

TRANSMITTAL NO. 254
QWEST CORPORATION
TARIFF F.C.C. NO. 1
ACCESS SERVICE
DESCRIPTION AND JUSTIFICATION
QWEST DSL MARKET TRIAL

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1. Introduction And Description

This filing is being made by Qwest Corporation (Qwest) in its Tariff F.C.C. No. 1, Access Service, Section 19, Trial Services or Arrangements to introduce a market trial for Qwest's DSL Service. This market trial is designed to test customer acceptance of a "next day" expedite charge to have Qwest DSL Service installed the day after DSL service installation has been requested. This trial will be available to DMT QWEST Services in the following categories: *Qwest Choice DSL*, *Qwest DSL 640k*, *Qwest Choice DSL Deluxe*, *Qwest Choice DSL Premier*, *QWEST DSL PRO* (Professional), *Stand Alone Qwest DSL* and *Stand Alone Qwest DSL Premier*.

Based on the results of this trial, Qwest may introduce a "next day" charge in all study area locations or revise the amount of the charge. DSL Service is a Packet Switched type service and is excluded from price caps¹.

Program Detail

This trial targets DSL capable Qwest customers. The target customers will have expressed a need for service on short notice or be offered the next day installation in response to a competitive situation.

¹CC 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]."

Eligible customers will be offered this “next day” expedite from November 1, 2005 through January 31, 2006. Depending on the results of Qwest’s market trial, it is possible that Qwest may tariff this new offer in all study areas. However the charge may vary depending on customer input.

The rate for this service will be set at \$50.00

2. Rate Development

The rate for the Qwest DSL “next day” expedite charge was set in an effort to probe customer demand for this type of offering.

3. Demand And Revenue Impacts

3.1 Demand Impacts

Since the purpose of this market trial is to test the demand for a “next day” expedite charge, Qwest can only speculate at the demand impact. Qwest estimates that 392 customers will purchase service under this market trial.

3.2 Revenue Impacts

As a result of Market Trial, Qwest expects a total interstate revenue increase of \$19,600.

4. Unit Costs

4.1 Overview

This section describes how Qwest developed regional unit costs in support of its *Qwest DSL* “next day” expedite charge. This unit cost section describes the process used to develop the nonrecurring unit costs and provides a description of the Cost Workpaper.

The unit costs developed in this study reflect 2005 cost levels. The nonrecurring unit costs were developed using an incremental or “bottoms-up” cost methodology. Under this methodology, costs are determined by adding together all of the necessary equipment and/or labor expenses associated with providing the service on a forward looking basis. These costs depict the economic unit cost of offering the service.

4.2 Development of Nonrecurring Unit Costs

When a customer requests the service a one-time cost to provision the service is incurred. The nonrecurring provisioning rate element recovers this cost as well as the associated cost to disconnect the service at some later date.

The first step taken in developing the nonrecurring one time labor cost was to identify the various work groups and tasks required to install and disconnect the service. Next, Qwest estimates were used to develop average labor times per task. Once identified, the average labor times were multiplied by the appropriate labor rates to produce the cost per work group. The sum of all the work group costs produces the total cost.

The labor rates used in this study were developed by applying additional factors to cover administrative expense and business fees that are incurred with the new offering. Administrative expenses include the costs associated with the line and staff operations, which support the new service. Business fees include state level franchise taxes, municipal license fees and occupation taxes.

The work groups involved in providing Qwest DMT DSL Service are listed below along with their associated work functions (1) Consumer Service Center - The Consumer Service Center is responsible for taking orders, inputting customer information into the system and notifying customers of the time of installation; (2) You Can Call Center - You Can Call Center is responsible for placing orders when an employee refers the customer for an order; (3) RMSC – RMSC is responsible for manually typing and managing the Order; (4) LRAC – LRAC is responsible for managing technician times and workload.

4.3 Description Of Cost Workpaper

The nonrecurring unit costs were developed at a regional level. This Workpaper provides a detailed summary of the work groups, work times in minutes, hourly labor rates for each work group and the calculated inward and outward costs.

5. Workpaper – Nonrecurring Costs

State: Qwest

Labor Group	Time In Minutes	Labor Rate Per Hour	Costs
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DIGITAL SUBSCRIBER LINE - NEXT
DAY**Inward Costs**

CONSUMER SERVICE CENTER	1.40	\$47.21	\$1.10
YOU CAN CALL CENTER	3.20	\$47.21	\$2.52
RMSC (Regional Mktng Support Ctr)	10.00	\$47.21	\$7.87
LRAC (Local Resource Admin Center)	2.00	\$46.38	\$1.55
ADDITIONAL MODEM SHIPPING EXPENSE			\$3.38

Subtotal - Inward	16.60		\$16.41
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Outward Costs

Subtotal - Outward	0.00		\$0.00
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Total Inward & Outward	16.60		\$16.41
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