

In the Matter of)
)
2001 Annual Access Tariff Filing)

Qwest Corporation (“Qwest”) hereby responds to the Petition filed by AT&T Corp. (“AT&T”) on June 25, 2001 to suspend and investigate Qwest’s July 3, 2001 Annual Access Charge Tariff filing (“Annual Filing”). AT&T challenges three aspects of Qwest’s Annual Filing: (1) Qwest’s exogenous adjustment related to its sale of local exchanges in South Dakota and Utah; (2) Qwest’s computation of its proposed average traffic sensitive (“ATS”) rate using “non-blended” current and proposed rates; and (3) Qwest’s accounting of meet-point and other jointly-provided traffic. With regard to the first issue, Qwest does not dispute that it inadvertently made certain errors in calculating the exogenous adjustment relating to its sale of exchanges, and is seeking permission in a separate filing to amend its Annual Filing accordingly.¹ Other adjustments proposed by AT&T with respect to this issue are not appropriate and should be rejected. Finally, AT&T’s arguments as to issues 2 and 3 are meritless, and should likewise be rejected.

AT&T argues that the Federal Communications Commission (“Commission”) should reject Qwest’s exogenous adjustment for Qwest’s sale of local exchanges in South Dakota and

¹ Qwest Application for Special Permission No. 10 (June 28, 2001) (“Application for Special Permission”).

Utah.² Upon investigation, Qwest has determined that certain inadvertent errors were made in the computation of this exogenous adjustment. Qwest has corrected these errors as reflected in Exhibit A attached hereto.

In particular, Qwest has revised the rate base numbers used in Workpaper 1, which were incorrect. The revised Workpaper (Exhibit A) includes the corrected rate base numbers, which, when multiplied by the 11.25% rate-of-return, result in the return numbers that were shown on the original Workpaper. In other words, while the rate base numbers used in the original Workpaper were incorrect, the return numbers in that Workpaper were correct and have not been modified in the revised Workpaper.

In addition, Qwest has corrected the lines labeled “Expense Less Depreciation” in Workpaper 1. In the original Workpaper, these items failed to include adjustments for such things as billing and collection expenses and uncollectibles. The revised Workpaper 1 reflects the correct numbers for these items.³

The revised Workpaper also has been corrected so that the interstate revenue requirement for each price cap basket reflects the total of the items used to compute the revenue requirement. These corrections result in only a slight adjustment for the common line basket but a large downward adjustment (as compared to the original Annual Filing) for the special access basket.

Although Qwest acknowledges that its original computation of the exogenous cost adjustment contained errors, Qwest disagrees with AT&T’s recomputation of this adjustment. In particular, AT&T inappropriately adds “fixed charges” in computing the revenue requirements.⁴ Fixed charges are already included in the return numbers, so it is inappropriate to add them a

² AT&T Petition at 12-15.

³ See Exhibit A.

⁴ AT&T Petition at Exhibit 4.

second time in computing the interstate revenue requirements. In order to eliminate confusion, Qwest has removed the fixed charges lines from Workpaper 1.⁵ Given these corrections, AT&T's legitimate objections to Qwest's exogenous adjustment for the sale of the South Dakota and Utah exchanges are moot.⁶

II. QWEST HAS PROPERLY COMPUTED ITS PROPOSED ATS RATE

AT&T also asserts that Qwest has incorrectly computed its proposed ATS rate by using non-blended current and proposed rates instead of the blended current and proposed rates filed in its tariff.⁷ AT&T is incorrect.

Earlier this month, the Common Carrier Bureau ("Bureau") granted a petition for waiver filed by Qwest and Citizens Communications Company ("Citizens") to allow Qwest to continue using an ATS target rate of \$0.0095 for properties that were subject to a contract of sale between Qwest and Citizens prior to April 1, 2000.⁸ As discussed in the *Waiver Order*, this result is consistent with the Commission's previous endorsement of a proposal to permit a seller, while the transaction is pending, to determine rates and ATS target rates on a bifurcated basis. This allows Qwest to calculate rates separately for the properties to be sold to Citizens in a way that retains Citizens' ATS target of \$0.0095 while calculating the remaining Qwest rates toward its

⁵ Qwest included fixed charges in the original Workpaper 1 to illustrate the computation of federal and state income taxes. In computing these taxes, the fixed charges are subtracted from the Return.

