Streamlined Filing
This Streamlined filing is being made on 15 days' notice in accordance with Section 204 (a)(3) of the Communications Act.

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Manager – Public Policy

September 16, 2003

Transmittal No. 172

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 Carrier, 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, 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.

PART 1

This material consists of tariff pages indicated on the following check sheet(s):

Tariff F.C.C. No.	Check Sheet Revision No.
1	146th Revision of Page 0-1
	24th Revision of Page 0-1.3
	10th Revision of Page 0-1.9
	19th Revision of Page 0-1.27
4	20th Revision of Page 0-1
	16th Revision of Page 0-1.1

Subsection A: Payphone PICC Exemption

On June 19, 2003, the Commission released its Order on Reconsideration in CC Docket Nos. 96-262 and 94-1, In the Matter of Access Charge Reform and Price Cap Performance Review for Local Exchange Carriers, FCC 03-139 ("Payphone PICC Exemption Order) in which the Commission adopted a rule exempting payphone lines from being assessed the PICC. The Commission ordered that price cap LECs that still asses the PICC on multi-line business lines must adjust their rates in their October 1, 2003 tariff filings to reflect that the PICC no longer applies to payphone lines. Price cap LECs are allowed to recover the revenue previously recovered through the assessing the PICC on payphone lines by adjusting their multi-line business PICCs.

In this tariff, Qwest makes the necessary changes to comply with the Payphone PICC Exemption Order. The attached TRP entitled "Payphone PICC Exemption" and tariff pages implement the payphone PICC exemption. Removing the demand for payphone lines does not produce a change in Qwest's current PICC rate.

Subsection B: Regulatory Fees, Excess Deferred Tax ("EDT"), and Telecommunications Relay Service ("TRS") Exogenous Adjustment

- **Regulatory Fees**: In Qwest's 2003 Annual Access Charge Tariff Filing, Transmittal No. 164, Qwest based its Regulatory Fees exogenous recovery on the contribution factor proposed in the Commission's Notice of Proposed Rulemaking, MD Docket No. 03-83, In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2003, released March 26, 2003. The Commission's NPRM proposed a factor of 0.00198 for interstate telecommunications service providers.

  On July 25, 2003, the Commission released its Report and Order, MD Docket No. 03-83, In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2003, FCC 03-184, which adopted a final factor of 0.00199, an increase to the proposed factor.

  In this tariff Qwest adjusts its regulatory fees exogenous cost recovery to reflect the change between the proposed and final regulatory fees factors. Qwest also includes an adjustment to account for three months of underrecovery between July 1, 2003, the effective date of Transmittal No. 164, and October 1, 2003, the date this tariff is to take effect. See Workpaper 1.

- **Excess Deferred Taxes:** Also included in Qwest's 2003 Annual Access Charge Tariff Filing was an exogenous adjustment to reflect the recovery of excess deferred taxes. On June 23, 2003, AT&T filed a petition challenging Qwest's exogenous cost adjustment for EDT. On June 27, 2003, Qwest filed its reply to AT&T's petition stating that its exogenous cost adjustment for EDT fully complies with the Commission's price cap rules.

  In its reply, Qwest stated that there are two possible ways of calculating the EDT adjustment for each year. One approach is the one that AT&T addressed in its petition. Under this approach, a price cap LEC would have created an EDT account in 1986 (when the corporate tax rate was reduced) and amortized this account over the remaining life of plant in service in 1986. The other approach—which Qwest employs—is to calculate EDT on an annual basis. In its reply Qwest detailed the general steps it takes to determine the annual estimate of EDT for price cap purposes.

  In footnote 15 of Qwest's reply, Qwest stated that although it has not previously calculated an EDT balance, Qwest would do so and submit it to the Commission. Qwest employed significant resources to forecast the projected EDT balance by year through 2016. The process used by Qwest to calculate EDT in the 2003 Annual Access Tariff Filing estimated book depreciation for the year under study. For the current analysis, Qwest used very precise book depreciation amounts for each year at a plant account and vintage level. This allowed for much more accuracy in determining the excess depreciation.

