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Cronan O'Connell
Vice President-Federal Regulatory

December 18, 2002

EX PARTE

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
Portals II
445 12th Street, SW- TW-A325
Washington, DC 20554

RE: In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket Nos. 01-338, 96-98, and 98-147

Dear Ms. Dortch:

Yesterday, Cronan O'Connell and Craig Brown of Qwest Communications International Inc., met with Simon Wilkie and Donald Stockdale of the Federal Communications Commission's ("FCC") Office of Plans and Policy. Specifically they discussed what factors the FCC should consider in their analysis of UNEs and whether they should be removed from the list.

In accordance with FCC rule 1.49(f), this *Ex Parte* letter is being filed electronically via the Electronic Comment Filing System for inclusion in the public record of the above-referenced dockets pursuant to FCC Rule 1.1206(b)(2).

Sincerely,
/s/ Cronan O'Connell

cc: Simon Wilkie (swilkie@fcc.gov)
Donald Stockdale (dstockda@fcc.gov)

attachment

Qwest[®]



Spirit of Service

**Triennial Review
December 17, 2002**

Remove Unbundled Switching from the UNE List Nationally

FCC Factors:

Competitive Switches



Alternative Network Architectures

- 1) CLEC has a switch in the LATA, or
- 2) CLEC uses third party switches in a LATA, or
- 3) CLEC has established a point of interconnection (POI) in the LATA to carry traffic to switch outside

Hot Cut Process



Scalability of Service Centers

UNE-L Performance Metrics/Measurements



Established by State Commissions and in effect today

EEL Local Use Restrictions/Commingling



Meets facilities-based CLECs' needs

Intermodal Competition



Presence of cable and wireless competitors in LATA

Unbundled Transport

- ❑ **The FCC Should Remove Dedicated Interoffice Transport from the UNE List in specific circumstances**

Standard

- ❑ Wherever Phase I or Phase II Pricing Flexibility has been granted

Measurement

- ❑ FCC findings already demonstrate that there are substantial competitive alternatives to Special Access in those areas where they have granted Phase I Pricing Flexibility
- ❑ Special Access, which is constrained in price, is also a substitute for Unbundled Transport (in addition to alternative providers)

Proposed EEL Local Use Restrictions

- ❑ **Qwest proposes a streamlined alternative to the current restrictions that promotes the availability of UNEs for facilities-based local competition and strikes a competitive balance between ILECs & CLECs**

Standard

- ❑ CLEC self-certifies that each loop/transport combination facility carries at least 51% “local” traffic; and
- ❑ EEL terminates to a collocation arrangement; and
- ❑ CLEC has local interconnection service (LIS) trunks in place and Percent Local Usage (PLUs) on file with the ILEC which are associated with the EEL collocation arrangement where the EEL terminates

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Proposed EEL Local Use Restrictions

EEL Measurements / Audits

- ❑ CLECs converting from a UNE-P combination to an EEL will automatically be presumed to meet the “local” standard, with a follow-up certification by the CLEC to be provided no later than six months after the conversion
- ❑ As is the case today, Internet access will not satisfy the “local” traffic criterion
- ❑ As a condition of the purchase of or conversion to EELs, the CLEC must agree to provide traffic billing records to a third party auditor to be identified by the ILEC for review of compliance with the local use certification.
 - The ILEC may initiate an audit by an independent third party to assure compliance with the local use restriction no earlier than 6 months, after this provisioned.
 - Every 6 months, the CLEC must be prepared to provide to third party auditor, if requested, one month’s call detail recordings (CDR) upon 7 day’s notice. The audit will include verification that the traffic carried over the facility or facilities in question meets the local usage restriction.
 - The data required for an audit would be the CDR in the AMA format from the CLEC local voice switch.
- ❑ If the CLEC is found to be in violation of the local use restriction, the CLEC will pay: 1) all costs for the auditor and the ILEC personnel involved in the audit, 2) corrected billing back to date the circuit was established, 3) interest on the amount of corrected billing, and 4) loss of commingling rights after three faulted audits for one year

Commingling Proposal

- ❑ **Qwest's commingling proposal promotes the availability of UNEs for facilities-based local competition, supports efficient use of interoffice facilities and strikes a competitive balance between ILECs & CLECs**

- ❑ **Standard**
 - Commingling is defined as the combination of EEL Loops and Private Line/Special Access channel termination circuits onto the same Multiplexed Interoffice Transport Facility billed at tariffed rates.