⁶ AT&T has informed Qwest that it accepts the proposed corrections to the exogenous cost adjustment. *See* Application for Special Permission. Although Qwest disagrees with AT&T's argument that a positive exogenous adjustment would contravene public policy and the Commission's rules, Qwest does not address this argument because it is moot in light of Qwest's corrections to Workpaper 1. Qwest's recomputation of Workpaper 1 results in a negative exogenous adjustment for the sale of these exchanges.

⁷ AT&T Petition at 16-17.

ATS target of \$0.0055.⁹ Under the proposal adopted, the seller prepares separate Tariff Review Plans (“TRP”) for the lines that will be retained by the seller and for the lines being sold. The rates for the lines being retained by the seller are developed pursuant to the price cap rules applicable to the seller, while the rates for the lines being sold are developed pursuant to the rules applicable to the purchaser.¹⁰ These rates are then blended on a weighted basis to arrive at the rates to be applied in Qwest’s tariff. This is exactly what Qwest has done in the Annual Filing.

The whole purpose of treating the exchanges being sold in a manner different from those that will remain with the selling company is to allow those exchanges to have rates calculated at the ATS target of the purchasing company. Because in the case of the sale of exchanges by Qwest to Citizens, the transaction was not completed during the 2000 tariff year, the Bureau has allowed these bifurcated calculations to continue during the 2001 tariff year,¹¹ as was also permitted in the 2000 tariff year. In granting the waiver, the Bureau specifically rejected AT&T’s opposition to the request. Thus, AT&T is simply raising issues that have already been addressed and decided by the Commission on more than one occasion. As contemplated in the *CALLS Order* and *Waiver Order*, once the sale of exchanges closes, the exchanges at issue will be removed from the blended rate, the subject revenues will be moved on a revenue neutral basis

⁸ *In the Matter of Petition of Citizens Communications Company and Qwest Corporation for Waiver of Section 61.48(o)(2) of the Commission’s Rules, Order*, CCB/CPD 01-09, DA 01-1407, rel. June 11, 2001 (“*Waiver Order*”).

⁹ *In the Matter of Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Low-Volume Long-Distance Users; Federal-State Joint Board on Universal Service, Sixth Report and Order in CC Docket Nos. 96-262 and 94-1, Report and Order in CC Docket No. 99-249, Eleventh Report and Order in CC Docket No. 96-45*, 15 FCC Rcd. 12962, 13022 ¶ 143, 13029 ¶ 162 (2000) (“*CALLS Order*”), *pets. for rev. pending*, *Texas Office of Public Util. Counsel, et al. v. FCC*, Nos. 00-60434 and consolidated cases (5th Cir.).

¹⁰ Letter from John T. Nakahata, Counsel to CALLS, to Magalie Roman Salas, Secretary, FCC, dated May 25, 2000.

to Citizens, and the rates for Qwest's remaining exchanges will be based on the \$0.0055 ATS target.

III. QWEST PROPERLY ACCOUNTED FOR MEET-POINT AND OTHER JOINTLY-PROVIDED TRANSPORT IN CALCULATING AVERAGE PER-MINUTE TRANSPORT RATES

In another case of déjà vu, AT&T incorrectly asserts that Qwest, as well as other local exchange carriers, has failed properly to account for meet-point and other jointly-provided traffic.¹² AT&T essentially made this same argument last year, which the Commission declined to adopt. AT&T provides no basis for the Commission to reconsider this decision in connection with this year's filing.

Qwest has calculated its transport minutes of use ("MOU") in exactly the same manner as Qwest (formerly U S WEST Communications, Inc.) calculated those minutes in its 2000 Price Cap Revisions filing. In responding to AT&T's objection to last year's annual filings, Qwest provided a detailed explanation of its transport demand calculations.¹³ Qwest has attached that explanation as Exhibit B,¹⁴ which describes the transport MOU calculations in Workpaper 10 of the 2001 Annual Filing.

In any case, AT&T's concern about meet-point billing is already addressed by the fact that transport demand is adjusted to reflect the meet-point billed revenues actually charged. For

¹¹ *Waiver Order* at 4 ("We find that Qwest and Verizon do not need a waiver to continue utilizing a target rate of \$0.0095 for the properties at issue.").

