

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 01-02-024
(Filed February 21, 2001)

Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Loops in Its First Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 01-02-035
(Filed February 28, 2001)

Application of The Telephone Connection Local Services, LLC (U 5522 C) for the Commission to Reexamine the Recurring Costs and Prices of the DS-3 Entrance Facility Without Equipment in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-031
(Filed February 28, 2002)

Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Interoffice Transmission Facilities and Signaling Networks and Call-Related Databases in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-032
(Filed February 28, 2002)

Application of Pacific Bell Telephone Company (U 1001 C) for the Commission to Reexamine the Costs and Prices of the Expanded Interconnection Service Cross-Connect Network Element in the Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-034
(Filed February 28, 2002)

Application of XO California, Inc. (U 5553 C) for the Commission to Reexamine the Recurring Costs of DS1 and DS3 Unbundled Network Element Loops in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-03-002
(Filed March 1, 2002)

**OPINION MODIFYING DS-1 PORT RATE
IN DECISION 03-07-023**

Summary

This decision modifies the DS-1 port rate adopted in Decision (D.) 03-07-023, based on the joint petition for modification filed by Pacific Bell

Telephone Company, d/b/a SBC California (SBC-CA), and AT&T Communications of California, Inc. (AT&T). Appendix A of D.03-07-023 is modified to show the correct interim DS-1 port rate of \$6.31.

Background

In D.02-05-042, the Commission adopted interim rates for certain unbundled network elements (UNEs) that SBC-CA sells to competitive local exchange carriers. In D.02-09-052 (Port Discount Decision), the Commission expanded the scope of the UNEs subject to interim discounts to include all UNE ports. Around the same time, the Commission further modified UNE rates in D.02-09-049 (Markup Decision) by increasing the shared and common cost markup that is a component of UNE rates. SBC-CA submitted compliance filings in December 2002 and March 2003 to implement the rate recalculations required by this change to the markup. In D.03-07-023 (Markup Compliance Decision), the Commission approved the undisputed rate changes identified by SBC-CA in its compliance filings.

Petition for Modification

On April 2, 2004, SBC-CA and AT&T jointly filed a petition to modify the Markup Compliance Decision requesting correction of that decision to conform to the Port Discount Decision. Specifically, the Markup Compliance Decision adopted a DS-1 port rate of \$20.63, as calculated by SBC-CA, which did not include the 69.4% interim discount adopted in the Port Discount Decision. In short, the DS-1 port rate calculated by SBC-CA and adopted in the Markup Compliance Decision failed to apply the interim port discount adopted in the Port Discount Decision.

This error was acknowledged by SBC-CA following protests to its Advice Letter 24090 amending its interconnection agreements to conform to the Markup

Compliance Decision. (See Petition for Modification, 4/1/2004, p. 3.)

Furthermore, despite the Markup Compliance Decision adopting a DS-1 port rate of \$20.63, SBC-CA never implemented this rate and has charged carriers a DS-1 port rate of \$6.31, which it contends reflects the appropriate reductions from both the Port Discount Decision and the Markup Decision.

AT&T and SBC-CA have shown that the DS-1 port rate adopted in the Markup Compliance Decision failed to incorporate the 69.4% interim discount adopted in the Port Discount Decision. There were no comments on the petition for modification. We will modify Appendix A of D.03-07-023 to reflect application of the 69.4% interim port discount to the DS-1 port rate, resulting in a rate of \$6.31.

Waiver of Comment Period

According to Rule 77.7(f)(2) of the Commission's Rules of Practice and Procedure, this decision is an uncontested matter where the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Carl W. Wood is the Assigned Commissioner and Dorothy Duda is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. In D.02-09-052, the Commission concluded that an interim discount of 69.4% should apply to the DS-1 port rate.
2. In D.02-09-049, the Commission modified the shared and common cost markup applicable to SBC-CA's UNEs.

3. In D.03-07-023, the Commission failed to apply the 69.4% interim port discount to the recalculation of SBC-CA's DS-1 port rate following D.02-09-049.

Conclusion of Law

Appendix A of D.03-07-023 should be modified to show the application of the 69.4% interim port discount to the DS-1 port rate, resulting in an interim DS-1 port rate of \$6.31.

O R D E R

IT IS ORDERED that Appendix A of Decision 03-07-023 is modified to show a DS-1 interim port rate of \$6.31.

This order is effective today.

Dated _____, at San Francisco, California.

