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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**KRISTIN K. MAYES**  
Chairman  
**GARY PIERCE**  
Commissioner  
**PAUL NEWMAN**  
Commissioner  
**SANDRA D. KENNEDY**  
Commissioner  
**BOB STUMP**  
Commissioner

**QWEST CORPORATION,**  
  
Complainant,  
  
v.  
  
**MCLEODUSA TELECOMMUNICATIONS  
SERVICES, INC., d/b/a PAETEC BUSINESS  
SERVICES.**  
  
Respondent.

DOCKET NO. T-03267A-09-0307  
T-01051B-09-0307

**STIPULATION OF MATERIAL  
FACTS**

Qwest Corporation and McLeodUSA d/b/a PAETEC jointly file this Stipulation of Material Facts, accordance with the Procedural Order entered in this docket on.

1. Qwest is a “telecommunications corporation” as defined in A.R.S. 40-201(26) and is an “incumbent local exchange company” (“ILEC”), as defined in 47 U.S.C. § 251(h). Qwest provides local exchange and other telecommunications services in the State of Arizona.

2. McLeodUSA is an Iowa corporation and is registered with and classified by the Commission as a competitive local exchange company (“CLEC”) and is also a “telecommunications corporation” as defined in A.R.S. 40-201(26). McLeodUSA holds a certificate of convenience and necessity from the Commission to provide facilities-based and resold local exchange and long distance telecommunications services in Arizona.

1           3.       Qwest and McLeodUSA are parties to a certain interconnection agreement  
2 entitled “Local Interconnection Agreement,” which was voluntarily negotiated, as is permitted  
3 by the Telecommunications Act of 1996. The ICA was filed by Qwest for approval by the  
4 Commission, which approval was granted by the Commission in its Decision No. 63248, on  
5 December 14, 2000.

6           4.       The ICA provides the terms, conditions, and prices for network interconnection,  
7 access to Unbundled Network Elements (“UNEs”), ancillary network services, and retail service  
8 available for resale. ICA (A)1.1.

9           5.       McLeodUSA leases UNEs or other facilities from Qwest to serve the majority of  
10 end user customers that McLeod serves in Arizona.

11          6.       When McLeodUSA leases UNEs or other facilities from Qwest to serve  
12 McLeodUSA end user customers, the transaction is performed pursuant to the ICA.

13          7.       Except for local call termination services, Qwest does not purchase any network  
14 facilities or services from McLeodUSA under the ICA at either wholesale or retail when  
15 providing service to its end users.

16          8.       The non-recurring rates Qwest charges for installation of unbundled loops are  
17 based on TELRIC cost studies that were approved by the Commission in wholesale cost dockets.

18          9.       The Arizona wholesale cost dockets-approved rates permit Qwest to charge  
19 McLeodUSA specifically enumerated nonrecurring charges when an unbundled loop is ordered  
20 by McLeod for installation.

21          10.      Part of Qwest’s cost study includes cost support for non-recurring charges  
22 recovering costs Qwest incurs to process Local Service Requests submitted by CLECs ordering  
23 unbundled loops. The cost study includes various costs related to order processing and  
24 completion.

25          11.      The nonrecurring charges assessed by Qwest were established in the Arizona  
26 Wholesale Cost Docket, Decision Nos. 64922.

1           12.     A local telephone service customer (end-user) can change his or her current local  
2 service provider to any other local service provider. When the end user switches from Qwest as  
3 the local service provider to any other local service provider, Qwest assesses a Commission  
4 approved non-recurring installation charge to the new local service provider only if the new local  
5 service provider orders an unbundled loop from Qwest.

6           13.     When the end user switches from Qwest to another local service provider that is  
7 not using unbundled loops from Qwest to provide its service to that end user, Qwest does not  
8 assess that other local service provider a non-recurring installation charge as that provider is not  
9 ordering an unbundled loop, provided, however, Qwest does charge a Customer Transfer Fee for  
10 a resale line purchased by McLeodUSA. There are also non-recurring charges for QLSP  
11 services purchased by McLeodUSA. Those QLSP non-recurring charges include the installation  
12 of the unbundled loop.

13           14.     McLeodUSA's WSOC was filed as part of McLeodUSA Tariff Arizona C.C. No.  
14 3, Section 7.1, effective April 1, 2004 ("WSOC Tariff"). (Joint Stipulation Exhibit A). The  
15 WSOC Tariff provision states: "A Wholesale Service Order charge applies to all providers of  
16 telecommunications services that assess a non-recurring charge on McLeodUSA for the  
17 processing of comparable orders submitted by McLeodUSA to initiate service using network  
18 elements leased from the incumbent local exchange carrier ("ILEC")."

19           15.     McLeodUSA charges the WSOC to Qwest when an end user customer switches  
20 from McLeodUSA to Qwest. No other LEC is assessed the WSOC by McLeodUSA based on  
21 McLeodUSA's application of the tariff.

22           16.     No other LEC operating in Arizona charges either McLeodUSA or Qwest a non-  
23 recurring charge when a customer leaves that carrier and moves their telecommunications  
24 services, including local services, to McLeodUSA or to Qwest.