¹² AT&T Petition at 20-24.

¹³ Reply of U S WEST Communications, Inc., filed June 27, 2000.

¹⁴ Exhibit B addresses AT&T's apparent confusion about Qwest's use of a 65% fill factor for direct trunked transport ("DTT"). AT&T Petition at 23. As discussed in Exhibit B, the 65% fill factor (which is based on the fill factor applied to Qwest's own facilities) is used to determine the number of trunks used for meet-point DTT. This number is in turn multiplied by the MOU per trunk figure (10,445.0904) derived from Qwest's local switching MOU to determine the MOUs delivered over DTT. See Exhibit B at 4-5.

instance, if Qwest bills only 40% of a DTT facility, then only 40% of the DTT facility was included in Qwest's transport demand calculation for purposes of the Annual Filing. The Commission's rules do not require any additional adjustment for meet-point billed facilities, just as the rules do not require any adjustment based on tandem versus direct trunk routing to an end office. It is not necessary, and would be inappropriate, to fractionalize the transport MOU for meet-point facilities in the manner that AT&T suggests, because the use of the meet-point billed revenues actually charged already addresses AT&T's concerns. In short, Qwest has used a reasonable methodology for calculating its total transport MOU and there is nothing in the Commission's rules that requires a different MOU calculation for meet-point billed facilities.

III. CONCLUSION

For these reasons, the Commission should allow Qwest's Annual Filing to take effect without any investigation or suspension.

Respectfully submitted,

QWEST CORPORATION

By: Craig J. Brown
Sharon J. Devine
Craig J. Brown
Suite 700
1020 19th Street, N.W.
Washington, DC 20036
(303) 672-2799

Its Attorneys

June 28, 2001

EXHIBIT A

2001 PRICE CAP REVISIONS
SALE OF EXCHANGES

| | Total A | South Dakota B | Utah C |
|---|------------|-------------------|------------|
| 2000 INTERSTATE REVENUES | | | |
| Total Common Line | 3,223,054 | 197,562 | 3,025,492 |
| Traffic Sensitive | 685,835 | 42,094 | 643,741 |
| Trunking | 363,842 | 29,660 | 334,182 |
| Special Access | 831,110 | 43,013 | 788,097 |
| Total Interstate Revenues | 5,103,841 | 312,329 | 4,791,512 |
| INTERSTATE REVENUE REQUIREMENTS | | | |
| COMMON LINE | | | |
| Rate Base | 7,023,441 | 507,417 | 6,516,024 |
| Depreciation Expense | 1,189,908 | 76,138 | 1,113,770 |
| Expense Less Depreciation | 1,629,551 | 91,562 | 1,537,989 |
| Return (Ratebase * .1125) | 790,137 | 57,084 | 733,053 |
| Federal Income Tax | 273,867 | 21,577 | 252,290 |
| State Income Tax | 39,128 | 0 | 39,128 |
| Interstate Revenue Requirement | 3,922,591 | 246,361 | 3,676,230 |
| TRAFFIC SENSITIVE | | | |
| Rate Base | 553,810 | 22,061 | 531,749 |
| Depreciation Expense | 118,867 | 7,308 | 111,559 |
| Expense Less Depreciation | 194,004 | 10,474 | 183,530 |
| Return (Ratebase * .1125) | 62,304 | 2,482 | 59,822 |
| Federal Income Tax | 20,247 | 754 | 19,493 |
| State Income Tax | 3,037 | 0 | 3,037 |
| Interstate Revenue Requirement | 398,459 | 21,018 | 377,441 |
| TRUNKING | | | |
| Rate Base | 2,778,670 | 221,575 | 2,557,095 |
| Depreciation Expense | 545,997 | 49,787 | 496,210 |
| Expense Less Depreciation | 565,648 | 42,024 | 523,624 |
| Return (Ratebase * .1125) | 312,600 | 24,927 | 287,673 |
| Federal Income Tax | 103,199 | 8,462 | 94,737 |
| State Income Tax | 14,749 | 0 | 14,749 |
| Interstate Revenue Requirement | 1,542,193 | 125,200 | 1,416,993 |
| SPECIAL ACCESS | | | |
| Rate Base | 1,043,654 | 107,129 | 936,525 |
| Depreciation Expense | 161,663 | 19,509 | 142,154 |
| Expense Less Depreciation | 178,678 | 22,010 | 156,668 |
| Return (Ratebase * .1125) | 117,411 | 12,052 | 105,359 |
| Federal Income Tax | 43,481 | 4,387 | 39,094 |
| State Income Tax | 6,026 | 0 | 6,026 |
| Interstate Revenue Requirement | 507,259 | 57,958 | 449,301 |
| TOTAL INTERSTATE REVENUE REQUIREMENT | | | |
| Rate Base | 11,399,575 | 858,182 | 10,541,393 |
| Depreciation Expense | 2,016,435 | 152,742 | 1,863,693 |
| Expense Less Depreciation | 2,567,881 | 166,070 | 2,401,811 |

