BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

WILLIAM A. MUNDELL Arizona Corporation Commission
CHAIRMAN

JIM IRVIN
COMMISSIONER

MARC SPITZER
COMMISSIONER

IN THE MATTER OF INVESTIGATION
INTO U S WEST COMMUNICATIONS,
INC.'S COMPLIANCE WITH CERTAIN
WHOLESALE PRICING REQUIREMENTS
FOR UNBUNDLED NETWORK ELEMENTS
AND RESALE DISCOUNTS.

Docket No. T-00000A-00-0194

COX ARIZONA TELCOM’S RESPONSE
TO QWEST’S EXCEPTIONS

Qwest’s exceptions regarding campus wire ignore the inherent unreasonableness of its subloop pricing proposals. In its exceptions, Qwest implies that campus wire is presently treated as “part of the subloop.” [Qwest Exceptions at 45] In fact, Qwest’s proposal in this docket is that campus wire should be priced at the entire distribution subloop price (i.e., everything but the feeder subloop). That proposed price is 70% of the entire loop price, even though the record in this docket confirmed that campus wire can consist of a very small portion of the loop (often a few hundred feet or less). Qwest has not refuted evidence showing that such egregious over-pricing chills competition (particularly for MDU tenants), discourages CLEC investment in distribution network and overcompensates Qwest.

Cox presented a pricing proposal that is consistent with the FCC’s view of “on-premises” wiring, in contrast to Qwest’s attempt to break the loop into campus wiring and intrabuilding wiring in such a manner as to inhibit competition. Cox’s proposal to price “campus wire” or “intrabuilding cable” as “on-premises wire” at the intrabuilding cable rate makes sense given that an intrabuilding cable pair (in a 40-story office building, for
example) can be significantly more extensive than a campus wire pair (in a small garden apartment complex, for example). As Cox set forth in its Post-Hearing Brief (at 7), Qwest’s own studies reveal that the entire cost of a 1000-foot campus wire pair is nominal — indeed, it is less than Qwest’s proposed monthly rate.

Finally, Qwest reiterates its contention that if campus wire is not priced at the full distribution subloop price, then the overall loop rate must be increased by some undefined amount. These are the same vague allegations that Qwest made in its rebuttal testimony about the impact of Cox’s position on campus wire. Qwest has yet to provide a concrete response even though Qwest has had plenty of notice about this issue and Cox’s position — not only in this docket, but also by the fact that the issue was deferred to this docket from the 271 docket.

Cox believes the ROO’s proposal regarding “on premises wire” will foster competition and is supported by the record. Qwest’s exceptions simply attempt to perpetuate its anticompetitive and unreasonable subloop pricing proposal.

RESPECTFULLY SUBMITTED February 1, 2002.

COX ARIZONA TELCOM. L.L.C.

By: Michael W. Patten
Roshka Heyman & DeWulf, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004
(602) 256-6100
ORIGINAl and 10 COPIES filed
February 1, 2002, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

COPIES hand-delivered February 1, 2002, to:

Dwight Nodes, Esq.
ALJ, Hearing Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Maureen Scott, Esq.
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

COPIES mailed February 1, 2002, to:

Timothy Berg, Esq.
FENNEMORE CRAIG, P.C.
3003 North Central, Suite 2600
Phoenix, Arizona 85012-2913

Richard S. Wolters, Esq.
AT&T COMMUNICATIONS, INC.
1875 Lawrence Street, Room 1575
Denver, Colorado 80202

K. Megan Doberneck, Esq.
COVAD COMMUNICATIONS COMPANY
7901 Lowry Boulevard
Denver, Colorado 82030

Michael Grant, Esq.
Todd C. Wiley, Esq.
GALLAGHER & KENNEDY
2575 East Camelback Road
Phoenix, Arizona 85016-9225
Thomas H. Campbell, Esq.
LEWIS & ROCA
40 North Central Avenue
Phoenix, Arizona 85007

Thomas F. Dixon, Jr., Esq.
MCI WORLDCOM
707 17th Street
Denver, Colorado 80202

Scott S. Wakefield, Esq.
David Pozefsky, Esq.
RESIDENTIAL UTILITY CONSUMER OFFICE
2828 North Central Avenue, Suite 1200
Phoenix, Arizona 85004

Steven J. Duffy, Esq.
RIDGE & ISAACSON P.C.
3101 North Central Avenue, Suite 1090
San Mateo, California 94404-2737

Eric S. Heath, Esq.
SPRINT COMMUNICATIONS COMPANY L.P.
100 Spear Street, Suite 930
San Francisco, California 94105

Jeffrey W. Crockett, Esq.
Jeffrey B. Guldner, Esq.
SNELL & WILMER, L.L.P.
One Arizona Center
Phoenix, Arizona 85004-2202

Mary E. Steele, Esq.
DAVIS WRIGHT TREMAINE, L.L.P.
2600 Century Square
1501 Fourth Avenue
Seattle, Washington 98101-1688

Dennis D. Ahlers, Esq.
ESCHELON TELECOM, INC.
730 Second Avenue South, Suite 1200
Minneapolis, Minnesota 55402