25           17.     McLeodUSA and Qwest are parties to a Wholesale Service Order Charge  
26 Amendment that was filed with the Commission for approval and approved by the Commission

1 by operation of law on February 19, 2009 (the “Amendment”). A copy of the Amendment is  
2 attached and marked as Exhibit B.

3 18. Under the Amendment, McLeodUSA invoices Qwest “for [WSOC] charges  
4 associated with orders submitted by Qwest to transfer a CLEC customer to Qwest, and [Qwest]  
5 will pay such invoices according to the payment terms of the Agreement.” Amendment,  
6 Attachment 1, para.1.

7 19. The Amendment, in Attachment 1, para 2, specifically preserves Qwest’s rights to  
8 challenge the WSOC. If the Commission determines that the WSOC is unjust, unreasonable,  
9 unlawful, or otherwise unenforceable, the amendment is deemed terminated on the effective date  
10 of the Commission’ final order.

11 20. The Amendment provides that the WSOC in Arizona is \$24.24.

12 21. When customer decides to leave McLeodUSA and take services from Qwest and  
13 keep its telephone numbers, Qwest submits a Local Service Request (“LSR”) via a McLeodUSA  
14 web-based OSS. Depending on the customer’s service configuration with McLeodUSA as  
15 reflected in the Customer Service Record (“CSR”), McLeod’s form permits a carrier to submit  
16 an LSR that requests that McLeodUSA disconnect additional lines that are not being ported to  
17 that carrier. The McLeodUSA web-based OSS takes the information completed by the LEC and  
18 flows that information into various internal systems. Based on a LEC LSR, the system initiates,  
19 and in some instances completes, various tasks that must be completed to ensure that end users  
20 can seamlessly move their local service (and other services as the case may be) to their new  
21 chosen service provider. Undertaking such steps to ensure a seamless transition is in the best  
22 interests of the end user.

23 22. In addition to the OSS, McLeodUSA personnel are involved in various aspects of  
24 completing the steps required to fully process an LSR for number portability, service  
25 disconnection, line disconnection, or all the above. Among other tasks, these employees perform  
26 the following:

- 1       - Release of Triggers in the McLeodUSA switch
- 2       - Grant concurrence in the NPAC
- 3       - Pull the TN from the McLeodUSA switch once the line has ported out
- 4       - Change McLeodUSA's internal facility assignment to the correct status
- 5       - Delete our LIDB (outgoing caller ID) record
- 6       - Unlock the 911 record
- 7       - Send Care records
- 8       - Terminate McLeodUSA's billing to the end user
- 9
- 10

11           Occasionally, a LEC will request expedited processing of an LSR by McLeodUSA.  
12 Expediting the processing of an LSR can cause McLeodUSA to roll a truck to a switch site,  
13 otherwise or engage in special manual processes to complete the processing of an LSR in  
14 severely compressed amount of time.

15           23.     McLeodUSA's responses to Qwest's First Data Requests numbers 3, 5, 6, 7, 8, 9,  
16 10 and 11 in the WUTC Docket No. UT-090892, September 4, 2009, are attached. Joint  
17 Stipulation, Exhibit C. The responses stated constitute stipulated facts herein.

18           24.     When a McLeodUSA end-user customer changes its local service from McLeod  
19 to Qwest and chooses to have a new number assigned, Qwest may send McLeod a "loss report"  
20 or the end user customer may notify McLeodUSA directly.

21           25.     Qwest submits a "local service request" ("LSR") to McLeod when a local  
22 telephone customer requests that his or her telephone number be ported over to Qwest as its new  
23 local services provider.

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RESPECTFULLY SUBMITTED, this 1<sup>st</sup> day of February, 2010.

QWEST CORPORATION

By: \_\_\_\_\_  
Norman G. Curtright  
Corporate Counsel  
20 East Thomas Road, 16<sup>th</sup> Floor  
Phoenix, Arizona 85012  
Telephone: (602) 630-2187

MCLEODUSA TELECOMMUNICATIONS  
SERVICES, INC., d/b/a PAETEC BUSINESS  
SERVICES

By: \_\_\_\_\_  
Michael W. Patten  
Roshka DeWulf and Patten, PLC  
400 E. Van Buren Street, Suite 800  
Phoenix, AZ 85004  
Telephone: (602) 256-6100

1 ORIGINAL and 13 copies hand-delivered  
2 for filing this       1st day of February, 2010, to:

3 Docket Control  
4 ARIZONA CORPORATION COMMISSION  
5 1200 West Washington Street  
6 Phoenix, AZ 85007

7 Copy of the foregoing hand-delivered  
8 this       1st day of February, 2010, to:

9 Sarah Harpring  
10 Administrative Law Judge  
11 Arizona Corporation Commission  
12 1200 West Washington Street  
13 Phoenix, AZ 85007

14 Maureen Scott, Esq.  
15 Legal Division  
16 Arizona Corporation Commission  
17 1200 West Washington  
18 Phoenix, Arizona 85007

19 Steve Olea  
20 Director, Utilities Division  
21 Arizona Corporation Commission  
22 1200 West Washington  
23 Phoenix, Arizona 85007

24 Copy of the foregoing mailed  
25 this       1st day of February, 2010, to:

26 Michael W. Patten  
ROSHKA DEWULF & PATTEN, PLC  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004  
Attorney for McLeodUSA Telecommunications Services, Inc.  
d/b/a Paetec Business Services

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