2001 PRICE CAP REVISIONS
SALE OF EXCHANGES

| | Total A | South Dakota B | Utah C |
|--------------------------------|------------|-------------------|-----------|
| Return (Ratebase * .1125) | 1,282,452 | 96,545 | 1,185,907 |
| Federal Income Tax | 440,794 | 35,180 | 405,614 |
| State Income Tax | 62,940 | - | 62,940 |
| Interstate Revenue Requirement | 6,370,502 | 450,537 | 5,919,965 |

REVENUES LESS REVENUE REQUIREMENTS

| | | | |
|---------------------|-------------|-----------|-------------|
| 1 Common Line | (699,537) | (48,799) | (650,738) |
| 2 Traffic Sensitive | 287,376 | 21,076 | 266,300 |
| 3 Trunking | (1,178,351) | (95,540) | (1,082,811) |
| 4 Special Access | 323,851 | (14,945) | 338,796 |
| 5 Total Exogenous | (1,266,661) | (138,208) | (1,128,453) |

EXOGENOUS ALLOCATION TO BASKET

| | R Value | % R Value | Exogenous |
|--|---------------|-----------|-------------|
| 6 Common Line ($6C = 1A + 6B(2A + 3A)$) | 1,309,245,432 | 0.585385 | (1,221,100) |
| 7 Special Access ($7C = 4A + 7B(2A + 3A)$) | 927,219,115 | 0.414575 | (45,525) |
| 8 Interexchange ($8C = 8B(2A + 3A)$) | 90,342 | 0.000040 | (36) |
| 9 Total ($9A = 6A + 7A + 8A$, etc) | 2,236,554,889 | 1.000000 | (1,266,661) |

EXHIBIT B

In the Matter of)
)
2000 Annual Access Tariff Filing)

REPLY OF U S WEST COMMUNICATIONS, INC.

U S WEST Communications, Inc. (“U S WEST”) hereby responds to the Petitions (“Petitions”) filed by Sprint Corporation (“Sprint”) and AT&T Corp. (“AT&T”) on June 22, 2000¹ to suspend and investigate U S WEST’s July 1, 2000 Annual Access Charge Tariff filing (“Annual Filing”). These Petitions raised only two issues that apply to U S WEST’s Annual Filing.

I. U S WEST HAS PROPERLY ACCOUNTED FOR SWITCHED ACCESS SERVICES PROVISIONED OVER SONET RING SERVICE

Sprint argues that, with the exception of Bell Atlantic, all of the regional Bell Operating Companies and GTE have excluded the revenue from switched access traffic provisioned over SONET services in their average traffic sensitive (“ATS”) calculation.² This argument does not apply to U S WEST. While U S WEST received waivers to offer switched access service over SONET Ring Services, it has not acted upon those waivers or filed tariffs implementing SONET ring switched access service. Section 7 of U S WEST’s Private Line Transport Service (“PLTS”), Tariff F.C.C. No. 5, does allow the provisioning of switched access service on a shared use basis on SONET Ring Service purchased as a private line service.

¹ See Petitions of Sprint and AT&T.

² See Sprint at 2.

Because there are no SONET switched access rate elements, U S WEST charges DS1 and DS3 switched access transport rates on the portion of the PLTS SONET Ring Service that is used for switched access transport based on the number of channels used for such service. The remaining channels are charged at PLTS service rates. U S WEST's Tariff F.C.C. No. 5, Section 2.7.6 details the proportional application of charges for switched access service provided via its PLTS SONET Ring Service. See Attachment 1 hereto.