  Chart A shows the EDT account balance by year through 2016 assuming that certain variables--like book depreciation service lives--do not change. Chart A shows that even after year 2016 Qwest expects a balance of $15,602,763 to still remain. Workpaper 2 adjusts the EDT exogenous cost recovery calculations used in Transmittal No. 164 to reflect the newly calculated balances. Qwest also includes an adjustment to account for three months of overrecovery between July 1, 2003, the effective date of Transmittal No. 164, and October 1, 2003, the date this tariff is to take effect.

- **Telecommunications Relay Service:** In Qwest's 2003 Annual Access Charge Tariff Filing, Transmittal No. 164, Qwest based its TRS exogenous recovery on the contribution factor proposed in the Commission's Public Notice, DA 03-1527, "Proposed Payment and Fund Size Estimate for the Interstate Telecommunications Relay Services Fund for July 2003 through June 2004," released May 7, 2003. The Commission's Notice proposed a factor of 0.00171.

  On June 27, 2003, the Commission released its Order, CC Docket No. 98-67, In the Matter of Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, DA 03-2111, which adopted a final factor of 0.00149, a decrease to the proposed factor.

  In this tariff Qwest adjusts its TRS exogenous cost recovery to reflect the change between the proposed and final TRS factors. Qwest also includes an adjustment to account for three months of overrecovery between July 1, 2003, the effective date of Transmittal No. 164, and October 1, 2003, the date this tariff is to take effect. See Workpaper 3.

  The attached TRP and tariff pages reflect these exogenous cost changes. The cumulative impact of all changes is a reduction to some of Qwest's currently tariffed rates.

Subsection C: Fourth Quarter Universal Service

Qwest is also updating the universal service contribution factors for the fourth quarter of 2003. This update applies the factor as adopted in Public Notice DA 03-2833, released September 5, 2003.

- General USF Charge Factor

The general USF charge factor has been decreased to 0.092 to reflect the fourth quarter 2003 charge factor.

- Multiline Business and Centrex USF Charge Factors

  Multiline Business USF Charge Factor
  As shown in Workpaper 4, "Federal Universal Service Fund Charge Factor Development," the Multiline Business charge factor for each study area is calculated by dividing the Multiline Business lines subject to FCC end user charges by the total number of lines subject to PICC charges pursuant to 47 C.F.R. 69.153. This ratio is multiplied by the Fourth Quarter 2003 USF Factor to determine the appropriate Multiline Business USF Charge Factor.

  Centrex USF Charge Factor
  As shown in Workpaper 4, "Federal Universal Service Fund Charge Factor Development," the Centrex USF Charge Factor is one-ninth of the Multiline Business USF Charge Factor.

As part of this of this filing Qwest is also updating the universal service contribution factor contained in its Tariff F.C.C. No. 4, Interstate IntraLATA Message Telecommunications

Service, for the fourth quarter of 2003. This revision also applies the factor as adopted in Public Notice DA 03-2833, released September 5, 2003.

PART 2

Tariff F.C.C. No.	Check Sheet Revision No.
1	147th Revision of Page 0-1
	43rd Revision of Page 0-1.19

Part 2 of this filing is being made by Qwest in its Tariff F.C.C. No. 1, Section 8, Advanced Communications Networks to offer a promotion for ATM, Local Area Network (LAN) Switching Service (LSS) and Frame Relay Service (FRS). Under the terms of this promotion, Qwest will waive the nonrecurring charges for customers who purchase ATM, FRS and LSS with term plans of 36-months or greater. This promotion will be in effect from October 6, 2003 through December 31, 2003.

Qwest is offering this promotion to stimulate demand. As a result of this promotion Qwest estimates that demand for these Services will increase as follows: 24 ATM Services, 1,254 Frame Relay Services and 3 LSS Services. Qwest expects a total increase in revenue of approximately $4,986,000 for the first twelve months.

Supporting information discussed under § 61.49 of the Commission's Rules is, to the extent applicable, included with this filing.

The Tariff filing fee in the amount of $695.00 is being paid by credit card through the appropriate entries in Section E of the ETFS generated Form 159.

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
Workpapers 1, 2, 3, 4, TS-1 and TS-2
Chart A
Appendix A
Tariff Review Plans