In response to Procedural Order dated June 20, 2002, WorldCom, Inc., on behalf of its Arizona operating affiliates ("WorldCom") provides the following list of issues that need to be addressed in Phases IIA and III. This filing will focus on the issues raised by WorldCom in the evidentiary hearings. WorldCom also adopts the issues listed by AT&T Communications in its List of Issues as well as the outstanding issues identified on the Price List attached to the June 26, 2002 Compliance Filing for Decision No. 64922.

Phases IIA Issues:

1. Remote Collocation. CLECs should be allowed to virtually collocate line cards in remote terminals; Qwest 28% remote collocation "overhead factor" should be reduced to 15%, and the remote collocation direct costs should be reduced by increasing the fill factor to be consistent with the Staff’s proposal and by using the lower
of the two vendor prices. See WorldCom’s December 19, 2001 Closing Brief pages 2 through 10.

2. Custom Routing. The definition of custom routing should be changed to eliminate the requirement that dedicated trunks be used; the 28% custom routing overhead figure should be reduced to 15%, and the custom routing direct cost should be reduced by a reasonable factor. See WorldCom’s December 19, 2001 Closing Brief, pages 10 through 14.

Phase III Issues:

1. Daily Usage Record Files and Category 10 and 11 information. See November 6, 2001 Stipulation filed by Qwest, WorldCom, AT&T, XO, Cox and Sprint.

2. ICB Pricing. See ACC Decision No. 64922, page 75, lines 15 through 18.

3. Directory Assistance Listing Information Database. See ACC Decision No. 64922, pages 77 and 78.

4. Information Services and Database elements. “Market based pricing” for information services and databases should be dealt with in Phase III unless Qwest has done a separate filing to deem these services competitive. See ACC Decision No. 64922, pages 75 through 77.

5. ICNAM per query pricing.


7. Depending on the resolution of customized routing in Phase IIA, it may be necessary to address OS/DA pricing on a TELRIC basis.
RESPECTFULLY SUBMITTED this 8th day of July, 2002.

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[Signature]

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ORIGINAL AND ten (10) copies
of the foregoing hand-delivered this
8th day of July, 2002, to:

Arizona Corporation Commission
Utilities Division – Docket Control
1200 W. Washington Street
Phoenix, Arizona 85007

COPY of the foregoing hand-delivered
this 8th day of July, 2002,
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COPY of the foregoing mailed
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