Because there are no switched access SONET Ring Service rate elements in U S WEST's tariff, there is no associated SONET Ring Service demand reported in the Trunking Basket of U S WEST's Annual Filing. Rather, the demand associated with switched access transport services that are billed out of U S WEST's Tariff F.C.C. No. 5, Section 6 when such transport services are provisioned over SONET Ring Service and billed at DS1 and DS3 rates is included in the demand for the appropriate DS1 and DS3 switched access services. Thus, U S WEST has properly accounted for switched access services provisioned over SONET Ring Service.

U S WEST is not sure exactly what Sprint is complaining about. If Sprint is concerned that there are companies with switched access SONET Ring Service rate elements that are not showing demand for those rate elements under switched access, then Sprint may have a legitimate complaint. That is not the case with respect to U S WEST. As discussed above, U S WEST has no rate elements in the switched access portion of its tariff for SONET Ring Service and has not included switched access demand in the Special Access Basket. Thus, U S WEST's Annual

Filing accurately reflects the manner in which switched access service provisioned over SONET Ring Service is being billed.

II. U S WEST PROPERLY REPORTED ITS TRANSPORT DEMAND TO REFLECT MEET POINT ARRANGEMENTS

AT&T requests an explanation for the transport demand used in the ATS calculations from U S WEST and other carriers, and asserts that meet point and jointly provided percents should be applied to transport minutes in the calculations.³ U S WEST does not routinely provide the detailed calculations underlying its demand numbers in U S WEST's Annual Filing, although a description of which minutes were used for the transport demand calculation was provided in footnote 13 of the Description and Justification. In response to AT&T's request, U S WEST has included its transport demand calculations as Attachment 2 hereto. A detailed explanation of these calculations is set forth below.

U S WEST included in its transport demand: (i) minutes delivered over Direct Trunk Transport ("DTT") between the Serving Wire Center ("SWC") and U S WEST end offices (line G of Attachment 2); (ii) minutes delivered over DTT to a tandem switch destined for both U S WEST's end offices and the end offices of other providers served by that tandem (line D of Attachment 2); and (iii) minutes delivered over DTT on a meet point billing basis from the SWC to the end offices of other providers (line B of Attachment 2). While U S WEST measures minutes routed through its tandems, it does not measure minutes routed on DTT to its own end offices (line G of Attachment 2), nor is it capable of measuring meet point DTT

minutes (line B of Attachment 2). Consequently, U S WEST used a formula to derive the number of minutes for application against the equivalent number of trunks in the latter two categories.

U S WEST performed the following calculations. First, U S WEST calculated the minutes for traffic delivered over DTT to a tandem switch (line D of Attachment 2) as being equal to tandem-switched minutes of use (“MOU”), which is already measured for purposes of billing tandem switching rate elements in U S WEST’s tariff. These minutes include transport routed through a tandem to U S WEST end offices and to other providers’ end offices served by that tandem.

Second, U S WEST calculated the minutes delivered over DTT from the SWC to a U S WEST end office (line G of Attachment 2). Because U S WEST does not measure this traffic for billing purposes, it used a formula to derive the number of minutes. Specifically, U S WEST took its local switching MOU, subtracted the MOU associated with the end office shared port (the line F connection to the end office in Attachment 2, which is billed on an MOU basis), and divided the resulting minutes by the sum of end office dedicated trunk ports and Expanded Interconnection Channel Terminations (“EICT”) to derive the number of minutes per trunk. Because switched access feature group service is ordered on a per-trunk basis, U S WEST knows the total number of actual dedicated trunk ports used for switched access service to its own end offices. EICTs, however, are purchased on a DS1 or DS3 basis for switched access. U S WEST assumed that approximately the

³ See AT&T at 10.

same fill factor would apply to EICTs as to its own facilities, and therefore it applied a 65% fill factor to the EICT number to be used in the calculation. This calculation produced a per-trunk figure of 11,888 MOUs. U S WEST then multiplied this number by the number of end office dedicated trunk ports to derive the total MOUs delivered over DTT from the SWC to a U S WEST end office.