- ❑ **Measurements**
 - The UNE loop portion of EELs connected to the Interoffice Facility (IOF) must satisfy the local use restrictions (51% local voice traffic)
 - Commingling only permitted for DS1 level UNE-loops on a DS3 tariffed facility
 - The co-mingled Interoffice facility must terminate in a CLEC collocation (one collocation required per LATA)

Unbundling of Advanced Services

- ❑ CLECs are not impaired without further access to Advanced Services facilities
- ❑ ILECs have no scale advantages in the market for Advanced Services - intermodal competition is thriving
- ❑ So far, the result of Advanced Services unbundling (Line Sharing, Remote Collocation) have been a failure

FCC Should Define “Brightline” Standards Followed by State Implementation Based on the FCC Standard(s)

- ❑ **As a matter of law, the Commission may not permit states to override its unbundling determinations**
- ❑ **As a matter of policy, the Commission should not permit states to override its unbundling determinations**
- ❑ **The Commission’s adoption of guidelines or presumptive determinations, with ultimate determinations by the states, would be tantamount to complete delegation**
- ❑ **Delegation to states is not necessary to make “granular” unbundling decisions**
- ❑ **Commission must guard against re-regulation of UNEs through section 271**

Appendix

Unbundled Switching Should Come Off the UNE List

□ The data (UNE Fact Report) supports its removal on a national basis.

- Today, 86% of Total BOC Access Lines nationwide can be served by a CLEC switch.
- In Qwest alone, 85% of Total BOC Access Lines can be served by a CLEC switch.
- Only one CLEC in Qwest territory has purchased Unbundled Switching as a true stand-alone UNE.
- All other UBS is used in conjunction with UNE-P.
- CLEC switches have the technical reach to manage traffic within a LATA, let alone within a state.

UNE-P as Arbitrage

Pricing examples

State/Service	Retail Rate	Resale Rate	Zone 1 UNE-P	Zone 2 UNE-P	Zone 3 UNE-P
CO / 1FB	\$ 48.16	\$ 41.42	\$ 11.30	\$ 17.70	\$ 38.13
CO / 1FR	\$ 25.69	\$ 22.82	\$ 11.30	\$ 17.70	\$ 38.13
MN / 1FB	\$ 52.48	\$ 44.17	\$ 11.13	\$ 14.45	\$ 16.31
MN / 1FR	\$ 24.65	\$ 21.34	\$ 11.13	\$ 14.45	\$ 16.31
WA / 1FB	\$ 35.66	\$ 31.41	\$ 8.97	\$ 13.96	\$ 18.88
WA / 1FR	\$ 22.33	\$ 19.99	\$ 8.97	\$ 13.96	\$ 18.88

Qwest Service Centers Scalable to Meet Anticipated UNE-Loop Demand

- ❑ Qwest CLEC Coordination Center (QCCC) currently staffed to handle 1,500 cutovers, with peak capacity of 2,100 UNE-L cutovers per day
- ❑ Qwest current UNE-P demand is, on average, 375 orders per day
- ❑ QCCC is scalable to meet realistic estimated demand growth from UNE-P to UNE-Loops

Qwest Current Hot Cut Performance Metrics Can be Utilized for Performance Tracking

- **FCC should continue to rely on state approved Performance Metrics and Measurements**
 - Process already in place today to track performance
 - Metrics as well as penalties in place based on state guidelines

- **Qwest Hot Cut results today are excellent**
 - 99.43% of Analog Coordinated Cuts Completed on Time
 - 98.19% of Digital Coordinated Cuts Completed on Time

■ **Standard Provisioning Intervals**

Loop Type		1-8 loops	9-16 loops	17-24 loop	25+ loops
Analog/Voice	Standard Analog Loops	5 days	6 days	7 days	ICB
Grade Loops	Quick Loop Analog-Conversion	3 days	3 days	3 days	ICB

Qwest provides a 3-day installation option, called Quick Loop, for conversion of in-place analog loops that do not require coordinated installation or cooperative testing. Quick Loop is not available for loops served over IDLC technology. Quick Loop is also offered for loops with number portability. The installation intervals for Quick Loop with LNP are 3 days for 1 to 8 loops, 4 days for 9 to 24 loops, and ICB for 25 or more loops.