Appendix A

Adopted Rates

<u>Link</u>	<u>Adopted UNE Price</u> ¹	<u>Interim Discount</u> ²	<u>Interim UNE Price</u>
Basic or Assured Link (2-wire)	\$ 11.57	15.1%	\$ 9.82
Zone 1	\$ 9.71	15.1%	\$ 8.24
Zone 2	\$ 13.17	15.1%	\$ 11.19
Zone 3	\$ 23.19	15.1%	\$ 19.69
PBX Trunk Option	\$ 2.21		
Zone 1	\$ 2.26		
Zone 2	\$ 2.19		
Zone 3	\$ 1.89		
Coin Option	\$ 2.98		
Zone 1	\$ 3.04		
Zone 2	\$ 2.95		
Zone 3	\$ 2.54		
ISDN Option	\$ 4.51		
Zone 1	\$ 4.37		
Zone 2	\$ 4.73		
Zone 3	\$ 5.05		
Digital - 1.544 Mbps (DS1)	\$ 93.91		
Zone 1	\$ 89.68		
Zone 2	\$ 97.78		
Zone 3	\$ 119.40		
4-Wire - Link	\$ 36.27		
Zone 1	\$ 32.62		
Zone 2	\$ 39.46		
Zone 3	\$ 58.93		
4-Wire - CO Facility Interface Connection	\$ 15.15		
 <u>Entrance Facilities</u>			
Voice Grade (2W)	\$ 22.75		
Voice Grade (4W)	\$ 45.49		
DS1	\$ 152.57		
DS3	\$ 1,865.32		
DS3 (w/o equip)	\$ 733.47		
 <u>Multiplexing</u>			
DS0/DS1	\$ 259.83		
DS1/DS3	\$ 292.69		
 <u>Digital Cross Connect System (DCS) - Multiplexing</u>			
DS0/DS1 per channel	\$ 10.83		
DS1/DS3 per channel	\$ 10.45		

¹ These prices reflect a 21% shared and common cost markup and a 13% decrease in the expense portion of the recurring cost, in compliance with D.02-09-049.

² Interim Discounts as adopted in D.02-05-042 and D.02-09-052, where applicable

	<u>Adopted UNE</u> <u>Price</u> ¹	<u>Interim</u> <u>Discount</u> ²	<u>Interim</u> <u>UNE Price</u>
Switching			
Ports			
2-Wire Port	\$ 2.72	69.4%	\$ 0.83
Coin Port	\$ 3.66	69.4%	\$ 1.12
Centrex Port	\$ 4.21	69.4%	\$ 1.29
DID Port	\$ 4.11	69.4%	\$ 1.26
DID Number Block	\$ 0.96	69.4%	\$ 0.29
ISDN Port	\$ 13.93	69.4%	\$ 4.26
DS1	\$ 20.63	69.4%	\$ 6.31
Switch Features			
Call Forwarding Variable	\$ 0.52	69.4%	\$ 0.16
Busy Call Forwarding	\$ 0.51	69.4%	\$ 0.16
Delayed Call Forwarding	\$ 0.51	69.4%	\$ 0.16
Call Waiting	\$ 0.51	69.4%	\$ 0.16
Three Way Calling	\$ 0.52	69.4%	\$ 0.16
Call Screen	\$ 0.58	69.4%	\$ 0.18
Message Waiting Indicator	\$ 0.51	69.4%	\$ 0.16
Repeat Dialing	\$ 0.61	69.4%	\$ 0.19
Call Return	\$ 0.61	69.4%	\$ 0.19
Call Forward Busy/Delay	\$ 0.51	69.4%	\$ 0.16
Speed Calling 8	\$ 0.51	69.4%	\$ 0.16
Speed Calling 30	\$ 0.51	69.4%	\$ 0.16
Intercom	\$ 0.57	69.4%	\$ 0.17
Intercom Plus	\$ 0.57	69.4%	\$ 0.17
Remote Access to Call Forwarding	\$ 0.54	69.4%	\$ 0.17
Direct Connect - Shared	\$ 0.51	69.4%	\$ 0.16
Direct Connect - Unshared	\$ 0.51	69.4%	\$ 0.16
Select Call Forwarding	\$ 0.54	69.4%	\$ 0.17
Call Trace	\$ 0.52	69.4%	\$ 0.16
Speed Call 6	\$ 0.51	69.4%	\$ 0.16
Call Restriction	\$ 0.84	69.4%	\$ 0.26
Distinctive Ringing	\$ 0.51	69.4%	\$ 0.16
Directed Call Pickup	\$ 0.52	69.4%	\$ 0.16
WATS Access per Port	\$ 0.51	69.4%	\$ 0.16
WATS Access per Group	\$ 1.69	69.4%	\$ 0.52
Caller I. D.	\$ 0.68	69.4%	\$ 0.21
Caller I. D. Blocking	\$ 0.53	69.4%	\$ 0.16
Call Hold	\$ 0.51	69.4%	\$ 0.16
Remote Call Forwarding	\$ 0.92	69.4%	\$ 0.28
Hunting	\$ 0.26	69.4%	\$ 0.08
DNCF	\$ 0.95	69.4%	\$ 0.29
Switch Usage			
Interoffice - Originating			
Setup per Attempt	\$ 0.00572	69.4%	\$ 0.00175
Holding Time Per MOU	\$ 0.00179	69.4%	\$ 0.00055
Interoffice - Terminating			
Setup per Call	\$ 0.00678	69.4%	\$ 0.00208
Holding Time Per MOU	\$ 0.00181	69.4%	\$ 0.00055