Third, U S WEST calculated the minutes delivered over DTT to a meet point between U S WEST's SWC and another provider's end office. Because these calls are never switched by a U S WEST switch, there is no possibility of measuring actual minutes. As a result, U S WEST used the same methodology that was used to calculate the number of minutes delivered over DTT between a SWC and U S WEST's end offices to calculate the number of minutes delivered to a meet point between a SWC and another provider's end office. The results of all three calculations were added together to arrive at a total transport MOU figure, which was then divided into the U S WEST transport revenues to derive the ATS average transport revenue per MOU figure.

AT&T's argument that it is necessary to provide fractional reporting of meet point minutes is wrong.⁴ The purpose of the transport MOU calculation is to derive an average per-minute revenue figure for transport for U S WEST. Transport has many different configurations. In one instance, transport may include an entrance facility ("EF") and DTT to an end office. In another instance, transport may include an EF, DTT to a tandem switch, and Tandem Switched Transport to a U S WEST

⁴ See AT&T at 12.

end office. In yet a third instance, transport may include an EF and U S WEST's portion of DTT to a meet point. For each of these scenarios, the Federal Communications Commission's ("Commission") rules require only that U S WEST's revenues be divided by transport MOUs, which of course *includes transport MOUs billed in a meet point arrangement*. The rules do not require local exchange carriers ("LEC") to calculate the average transport per MOU figure on a configuration-by-configuration basis. Nor do the rules require the average transport per MOU figure to be reduced because another carrier may also provide transport for the same call. All the rules require is that LECs calculate an average transport per MOU figure for transport they provide.

In any event, AT&T's concern about meet point billing is already addressed by the fact that transport demand is adjusted to reflect the meet point billed revenues actually charged. For instance, if U S WEST bills only 40% of a DTT facility, then only 40% of the DTT facility will be included in U S WEST's transport demand calculation for purposes of the Annual Filing. The Commission's rules do not require any additional adjustment for meet point billed facilities, just as the rules do not require any adjustment based on tandem versus direct trunk routing to an end office. In short, U S WEST has used a reasonable methodology for calculating its total transport MOU, and there is nothing in the Commission's rules that requires a different MOU calculation for meet point billed facilities. Thus, the Commission should reject AT&T's argument.

III. CONCLUSION

For these reasons, the Commission should allow U S WEST's Annual Filing to take effect without any investigation or suspension.

Respectfully submitted,

U S WEST COMMUNICATIONS, INC.

By:

Jeffry A. Brueggeman
Suite 700
1020 19th Street, N.W.
Washington, DC 20036
(303) 672-2799

Its Attorney

Of Counsel,
Dan L. Poole

June 27, 2000

ATTACHMENT 1

2. GENERAL REGULATIONS

2.7 SHARED USE REGULATIONS (Cont'd)

2.7.6 PLTS SONET RING SERVICE WITH SWITCHED ACCESS SERVICE

When the customer chooses to utilize a portion of the available capacity on PLTS SONET Ring Service for providing Switched Access (including CCSAC), the customer shall place an order for each Switched Access Service and specify the Channel Facility Assignment (CFA) of the PLTS SONET Ring Service (SRS).

When the SRS facilities between the customer's premises and the SWC of that premises are shared with Switched Access Service (the SRS On-Net Channel Termination must be located in the customer's SWC for Switched Access provisioning), the transport recurring SRS On-Net Channel Termination rate elements (e.g., 1.544 Mbps, 44.763 Mbps or 155.52 Mbps) and the Switched Transport recurring rates (e.g., DS1 or DS3 EF) are apportioned based on the total number of channels utilized for each service. When the customer has an SRS 44.736 Mbps (DS3) or a 155.52 Mbps (OC3) facility, an Electrical Interface for a capacity of one DS3 EF rate element is used for apportionment.

Switched DTT facilities must be provisioned from the SWC of the customer's premises to an access tandem, Company hub or end office based on whether the customer requests tandem routing or direct routing. When the SRS facilities are provided from the SWC of the customer's premises to a Company hub within the SRS network and those facilities are shared between SRS and Switched Access Service, the appropriate PLTS SRS transport channel mileage rate elements and the Switched DTT or DLT (CCSAC mileage) rate elements are apportioned. Switched DTT or TST facilities provisioned from an end office that is not within the SRS network, are assessed the appropriate DTT or TST rate elements. These rate elements are not apportioned.