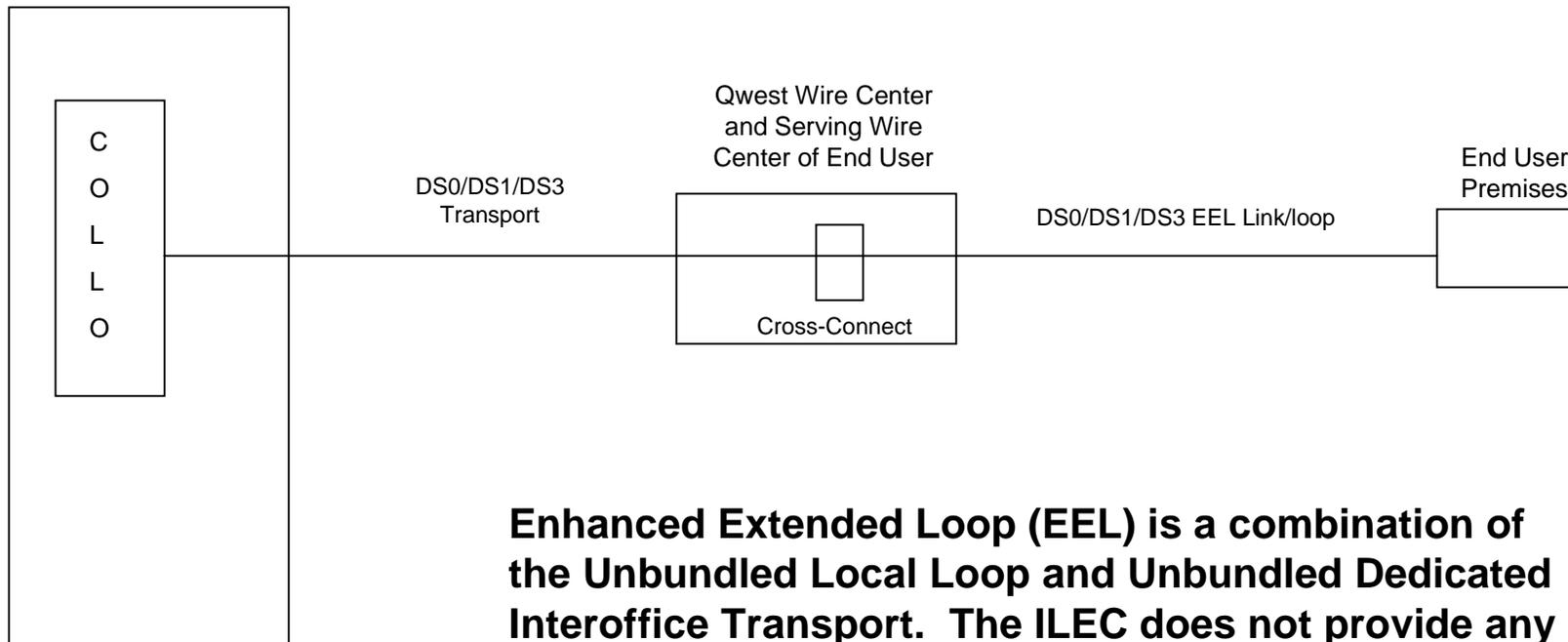
Qwest UNE-P Transition Proposal

- ❑ Unbundled Switching removed from UNE list on a National basis
- ❑ UNE-P no longer available to serve new customers
- ❑ Qwest has 497,000 UNE-P in service as of October 2002 of which over 75% are UNE-P for business customers today
 - CLECs may order either Resale or Unbundled Loops subject to the terms of their individual Interconnection Agreements
 - The parties will begin negotiations of an amendment to their existing Interconnection Agreements, if necessary, to reflect the removal of Unbundled Switching from the list of required unbundled network elements
 - **Existing UNE-P lines will be “grandfathered” at UNE-P rates until completion of a transition for these lines**
 - **Qwest estimates that it will take 7 months for it to provision all anticipated requests for conversion**
- ❑ Within 30 days of the date of the FCC Order, Qwest will notify all CLECs via registered letter of their transition options from UNE-P
 - The schedule will identify, by wire center, all planned transition dates and ordering deadlines

