

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
Qwest Petition for Pricing Flexibility for) CCB/CPD File No.
Special Access and Dedicated Transport)

**QWEST PETITION FOR PRICING FLEXIBILITY
FOR SPECIAL ACCESS AND DEDICATED TRANSPORT SERVICES**

Pursuant to sections 1.774 and 69.701 *et seq.* of the Federal Communications Commission’s (“Commission”) rules,¹ Qwest Corporation (“Qwest”) hereby petitions the Commission for pricing flexibility for Qwest’s special access and dedicated transport services.² Qwest’s Petition satisfies the requirements established by the Commission for pricing flexibility and therefore should be granted.

I. REQUESTED RELIEF

In the *Pricing Flexibility Order*, the Commission established a framework for granting a price cap local exchange carrier (“LEC”) pricing flexibility in a Metropolitan Statistical Area (“MSA”) upon a showing that certain competitive benchmarks have been satisfied in that MSA.³

¹ 47 C.F.R. §§ 1.774 and 69.701 *et seq.*

² On October 10, 2001, Qwest filed a Petition for Pricing Flexibility for Special Access and Dedicated Transport Services, which it subsequently withdrew. *See Qwest Withdraws Petition for Pricing Flexibility for Special Access and Dedicated Transport Services*, CCB/CPD File No. 01-18, Public Notice, DA 01-2837 (rel. Dec. 6, 2001). The relief sought in this Petition is substantially similar to the relief requested in the petition that was withdrawn.

³ *In the Matter of Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Interexchange Carrier Purchases of Switched Access Services Offered by Competitive Local Exchange Carriers; Petition of U S West Communications, Inc. for Forbearance from Regulation as a Dominant Carrier in the Phoenix, Arizona MSA*, CC Docket Nos. 96-262, 94-1, 98-157, CCB/CPD File No. 98-63, Fifth Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd. 14221 (1999) (“*Pricing Flexibility Order*”).

To obtain Phase I relief for dedicated transport and special access services provided in an MSA, other than channel terminations between end offices and end-user customer premises, Qwest must demonstrate that unaffiliated competitors have collocated in at least 15 percent of Qwest's wire centers within the MSA, or collocated in wire centers accounting for 30 percent of Qwest's revenues for those services within the MSA. For Phase II relief for such dedicated transport and special access services, Qwest must demonstrate that unaffiliated competitors have collocated in at least 50 percent of Qwest's wire centers within the MSA or collocated in wire centers accounting for 65 percent of Qwest's revenues from those services within the MSA.⁴ For both Phase I and Phase II relief, at least one of the collocated competitors in each wire center must use transport services provided by a provider other than Qwest.⁵

To obtain Phase I relief for channel terminations between Qwest's end offices and end-user customer premises, Qwest must demonstrate that unaffiliated competitors have collocated in at least 50 percent of Qwest's wire centers within the MSA or collocated in wire centers accounting for at least 65 percent of Qwest's revenues from this service within the MSA.⁶ For Phase II relief for such channel terminations, Qwest must demonstrate that unaffiliated competitors have collocated in at least 65 percent of Qwest's wire centers within the MSA or collocated in wire centers accounting for at least 85 percent of Qwest's revenues from this service within the MSA.⁷ For both Phase I and Phase II relief, at least one of the collocated

⁴ See 47 C.F.R. § 69.709(c).

⁵ See 47 C.F.R. § 69.709(b), (c).

⁶ See 47 C.F.R. § 69.711(b).

⁷ See 47 C.F.R. § 69.711(c).

competitors in each wire center must use transport services provided by a provider other than Qwest.⁸

In this Petition, Qwest demonstrates that it has met the requirements for Phase I or Phase II relief, as established in the *Pricing Flexibility Order*, for certain MSAs within its in-region service territory. Specifically, of the 45 MSAs that Qwest serves:

- (1) For dedicated transport and special access services, other than channel terminations between Qwest's end offices and end-user customer premises, Qwest qualifies for Phase I and Phase II relief in 31 MSAs, and Phase I relief alone in two additional MSAs.
- (2) For channel terminations between Qwest's end offices and end-user customer premises, Qwest qualifies for Phase I and Phase II relief in 20 MSAs, and Phase I relief alone in 11 additional MSAs.

Attachment A lists the MSAs for which Qwest qualifies for pricing flexibility, and Attachment B lists the Qwest services qualifying for such relief. Consistent with the requirements of section 1.774(e)(1)(ii) of the Commission's rules, Attachment C contains a certification that Qwest has made available to each collocator upon which Qwest relies on in this Petition the information about the collocator that is included in this Petition.

II. METHODOLOGY

In determining its eligibility for Phase I or Phase II relief, Qwest performed the following analysis:

⁸ See 47 C.F.R. § 69.711(b), (c).