2. GENERAL REGULATIONS

2.7 SHARED USE REGULATIONS

2.7.6 PLTS SONET RING SERVICE WITH SWITCHED ACCESS SERVICE(Cont'd)

When the customer chooses to use a portion of the available capacity of SRS facilities for CCSAC Service, the number of channels used for CCSAC shall be counted as Switched for determining the apportionment between Switched Access Service and PLTS. The apportionment between Switched Access Service ordered from Section 6 and CCSAC is described in 2.7.5, following. The customer must dedicate, at a minimum, 24 channels (one DS1) for the CCSAC links. The CCSAC DS3 EF rate element, and if appropriate the DS3 Direct Link Transport rate element, as set forth in Section 20, following, are used for apportionment in lieu of SRS rate elements.

The recurring rates for multiplexing, DS1 to Voice Grade or DS3/DS1 only, are apportioned when the facilities are shared between SRS and Switched Access Service.

All other recurring rate elements (e.g., COCC, Multiplexer to Multiplexer Connecting Arrangement, and Clear Channel Capability) associated with PLTS SRS are not apportioned.

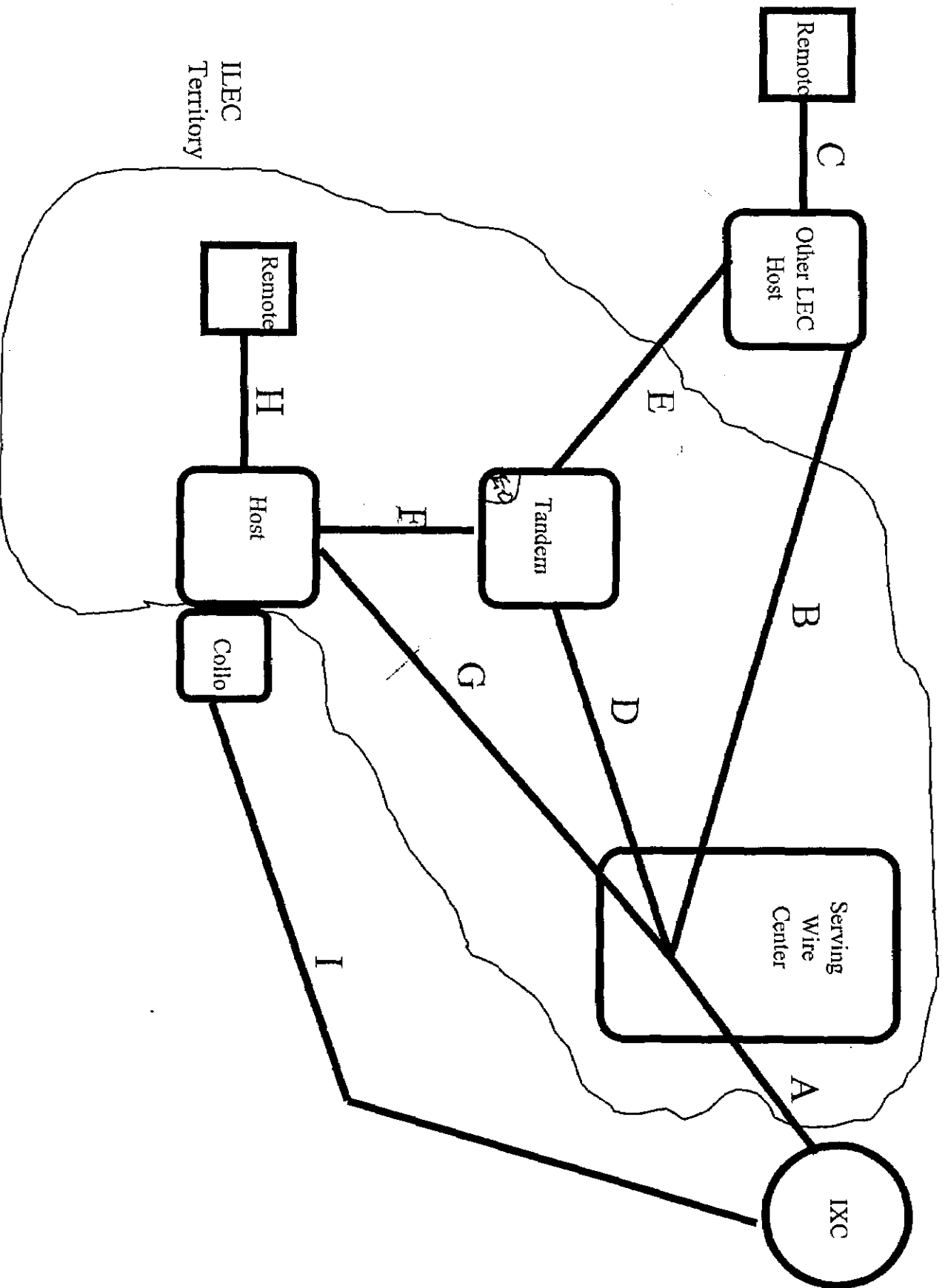
When a customer has PLTS SRS under a PLTS Pricing Plan, additional Shared Use regulations may apply as set forth as set forth in 6.7.15, following.