Point to Point EEL

Qwest's Current EEL Offering

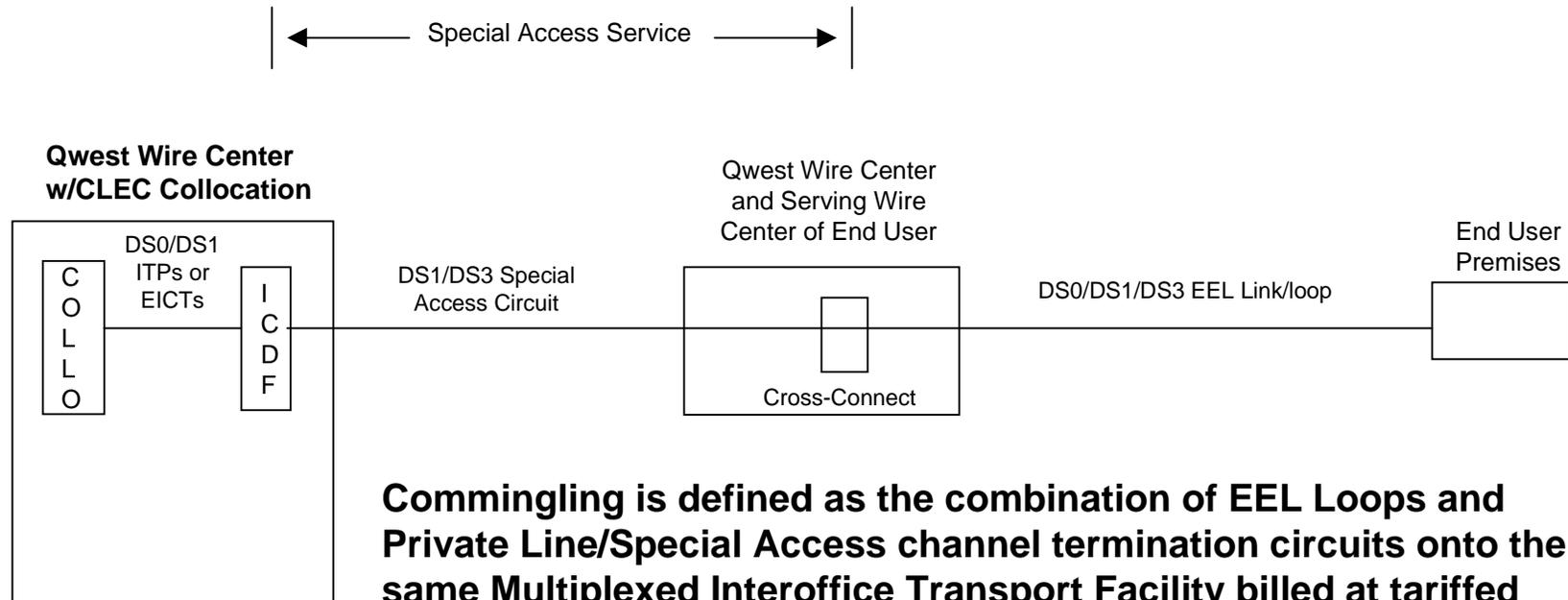
Qwest Wire Center
w/CLEC Collocation



Enhanced Extended Loop (EEL) is a combination of the Unbundled Local Loop and Unbundled Dedicated Interoffice Transport. The ILEC does not provide any switching with the EEL. The CLEC switches for the End User.

EEL With Special Access Service

Qwest's Commingling Proposal



Commingling is defined as the combination of EEL Loops and Private Line/Special Access channel termination circuits onto the same Multiplexed Interoffice Transport Facility billed at tariffed rates:

- 1) The UNE loop portion of EELs provisioned on the Interoffice Facility (IOF) must satisfy the local use restrictions (51% local voice traffic);
- 2) Commingling only permitted for DS1 level UNE-loops on a DS3 tariffed facility;
- 3) The co-mingled Interoffice facility must terminate in a CLEC collocation (one collocation required per LATA)