

Streamlined Filing

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Bill Johnston
Executive Director



March 17, 2003

Transmittal No. 156

Secretary
Federal Communications Commission
445 12th Street, SW, TW-A325
Washington, DC 20554

Attention: Wireline Competition Bureau

The accompanying tariff material, issued on behalf of Qwest Corporation (Qwest) FRN 0003-7467-57 (Concurring Carriers, The Malheur Home Telephone Company FRN 0003-7467-65 and El Paso County Telephone Company FRN 0004-3212-46), and bearing Tariff F.C.C. No. 1 and Tariff F.C.C. No. 4, effective as reflected on the attached tariff pages, is sent to you in compliance with the requirements of the Communications Act of 1934, as amended. This material consists of tariff pages indicated on the following check sheet(s):

Tariff F.C.C. No.
1

Check Sheet Revision No.
130th Revision of Page 0-1
17th Revision of Page 0-1.27

Tariff F.C.C. No.
4

Check Sheet Revision No.
18th Revision of Page 0-1
14th Revision of Page 0-1.1

Tariff F.C.C. No. 1

This filing is being made by Qwest in its Tariff F.C.C. No. 1 to update the universal service contribution factor for the second quarter of 2003. This revision applies the factor as adopted in Public Notice DA 03-689, released March 7, 2003.

- General USF Charges

In the Universal Service Contribution Report and Order ("Contribution Order"), *In the Matter of Federal-State Joint Board on Universal Service*, DA 02-329, released December 13, 2002, the Commission concluded that telecommunications carriers may not recover their federal universal service contribution costs through a separate line item that includes a mark-up above the relevant contribution factor. Prior to this ruling, Qwest used a two-step process to recover its contributions to the universal service fund from its customers. The first step consisted of recovering a portion of Qwest's total universal service obligation through an end-user line charge. The second step consisted of recovering a portion of Qwest's total universal service obligation from private line services.

In light of the Contribution Order, the universal service fund end-user charge will now be determined primarily by multiplying the universal service contribution factor by the total of the end-user customer's monthly charges billed for services purchased from this tariff. Because

Qwest will no longer be assessing an end-user line charge, Qwest is eliminating Section 13.21, "Federal Universal Service End User Charge." Universal service charges for private line services will continue to be calculated by multiplying private line service charges by the universal service contribution factor. Therefore, for private line services, this tariff makes no material change other than to adopt the Second Quarter 2003 universal service contribution factor.

- Centrex Subscribers

On March 14, 2003, the Commission released an Order and Second Order on Consideration (USF Centrex Order), *In the Matter of Federal-State Joint Board on Universal Service*, FCC 03-58, which waived section 54.712 on an interim basis to enable local exchange carrier's to continue to recover federal universal service contribution costs through universal service line items using the equivalency ratios established for Centrex lines under the Commission's rules governing the Presubscribed Interexchange Carrier Charge (PICC). As part of this filing Qwest is introducing a Centrex USF Charge Factor of 0.010111 (one-ninth of the General USF Charge Factor). The total USF charge assessed to Centrex customers is the sum of a two-part calculation. Part One consists of multiplying the Centrex customer's Multiline Business EUCL by the Centrex USF Charge Factor. Part Two consists of multiplying all other services billed out of this tariff to the Centrex customer by the General USF Charge Factor.

- Multiline Business Subscribers

In the USF Centrex Order, the Commission went on to state that the public interest would be served by granting a limited waiver of the general prohibition on averaging contribution costs among different customers for contribution costs not recovered by operation of the Centrex equivalency ratios. As shown in Workpaper 1 and reflected in the Multiline Business USF Charge Factors, Qwest is averaging the Centrex contribution costs not covered by Centrex customers across Multiline Business customers. This analysis has been performed by study area. As a result, the Multiline Business USF Charge Factors are higher than the General USF Charge Factor.

The total USF charge assessed to Multiline Business customers (excluding Centrex subscribers) is the sum of a two-part calculation. Part One consists of multiplying the customer's Multiline Business EUCL by the appropriate state-specific Multiline Business USF Charge factor. Part Two consists of multiplying all other services billed out of this tariff to the Multiline Business customer by the General USF Charge Factor.

- Workpaper 1

Workpaper 1 shows how the Multiline Business USF Charge Factor was calculated for each study area. Workpaper 1 consists of three charts:

- Chart A

The total number of Multiline Business lines in a given study area (Column A) is multiplied by the EUCL in the study area (Column B) to calculate total Multiline Business end user revenues (Column C). Total Multiline Business end user revenues are then multiplied by the General USF Charge Factor (0.091) to determine the total monthly Multiline Business universal service contribution obligation (Column D).

- Chart B

The total number of Centrex lines in a given study area (Column A) is multiplied by the EUCL in the study area (Column B) to calculate total Centrex end user revenues (Column C). Total Centrex end user revenues are then multiplied by the Centrex USF Charge Factor (0.010111) to determine the total monthly Centrex universal service contribution obligation (Column D).

- Chart C

In Column A, the total number of Centrex lines in a given Study Area (Chart B, Column A) are subtracted from the total number of Multiline Business lines in a given study area

(Chart A, Column A) to calculate the total number of Multiline Business lines other than Centrex. In Column C, the total Centrex end user revenues (Chart B, Column C) are subtracted from the total Multiline Business end user revenues (Chart A, Column C) to calculate the total monthly Multiline Business revenues other than Centrex. In Column D, the total monthly Centrex universal service contribution obligation (Chart B, Column D) is subtracted from the total monthly Multiline Business universal service obligation (Chart A, Column D) to calculate the total monthly Multiline Business universal service obligation other than Centrex. The total monthly Multiline Business universal service obligation other than Centrex (Column D) is divided by the total monthly Multiline Business revenues other than Centrex (Column C) to calculate the Multiline Business USF Charge Factor by study area.

Price cap rules do not apply.

Tariff F.C.C. No. 4

This filing is being made by Qwest to introduce the universal service fund charge to its Tariff F.C.C. No. 4, Interstate IntraLATA Message Telecommunications Service Tariff. Prior to the adoption of the Contribution Order, Qwest's contributions for these services to the federal universal service fund were recovered from an end-user line charge. Because of the Contribution Order, Qwest will now recover its federal universal service contributions for these services solely as a percentage of billed monthly interstate charges.

This new section of Tariff F.C.C. No. 4 also applies the factor as adopted in Public Notice DA 03-689, released March 7, 2003. The universal service fund end-user charge will now be determined solely by multiplying the universal service contribution factor by the total of the end-user customer's monthly charges billed for services purchased from this tariff. Price cap rules do not apply.

Supporting information discussed under Section 61.38 of the Commission's rules is, to the extent required, included in this transmittal.

In accordance with Section 61.32(b), the original Transmittal Letter, the Federal Communications Commission Form 159 and the filing fee have been submitted to a courier service for delivery to the Treasury Department lockbox located at the Mellon Bank in Pittsburgh, Pennsylvania.

All correspondence and inquiries in connection with this filing, including service copies of petitions, should be directed to:

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Attachments: Tariff Pages
 Workpaper 1