Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by	)	
Qwest Communications International, Inc.	)	
for Authorization to Provide	)	WC Docket No. 02-189
In-Region, InterLATA Services	)	
in Montana, Utah, Washington, and Wyoming	)	
	)	

**REPLY DECLARATION OF CHRIS FRENTRUP
ON BEHALF OF WORLDCOM, INC.**

Based on my personal knowledge and on information learned in the course of my duties, I, Chris Frentrup, declare as follows:

I. INTRODUCTION AND SUMMARY

1. I am the same Chris Frentrup who previously filed a declaration in this proceeding.

2. In Qwest's multi-state section 271 applications, Qwest set its unbundled network element (UNE) rates on the basis of a benchmark comparison to Colorado UNE rates.[1] On August 2, 2002, Qwest filed a motion with the Colorado Public Utilities Commission (Colorado PUC) to revise several of its rates, including its switch port rate, due to concerns expressed by CLECs.[2] On August 14, 2002, the PUC approved Qwest's proposed reductions. In its reply comments for its first multi-state application (Qwest I), Qwest revised its benchmark analysis to reflect the reduced port rate and, accordingly, lowered its switch usage rates in Idaho,

1 *See* Qwest Brief, WC Docket No. 02-148 at 149; *See also* Qwest Brief in WC Docket No. 02-189 at 159.
2 *See* Qwest Corporation's Motion for Approval of Exhibit A Pricing in 8th Revised SGAT and Request for

Iowa, North Dakota, and Nebraska by 9 to 10 percent. Since the rates for Montana, Utah, Washington, and Wyoming are also benchmarked to the Colorado rates, Qwest must reduce its switch usage rates in these states to reflect this change. Using state-specific minutes-of-use to compute the benchmark in these states, as WorldCom has advocated in the Qwest section 271 proceedings, would result in reductions in the switch usage rate of between 11 and 25 percent. Even employing Qwest's inappropriate use of the standard minutes assumption to compute the benchmark, the switch usage rate still need to be reduced by between 5 and 10 percent, depending on the state.

II. SWITCH USAGE RATES MUST BE REDUCED IN ALL FOUR STATES TO REFLECT THE NEW PORT RATE IN COLORADO

3. The switch usage rates in Montana, Utah, Washington, and Wyoming must be reduced to meet the benchmark test. I have computed the revised benchmark switch usage rate for all eight states in both applications using the Excel workbooks on Qwest's website. I have computed the revised switch usage rates using both state-specific minutes of use assumptions (as WorldCom advocates) and standard minutes of use assumptions (as Qwest advocates). These rates are shown in Table 1 below.

Shortened Response Time and Expedited Ruling, filed with the Colorado PUC, Docket No. 02M-260T, Aug. 2, 2002.

TABLE 1

		Port = $1.15		% Difference from Qwest As Filed	
	Qwest As Filed	State-Specific Minutes	Standard Minutes	State-Specific Minutes	Standard Minutes
Qwest I					
ID	$ 0.001740	$ 0.001588	$ 0.001583	-9%	-9%
IA	$ 0.001869	$ 0.001743	$ 0.001710	-7%	-9%
ND	$ 0.001953	$ 0.001285	$ 0.001785	-34%	-9%
NE	$ 0.001989	$ 0.001346	$ 0.001791	-32%	-10%
Qwest II					
MT	$ 0.002923	$ 0.002394	$ 0.002693	-18%	-8%
UT	$ 0.001695	$ 0.001504	$ 0.001553	-11%	-8%
WA	$ 0.001200	$ 0.000900	$ 0.001135	-25%	-5%
WY	$ 0.001854	$ 0.001621	$ 0.001660	-13%	-10%

4. The column labeled "Qwest As Filed" shows the switch usage rates originally proposed by Qwest. They are based on the use of a standard minutes assumption in all states – 1,200 local originating and terminating minutes, and 370 toll minutes. They also reflect the effect on the Synthesis Model cost used in the benchmark methodology of the sale by Qwest of several local exchanges in Idaho, Iowa, North Dakota, and Utah. The next two columns show the reduced switch usage rate when using the new Colorado port rate of $1.15 – the first column assumes the use of state-specific minutes-of-use[3] and the second column assumes the use of standard minutes-of-use.

5. Using WorldCom's assumption of state-specific minutes would result in significant reductions in Qwest's switch usage rates, ranging from 11 percent in Utah to 25 percent in Washington. Even if Qwest's flawed standard minutes-of-use methodology is used,

the switch usage rates need to be cut by 8 to 10 percent in all states except Washington, in which the rate should be cut by 5 percent.

III. THE BENCHMARK TEST SHOULD USE STATE SPECIFIC MINUTES

6. Qwest claims that use of standard rather than state-specific minutes is appropriate in computing the benchmark test. Qwest claims that state-specific minutes vary from year to year and that using standard minutes is the most straightforward and least controversial method of avoiding this variation. Qwest also states that use of standard minutes of use is consistent with the Commission's decisions in the Pennsylvania and Maine section 271 orders.

7. But Qwest's arguments ignore the Commission's clearly stated justifications in its most recent section 271 decision for using state-specific minutes when they are available.[4] First, the Commission in the NJ 271 Order supported the use of state specific minutes in the benchmark analysis because UNE rates also are set using state-specific minutes.[5] Second, the Commission explained that a lower demand level in a state will require a higher per-unit rate.[6] Finally, the Commission found that use of state-specific minutes best reflects the number of minutes used by an average potential customer of a competitive local exchange carrier (CLEC), rather than the average customer that any individual CLEC actually does obtain.[7]

8. Using state-specific minutes to compute the benchmark is a straightforward exercise. I computed the minutes from publicly available data. To ignore a known difference in the number of minutes in each state because the mixes of inter/intraoffice,

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3 *See* WorldCom Comments, WC Docket No. 02-148, Frentrup Decl. ¶¶ 9-12; WorldCom Comments, WC Docket No. 02-189, Frentrup Decl. ¶¶ 6-13.
4 NJ 271 Order at ¶ 53.
5 NJ 271 Order at ¶ 53.
6 NJ 271 Order at ¶ 53.

tandem/direct routed, or originating/terminating traffic are unknown is to let the perfect be the enemy of the good. Using reasonable industry assumptions of these mixes in conjunction with the state-specific minutes will provide a more accurate picture of the CLECs' potential market than will the use of the standard minute assumptions employed by Qwest, and thus be more consistent with the Commission's previous benchmark analyses and better reflect true market conditions.

IV. CONCLUSION

9. Qwest must reduce its switch usage rates in Montana, Utah, Washington and Wyoming to reflect on the benchmark computation the effect of its new port rate in Colorado. That computation should also use state-specific minutes, which will result in reductions ranging from 11 to 25 percent in the four states. Even if Qwest's inappropriate standard minutes assumption is used to compute the benchmark test, the rates will still need to be cut by 5 to 10 percent. The Commission should reject Qwest's section 271 application at least until Qwest lowers its rates to reflect the revised benchmark using state-specific minutes of use.

10. This concludes my Declaration on behalf of WorldCom.

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7 NJ 271 Order at ¶ 54.

I declare under penalty of perjury that the foregoing is true and correct. Executed on August 26, 2002.

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Chris Frentrup