

TRANSMITTAL NO. 1084

U S WEST COMMUNICATIONS, INC.

TARIFF F.C.C. NO. 5

ACCESS SERVICE

DESCRIPTION AND JUSTIFICATION

MODEM AGGREGATION SERVICE PROMOTION

## 1. Introduction And Description

This filing is being made by U S WEST Communications Inc. doing business as U S WEST Communications in its Tariff F.C.C. No. 5, Access Service, Section 8, Advanced Communications Networks (ACN) to introduce, for a limited time, a Modem Aggregation Service (MAS) promotional offering in which USWC will credit up to three months worth of monthly recurring charges. For any customer who purchases a new MAS or adds to an existing MAS between July 24, 2000 through October 21, 2000 and purchases the service with a term plan of 12-months, 36-months or 60-months, U S WEST Communications will credit up to three month's worth of monthly recurring charges. The amount of recurring charge credited will depend on the length of the MAS term plan purchased (i.e., 12-month plan will result in one month's recurring credit, 36-month plan will result in two month's recurring credit, and 60-month plan will result in three month's recurring credit). The credit will be applied to the customer's bill as follows: (1) one month credit is applied to the customer's first month of service; (2) two month's credit will be applied to the customer's first and second month of service; and (3) three month's credit will be applied to the customer's first, second and third month of service. If the customer terminates the MAS plan early, the credits will be forfeit and included with the termination liability charge. This promotion is not available with any other promotion. MAS is a Packet Switched type services and is excluded from price caps<sup>1</sup>.

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<sup>1</sup>CC Docket No. 87-313, Second Report And Order, Released October 4, 1990, Par.195 "Air-ground service and packet-switched service were not subject to scrutiny as part of our investigation of LEC productivity, and should therefore be excluded [from price cap regulation]."

## 1.1 Revenue Impact

USWC expects a total increase in expected MAS revenue of approximately \$5,704,000 for the first twelve months following the effective date of this filing. There are no complementary or cross-elastic revenue impacts expected as a result of this filing.

## 1.2 Demand Impacts

USWC expects the demand for MAS as a result of this filing to increase as shown below. The following twelve-month demand forecast was developed using a projection of the stimulation effects of the promotional offering on the MAS product. Recurring demand was annualized to reflect the total quantity of recurring charges expected for the twelve-month period. Nonrecurring demand increase is not shown because the charge is waived with this promotion. USWC expects demand for MAS to increase as follows:

<u>MAS Recurring Charge Per Block</u>	<u>Demand Increase</u>
1 to 20 Blocks 12-Months	6,230
21 to 200 Blocks 12-Months	4,760
201 Blocks and Above 12-Months	1,990

There are no complementary or cross-elastic demand impacts expected as a result of this filing.