	<u>Adopted UNE Price</u> ¹	<u>Interim Discount</u> ²	<u>Interim UNE Price</u>
Intraoffice			
Setup per Call	\$ 0.01299	69.4%	\$ 0.00397
Holding Time Per MOU	\$ 0.00350	69.4%	\$ 0.00107
Tandem Switching (associated with Shared Transport)			
Setup per Attempt	\$ 0.00074	79.3%	\$ 0.00015
Setup per Completed Message	\$ 0.00112	79.3%	\$ 0.00023
Holding Time Per MOU	\$ 0.00065	79.3%	\$ 0.00013
Tandem Switching (originally called "Overflow")			
Setup per Attempt	\$ 0.00546	79.3%	\$ 0.00113
Setup per Completed Message	\$ 0.00941	79.3%	\$ 0.00195
Holding Time Per MOU	\$ 0.00553	79.3%	\$ 0.00114
Trunk Port Termination			
End Office Termination	\$ 20.63	69.4%	\$ 6.31
Tandem Termination	\$ 140.03	79.3%	\$ 28.99
<u>Interoffice Transmission Facilities</u>			
Switched Transport - Shared			
Fixed Mileage per MOU	\$ 0.00120		
Variable Mileage per MOU per Mile	\$ 0.00002		
Switched Transport - Shared - Overflow			
Fixed Mileage per MOU	\$ 0.01084		
Variable Mileage per MOU per Mile	\$ 0.00002		
Switched Transport - Common			
Fixed Mileage per MOU	\$ 0.00127		
Variable Mileage per MOU per Mile	\$ 0.00002		
Dedicated Transport - Voice Grade			
Fixed Mileage	\$ 3.05		
Variable Mileage per Mile	\$ 0.19		
Dedicated Transport - DS1			
Fixed Mileage	\$ 32.15		
Variable Mileage per Mile	\$ 1.87		
Dedicated Transport - DS 3			
Fixed Mileage	\$ 375.36		
Variable Mileage per Mile	\$ 36.32		
<u>Expanded Interconnection Service Cross Connect (EISCC)</u>			
Voice Grade/ISDN			
EISCC	\$ 0.40		
Jack Panel	\$ 1.68		
DS0			
EISCC	\$ 25.20		
Jack Panel	\$ 5.41		
DS1			
EISCC	\$ 16.29		
Jack Panel	\$ 2.35		
Repeater	\$ 23.87		
DS3			
EISCC	\$ 46.44		
Jack Panel	\$ 26.20		
Repeater	\$ 102.89		

	<u>Adopted UNE Price</u> ¹	<u>Interim Discount</u> ²	<u>Interim UNE Price</u>
<u>White Page Listings</u>			
CLEC Listing	\$ 0.36		
<u>Operator Services</u>			
Directory Assistance per call	\$ 0.36		
Operator Services per Work Second	\$ 0.03		
<u>SS7</u>			
STP Port	\$ 266.11		
<u>SS7 Links</u>			
Voice Grade			
Fixed Mileage	\$ 3.05		
Variable Mileage per Mile	\$ 0.19		
DS1			
Fixed Mileage	\$ 32.15		
Variable Mileage per Mile	\$ 1.87		
<u>Unbundled Loops provided over DLC to an Entrant as a Digital Facility</u>			
per Digital Facility	\$ 24.28		
per Voice Line Activated	\$ 5.65		
<u>Data Base Query</u>			
800 Database - per Query	\$ 0.00213		
Line Identifier Database (LIDB) - per Query	\$ 0.00252		
<u>Dark Fiber</u>			
Dark Fiber -Interoffice per strand	\$ 11.10		
Dark Fiber - Interoffice per foot	\$ 0.00017		
Dark Fiber Loop - CO to Customer Prem-per strand	\$ 10.98		
Dark Fiber Loop - CO to Customer, per foot	\$ 0.00011		
Dark Fiber Subloop - CO to CEV/Hut/RT-per strand	\$ 10.98		
Dark Fiber Subloop - CO to CEV/Hut/RT per foot	\$ 0.00011		
Dark Fiber Subloop - CEV/Hut/RT to EU Prem per strand	\$ 10.98		
Dark Fiber Subloop - CEV/Hut/RT to EU Prem per foot	\$ 0.00011		
Dark Fiber Cross Connect - Interoffice	\$ 6.85		
Dark Fiber Cross Connect - Loop/Subloop	\$ 6.85		
Dark Fiber Cross Connect - Subloop	\$ 6.85		

(END OF APPENDIX A)