ATTACHMENT 2

Transport Minute of Use Calculations

| | A | B | C | D | E | F | G |
|----|---|--------|---|----------------|----------------|---|-----------|
| 1 | | | | | | | |
| 2 | Sources: | | | | | | |
| 3 | | | | | | | |
| 4 | Tandem SW MOU | | | 18,042,841,237 | | | |
| 5 | Meet Point DTT at 65% Fill | | | 683,871.33 | | | |
| 6 | EO Shared Port MOU | | | 13,235,650,332 | | | |
| 7 | Local Switching MOU | | | 62,239,030,049 | | | |
| 8 | EO Dedicated Trunk Ports | | | 3,287,201 | | | |
| 9 | EICT at 65% Fill | | | 834,851 | | | |
| 10 | | | | | | | |
| 11 | Calculations: | | | | | | |
| 12 | | | | | | | |
| 13 | (LS MOU-EO Shared Port MOU)/(EO Dedicated Trunk Ports+EICT) | | | | | | 11,888.10 |
| 14 | | | | | | | |
| 15 | Category B MOU | D5*G13 | | | 8,129,933,120 | | |
| 16 | Category D MOU | D4 | | | 18,042,841,237 | | |
| 17 | Category G MOU | D8*G13 | | | 39,078,585,791 | | |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | Total Transport | B+D+G | | | 65,251,360,148 | | |

Types of ILEC Transport With Implications for Determining Quantity of ILEC Transport Minutes



CERTIFICATE OF SERVICE

I, Richard Grozier, do hereby certify that I have caused the foregoing **REPLY OF QWEST CORPORATION** to be (1) filed with the FCC via its Electronic Tariff Filing System; (2) served, via hand delivery on the persons/entity denoted with an asterisk (*); and (3) served via facsimile and United States First Class Mail, postage prepaid, upon the other parties listed on the attached service list.

Richard Grozier
Richard Grozier

June 28, 2001

*Dorothy T. Attwood
Federal Communications Commission
Common Carrier Bureau
Portals II
5th Floor
445 12th Street, S.W.
Washington, DC 20554

*Raj Kannan
Federal Communications Commission
Competitive Pricing Division
Portals II
5th Floor
445 12th Street, S.W.
Washington, DC 20554

*Jane E. Jackson
Federal Communications Commission
Competitive Pricing Division
Portals II
Room 5A-207
445 12th Street, S.W.
Washington, DC 20554

*Judith A. Nitsche
Federal Communications Commission
Tariff and Pricing Analysis Branch
Portals II
Room 5A-207
445 12th Street, S.W.
Washington, DC 20554

*International Transcription
Services, Inc.
1231 20th Street, N.W.
Washington, DC 20036

Mark C. Rosenblum
Judy Sello
AT&T Corp.
Room 1135L2
295 North Maple Avenue
Basking Ridge, NJ 07920

Facsimile (775) 402-6232
Attn: Safir Rammah

David L. Lawson
David W. Jones
Christopher T. Shenk
Sidley Austin Brown & Wood
1722 Eye Street, N.W.
Washington, DC 20006

Facsimile (202) 736-8711