offer a broadband lifeline service which will make broadband available at a discount, similar to the WTAP program. Qwest will develop a plan within 6 months in consultation with Staff and Public Counsel and will begin implementation of the lifeline service no later than one year from when the AFOR takes effect.

- b. Community Technology Program. Qwest Washington will provide funding of \$1 million as a contribution to an existing community technology center program in Washington state that provides access to broadband services for underserved communities and populations. The Commission will select a non-profit administrator to select a program. Qwest, Commission Staff, and Public Counsel may provide input to the Commission.

F. Accounting and Reporting Modifications and Waivers

1. Accounting Requirements. Public Counsel agrees that Qwest's financial accounting and reporting requirements may be modified as recommended by Commission Staff (testimony of Paula Strain), except as set forth below:
 - a. Revenue associated with Qwest's packages that include interstate or non-regulated services should be allocated such that the discount associated with the package is allocated to the interstate jurisdiction or the non-regulated sector. Qwest should file a quarterly report that verifies that it is following such an allocation principle in its books of account.
2. Other Reporting Requirements. Public Counsel agrees that the requirements for Qwest in the following areas may be modified as recommended by Commission Staff (testimony of Deborah Reynolds).
 - a. Securities
 - b. Transfers of Property
 - c. Affiliated Interests
 - d. Cash Transfers

G. Wholesale Provisions

This AFOR does not address the commission's authority to regulate Qwest's wholesale obligation under the Telecommunications Act of 1996, nor does it address existing carrier-to-carrier service quality requirements, including service quality standards or performance measures for interconnection and appropriate enforcement or remedial provisions in the event Qwest fails to meet service quality standard or performance measures. For the duration of this AFOR, Qwest agrees not to seek relief or forbearance from the obligations and requirements described above insofar as they apply in Washington state

H. Extension, Modification or Termination of the AFOR

1. Term. The AFOR plan will expire after four years unless extended or modified by Commission order.

2. Petition to Extend or Modify. If Qwest wishes to extend or modify the AFOR plan, it must file a petition requesting an adjudicatory proceeding to consider the request. The petition must be filed no later than 9 months prior to the four-year anniversary date of the AFOR. The petition must contain Qwest's proposal and supporting testimony and exhibits. Notice of the petition and an opportunity to participate will be provided to the parties to this docket and to the Commission's telecommunications interest list.
3. Successors. The AFOR plan is binding on Qwest's successors in interest, except that in the event of a merger or acquisition involving Qwest prior to the end of the term of the AFOR, the AFOR shall terminate unless Qwest files a petition for an adjudication to determine whether to extend the AFOR plan. Qwest shall have the burden of proof of establishing that the AFOR should remain in effect for its full term.

I. Notice to Customers

Qwest must provide notice to its customers of the adoption of the AFOR by means of bill inserts sent 60 days and 120 days after the acceptance of the AFOR plan. The notice must clearly, conspicuously, and accurately state the adoption of the plan, its terms, and its impact on consumers. The form and content of the notice will be developed by Qwest, the Commission Staff and Public Counsel. Disputes regarding the notice will be resolved by the Commission.