(1) Identified Wire Centers Within Each MSA Where At Least One Collocator Uses a Non-Qwest Transport Provider.

Qwest identified wire centers that have at least one collocator that uses a non-Qwest transport provider by using collocation information that was obtained from its Collocation Online Milestone and Event Tracking (“COMET”) database and from Qwest personnel in the field. The collocation information relied on in this Petition was initially collected in early December, and then was reconfirmed and updated on December 27, 2001, when Qwest finalized this Petition for filing.

The COMET database is an online tool that tracks all critical information associated with competitive local exchange carriers’ (“CLEC”) collocation sites, including the name of the collocator, its collocation applications, implementation dates, whether the collocator is using an alternative provider for transport, and the activities that have occurred in the collocation account. A collocation arrangement is initially identified in COMET when a CLEC submits an order for collocation to an e-mail address in Qwest’s Collocation Project Management Center (“CPMC”). Once an order is validated, a project manager from the CPMC assigns a billing account number to the collocation job and enters it into COMET. All subsequent critical dates are also populated in COMET. In particular, all changes, cancellations, and decommissions of collocation arrangements are reflected in COMET. These same records are used in Qwest’s normal course of business for network planning and billing needs and thus possess high indicia of reliability.

When Qwest created COMET in 2000, it entered into the database available information and dates for all previously-established collocation arrangements. In some cases, the collocation data in COMET for older jobs is incomplete, so that Qwest has had to rely on other sources to identify qualifying collocation sites. For example, for some older collocation sites COMET does not indicate whether a collocation site utilizes non-Qwest fiber. As a result, Qwest’s State

Interconnection Managers verified that each collocation arrangement identified in Attachment F to this Petition is in fact operational and that it utilizes non-Qwest transport facilities. Given their day-to-day responsibilities,⁹ the State Interconnection Managers generally have first-hand knowledge of the existence and nature of the collocation arrangements in the territory for which they are responsible. In validating the list of qualifying collocation arrangements, the State Interconnection Managers therefore relied primarily on personal knowledge and, where necessary, consulted their records or conducted physical inspections to ensure that the collocation arrangements identified are operational and use non-Qwest transport facilities.

Finally, Qwest took further steps to ensure that only operational collocation arrangements are relied on in the Petition. Qwest cross-checked the list of qualifying collocation arrangements against a list of collocation arrangements that have been decommissioned or are in the process of being decommissioned. Both CPMC staff and the State Interconnection Managers performed internal audits of their records to confirm the accuracy of the decommissioning list. Qwest also verified that the list reflected in Attachment F does not include any collocation arrangements that have been abandoned, though not formally decommissioned, or that are held by companies that have sought Chapter 7 bankruptcy protection.

(2) Calculated Revenues Attributable To the Qualifying Services for Each Wire Center.

For each wire center in the Qwest region covered by this petition, Qwest divided revenues extracted from its billing databases into two categories: (1) all dedicated transport and special access services revenues other than end-user channel termination revenues; and (2) revenues for all end-user customer channel terminations. Attachment D provides a detailed

⁹ Qwest's State Interconnection Managers are project managers who interface directly with CLECs to coordinate the successful completion and maintenance of collocation sites in Qwest

explanation of how Qwest attributed revenue to appropriate revenue categories and wire centers and the steps that Qwest has taken to ensure that the revenues assigned to particular MSAs and wire centers are consistent with Qwest's underlying billing records.

(3) Determined Which MSAs Qualified for Relief Pursuant to the Commission's Benchmarks.

Once Qwest attributed revenues to the appropriate category within each wire center, it performed the required calculations to determine which MSAs qualified for relief under the Commission's benchmarks. To make these calculations, each wire center was assigned to an MSA, or in the case of those wire centers that are not in an MSA, to the non-MSA area of each state. Using the assigned revenue data, Qwest then calculated the percentage of qualifying special access and dedicated transport revenues by category (all other or end-user channel terminations) in those wire centers. Attachment E summarizes the results for all MSAs in Qwest's region. Attachment F provides more detailed data for each MSA, including lists of qualifying wire centers in the MSA and the collocators in the wire centers. Attachments E and F contain information that is considered proprietary by Qwest and therefore is redacted from the public version of these two attachments to the filing.¹⁰

wire centers.

¹⁰ Under separate cover, Qwest has submitted on this date a petition for confidential treatment of the proprietary portions of its pricing flexibility filing.

III. CONCLUSION

As discussed above, Qwest has satisfied the requirements for Phase I and Phase II relief in certain MSAs in its in-region service territory. Consequently, the Commission should grant the requested pricing flexibility relief for the relevant services in the MSAs identified herein.

Respectfully submitted,

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